

# **B.C. Pavilion Corporation**

## **2021/22 – 2023/24 Service Plan**

**April 2021**



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## Board Chair's Accountability Statement



The 2021/22 – 2023/24 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. I am accountable for the contents of the plan, including what has been included in the plan and how it has been reported. I am responsible for the validity and reliability of the information included in the plan.

All significant assumptions, policy decisions, events and identified risks, as of March 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 black ink, appearing to read 'Ian Aikenhead'.

Ian Aikenhead, Q.C.  
Board Chair

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

In 2021/22, British Columbians continue to 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 the Government of British Columbia. The government has identified five foundational principles that will inform each Crown agency's policies and programs and contribute to COVID recovery: putting people first, lasting and meaningful reconciliation, equity and anti-racism, a better future through fighting climate change and meeting our greenhouse gas commitments, and a strong, sustainable economy that works for everyone.

B.C. Pavilion Corporation (PavCo) will continue to meet its mandate of generating economic and community benefit for the people of British Columbia while balancing the need to prudently manage its public facilities – BC Place and the Vancouver Convention Centre.

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 hospitality industry, PavCo's contribution to the economy of B.C. is vitally important to the overall economic recovery of our destination. PavCo's work aligns with Government's key priorities, including the specific priorities highlighted in its [2021/22 Mandate Letter](#) from the Minister of Tourism, Arts, Culture and Sport.

## **Operating Environment**

The impact of COVID-19 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 recovers as conditions allow. PavCo's two venues, the Vancouver Convention Centre and BC Place Stadium, have not hosted any major events since mid-March 2020, when B.C.'s Provincial Health Officer introduced the Order prohibiting gatherings of more than 50 people.

Globally, the entire events and meetings industry has been severely disrupted. PavCo will continue to actively engage with industry partners and key stakeholders regionally, nationally and internationally to contribute to best practices and solutions towards recovery, learn from other destinations and venues and be an active member in an important dialogue on the successful recovery of the events and meetings industry.

PavCo's business recovery is dependant on many factors. While the development of COVID-19 vaccines in Canada is a significant step forward, the organization does not anticipate an immediate rebound of events, conferences and international meetings in fiscal 2021/22.

Restoring confidence in meeting professionals to plan business meetings in other destinations, and people travelling again to attend large gatherings including conferences and sporting events will be critical to PavCo's and the industry's recovery. Safe travel protocols and the safe movement of people, lifting of travel restrictions and opening border and air access between Canada and the United States as well as other countries will also be necessary for business recovery. A return of consumer confidence in attending events with larger numbers of people following this restricted period is further critical to supporting the recovery efforts.

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 which have had to downsize their workforces, resulting in a loss of key expertise and a need for increased training as the industry begins to rebound and operations resume.

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

Diversification of markets will continue to be a focus for PavCo to address potential risks in any one market. PavCo will actively continue to explore alternative revenue streams and event opportunities that meet existing Public Health guidelines for fiscal 2021/22, and work to resume full operations as quickly as conditions allow. PavCo will continue to monitor trends and risks and will adjust its marketing and response efforts appropriately, while continuing to work with Provincial health partners to support the Province's pandemic response and recovery plans appropriately.

PavCo remains highly vested in B.C.'s Restart Plan and StrongerBC, B.C.'s Economic Recovery Plan. BC Place and the Vancouver Convention Centre continue to work closely with clients, partners and stakeholders to find opportunities and solutions that support the safe, gradual recovery of business, the tourism industry and B.C.'s economy. Both venues have successfully received facility accreditation through the Global Biorisk Advisory Council (GBAC) STAR program with the International Sanitary Supply Association (ISSA), the worldwide cleaning industry association. This industry accreditation is considered the gold standard for safe and clean facilities in North America, with a focus on outbreak prevention, response and recovery.

The COVID-19 pandemic significantly reduced economic activity in B.C. in 2020. The ongoing evolution and economic cost of the pandemic on B.C. and its trading partners remains highly uncertain. The Economic Forecast Council (EFC) estimates a 5.1 per cent decline in B.C. real GDP in 2020 and expects growth of 4.9 per cent in 2021 and 4.3 per cent in 2022. Meanwhile for Canada, the EFC projects national real GDP growth of 4.7 per cent in 2021 and 4.2 per cent in 2022, following an estimated decline of 5.4 per cent in 2020. As such, B.C.'s economic growth is expected to outperform Canada's in the coming years. The pandemic has increased risks to B.C.'s economic outlook, such as the timing of the global vaccination rollout, extended travel restrictions, a weaker global recovery, and the continued impact of a slower recovery in some sectors of the B.C. economy. Further risks include ongoing uncertainty regarding global trade policies and lower commodity prices

## **Performance Planning**

PavCo values the relationship it has with its responsible ministry, the Ministry of Tourism, Arts, Culture and Sport. PavCo regularly engages with the Ministry on strategic priorities and new opportunities and will continue to do so on future projects to deliver on its mandate, including aligning programs and investments with the strategies outlined by the Ministry as well as other emerging government priorities.

PavCo selected its goals to focus on the most significant areas of impact to its business and align with government's strategic direction. The objectives, strategies and performance measures used to evaluate progress on PavCo's strategic goals reflect the different types of business generated by each facility.

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

PavCo's focus and response to the COVID-19 pandemic will be guided by two phases within this Service Plan period: Resuming Business (2021/22) and Recovery (2022/23-2023/24) as we work to recover financially towards pre-pandemic levels.

In fiscal year 2021/22, PavCo is forecast to generate \$16 million in economic benefit and provide community benefit for the people of British Columbia through the prudent management of its public facilities. In normalized years pre COVID-19 pandemic, PavCo generated between \$450 million to \$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 resumption of several smaller, modified activities, and will build on those experiences to develop more opportunities that can be hosted in the venues.

Throughout Fiscal Year 2021, PavCo has worked closely with B.C. healthcare partners including Vancouver Coastal Health (VCH) and the Public Health Services Association to support the Province's Pandemic Response Plan. The Vancouver Convention Centre has been the location of the Alternate Care site for VCH since April 2020 and in the fall of 2020 has also been a location for the B.C. Centre for Disease Control as a call centre and centralized test processing location. As the Province continues to navigate the pandemic response and recovery, PavCo is prepared to continue to be a partner as needed.

PavCo's facilities are two of the largest community gathering places in British Columbia and prior to the pandemic hosted events such as global summit meetings and world-class sporting, community, cultural and entertainment events. In addition, the events and activities held at BC Place and the Vancouver Convention Centre provide a platform for an important exchange of information and knowledge across industry sectors, including medicine, education, technology and science. 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.

## **Objective 1.1: Improved attendance and economic benefits to the Province**

In fiscal 2021/22, PavCo's major focus is resuming business and maximizing economic benefit where possible as B.C. prepares to enter Stage 4 of the Restart plan and large-scale events may proceed again. PavCo will continue to pursue opportunities for both venues that meet Public Health orders and help reignite the Province's economy.

### **Key Strategies**

- Execute sales and marketing initiatives, such as increased collaboration with partners and leveraging relationships with decision makers, to attract events that will optimize economic benefit for B.C. commencing with local and regional ones then working to national and international as conditions allow.
- Engage with local community and other stakeholders to increase awareness of PavCo's activities and provide opportunities to enhance community benefit.
- Pursue business development in international markets for long-term revenue growth and to generate economic benefit.
- Diversify markets and revenue streams to drive and stabilize long-term business.
- Determine ways to reduce operating costs and improve efficiencies through a continual model of improvement throughout the organization.

B.C. Pavilion Corporation

Performance Measures	2019/20 Baseline <sup>5</sup>	2020/21 Forecast	2021/22 Target	2022/23 Target	2023/24 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	\$15 M	\$98 M	\$251 M	\$309 M
1.1b Economic impact at BC Place from all spending <sup>1</sup>	\$148 M	\$1.5 M	\$60 M	\$122 M	\$125 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	\$13 M	\$82 M	\$211 M	\$260 M
1.1d Economic impact at BC Place from spending by visitors from outside British Columbia <sup>1</sup>	\$29 M	\$0.385 M	\$12 M	\$23 M	\$25 M
1.1e Delegate days to Vancouver Convention Centre by visitors from outside British Columbia <sup>2</sup>	0.421 M	0.026 M	0.127 M	0.325 M	0.401 M
1.1f Delegate days for all visitors outside Metro Vancouver to Vancouver Convention Centre <sup>2</sup>	0.620 M	0.035 M	0.168 M	0.431 M	0.532 M
1.1g Total attendance at BC Place events <sup>3</sup>	1.019 M	0.005 M	0.293 M	0.683 M	0.697 M
1.1h Operating deficit target, before government sustaining contributions <sup>4</sup>	\$8.817 M	\$37.017 M	\$38.434 M	\$28.195 M	\$23.093 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 2020/21 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: 2019/20 (\$4.960M), 2020/21 (\$24.825M), 2021/22 (\$27.445M), 2022/23 (\$17.388M) and 2023/24 (\$12.486M).

<sup>5</sup> Baseline reflects 2018/19 actual results and represents normalized operations before the impact of the pandemic.

## **Linking Performance Measures to Objective**

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.

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**

Due to the challenges presented by the COVID-19 pandemic, PavCo will not meet its economic impact, attendance and operating deficit targets for 2020/21. Further, targets set out in the 2021/22 to 2023/24 Service Plan have been modified to reflect the impact of the pandemic and PavCo's expected performance levels through subsequent years within the Service Plan timeframe.

Attendance and economic impact continue to be central objectives and there are no substantive changes to this goal or its associated performance measures. Projections for 2021/22 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. It is not anticipated that large-scale meetings, gatherings and events will be possible until at least October 2021 when it is expected that B.C. enters Phase 4 of the Restart Plan.

### Vancouver Convention Centre-related Performance Measures

The Vancouver Convention Centre creates economic impact by attracting delegates and exhibitors to the Convention Centre from outside Metro Vancouver, with the largest contribution to overall economic impact from attendees who come from outside of British Columbia (non-resident delegates) to 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, and likely stayed at a local hotel and visited restaurants, retailers or other hospitality businesses. The majority of delegates have multiple delegate days per visit.

As verified through historical delegate surveying, it is estimated that the average non-resident delegate spends \$1,434 (per visit) as a result of attending an event at the Convention Centre, the majority of which is spent on accommodations, meals, retail and transportation.

Increases to future targets for performance measures 1.1a, 1.1c, 1.1e and 1.1f compared to 2020/21 forecast amounts reflect an expectation of greater certainty and growth beyond the current year's forecast. 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 shapes and sizes including banquets, 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 to take place until a more appropriate time where larger meetings and events can resume. For example, the Vancouver Convention Centre is hosting Imagine Van Gogh: the Original Immersive Exhibition, from mid-March through August 2021, as a contactless experience, with measures such as limited capacity and timed entries.

While the COVID-19 pandemic has had a devastating impact on bookings in the last and current fiscal years, 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, culture, entertainment and film. This approach ensures an optimum mix of business to support meeting PavCo's mandate to generate economic and community benefits.

#### BC Place Stadium-related Performance Measures

As the largest multipurpose facility of its kind in the region, 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. Attendance drives sales of stadium services, primarily food and beverage.

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 weekend dates) are either confirmed as occupied or tentatively held by resident sports teams. Currently, both the Canadian Football League and the Major League Soccer association are developing plans to host a season in some form in 2021, but those plans are dependent on the ability to operate within the Public Health guidelines. 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 and film and television business. For example, due to COVID-19 health and safety restrictions, the annual CONTACT Winter Music Festival at BC Place was reimagined for 2021 and was filmed atop the BC Place roof and broadcast in February 2021. The live entertainment market remains very cyclical in nature; revenue from these events is projected only when there is high certainty they will transpire.

## Goal 2: Provide exceptional customer service

PavCo continues to support clients in rescheduling their events to future dates and exploring alternative event designs that meet Public Health guidelines while also supporting the Province’s Pandemic Response Plan as required. PavCo’s venues will focus on providing a safe and welcoming environment for all attendees, adhering to the comprehensive safety plans developed for both facilities, as well as to provide the exceptional level of service they are known for. Both venues are working 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.

Given the major interruption in business plan activities in 2020/21, PavCo held client focus groups in December 2020 and January 2021, seeking feedback from key clients on how the organization can be an effective partner in delivering events post-pandemic. PavCo will use the feedback from these sessions to help clients host successful future events in its venues.

### Objective 2.1: Deliver exceptional customer service to support growth

#### Key Strategies

- Ensure event planning and operations provide superior value to clients.
- Provide an exceptional service culture that ensures PavCo and its suppliers’ staff provide seamless, superior service delivery.

Performance Measures	2019/20 Baseline	2020/21 Forecast	2021/22 Target	2022/23 Target	2023/24 Target
2.1a Service Quality - Loyalty Index, Convention Centre <sup>1</sup>	9.3/10	9.4/10	Maintain or improve	Maintain or improve	Maintain or improve
2.1b Client Satisfaction, BC Place <sup>2</sup>	4.3/5	4.3/5	Maintain or improve	Maintain or improve	Maintain or improve
2.1c Guest Satisfaction, BC Place <sup>3</sup>	4.2/5	Postponed	Maintain or improve	Maintain or improve	Maintain or improve

Data Sources:

<sup>1</sup> At the Vancouver Convention Centre, a Client Loyalty Index is used to measure service quality. This combines overall satisfaction with the client’s likelihood to rebook and recommend the facility as measured by surveys conducted by Sentis Market Research. The survey, which is sent to all clients, 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> A comprehensive on-line Client Satisfaction Survey was developed in 2013 and 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 Client Satisfaction Survey. Scores are from a total out of 5.

<sup>3</sup> Guest satisfaction surveys are regularly undertaken at BC Place, including capturing results collected via touch-screen stations distributed throughout the Stadium. Results are collected during BC Lions games, Whitecaps FC matches and other public events. Data from the survey measures guest satisfaction in guest service, food and beverage and overall experience at the facility. Scores are from a total out of 5. With limited attendance in Fiscal Year 2020/21, this survey was not undertaken; however, it is expected to resume in Fiscal Year 2021/22.

## **Linking Performance Measures 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 growth.

### **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. Highly engaged employees tend to have increased levels of productivity, collaboration, commitment and are more innovative.

#### **Objective 3.1: Attract and retain a highly engaged workforce**

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

#### **Key Strategies**

- Optimize organizational structure to ensure clear decision making and accountability, cultural alignment and utilisation of best practices across PavCo.
- Enable employees to be dynamic and productive, while contributing to a positive work culture through industry-leading policies, employee programs, practices and technology infrastructure.
- Continue to invest in our team through PavCo's total compensation programs, which attract great candidates and retain top performers to support our recovery and growth strategies.
- Elevate focus on employee well-being through programs that support mental health, wellness and resiliency.
- Optimize leader and employee effectiveness by investing in talent management programs, including career, leadership and professional development, succession planning and performance management.

- Ensure the organization’s employee relations climate remains respectful, fair and encompasses our Diversity & Inclusion strategy, which further fuels a culture of innovation and growth where team members feel a sense of belonging, understanding and equal opportunity.

Performance Measures	2019/20 Baseline	2020/21 Forecast	2021/22 Target	2022/23 Target	2023/24 Target
3.1a Employee Engagement – Score on Employee Surveys, PavCo <sup>1</sup>	69%	Postponed	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%	Postponed	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%	Postponed	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. Due to COVID-19 impacts, significant downsizing, and fluctuations of workforce in 2020 and a fiscal management decision, the annual Great Place to Work Survey did not take place in 2020/21. Employee engagement remains a goal for PavCo and such, the survey is expected to resume starting in 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.

### Linking Performance Measures to Objective

3.1ac Employee engagement scores are direct indicators of a highly engaged workforce.

### Discussion

In 2020/21, PavCo’s workforce was severely impacted due to COVID-19 with a significant number of temporary staff reductions and fluctuations throughout the year. PavCo focused on strategies to retain employment continuity and support team members as much as possible. Despite the challenging circumstances and impact to the organization and industry, PavCo has been successful in retaining 92 per cent of our permanent full time and part-time employees to date. As a comparable, PavCo retained 88 per cent of permanent full time and part-time staff in 2019/20 the prior year.

Given these workforce impacts, the organization decided to pause its annual engagement survey and instead focus on implementing a number of different approaches throughout the year to enhance ongoing communications and connectivity with its workforce. These approaches

included increased leader one-on-one meetings, weekly check-ins with staff, town hall meetings, CEO coffee chats, mini Pulse surveys and virtual social events.

Continued focus has been placed on supporting wellness through the introduction of work from home tools, ongoing wellness training offerings for all team members related to mental health, stress, building resilience, anxiety and numerous other topics. PavCo's Ignite leadership program continued with over 50 leaders participating throughout 2020/21. Additionally, PavCo completed Diversity and Inclusivity focus groups with team members across the organization to understand their experience and perspective at PavCo. These focus groups serve as a baseline of information upon which to build PavCo's Diversity and Inclusivity strategy. In 2021/22, PavCo will focus on these key initiatives to continue to improve employee engagement across both facilities and corporate office.

## Financial Plan

### Financial Summary

(\$ millions)	2020/21	2021/22	2022/23	2023/24
	Forecast	Budget	Plan	Plan
<b>Total Revenue</b>				
Sales	8.314	26.695	58.624	68.893
Other Revenues	0.092	3.000	3.006	18.006 <sup>1</sup>
Amortization of Contributions:				
Sustaining <sup>2</sup>	37.162	17.101	7.001	7.001
Deferred	35.425	35.735	35.435	35.660
<b>Total Revenue</b>	<b>80.993</b>	<b>82.531</b>	<b>104.066</b>	<b>129.560</b>
<b>Total Expenses</b>				
Cost of Sales	2.469	14.823	31.701	36.086
Staff	15.770	22.245	24.586	25.151
Fees	1.896	2.383	2.861	2.907
General and Administration	3.746	4.231	4.414	4.478
Business Development	0.102	0.649	0.860	0.875
Operations and Maintenance	9.248	12.809	14.596	14.888
Loan Interest	4.392	4.294	4.192	4.086
Amortization	43.225	42.430	42.050	42.181
<b>Total Expenses</b>	<b>80.848</b>	<b>103.864</b>	<b>125.260</b>	<b>130.652</b>
<b>Annual Surplus (Deficit)</b>	<b>0.145</b>	<b>(21.333)</b>	<b>(21.194)</b>	<b>(1.092)</b>
<b>Total Debt</b>	131.983	128.973	125.862	122.648
<b>Accumulated Surplus (Deficit)</b>	47.169	25.836	4.642	3.550
<b>Capital Expenditures</b>	10.000	10.000	10.000	10.000

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

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

<sup>2</sup> Amount includes additional funding for COVID relief for Fiscal Years 2021 and 2022

## **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 impacts of the COVID-19 pandemic on PavCo's operations and sales cycles in FY2019/20 and carrying onto FY2020/21, it is important to note that the impact of the global and regional economic recovery from the pandemic 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 FY2021/2022 at the earliest, and it is anticipated that this recovery will take an extended period of time.

Other external influences include hydro costs, which are a major component of facility operating costs. Fluctuating fuel and energy usage can significantly impact costs during the winter months. 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 recovery from COVID-19, 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.

The Vancouver Convention Centre continues to receive recognition for excellence. In 2019/20, the Convention Centre was recognized as a Social Procurement Champion by Exchange Inner City and Buy Social Canada for demonstrating excellence in social procurement. The facility was also recognized with the BC Hydro Power Smart Lighting Redesign Award for sustainable lighting upgrades to the Vancouver Convention Centre exhibition areas. PavCo will leverage these awards in sales and marketing initiatives to further enhance the Convention Centre's reputation.

BC Place is implementing aggressive marketing strategies to build on the success of hosting major international events, including the annual HSBC Canada Sevens, Canada's national soccer and rugby team matches, and other championship sporting events. In addition to major sporting and entertainment events, there will be an increased focus on attracting a diverse range of special and emerging events that showcase the versatility of the facility, such as more filming at BC Place.

PavCo maintains its focus on continuous improvement and internal efficiency to enhance profitability without diminishing service levels to its clients and guests.

PavCo continues to pursue the development of surplus lands and increased advertising revenues to optimize corporate profits.

## 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, 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 Sevens and the BC Sports Hall of Fame.

PavCo stakeholders also include but are not limited to: Tourism 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)	2020/21	2021/22	2022/23	2023/24
	Forecast	Budget	Plan	Plan
<b>Total Revenue</b>				
Sales	6.490	19.620	45.875	55.892
Other Revenues	0.000	0.000	0.000	0.000
Amortization of Contributions:				
Sustaining	16.807	7.816	2.346	3.282
Deferred	18.953	20.176	20.580	20.786
<b>Total Revenue</b>	<b>42.250</b>	<b>47.612</b>	<b>68.801</b>	<b>79.930</b>
<b>Total Expenses</b>				
Cost of Sales	2.165	10.753	25.222	29.477
Staff	9.355	13.200	14.688	15.049
Fees	0.681	1.043	1.344	1.361
General and Administration	2.143	2.375	2.418	2.443
Business Development	0.078	0.361	0.535	0.547
Operations and Maintenance	7.411	9.032	10.188	10.392
Loan Interest	0.000	0.000	0.000	0.000
Amortization	20.349	20.433	20.842	21.050
<b>Total Expenses</b>	<b>42.182</b>	<b>57.197</b>	<b>75.237</b>	<b>80.319</b>
<b>Annual Surplus (Deficit)</b>	<b>0.068</b>	<b>-9.585</b>	<b>-6.436</b>	<b>-0.359</b>

**BC Place**

**Financial Summary**

(\$ millions)	2020/21	2021/22	2022/23	2023/24
	Forecast	Budget	Plan	Plan
<b>Total Revenue</b>				
Sales	1.824	7.075	12.749	13.001
Other Revenues	0.092	3.000	3.006	18.006 <sup>1</sup>
Amortization of Contributions:				
Sustaining	20.355	9.285	4.655	3.719
Deferred	16.472	15.559	14.855	14.874
<b>Total Revenue</b>	<b>38.743</b>	<b>34.919</b>	<b>35.265</b>	<b>49.600</b>
<b>Total Expenses</b>				
Cost of Sales	0.304	4.07	6.479	6.609
Staff	6.415	9.045	9.898	10.102
Fees	1.215	1.34	1.517	1.546
General and Administration	1.603	1.856	1.996	2.035
Business Development	0.024	0.288	0.325	0.328
Operations and Maintenance	1.837	3.777	4.408	4.496
Loan Interest	4.392	4.294	4.192	4.086
Amortization	22.876	21.997	21.208	21.131
<b>Total Expenses</b>	<b>38.666</b>	<b>46.667</b>	<b>50.023</b>	<b>50.333</b>
<b>Annual Surplus (Deficit)</b>	<b>0.077</b>	<b>-11.748</b>	<b>-14.758</b>	<b>-0.733</b>

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