



2008/09 - 2010/11 Service Plan



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Library and Archives Canada Cataloguing in Publication Data

Vancouver Convention Centre Expansion Project.

Service plan. – 2003/04/2005/06/2006/07-

Annual.

Also available on the Internet.

ISSN 1718-0007 = Service plan – Vancouver Convention Centre Expansion Project.

1. Vancouver Convention Centre Expansion Project – Periodicals. 2. Vancouver Convention and Exhibition Centre - Periodicals. 3. Convention facilities - British Columbia - Vancouver – Planning - Periodicals. I. Title. II. Title: Vancouver Convention Centre Expansion Project Ltd. ... service plan.

NA6880.5 C32V36

725'.91'0971133

C2005-960247-3

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Message from the Board Chair to the Minister Responsible

To the Minister of Tourism, Sport and the Arts:

On behalf of the Vancouver Convention Centre Expansion Project Ltd. (VCCEP) Board of Directors, I am pleased to present the Corporation's Service Plan for the fiscal years 2008/09 through 2010/11.

VCCEP was incorporated on February 13, 2003 to design, construct, and commission an expansion to the existing Vancouver Convention and Exhibition Centre, including a connector between the new and existing facilities, and to undertake renovations within Canada Place.

As previously reported, this Project will provide much needed expansion of convention facilities in the Lower Mainland. On completion, the expanded convention centre (existing and expansion facilities combined) will feature 718,000 square feet of function space and 366,000 square feet of back of house and support space for a total of 1,084,000 square feet. The expansion will also have 90,000 square feet of retail space and 443 parking stalls. The expanded Centre's capacity can accommodate conventions of up to 10,000 delegates (or multiple smaller ones simultaneously) and could operate at close to one million delegate days per year.

VCCEP represents a significant investment in tourism for the province. The total final budget for this Project including the expansion, upgrades of the existing Vancouver Convention and Exhibition Centre, and the interconnection of the existing and new facilities has been set at \$883.2 million. The Expansion facility and its connector will be completed by March 15, 2009. The timing of completion of the upgrades to Canada Place remain subject to confirmation of convention bookings by BC Pavilion Corporation (PavCo) and finalization of use by VANOC for the 2010 Winter Olympic and Paralympic Games.

Significant cost escalation and skilled labour availability pressures persists in the Vancouver construction market. VCCEP is effectively responding to these challenges through its conclusion of a stipulated lump sum construction contract with PCL Constructors Westcoast Ltd., expanded Board membership, additions of highly experienced Owner's Representatives, and senior management changes including the appointment of a new Board Chair and President.

VCCEP is participating with PavCo in the implementation of a new corporate and governance model which may result in an amalgamation of the companies in fiscal 2008/09. A new governance model is not expected to impact upon VCCEP's mandate to complete the construction and commissioning of the expansion facility by VCCEP's current Project team by March 15, 2009 within the Project's approved final budget. Should an amalgamation occur, VCCEP's mandate to construct the approved upgrades to the existing Canada Place facilities would likely be transferred to the amalgamated Corporation for completion by a team to be confirmed in conjunction with confirmation of the optimal timing of the upgrades completion post 2010.

The 2008/09 – 2010/11 Vancouver Convention Centre Expansion Project Service Plan was prepared under the Board's direction in accordance with the *Budget Transparency and Accountability Act* and the *BC Reporting Principles*. The plan is consistent with government's strategic priorities. The Board is accountable for the contents of the plan, including the selection of performance measures and targets

which are based upon the progress of the Project to date and an assessment of the environment in which VCCEP is completing its design and construction of the Expansion Project.

All significant assumptions, policy decisions, and identified risks as of January 24, 2008 have been considered in preparing the plan. The performance measures presented are consistent with the Vancouver Convention Centre Expansion Project's (VCCEP) mandate and goals, and focus on aspects critical to the Corporation's performance. The performance targets in this plan have been determined based on an assessment of Vancouver Convention Centre Expansion Project Ltd.'s operating environment, forecast conditions, risk assessment and past performance.

A handwritten signature in blue ink that reads "Dave Podmore". The signature is fluid and cursive, with the first name "Dave" and last name "Podmore" clearly legible.

David R. Podmore, Chair
VCCEP Board of Directors

Organizational Overview

The Vancouver Convention Centre Expansion Project Ltd. (VCCEP) is a Provincially held limited corporation incorporated under the *BC Business Corporations Act*. VCCEP was established to design, construct, commission and own the Vancouver Convention and Exhibition Centre Expansion Project.

VCCEP reports to the Minister of Tourism, Sport and the Arts through an independent Board of Directors that provides direction and leadership to the Corporation. (See Corporate Governance section for further details on Board structure.)

The Board of Directors has adopted the guiding principles included in the Provincial Government's Crown Corporation Governance Framework. Directors adhere to the governance principles of the Crown Agency Accountability System and the Board Resourcing and Development Office's Best Practices Guidelines for governance and disclosure requirements. The Board of Directors appoints a President to manage the completion of the Expansion Project in accordance with VCCEP's corporate principles and policies

Since the establishment of a common membership for the Boards of VCCEP and BC Pavilion Corporation (PavCo) in April, 2007, direct communication amongst the management teams of VCCEP and PavCo (existing Trade & Convention Centre (VCEC) division) is occurring on all design matters potentially impacting future operation. This increasingly integrated relationship bodes well for a seamless transition under the proposed amalgamation of the two Corporations in Spring 2008.

VCCEP currently has four full and part-time employees and also utilizes the equivalent of 14.5 FTE's of contract project management and administrative staff.

The Corporation's Project office is located, and may be contacted, at:

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Expansion Project Overview

The scope of the Project includes the design, construction and commissioning of an expansion to the existing Vancouver Convention and Exhibition Centre, a connector between the new and existing facilities, and renovations to existing facilities within Canada Place.

Since the last Service Plan Report in February, 2007 VCCEP continued to face significant challenges through mid-2007 in managing its construction expenditures as escalation of material costs and labour challenges considerably exceeded forecasts. Prior to receipt of its final Project Budget, VCCEP received incremental interim budgetary lifts totaling \$154.1 million in order to enter into the conversion of its Construction Management contract into a lump-sum agreement and to enter into schedule-sensitive construction commitments impacted by unbudgeted cost escalation. A final Budget of \$883.2 million was approved by Treasury Board in July, 2007. This additional lift in budget also reflects increased Scope for the Project.

The Project Budget of \$883.2 million has contributions confirmed as follows:

	(\$ in thousands)
Province of BC	\$540,701 ⁽¹⁾
Government of Canada	222,500
Tourism Vancouver	90,000
VCCEP-Generated Revenue	<u>30,000⁽¹⁾</u>
Total	<u>\$883,201</u>

⁽¹⁾ VCCEP has negotiated revenue generation through a number of supplier and commercial programs. At the direction of the Shareholder, the majority of this revenue may be taken either as upfront payments to reduce the Provincial contribution, or, taken over a period of years to potentially offset annual operating costs of the Convention Centre. VCCEP is forecasting up to \$56.0 million of revenue is realizable in up-front payments or in a commensurate amount over an operating period; a further \$20 million will be earned by cash management.

Of significant note is the decision by the Province to augment its investment in the expansion of the convention centre by incorporating incremental funding within the \$883.2 million budget for the addition of the following elements to the scope of the Project:

- \$18.6 million for enhancements (new total \$38.6 million) to the Canada Place/Hotel entrance to the expansion facility's Connector including an integrated building façade and Plaza retrofits;
- \$16.2 million for additional upgrades (new total \$36.2 million) to PavCo's existing meeting and service facilities to ensure that they are comparable to the standards of the expansion building; and
- \$8.0 million for enhancements of the interior decorum to ensure that it presents a visually striking theme representative of British Columbia.

The Expansion and Connector Projects are scheduled for substantial completion on March 15, 2009. Confirmation of a schedule for completion of the Canada Place Upgrades Project is dependent upon confirmation of convention bookings by PavCo and upon negotiations yet to be completed with VANOC as

the Expansion and existing facilities will be made available as the international broadcast and media centres, respectively, for the 2010 Winter Olympic and Paralympic Games.

Since our last report in February 2007, VCCEP has made progress through December 31, 2007 as follows:

- Completed negotiations to transfer the remaining construction cost and schedule risks for the Expansion construction through the conversion of its Construction Manager's contract to a Stipulated Lump Sum Agreement.
- Completed the Expansion's concrete foundation.
- Completed 85% of the structural steel erection.
- Completed 20% of exterior glazing.
- Commenced construction of the living roof.
- Commenced with the interior finishes for the building.
- Completed 25% of the Connector construction.
- Completed 25% of its Water Management Showcase project.
- Commenced construction of the central heating and cooling plant.
- Tendered 86% of its construction requirements.
- Concluded an all party agreement for the design of an enhanced connector entrance adjacent to the Pan Pacific Hotel Lobby.
- Commenced construction of communications and kitchen facilities upgrades.
- Commenced construction of the enhanced plaza entrance.
- Completed negotiation of an agreement for a commercial development program under its revenue generation program.
- Realized independent third party contributions to the Project that leverage the public's investment in the Project.

In addition to progressing the facility's construction for completion by March 15, 2009, VCCEP is currently undertaking the following:

- Continued exploration of options to maximize the sustainable attributes of the new facility.
- Continued exploration of options to further leverage the return on the public investment in the facility by identifying additional third party contributions towards enhancements to the facility.

Corporate Governance

MINISTER RESPONSIBLE

Honourable Stan Hagen, Minister of Tourism, Sport and the Arts.

The Corporation maintains an effective working relationship with the Minister and his senior Ministry staff through monthly Project reporting and regular in-person meetings of the Chair and senior staff. VCCEP also provides monthly reports to Treasury Board staff and other key stakeholders.

BOARD OF DIRECTORS

VCCEP is currently governed by an independent eleven-member Board of Directors appointed by the Shareholder. Current members include the following:

- David Podmore (Chair) – President & CEO, Concert Properties
- Mark Andrew – General Manager, Fairmont Hotel Vancouver
- Derek Brindle – Lawyer, Singleton Urquhart
- Peter Brown – Chairman, Canaccord Capital Inc.
- Bob Bryant – Independent Consultant
- Susan Gomez – Independent Consultant
- John Horning – Senior Vice-President and CFO, International Forest Products Limited
- Dan Jarvis – President, Destination Club
- Miriam Kresivo – General Counsel & Corporate Secretary, Chevron Canada
- Terry A. Lyons – Chair, Northgate Minerals Corporation
- Grant Ritchie, P. Eng. – Independent Consultant

These eleven members also serve as the Board of Directors for PavCo. Biographies of the Board members are published on the VCCEP website (www.vccep.bc.ca).

The activities of the Board are guided by the VCCEP Board of Directors Charter. VCCEP has a clear understanding of the roles and responsibilities of its Shareholder and Minister Responsible which are outlined in its *Shareholder's Letter of Expectations*. The Shareholder's Letter of Expectations and Board Charter are available on the VCCEP website (<http://www.vccep.bc.ca/theproject/governance.html>).

The Board Chair, President, and Corporate Secretary ensure that the Board encourages new Directors to participate and be effective as soon as possible. The President and Corporate Secretary provide new Directors with a reference guide "VCCEP Board of Directors Guidebook" and a personal Project briefing. VCCEP also provides ongoing education for Directors with respect to the organization, its sector and corporate governance. Directors are encouraged to attend educational opportunities in the areas of organization and corporate governance. In addition, the Project Team conducts briefings and Board presentations on a regular basis.

VCCEP's Directors routinely meet together in an 'In Camera' session, without Management present, at Board and Committee meetings that is included as a standing item on all agendas.

VCCEP's Directors engage in annual self appraisal of the function of the Board, its Committees and its President.

COMMITTEES

In addition to alterations to the Board's structure, the incoming Chair also restructured VCCEP's Committees.

Audit Committee

The primary function of the Audit Committee is to deal with Audit related matters. The Audit Committee is empowered to independently investigate any matters of concern that come to its attention. The Terms of Reference for the Audit Committee are posted on VCCEP's website. The Audit Committee is comprised of the following Directors, each with extensive financial expertise.

- Terry A. Lyons, Chair
- John Horning
- Dan Jarvis

The Chair of the Committee also serves as the independent direct recipient of any confidential information that may be forwarded under the Corporation's Whistleblowing Policy.

Governance and Corporate Reorganization Committee

The Governance and Corporate Reorganization Committee replaced the previous Committee of the Whole. This Committee deals with Governance, Board and Senior Staff Performance, Remuneration and Human Resources and will undertake the development of the framework for the proposed amalgamation of VCCEP and PavCo into one entity. The Committee is currently comprised of the following Directors:

- Miriam Kresivo, Chair
- John Horning
- Terry Lyons

The Terms of Reference for the Governance and Corporate Reorganization Committee are posted on VCCEP's website.

Construction & BC Place Futures Committee

The Construction Committee was formed to provide detailed oversight of the construction progress for the Project. On behalf of the Board, the Committee reviews the Project's progress monthly with senior management and is currently comprised of the following Directors:

- David Podmore, Chair
- Derek Brindle
- Peter Brown
- Terry Lyons
- Grant Ritchie

The Terms of Reference for the Construction Committee are posted on VCCEP's website.

EXECUTIVE GROUP

VCCEP is led by a team of executives with extensive experience in planning, designing and building major projects within Canada. The Executive group includes:

- David R. Podmore – Chair and President¹
- Colin E. Smith – Chief Financial Officer & Corporate Secretary¹
- Roy Patzer, Owner's Representative
- Henry Wakabayashi, Project Manager, Lobby/Plaza Entrance and Canada Place Upgrades
- David N. Walker – Project Manager, Expansion and Connector Projects
- Krista Freeman, Project Controller¹
- Alexandra Wagner – Assistant Corporate Secretary¹

⁽¹⁾ Corporation Officers

Other Projects Overview

VCCEP has entered into the following third party Agreements with other funding agencies for the construction of facilities that are ancillary to the Expansion Project.

1. Water Management Showcase Project

Western Economic Diversification Canada (WED) has agreed to contribute up to \$2.1 million for a water management showcase project that is incremental to the Expansion Project. This project, which includes a blackwater treatment plant and a desalinization plant, is scheduled to be completed in 2009. This project will be completed within WED's contribution. To date, WED has contributed \$1.29 million. The balance of funds will be received from WED as expenditures are incurred.

2. Revenue Generation

VCCEP has also entered into a number of negotiated revenue generation agreements under which VCCEP is forecasting that up to \$56 million (net of costs) in up-front payments or in commensurate amounts over an operating period will be realized. In addition, VCCEP is forecasting it will earn \$20 million through investment of its funding prior to invoice payments.

Strategic Context

VCCEP was incorporated in February 2003 for the purpose of designing, building, commissioning and owning the expanded Convention and Exhibition Centre facilities and a link between the new and existing sites to form an integrated convention and exhibition centre, and for renovating the existing leased facilities within Canada Place.

Confirmed contributions for the Project total \$883.2 million — the Province of British Columbia (up to \$540.7 million); Government of Canada (\$222.5 million); and Tourism Vancouver (\$90.0 million). The balance of not less than \$30.0 million will be funded by VCCEP from its generation of revenue through a

number of supplier and commercial agreements and from cash management. Generation of a net total of \$76.0 million is currently forecast (\$29.8 million earned to December 31, 2007). At the direction of its Shareholder, the majority of the remaining revenue may be taken either as upfront payments to reduce the Province's capital contribution, or, taken over a period of years to potentially offset future operating costs of the Convention Centre.

VCCEP continues to watch for opportunities to leverage the public investment in the Project by obtaining funding from independent third parties who may be interested in contributing to additional enhancements and betterments that are outside of the Project's approved budget and scope. VCCEP will also continue to pursue additional sustainability-related enhancements to the Project as opportunities present themselves.

Risk Factors and Mitigation

From Project inception, a rigorous risk management plan built on industry best practices and a strict regime of written procedures and controls for contingency management was established by VCCEP's Board of Directors.

Notwithstanding VCCEP's stipulated lump sum contract with PCL, typical elements of uncertainty will exist during the completion of construction including: detailed design coordination amongst trades, unexpected site conditions/soils, labour availability/productivity disruptions, new technology costs or delivery times, unsecured insurance claims, and changes in design criteria.

VCCEP has established two contingencies within its Project Budget – a construction contingency to cover any major change orders and/or claims that may arise and an overall Project Contingency as an ultimate reserve against unforeseen cost pressures.

VCCEP employs best practices to mitigate construction risks and to enforce cost control discipline (especially with respect to change order and claims management). For example, its construction procurement (86% concluded at December 31, 2007) utilizes open tendering, international bidding, and the utilization of a fairness commissioner on major awards. It also undertook extensive third-party reviews and value engineering analyses.

The Corporation undertakes detailed monthly cost reviews, and forecasts utilization of its remaining contingencies to forecast the costs to completion and at completion of the approved scope of the Expansion facility.

Objectives

The Vancouver Convention Centre Expansion Project objectives are to create an expanded facility that facilitates the following.

1. Allows Vancouver to remain competitive in convention markets by retaining existing events which are expanding beyond current capacity and securing new, and larger, meeting, convention and event business.

2. Generate economic benefits through jobs and tax revenues from out-of-province visitors that will provide governments with the opportunity to enhance Municipal, Provincial and Federal revenues.
3. Complement the role of Canada Place as an internationally recognized symbol welcoming visitors to Canada and as a signature feature of the Vancouver waterfront.
4. Maintain and enhance features that have given Vancouver its competitive edge in the market.
5. Meet a high level of environmental and sustainability standards for convention centres, thereby enhancing Vancouver's position in the marketplace.
6. Provide significant public amenities and meet the requirements for a desirable city context.

VCCEP has developed a comprehensive Project Implementation Plan (PIP). The PIP is a critical component to the successful planning and delivery of the Expansion Project.

The PIP provides the Project Team with a common understanding of the fundamental goals and objectives of the Project, and its scope, budget, schedule, and procedures adopted to meet those goals. It is the baseline document that defines the Project and how it will be implemented. The PIP was reviewed and approved by Treasury Board and has been signed off by Tourism Vancouver, the Government of Canada and by PavCo/VCEC (the existing Convention Centre operator). It has been updated to reflect the Project's revised Scope, Budget and Schedule and to incorporate VCCEP's modified project management approach following conversion of its construction management contract to a stipulated lump sum.

VCCEP's Project Implementation Plan focuses on three distinct areas.

Volume 1: Project Definition specifies issues of scope, budget, and schedule, identifies key issues, and introduces the corporate organization.

Volume 2: Implementation Strategies documents a series of implementation strategies for key components of the Project, including Project Team organization, design, and cost management strategies, financial considerations, value engineering, reporting, communications, and the approaches taken with respect to important aspects of Project implementation planning.

Volume 3: Project Controls and Procedures details controls, procedures, and processes that have been implemented by VCCEP for the proper analysis, control, reporting, and management of key Project elements.

Goals, Strategies, Measures and Targets

As reported in VCCEP's 2007/08 – 2009/10 Service Plan, VCCEP was challenged to maintain schedule progress against its construction milestones (construction "float" time was consumed) and the forecast date for substantial completion was pushed back to March 15, 2009.

The following Project milestones represent significant stages of completion of the Expansion Project. The Expansion Facility will be showcased to the world during its use as the international broadcast centre for the 2010 Winter Olympic and Paralympic Games.

Goal #1: To design, build, commission and own an expansion that meets the operating requirements of the existing Vancouver Convention and Exhibition Centre (the Expansion Program); to design and construct a connector between the new and existing facilities (together the Integration Program); and to undertake renovations within Canada Place (Upgrade Program).

Strategies:

- Manage schedule, budget, and quality objectives through continuous and rigorous monitoring of progress towards achievement of Project milestones and by Corporate reporting on a monthly, quarterly and annual basis.

Goal #2: To effectively manage the Project budget, schedule, and related activities to ensure timely delivery of the Project within its established budget, as approved by Treasury Board.

Strategies:

- Follow the Province's governance guidelines to ensure practices are consistent with corporate governance standards for BC's public sector organizations and apply cost containment strategies as outlined in this service plan.

PERFORMANCE MEASURES						
		ACTUAL	FORECAST	TARGETS		
		2006/2007	2007/2008	2008/2009	2009/2010	2010/2011
Goals 1 & 2	Foundation Construction	85% Complete	100% Complete			
	Pile Driving	100% Complete				
	Design Development	90% Complete	100% Complete			
	Structural Steel Erection	Commenced	100% Complete			
	Construction Documents	95% Complete	100% Complete			
	Glazed Curtain Wall	To Commence	80% Complete	100% Complete		
	Living Roof		To Commence	100% Complete		

		ACTUAL	FORECAST	TARGETS		
		2006/2007	2007/2008	2008/2009	2009/2010	2010/2011
	Interior Finishes		To Commence	100% Complete		
	Connector Construction	25% Complete	75% Complete	100% Complete		
	Enhanced Lobby / Plaza		To Commence	100% Complete		
	Canada Place Upgrades		10% Complete	40% Complete	60% Complete ¹	100% Complete ¹

¹ Subject to VANOC/VCEC utilization of space

Goal #3: Implement and manage an effective revenue generation program.

Strategies:

- Continue to identify and add potential sources of revenue (both cash and value-in-kind) and initiate agreements for the creation of further business alliances.

PERFORMANCE MEASURES		(\$thousands)				
		ACTUAL	FORECAST	TARGETS		
		2006/2007	2007/2008	2008/2009	2009/2010	2010/2011
Goal 3	Revenue Generation ¹	8,570	12,305	8,276	10,451	27,023

¹ As shown on page 12, VCCEP generated \$9,789 prior to 2006/07. Amounts shown assume VCCEP's Shareholder elects to receive them as up-front payments.

Goal #4: Implement a new Corporate and Governance Model

Strategies:

- Build on current initiatives (common Board membership for VCCEP and PavCo, senior staff liaison, etc.) to result in a seamless transition from construction to operations of a cohesively expanded facility.

PERFORMANCE MEASURES						
		ACTUAL	FORECAST	TARGETS		
		2006/2007	2007/2008	2008/2009	2009/2010	2010/2011
Goal 4	New Governance Model		Commenced	Complete		

VCCEP's other projects will be completed as shown below.

	MEASURE	ACTUAL	FORECAST	TARGETS		
		2006/2007	2007/2008	2008/2009	2009/2010	2010/2011
	Water Management Showcase Project	25% Complete	70% Complete	100% Complete		
	City of Vancouver Parkade	100% Complete				

Summary Financial Outlook

Confirmed Capital Contributions

	(\$ thousands)
Province of BC	\$540,701
Government of Canada	222,500
Tourism Vancouver	90,000
VCCEP Revenue Generation	<u>30,000⁽¹⁾</u>
Total	\$883,201

⁽¹⁾ VCCEP has negotiated revenue generation through a number of supplier and commercial programs. At the direction of the Shareholder, the majority of this revenue may be taken either as upfront payments to reduce the Provincial contribution, or, taken over a period of years to potentially offset annual operating costs of the Convention Centre. VCCEP has generated \$29.8 million to December 31, 2007 and is forecasting that up to \$76.0 million of net revenue could be realized (\$20 million from cash management and up to \$56 million as up-front payments or in a commensurate amount over an operating period from commercial/supplier agreements).

Summary Financial Outlook (\$ thousands)

	Project to Date	Actual	Forecast	Targets		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Revenue ⁽¹⁾	n/a	51	89	102	22,998	22,998
Expenses ⁽²⁾	n/a	31	12	10	22,149	22,143
Net Income	n/a	20	77	92	849	855
Retained Earnings	1,119 ⁽³⁾	1,139	1,216	1,308	2,157	3,012
Province of BC Capital Contribution ⁽⁴⁾	201,648	70,852	-	268,201	-	-
Government of Canada Capital Contribution ⁽⁵⁾	85,209	48,405	78,886	10,000	-	-
Tourism Vancouver Capital Contribution ⁽⁶⁾	28,300	29,600	24,700	7,400	-	-
VCCEP Revenue Generation ⁽⁷⁾	9,789	8,570	12,305	8,276	10,451	27,023
Project Capital Expenditures ⁽⁸⁾	188,879	106,478	262,184	289,640	36,020	-
Debt	-	-	-	-	-	-
Staff (full-time equivalents) ⁽⁹⁾	n/a	14.5	14.5	tbc	tbc	tbc

(1) Tenant revenues to 2008/09; recognition of deferred revenues and capital contributions beginning in 2009/10.

(2) Amortization expense on Project office assets to 2010/11; amortization of Expansion facility beginning in 2009/10.

(3) Net Income (loss) added (subtracted) to prior year's retained earnings annually.

(4) Provincial contribution includes \$3.148 million of piling pipe in-kind received in FY 04/05.

(5) Government of Canada contributions received as reimbursements against eligible expended Project capital expenditures.

(6) Tourism Vancouver's contributions are advanced on its behalf by the Province of British Columbia. Tourism Vancouver and the Province have entered into an agreement under which Tourism Vancouver has agreed to pay its \$90 million industry contribution to the Province.

(7) VCCEP is forecasting net revenue generation from its current program of up to \$76 million (\$20 million by cash management and \$56 million from commercial / supplier agreements if taken as up-front payments), and \$8.5 million for in-kind donations. It is based upon funds generated to date and upon negotiated agreements with respondents to VCCEP Requests for Proposals.

(8) Other than expenses in Note 2 above, VCCEP incurs no operating costs. All expenditures are capitalized to the Project.

(9) VCCEP has four full and part time employees. It also utilizes the equivalent of 14.5 FTE's of contract project management and administrative personnel. Target numbers to be confirmed subject to proposed amalgamation with PavCo in fiscal 2008/09.

