



# FOCUS ON TECHNOLOGY AND INNOVATION



## INNOVATION SUPPORT

This Fish | *Regional*  
 Community Carbon Marketplace | *Regional*  
 Cowichan Farm Incubator | *Duncan*  
 Norovirus Detection Technology | *Regional*  
 SquareOne Tech Incubator | *Nanaimo*  
 Community Benefit Hub | *Regional*  
 Upper Sunshine Coast Incubator | *Powell River*



## INVESTMENT ATTRACTION TOOLS

Ladysmith Investment Attraction App | *Ladysmith*



## TECH AND BROADBAND STRATEGIES

Cowichan Valley Regional Tech Strategy | *Cowichan Valley*  
 Campbell River Tech Strategy | *Campbell River*  
 Comox Valley Tech Strategy | *Comox Valley*  
 SRD Community Broadband Plans | *Quadra, Cortes, SRD Area A (Kyuquot, Nootka), SRD Area D (Oyster Bay, Buttle Lake), Gold River Tahsis, Zeballos, Sayward*  
 Hornby, Denman Digital Roadmap | *Hornby Island, Denman Island*



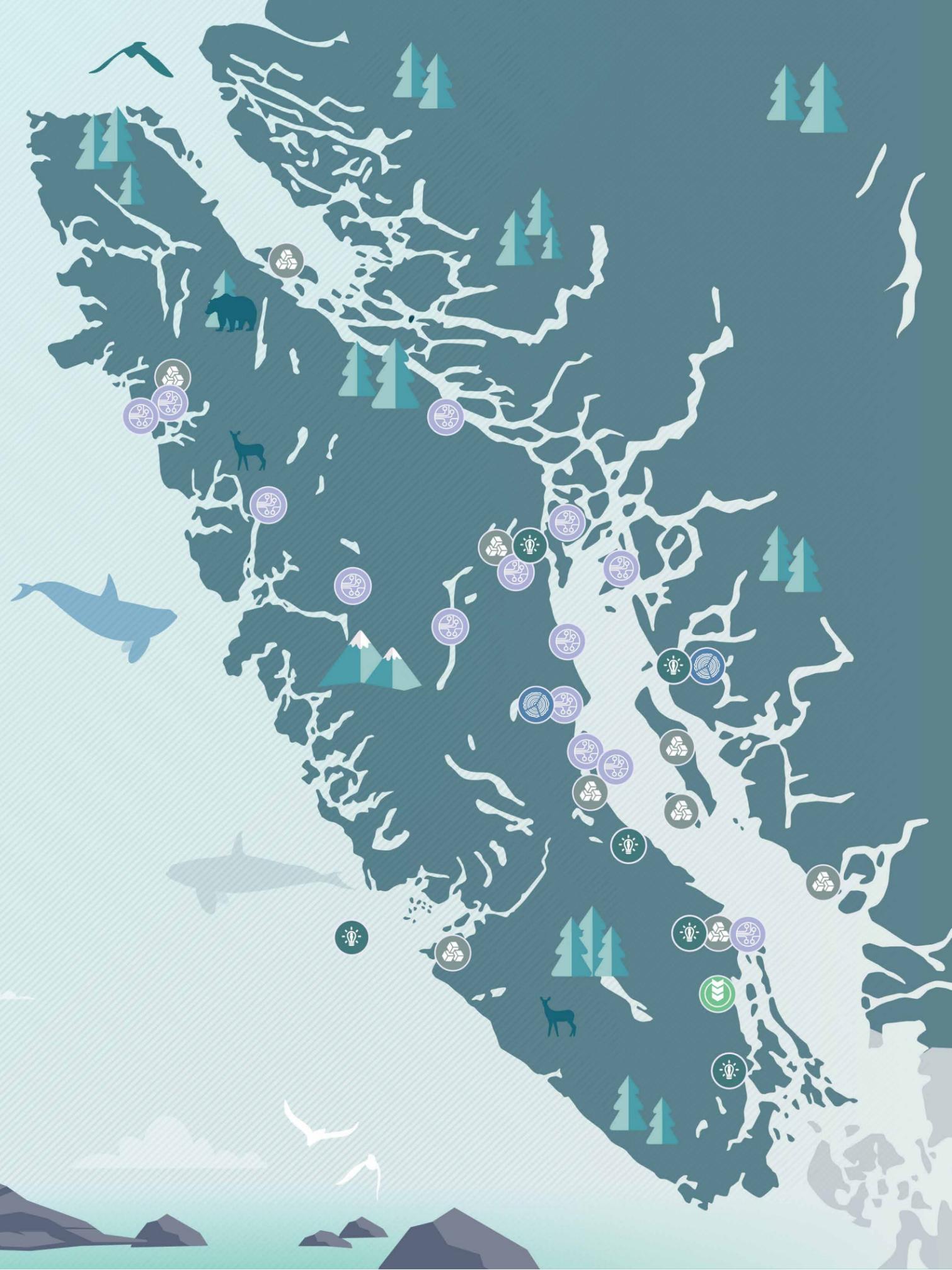
## INNOVATION INFRASTRUCTURE

Deep Bay Marine Field Station | *Deep Bay*  
 International Centre for Sturgeon Studies | *Nanaimo*  
 Gibsons Geo-Exchange | *Gibsons*  
 Connectivity Infrastructure | *Texada Island*  
 Connectivity Infrastructure | *Lasqueti Island*  
 Connectivity Infrastructure | *Coal Harbour and Zeballos*  
 Connectivity Infrastructure | *Quatsino, Holberg, Sointula*  
 Campbell River Open-access Broadband | *Campbell River*  
 Huu-ay-aht High Speed Fibre Optic | *Bamfield*



## SECTORAL DEVELOPMENT

Creative Economy Roadmap | *Powell River*  
 Agrifood Innovation Strategy | *Comox Valley*



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“Connectivity is about engaging more dynamically with your community, your customers, or your world. Today’s modern “lifestyle” considers connectivity as a given and it allows people to work more efficiently, and remotely, anytime, anywhere.”

— **GRAHAM TRUAX,**  
*Innovation Island Technology Association*

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# ABOUT THE ISLAND COASTAL ECONOMIC TRUST



Created and capitalized by the Province of British Columbia in 2006, the Island Coastal Economic Trust has been at the forefront of economic diversification, planning and regional revitalization in the Vancouver Island and Sunshine Coast region for the past twelve years.

Independently governed by a Board of Directors and two Regional Advisory Committees which include more than 50 locally elected officials, MLAs and appointees from the Island and Coast, this exceptional team of leaders collaborate to set regional priorities and build vital multi-regional networks.

Through a community centered decision-making process, funds are invested in a wide range of economic development and community building initiatives.

To date, over \$52 million in funding has supported more than 210 projects, resulting in over \$288 million in new regional initiatives, creating an estimated 2500 construction phase jobs and 2650 long term jobs.

In early 2018, the Province of British Columbia provided the Island Coastal Economic Trust with a new funding infusion of \$10 million to pursue its work and support the development of a robust technology and innovation sector.

The specific region where activity may occur is shown on the map and may be viewed in detail at [www.islandcoastaltrust.ca](http://www.islandcoastaltrust.ca)



# STRATEGIC OBJECTIVES

- 1 **BUILD** COMMUNITY AND REGIONAL ECONOMIC DEVELOPMENT CAPACITY
- 2 **INVEST** IN ECONOMIC INFRASTRUCTURE AND INNOVATION
- 3 **SUPPORT** REGIONAL COLLABORATION AND LEARNING
- 4 **LEVERAGE** ECONOMIC INVESTMENT IN THE ICET REGION
- 5 **MAXIMIZE** THE IMPACT OF TRUST RESOURCES



## MISSION

ICET is a partner and catalyst to build a diverse, innovative and sustainable Island and Coastal economy

## VISION

The North Island and Sunshine Coast area is a diversified, globally competitive regional economy

## VALUES

- + Integrity
- + Transparency
- + Accountability
- + Collaboration

# LETTER FROM THE CHAIR AND CEO

It has been a year of change for ICET. Local government elections coincided with the Province of BC Board appointment process, resulting in 10 new faces at our Board table and 21 new faces on our Regional Advisory Committees (RACs). This is the most significant change in governance in ICET's history.

We would like to express our heartfelt thanks to outgoing Chair Phil Kent, who served most of his eight years on the Board as our Chair. A special thank you also goes out to



Josie Osborne,  
Chair

provincial appointees Dallas Smith and Camela Tang who helped to captain ICET's evolution since its inception in 2006. Finally, we are grateful for the service of outgoing provincial appointees Starr Winchester and Kevin Tevington and elected Board members Paul Ives, Ross Forrest, Bill Veenhof, as well as long-time Regional Advisory Chairs Jon Lefebure and Teunis Westbroek.

With heavy hearts, we acknowledge the passing of two long serving Board members. We will miss the leadership and contributions of Dave Mannix, a provincial appointee since 2006 and Gerry Furney, retired Board member and former Mayor of Port McNeill.

We are pleased to welcome a new Board team, providing us with greater age, gender and cultural diversity than ever before. This team will be led by veteran Board and RAC members Mayor Josie Osborne, in the role of Chair, Mayor Aaron Stone as Vice-Chair, and Mayor Andy Adams as Treasurer. They are joined on the Board's Executive by new Board member Mayor Leslie Baird as Secretary, and provincial appointee Dana Thorne in the role of Member-at-Large. We are looking forward to tackling

regional issues with the addition of new perspectives, ideas, directions and solutions which will emerge from this new and diverse group.

Supporting the development of a robust tech and innovation ecosystem, with funding and partnership support, will

continue to be top of mind for our new Board. We are encouraged by the number of communities collaboratively planning to take advantage of the emerging economy. We are also encouraged by the aggressive pursuit of innovation across all sectors, seeking to define our region as leaders.

To date, more than a dozen communities in the ICET region have developed or are in the process of developing plans to ensure they are positioned for a future that integrates technology and innovation, regardless of community size or location. This includes local and regional tech attraction strategies as well as innovative approaches to connectivity planning, which focus on community and regional aspirations, already recognized as replicable best practices by other jurisdictions.

Regional momentum was apparent in the high demand for program funding. The Economic Development Readiness Program (EDRP) was almost fully allocated, and the Economic Infrastructure and Innovation Program (EIIP) was oversubscribed. In a trend similar to recent years, more than a quarter of total EIIP funding allocations went to projects in Indigenous communities and more than two thirds to communities with less than 5000 residents.

In the first year of the Innovation Support funding stream, interest in the new program was strong, representing 20% of all EIIP funding approvals. The new funding stream is being used to support "new ways of doing things", such as the development of a creative sector entrepreneurial eco-system, a science-based approach to address norovirus in the shellfish aquaculture sector, as well as implementation of strategic procurement in local governments and First Nations.

We continue to see a diverse range of new initiatives in our funding approval pipeline. This includes projects which seek to leverage technology to support increased sectoral competitiveness and provide local companies with an opportunity to showcase new technology, products and services to the global marketplace.

As one of the Province's leading agri-food and agri-tourism regions, we are seeing a trend to increased agri-innovation. Communities are reinventing their approach to growth in the agri-foods sector, with new infrastructure, programs and adoption of new technology, designed to increase competitiveness and sustainability.

Our region will continue to use tourism as a source of economic diversification and we are encouraged by the quality and diversity of initiatives. One notable trend is the development of new tourism hubs in rural, remote and Indigenous communities, encouraging visitors to expand their travels into lesser known areas. This includes the development of an interpretive trail linking Anacla and Bamfield to Kiiix'in, the ancient Huu-ay-aht village site. New harbour infrastructure has recently been completed at Secret Beach by the Toquaht Nation, and new remote campground facilities and trails at Nitinaht Lake are under construction. All have the goal to attract new visitor markets and leverage new business opportunities.

In addition to tourism elements, projects like the HUU-ay-aht's new broadband infrastructure will provide enterprise level connectivity to the remote Nation's tourism businesses, enabling them to leapfrog the digital divide and compete in the global tourism marketplace.

Heritage-based tourism, focused on the region's rich resource sector past, is emerging as a new tourism focus. This includes larger initiatives such as the new exhibits at the Duncan Forest Discovery Centre, focused on modern-day forestry practices and innovation. It also includes niche tourism attractions in smaller communities such as Sayward, inviting visitors to take an interpretive stroll to learn about the community's resource sector past and present, such as viewing the "Boom-Boat Ballet" which takes place daily on the waterfront.

In past years ICET has been particularly active in aquaculture, agri-food and agri-tourism, and technology. We expect to continue to build on our strong resource sector economic base, using tourism, value-added business, technology and innovation, as tools to leverage benefits in communities of all sizes.

## STATEMENT OF ACCOUNTABILITY

The 2018-2019 Island Coastal Economic Trust Annual Report was prepared under the direction of the CEO and the Board, according to the British Columbia Performance Reporting Principles and the North Island Coast Development Initiative Trust Act. The Board is accountable for the contents of the report and how it has been prepared.

The information presented represents the actual performance of the Island Coastal Economic Trust for the 12 months ending March 31, 2019.

The Board is responsible for ensuring internal controls are in place so that performance information is measured and reported accurately and in a timely fashion.

The measures presented are consistent with the organization's mission, goals and objectives and focus on aspects critical to understanding our performance. The report contains estimates and interpretive information that represent the best judgement of management. Any significant limitations in the reliability of the data are identified in the report.

The North Island Coast Development Initiative Trust Act defines the governance structure for the Island Coastal Economic Trust (ICET). This arms' length decision making model includes two regional advisory committees who provide strategic advice to the Board. The Board of Directors is the final decision making voice for the organization and is responsible for governance and oversight.

## BOARD OF DIRECTORS

The Board of Directors consists of 13 directors, eight of whom are appointed by two Regional Advisory Committees (RACs), representing the Central South Island Region and the North-Island Sunshine Coast Region. The remaining five Directors are appointed by BC's Lieutenant Governor in Council.

The Board includes representatives from communities and rural areas throughout the region. This diverse Board, complemented by the specific expertise of the provincial appointees, brings an exceptional skill set and wide range of perspectives to the table. The Board of Directors usually meets seven to ten times per year.

Local elections held in October 2018 led to significant changes in the composition of the Board and Regional Advisory Committees. In addition, the terms for all five provincial appointees expired in August 2018. Four of the five members were appointed in November of 2018.

## REGIONAL ADVISORY COMMITTEES

The Regional Advisory Committees are comprised of the mayors, Regional District Chairs and MLAs from the region. Regional Advisory Committees meet two to three times a year to review funding requests and provide advice to the Board on strategic issues. The Chairs from each of the committees attend Board meetings as ex officio members.

The Regional Advisory Committees play a key role in operations. Their regional knowledge and ground truth perspective provides the Board with valuable information about local needs, regional priorities and economic environment. The RACs provide each community with an equal voice in regional decision-making and development of strategy and policy, ensuring that no community is left unheard.

## MANAGEMENT TEAM

Regional funding delivery is provided through a cost-effective, responsive approach. The core staffing model is lean. It is supplemented with contract professionals and consultants on an as-needed basis, in order to provide the highest level of expertise and flexibility, adapted to the fluctuating nature of operations.

**LINE ROBERT**  
Chief Executive Officer

**DENICE REGNIER**  
Manager, Programs and Corporate Affairs

**JUDITH MARRIOTT**  
Accountant

**DONNA CLOUTIER**  
Chief Financial Officer

**ANDREW HUTCHISON**  
Project Analyst and Communications Coordinator

## APRIL TO NOVEMBER 2018 BOARD OF DIRECTORS



**PHIL KENT**  
Duncan – Board Chair



**CAMELA TANG**  
Provincial Appointee – Vice Chair



**PAUL IVES**  
Comox – Treasurer



**JOSIE OSBORNE**  
Tofino – Secretary



**DALLAS SMITH**  
Provincial Appointee – Member at Large



**SHIRLEY ACKLAND**  
Port McNeill



**ANDY ADAMS**  
Campbell River



**ROSS FORREST**  
Lake Cowichan



**DAVE MANNIX**  
Provincial Appointee



**AARON STONE**  
Ladysmith



**KEVIN TEVINGTON**  
Provincial Appointee



**BILL VEENHOF**  
Nanaimo Regional District



**STARR WINCHESTER**  
Provincial Appointee



**TEUNIS WESTBROEK**  
Qualicum Beach – NISCRAC Chair, Ex-officio



**JON LEFEBURE**  
North Cowichan – CSIRAC Chair, Ex-officio

## CURRENT BOARD OF DIRECTORS



**JOSIE OSBORNE**  
Tofino – Board Chair



**AARON STONE**  
Ladysmith – Vice Chair



**ANDY ADAMS**  
Campbell River – Treasurer



**LESLIE BAIRD**  
Cumberland – Secretary



**DANA THORNE**  
Provincial Appointee – Member at Large



**JOHN JACK**, Alberni-Clayoquot Regional District



**IAN MORRISON**  
Cowichan Valley Regional District



**AL SIEBRING**  
North Cowichan



**MICHELLE STAPLES**  
Duncan



**MEGAN HANACEK**  
Provincial Appointee



**DAVE MANNIX**  
Provincial Appointee (passed away April 2019)



**BARRY O'NEILL**  
Provincial Appointee



**JOHN MACDONALD**  
Sayward – NISCRAC Chair, Ex-officio



**ROD PETERS**  
Lake Cowichan – CSIRAC Chair, Ex-officio

## IN MEMORIAM– DAVE MANNIX

The Island Coastal Economic Trust lost a valued member of its Board of Directors with the passing of Dave Mannix on April 7, 2019. Dave was one of the original directors appointed by the Province of BC in 2006. Dave was a huge part of ICET's success, and his commitment to the organization never wavered. He was just as much a driver, thought-leader and presence in his twelfth year as he was in the early years.

## APRIL TO NOVEMBER 2018

### NISCRAC MEMBERS

#### (NORTH ISLAND-SUNSHINE COAST REGIONAL ADVISORY COMMITTEE)

**Mayor Teunis Westbroek**  
Qualicum Beach –  
*NISCRAC Chair*

**Mayor Bruce Milne**  
Sechelt and Chair, Sunshine Coast  
Regional District  
– *NISCRAC Vice-Chair*

**Mayor Shirley Ackland**  
Port McNeill

**Mayor Andy Adams**  
Campbell River

**Mayor Jan Allen**  
Port Alice

**Michele Babchuk**  
Chair, Strathcona  
Regional District

**Mayor Leslie Baird**  
Cumberland

**Mayor Michael Berry**  
Alert Bay

**Mayor Hank Bood**  
Port Hardy

**Patrick Brabazon**  
Chair, Powell River  
Regional District

**Mayor Donnie Cox**  
Zeballos

**Mayor Dave Formosa**  
Powell River

**Honourable Scott Fraser**  
MLA, Mid Island Pacific Rim

**Andrew Hory**  
Chair, Mount Waddington  
Regional District

**Mayor Paul Ives**  
Comox

**John Jack**  
Chair, Alberni-Clayoquot  
Regional District

**Mayor Larry Jangula**  
Courtenay

**Bruce Jolliffe**  
Chair, Comox Valley  
Regional District

**Ronna Rae Leonard**  
MLA, Comox Valley

**Mayor John MacDonald**  
Sayward

**Mayor Josie Osborne**  
Tofino

**Chief Warren Paull**  
Chief Councillor, Sechelt

**Mayor Wayne Rowe**  
Gibsons

**Mayor Mike Ruttan**  
Port Alberni

**Nicholas Simons**  
MLA, Powell River-  
Sunshine Coast

**Mayor Dianne St. Jacques**  
Ucluelet

**Acting Mayor Randy Taylor**  
Tahsis

**Honourable Claire Trevena**  
MLA, North Island

**Mayor Brad Unger**  
Gold River

### CSIRAC MEMBERS

#### (CENTRAL SOUTH ISLAND REGIONAL ADVISORY COMMITTEE)

**Mayor Jon Lefebure**  
North Cowichan –  
*CSIRAC Chair*

**Mayor Marc Lefebvre**  
Parksville –  
*CSIRAC Vice-Chair*

**Mayor Ross Forrest**  
Lake Cowichan

**Sonia Furstenu**  
MLA, Cowichan Valley

**Mayor Colin Haime**  
Lantzville

**Mayor Phil Kent**  
Duncan

**Leonard Krog**  
MLA, Nanaimo

**Mayor Bill McKay**  
Nanaimo

**Ian Morrison**  
Director, Cowichan  
Valley Regional District

**Doug Routley**  
MLA, Nanaimo-North Cowichan

**Michelle Stilwell**  
MLA, Parksville-Qualicum

**Mayor Aaron Stone**  
Ladysmith

**Bill Veenhof**  
Chair, Nanaimo  
Regional District

## CURRENT

### NISCRAC MEMBERS

#### (NORTH ISLAND-SUNSHINE COAST REGIONAL ADVISORY COMMITTEE)

**Mayor John MacDonald** Sayward –  
*NISCRAC Chair*

**Mayor Bob Wells**  
Courtenay and Chair, Comox Valley  
Regional District  
– *NISCRAC Vice-Chair*

**Mayor Russ Arnott**  
Comox

**Michele Babchuk**  
Chair, Strathcona Regional District

**Mayor Leslie Baird**  
Cumberland

**Mayor Bill Beamish**  
Gibsons

**Mayor Dennis Buchanan**  
Alert Bay

**Patrick Brabazon**  
Chair, qathet Regional District

**Mayor Kevin Cameron**  
Port Alice

**Mayor Julie Colborne**  
Zeballos

**Mayor Martin Davis**  
Tahsis

**Mayor Dennis Dugas**  
Port Hardy

**Mayor Dave Formosa**  
Powell River

**Honourable Scott Fraser**  
MLA, Mid Island Pacific Rim

**Andrew Hory**  
Chair, Mount Waddington Regional  
District

**John Jack**  
Chair, Alberni-Clayoquot  
Regional District

**Ronna Rae Leonard**  
MLA, Comox Valley

**Mayor Sharie Minions**  
Port Alberni

**Mayor Mayco Noel**  
Ucluelet

**Mayor Josie Osborne**  
Tofino

**Chief Warren Paull**  
Sechelt Indian Government District

**Lori Pratt**  
Chair, Sunshine Coast  
Regional District

**Nicholas Simons**  
MLA, Powell River-Sunshine Coast

**Mayor Darnelda Siegers**  
Sechelt

**Honourable Claire Trevena**  
MLA, North Island

**Mayor Brad Unger**  
Gold River

**Mayor Gabriele Wickstrom**  
Port McNeill

**Mayor Brian Wiese**  
Qualicum Beach

### CSIRAC MEMBERS

#### (CENTRAL SOUTH ISLAND REGIONAL ADVISORY COMMITTEE)

**Mayor Rod Peters**  
Lake Cowichan –  
*CSIRAC Chair*

**Ian Morrison**  
Chair, Cowichan Valley Regional  
District – *CSIRAC Vice-Chair*

**Sonia Furstenu**  
MLA, Cowichan Valley

**Mayor Leonard Krog**  
Nanaimo

**Sheila Malcolmson**  
MLA, Nanaimo

**Mayor Ed Mayne**  
Parksville

**Mayor Michelle Staples**  
Duncan

**Mayor Mark Swain**  
Lantzville

**Doug Routley**  
MLA, Nanaimo-North Cowichan

**Mayor Al Siebring**  
North Cowichan

**Michelle Stilwell**  
MLA, Parksville-Qualicum

**Mayor Aaron Stone**  
Ladysmith

**Ian Thorpe**  
Chair, Regional District of Nanaimo



*The Island Coastal Economic Trust is a partner and catalyst to build a diverse, innovative and sustainable Island and Coastal economy. This is achieved through strategic investments in key economic sectors, leveraging new funding and investment to the region, improving community economic development readiness and fostering regional collaboration and planning. Guided by governing legislation and funding agreements, funds are invested in initiatives that enhance the region's competitive position in key sectors: technology and innovation, small business, tourism, agriculture and aquaculture, transportation, forestry, mining, and economic development.*

## ICET PROGRAMS

Funds are invested primarily through two core grant programs: Economic Infrastructure and Innovation Program (EIIP) and Economic Development Readiness Program (EDRP). These programs, as well as select sponsorships, internships, bursaries and partnerships serve to enable community and regionally led initiatives that advance ICET's vision, mission and goals.

### ECONOMIC INFRASTRUCTURE AND INNOVATION PROGRAM

The Economic Infrastructure and Innovation Program supports the development of a wide range of projects in targeted sectors, delivering infrastructure and programs to foster regional growth and innovative practices.

There are six streams of funding available under the program:

- » Industry and Business Support
- » Downtown Revitalization
- » Strategic Tourism Infrastructure
- » Destination Trails
- » Innovative Infrastructure
- » Innovation Support

One of the unique attributes of the funding program is a sliding scale matching funding formula, which is designed to adjust for variations in economic vitality between communities applying for funding.

### ECONOMIC DEVELOPMENT READINESS PROGRAM

The Economic Development Readiness Program supports the development of targeted strategies and tools required to attract economic investment. The program is designed with a "find your fit" formula adapted to community needs as they move along the economic development continuum.

There are six streams of funding available under the program.

- » Economic Development Strategy
- » Quick Start Implementation
- » Investment Attraction Tools
- » Technology and Broadband Strategy
- » Sectoral Development Strategy
- » Regional Collaboration and Marketing Strategy

### INTERN PROGRAM

The Economic Development Intern program provides recent university graduates with a high level of professional on the job training, mentorship, and work experience in regional economic development. This program supports the transition of recent graduates into permanent professional career opportunities and provides the region with skilled, motivated, employment-ready economic and community development professionals.

### SPONSORSHIP

Annual sponsorships are provided to a select number of regional or provincial events occurring in the ICET region,

promoting economic development, key regional economic sectors or new and emerging economic drivers.

### BURSARIES

Bursaries are provided to support increased participation in economic development training and capacity building initiatives. These bursaries are offered to applicants who might not otherwise be able to attend these events and to support the participation of younger people in economic development.

### PARTNERSHIPS

Funding is provided, on an as-needed basis to select partnership initiatives such as emergency community response initiatives, time-sensitive sectoral opportunities and studies as well as broad scope regional economic development initiatives.

## STAKEHOLDER AND FUNDING PARTNER RELATIONS

Building and maintaining partnerships with stakeholders is a key priority. Proactive engagement practices help develop strong relationships with communities and other regional stakeholders. Through participation in key events, personalized applicant support, communications tools and activities, program and economic development information is shared with stakeholders. Networking events, meetings and presentations are scheduled on a continuous basis to strengthen relations, share best practices, link partners to resources as well as develop new regional and provincial partnership opportunities.

# PERFORMANCE RESULTS

## KEY PERFORMANCE HIGHLIGHTS

ICET continues to focus on its core business – investing in economic development and diversification – through its Economic Infrastructure and Innovation Program as well as investing in community economic development planning and readiness with its Economic Development Readiness Program.

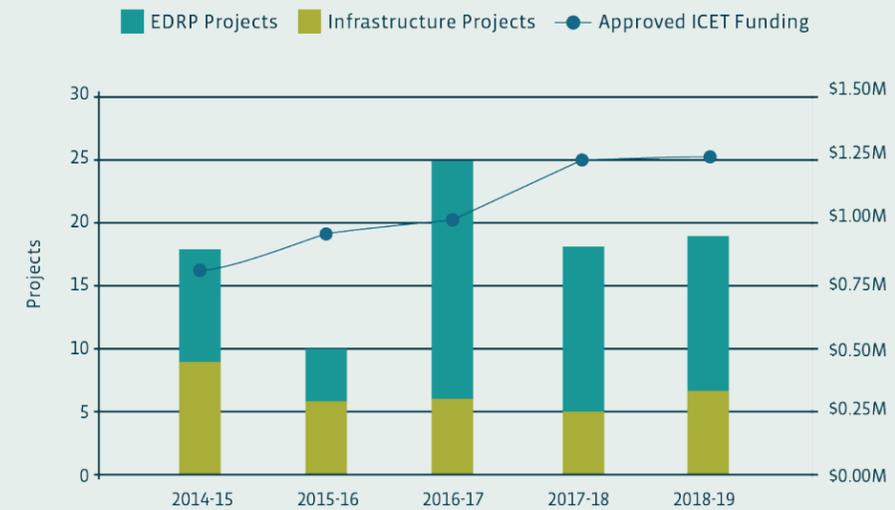
## 2019 HIGHLIGHTS



## SINCE INCEPTION



## PROJECTS APPROVED AND ICET FUNDING



## PERFORMANCE MEASUREMENT

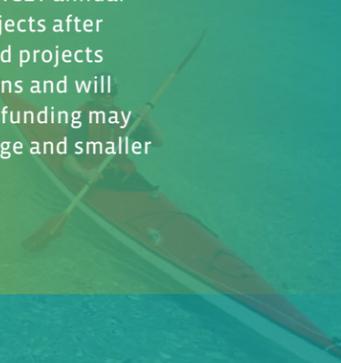
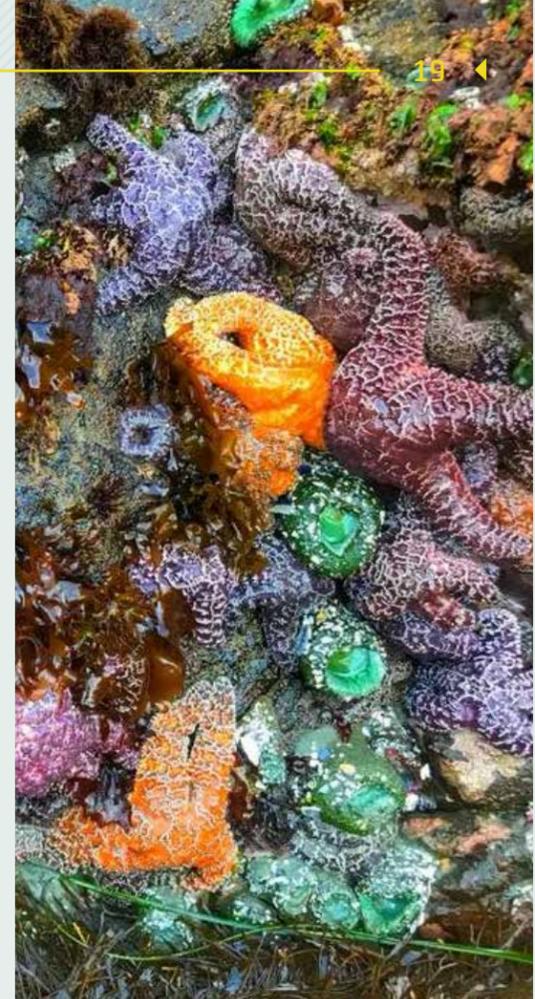
Through the delivery of funding and support services, ICET acts as a catalyst or enabler for community and regionally led economic development programs and activities which advance its objective to build a diverse, innovative and sustainable Island and Coast economy.

A variety of robust performance measures are used to assess organization and project performance. This includes a wide range of assessment criteria which consider both the short and long term impacts of projects within the specific community or regional context. These may include outcomes such as regional economic advantage, increased or safeguarded employment, increased or maintained incomes and economic diversification. These outcomes are measured individually and at the community or regional aggregate level. Performance measurement also takes into account the gestation

period, which may be longer for certain types of economic development initiatives.

The qualitative and quantitative performance measures presented in this report have been chosen for their probative value to the reader. They have been presented in relation to ICET's objectives and strategic priorities. All efforts have been made to provide measures which are transparent and to offer comparative data, enabling the reader to assess ICET's performance from a historic and holistic perspective.

Historic data may not match previous ICET annual reports due to reclassifications of projects after initial approval. For example, approved projects may not meet all subsequent conditions and will not be funded or sources of matching funding may increase, resulting in increased leverage and smaller ICET contribution.





Secret Beach Marina



Chief Anne Mack,  
Toquaht Nation



Anacla-Bamfield Trail



Caycuse Recreation Site

# TRENDS WE'RE SEEING: INDIGENOUS TOURISM HUBS

Vancouver Island has experienced unprecedented tourism growth in recent years. While much of this impact has been felt in high profile destinations such as Tofino, Ucluelet and Parksville, coastal indigenous experiences are the fastest growing segment of the market.

Indigenous communities across Vancouver Island - and in particular, those in small, remote communities - are developing tourism infrastructure and complementary strategic ventures that leverage the growing Indigenous tourism market, keep visitors in the region longer, and create new economic opportunities as visitors travel further afield.

“Our strategic plan emphasizes tourism dispersion both geographically and in time of the year, and Indigenous tourism fits perfectly into both of those categories,” explained Calum Matthews, Director of Destination Development for Tourism Vancouver Island. “Investments in Indigenous communities are allowing them

to develop and market their own unique brand of tourism, fueling growth and meeting market demand.”

Championing this trend are the Huu-ay-aht First Nation, who in recent years, expanded their business portfolio to include a motel, café, market, pub, fishing lodge and tour guiding businesses, as well as a marina and airstrip to build out their tourism economy.

These acquisitions execute upon the Huu-ay-aht’s cultural tourism plan, inked in 2016, which aspires to transform the remote village into a thriving tourism hub.

In 2018, with ICET support, the Nation established a walking trail which facilitates movement between Anacla and Bamfield, and provides access to the ancient village site Kiix?in. There, visitors can learn about the Nation’s history and cultural importance of the archeological site through interpretive panels, or guided tours.

Together with the auxiliary businesses, the **Anacla-Bamfield Trail** is an integral piece of the cultural tourism strategy – the development of a centerpiece cultural experience with traditional meals, historical storytelling, and other cultural entertainment in a natural setting.

As the Huu-ay-aht expand their tourism offering, another ICET supported project will provide enterprise level connectivity to Huu-ay-aht owned businesses, placing them on a level playing field within the global tourism marketplace.

“We are focused on attracting international tourism and competing in a modern economy,” explains Chief Councillor Robert J. Dennis Sr. “High-speed internet will connect us to people and communities beyond our territory, and it will put Huu-ay-aht and Bamfield on the map.”

Near Ucluelet, the Toquaht Nation own and operate a number of forestry-related

businesses, however increasing tourism activity around marine recreation is opening new doors. In 2019, the Toquaht Nation constructed a new **marina development** at Secret Beach with funding support from ICET.

A prized location by sea kayakers for its access to the Broken Group Islands, the marina is the first phase of the Toquaht Nation’s development of a tourism hub, that will eventually include a common building, café and giftshop, kayak comfort station and other tourism infrastructure to complement the marina and campground.

The Toquaht - like other Indigenous communities looking to tourism as an adjunct to their economies - are using the opportunity to share their culture and history with visitors.

“We are a small nation, and a small community,” explains Noah Plonka, Business Development Manager for the Toquaht First

Nation. “We are developing rental cabins, and have dreams for other businesses down the road, but the marina really is the first step”

At Nitinaht Lake – actually a saltwater fjord – the Ditidaht First Nation are seeking to unleash the tourism potential of a kiteboarding destination known for its steady, reliable winds. The site is also a new, formalized entrance to the West Coast Trail.

The Ditidaht aim to leverage these recognized tourism assets to develop new tourism amenities and attract new visitor markets.

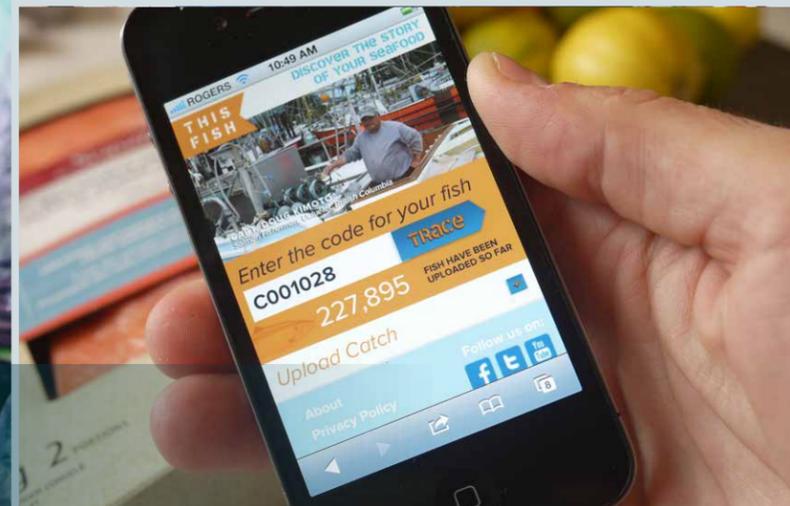
In 2018, the Nation secured a license to operate the existing campground at Nitinaht Lake. As the primary source of accommodation in the area, financial support from ICET will help expand the campground into a fully realized **recreation site**, with additional campsites, RV sites, beach access and a trail to the Looper Creek Canyon.

The canyon – a spectacular scenic gorge made of limestone karsts – is just one of the

new recreation amenities that the Nation hopes will draw broader, family-based visitor markets to the region.

“We are already on the radar of a very niche group of outdoor enthusiasts,” explained Brian Cofksy, Executive Director of the Ditidaht Development Corporation. “But there is potential to tap into greater tourism markets that will reveal our true potential as a destination.”

While the Looper Creek Trail, and access to the West Coast Trail, are anticipated to drive new tourism markets, it is the campground which will enable the Ditidaht to capture that growth in the coming years. This, in turn, creates new opportunities for new complementary services such as watersport rentals, guided hikes and canoe trips as well as the development of new tourism amenities, transforming the region into a new tourism destination.



## TRENDS WE'RE SEEING: REINVENTING THE AGRIFOOD SECTOR

Vancouver Island has always been a prime food production region and was home to some of the earliest commercial agricultural operations in BC. The sector was diverse, once yielding up to 90% of the region's food needs. Today, the region supplies only 10% of its food needs.

In the past few decades, the agri-food industry has seen significant change. The consolidation of supply managed operations has led to a decrease in animal production and a generational shift has seen new producers focused on small scale, specialty food production and high value food processing.

In a 2012 partnership between ICET and the Province of BC, a 'Framework for Action' was developed to help strengthen and grow the agricultural sector. In 2014, the Cowichan Valley undertook a **study**, with ICET funding support, to identify barriers and opportunities for expanding food processing in the region.

Since then, the region has seen a wide range of agri-food related initiatives which speak to the recommendations in these two reports.

In the Cowichan Valley, a Land Match Program addresses one of the key challenges to attracting younger farmers - providing affordable access to farmland - by connecting new farmers with landowners looking to lease their land.

Other innovative community-led initiatives include the Cowichan Green Community's Food Recovery project, which has reclaimed over 40,000 lbs of unwanted foods destined for the landfill and redirected them to sustainable streams like animal feed and compost. The group's ICET supported **Seed Farm Incubator project**, also addressed security and quality issues around local seed production, creating a seed production social enterprise.

The next step for the Cowichan Valley is a Food Processing Strategy. Through

consultation amongst regional food processors, education and health institutions, beverage-sector producers and others, the project will quantify demand for local food inputs and new shared production opportunities.

"This data will help us identify demand for locally grown and processed foods, including institutional demand," explained Amy Melmock, Manager of Economic Development Cowichan. "We will then be able to move forward on shared resources for processing, quality assurance, distribution, or other innovations which can support small scale food operations."

The reinvention of the agri-food sector is leading to innovative tech startups and migration into the region. In the Cowichan Valley, EIO Diagnostics is successfully pioneering new technology to screen cows for mastitis, with early global adoption success. In the Comox Valley, Anandia Laboratories is nearing completion on a

\$20M innovation and testing facility for the cannabis sector.

The Comox Valley is leveraging agri-innovation in traditional agriculture as well as emerging areas such as e-commerce, pharmaceuticals and biotech. A new **Agriculture, Agri-food and Seafood Innovation Strategy**, currently in development, will serve as a long-term roadmap for future development of the sector.

Campbell River is a community which has been reinventing itself, with a focus on a more knowledge-based economy.

"Campbell River is not top of mind when it comes to agricultural production," explained Rose Klukas, Economic Development Officer for the City of Campbell River. "However our efforts to build out the tech ecosystem have continually uncovered agri-food as an area to add value."

This new focus is driving the community to look at sectors such as agriculture and agri-food with a different lens. In partnership with North Island College, the city will deliver an agri-incubation workshop series, with potential for more intensive programming and supports down the road.

While communities are looking at novel ways to transform the sector, ICET supported regional marketing initiatives are leveraging strengths in small-scale food production as a destination for culinary visitors.

The emergence of the craft beverage sector in the region is one of the dominant agri-food trends, with award-winning wines, spirits, ciders and beers. Initiatives such as the BC Ale Trail, or the Wayward Distillery, Merridale Ciders and **Townsite Brewery Economusée** locations, are successfully leveraging small scale craft beverage producers into experiential agri-tourism destinations.

The **"Island Good"** campaign is an example of regional collaboration focused on the agri-food sector. By branding and promoting food products grown or produced on Vancouver Island, to both visitors and residents, the campaign aims to increase the strength of the local food economy.

Another example is the BC Farmers' Markets Trail, which is creating direct sales channels connecting producers to visitors and locals. The new Island and Coast **regional showcase** provides trip planning information and landing pages for several dozen markets, providing in-depth features, imagery, farmer and product profiles.

Through a range of initiatives, from agri-food innovation to regional marketing, the region is scaling up its opportunities in small scale and niche food production and processing, finding favour with local markets and exporting its unique offerings to the global marketplace.

# OBJECTIVE 1

## LEVERAGE ECONOMIC INVESTMENT IN THE ICET REGION

ICET uses its capital and organizational expertise as a lever to attract incremental investment from other levels of government, non-government sources of funding, community and private sector investment, in individual project investments, regional investments, or by serving as a funding delivery or service delivery agent for other programs.

### PURSUE SUSTAINABLE FUNDING OPPORTUNITIES

In March of 2018, the Island Coastal Economic Trust received a new funding allocation of \$10 million. This funding is anticipated to serve the needs of the region for a period of approximately four more years, subject to the five-year cashflow plan and current funding programs.

The organization continues to pursue long-term sustainability funding, exploring avenues to maximize its capacity and longevity.

A study of the sustainability models of economic development trusts and similar organizations in BC is currently underway. This work will examine capitalization requirements for long term sustainability, as well as potential revenue generation options in the context of the needs and feasibility in the Island and Coastal region. This work will help to inform further planning and discussion with senior governments related to the sustainable future of the organization.

Senior governments, funding bodies, ministries and specific government departments have also been approached, by both Board and staff, in early discussions and fact-finding regarding opportunities for future capitalization funding or program service delivery.

### EXCEED LEVERAGING TARGETS

In Fiscal 2019, the Economic Infrastructure and Innovation program projects leveraged more than \$5.6 per dollar invested, in funding from other sources. This represents an increase of 150% from the previous year, reaching levels not seen since the senior government stimulus funding programs in 2008-2009. Since inception, the total project leveraging remains at \$4.6, well above the strategic fund target of 1:2.

### DIVERSIFICATION OF MATCHING FUNDING SOURCES

Over the past four years, one of the key performance indicators has been to ensure that at least 25% of matching project funding is sourced from non-government sources.

This past year, less than 10% of matching funding was sourced from non-government sources. This amount is significantly lower than previous years, where the target of 25% was exceeded. This is a reflection of the greater availability of senior government funding sources, both provincially and federally, which has enabled some smaller communities to use ICET funding to leverage projects which would not otherwise have been possible.

Despite this, more than 35 non-government matching funding sources contributed to projects and 13 of these were “new” funding sources for ICET projects.

One positive development is the resurgence of federal government funding for smaller communities. In Fiscal 2019, this funding totaled 43% of ICET project funding budgets. This is a marked improvement to the all-time lows of 0% in Fiscal 2018, and 5% in Fiscal 2017.

Provincial government funding investments in ICET communities also improved, representing 26% of matching funding sources in Fiscal 2019, compared to 4% in Fiscal 2018 and 11% in Fiscal 2017.

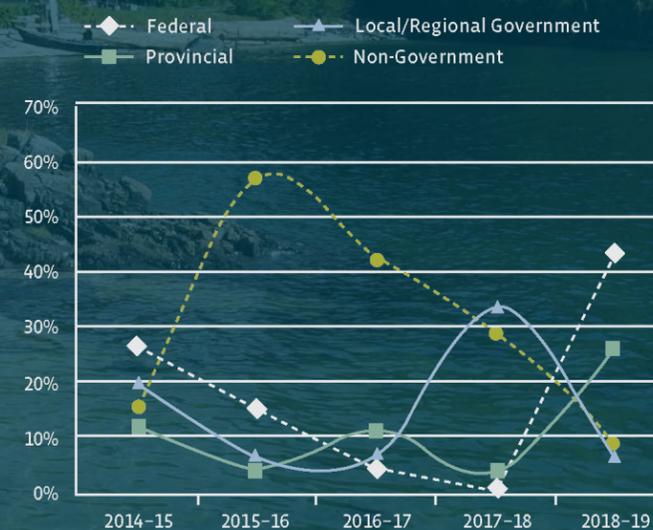
### FUNDING DISTRIBUTION

The recent availability of senior government funding sources has led to increased funding being allocated to communities in the 1:3 matching funding level (communities experiencing stronger growth). The reason for this is that larger communities and those experiencing stronger growth often have large infrastructure projects or shovel ready projects ready to submit for funding. Almost two thirds of funding in Fiscal 2019 went to 1:3 communities, helping to leverage significant levels of federal government funding into the region. The balance of funding went to communities in the 1:1 funding level, representing mostly small, rural and remote communities, those with the greatest need.

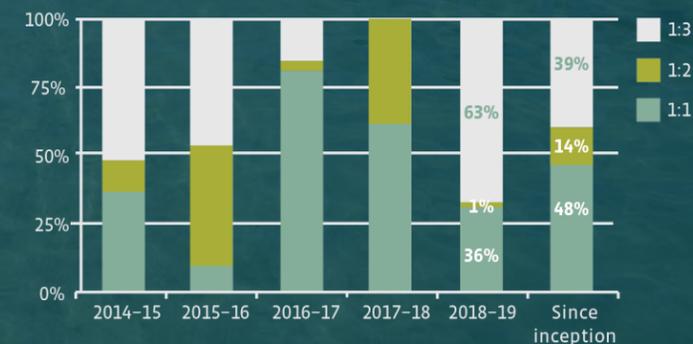
AVERAGE FUNDING LEVERAGE



SHARE OF TOTAL PROJECT BUDGETS

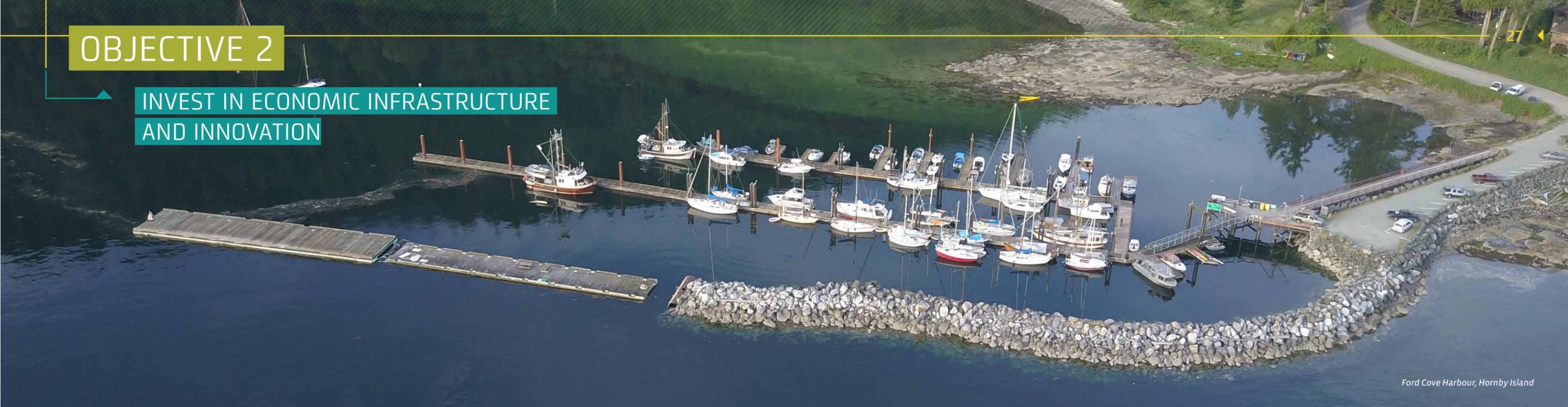


FUNDING BY MATCHING LEVEL



# OBJECTIVE 2

## INVEST IN ECONOMIC INFRASTRUCTURE AND INNOVATION



Ford Cove Harbour, Hornby Island

ICET supports strategic investment in key local and regional economic infrastructure and innovation, with a strong focus on incremental economic benefits, economic growth and diversification, regional cooperation and long-term economic and environmental sustainability. This is primarily achieved through the **Economic Infrastructure & Innovation Program**.

Through the Economic Infrastructure and Innovation Program, investments have been made in the sectors specified in ICET's legislation: forestry, transportation, tourism, mining, small business, energy, agriculture and aquaculture and economic development. The sectoral investments are reflected in the specific funding program areas, which include Business and Industry, Tourism and Innovation focused funding streams.

### PRIORITIZE GAP AND GROWTH AREAS AND EMERGING SECTORS

New funding approvals in Fiscal 2019 address several gaps, growth opportunities and emerging sectors. This includes funding which supports Indigenous tourism, agri-tourism, and barrier-free tourism amenities. Funding also supported emerging opportunities to highlight the region's rich heritage and natural resource sector past with new experiential tourism amenities. Other funding approvals have supported key growth sectors such as aquaculture and value-added food processing as well as emerging opportunities in technology, creative sector and agri-food innovation.

### SUPPORT THE DEVELOPMENT OF A ROBUST TECH AND INNOVATION ECOSYSTEM

In early Fiscal 2019, a new funding stream focused on innovation support was launched. The objective of this funding stream is to support innovation leadership, ensuring that our regional economy is positioned to respond to global change and advancements in technology. In this first year of the program, almost 20% of total funding was allocated to innovation support projects.

This new funding will help drive and support growth of the technology sector and tech related projects across industry sectors. This will include business and industry support to increase the level of innovation, productivity and competitiveness in key resource sectors such as agri-food, forestry or aquaculture. This could also include funding which supports pioneering "new ways of doing things" to enable communities, business or industry to seize innovation opportunities or adapt to change and new technology.

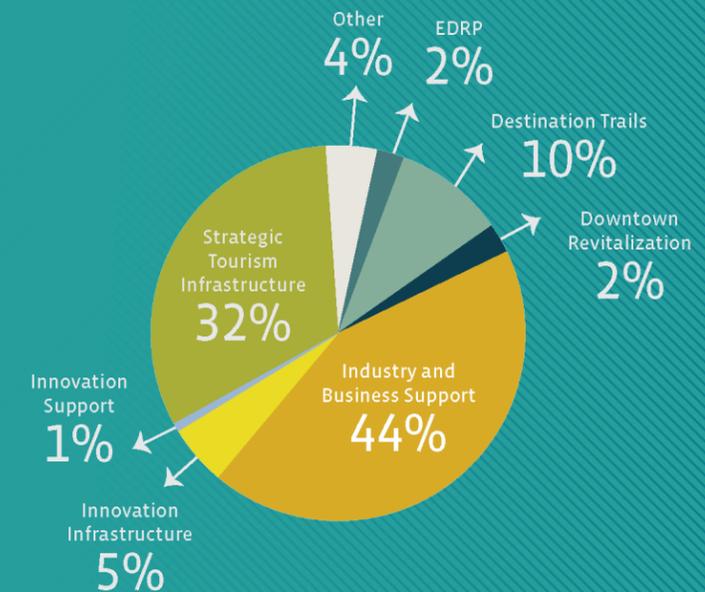
In addition to direct financial support for technology and innovation focused projects, ICET works closely with all of its regional partners involved in the tech and innovation sector. This includes providing in-kind administrative and financial management support for the regional technology attraction strategy and other projects underway.

The Economic Development Readiness Program also supports the development of a thriving tech and innovation ecosystem through its Tech Attraction and Broadband Strategy funding streams.

ICET works to champion the region's leadership in the tech and innovation sphere by ensuring that key regional, provincial and other stakeholders are aware of best practices emerging in the region. This has included membership and participation with the BC Technology Supercluster, sponsoring initiatives such as the Vancouver Island Regional House at the Tech Summit, meetings with key thought leaders such as the Province of BC's Innovation Commissioner as well as meetings with organizations such as Innovate BC. ICET has also been involved with the Province of BC's Connected Communities initiatives, including participation in the Connected Communities CoLab advisory group.

Some of the region's leadership and ICET funded initiatives, such as the Strathcona Regional District's innovative rural connectivity planning project, have attracted the attention of government and other communities and are already being heralded as examples of best practices.

### FUNDING BY PROGRAM CATEGORY (SINCE INCEPTION)





Woss Fire Lookout Tower  
Photo: Tyson Mackay



BC Forest Discovery Centre



Sayward Working Waterfront Trail

## TRENDS WE'RE SEEING: RESOURCE SECTOR HERITAGE FUELING NEW VISITOR EXPERIENCES

The history of Vancouver Island and the Sunshine Coast is anchored in the natural resources of the region. Fishing, mining, and especially forestry are the industries that helped to give rise to the villages, towns, and cities of today.

And while the importance of those industries as sole economic drivers is changing, communities are embracing their industrial past as an avenue to share their history with visitors. It's also a new source of tourism activity, as forestry roads are transformed into mountain bike trails, fire lookouts become points-of-interest, and historic forestry trains become heritage tourism attractions.

The BC Forest Discovery Centre has educated visitors about the history of forestry in the region for over half a century. Last year the Centre received a major infusion of funding – including \$400,000 from ICET - to create new immersive, interactive exhibits, focused on the sector's innovative practices.

The new interpretive displays promote understanding and showcase the importance of working forests, economic partnerships and community access. The **'Forests Forever: Innovations in Modern Forestry' exhibit** tells the story of modern-day forestry practices and the positive influence that coastal forestry has on BC's economy, environment and social fabric.

Tourism is changing, and the evolution to include resource-industries as part of the tourism mix, is evidence of that. On Vancouver Island and the Sunshine Coast, experiential tourism is a growing segment of the market, with forestry-related attractions and local historical and heritage assets leading the way.

"Heritage tourism is a significant element of the Regional District's marketing plan," explained Pat English, Economic Development Manager for Regional District of Mount Waddington. "It provides a story for visitors coming into the community. More opportunities to stop and stay,

translate into more dollars coming into the community, and better services and amenities for visitors and residents."

ICET supported projects such as the **Woss Fire Lookout Restoration** or the rejuvenation of the BC Forest Discovery Centre help to bring awareness of the resource sector's past and present, while at the same time adding value to the emerging tourism economy.

"There is increasing interest in our region's resource-based history," explained Pat English. "Together, these projects complement a growing network of heritage tourism attractions on the North Island, such as the Woss Heritage Park and other heritage sites in development."

The support for building a new form of regional tourism experience comes from both the private and public sector.

"Wide involvement of the private partners in the BC Forest Discovery Centre speak to how valuable of a resource it is," explained Kindry

Mercer, Community Outreach Facilitator for Western Forest Products. "For us, it is one of the ways we support our educational mandate to communicate how our forests are sustainably managed and harvested."

According to Kindry, forestry tourism is an untapped opportunity to offer the public a more informed, tactile experience with the industry.

Megan Hanacek, CEO of the Private Forest Landowners Association, agrees.

"It's important to look at the sector that built the province," explained Hanacek. "Today sustainable forestry practices mean balancing the environment and community interest, and forestry-related tourism is another way to celebrate that history while moving the industry forward."

A great example of the hand-in-glove nature of experiential tourism is Sayward's revitalized 'working waterfront'.

The recently completed **Working Waterfront Destination Gateway Trail** connects point-of-interest lookouts such as the "Boom Ballet" - an intricate dance of boom boats - with other historical and resource industry assets along the harbour.

The project will allow visitors to experience Sayward in a modern-day context, highlighting current day commercial fisheries, forestry and coastal community life along with the rich Indigenous and settlers' history in fishing and forestry.

"We're seeing trail users already, and how its opening up the community's relationship with respect to industry," explained John MacDonald, Mayor of Sayward. "It's the different lens toward traditional industries that visitors appreciate."

This project is part of a broader tourism plan to develop an interpretive centre, in collaboration with Indigenous partners, to highlight the history of Indigenous communities in the region's traditional resource industries.

"Today sustainable forestry practices mean balancing the environment with community interest, and forestry-related tourism is another way to celebrate that history while moving the industry forward."

- MEGAN HANACEK  
CEO of the Private Forest  
Landowners Association

But, whether its hiking to a restored fire lookout, immersing yourself in the history and future of forestry, or experiencing the world of a working waterfront - it is the connection through time and place that contribute collectively to a cohesive new tourism experience.

Coastal Communities Social Procurement Initiative



# INNOVATION SUPPORT FUNDING: SUPPORTING INNOVATION LEADERSHIP ACROSS INDUSTRY SECTORS

Process improvements, adaptation to emerging technologies, creatively seizing opportunities are all key attributes of innovation. And while ‘invention’ is sometimes the simplest description of innovation, finding ‘new ways of doing things’ is more often the reality.

Thanks to the recent recapitalization of \$10M from the Province of BC, a new funding stream focused on supporting innovation was launched in spring of 2018. The program has been designed to enable communities, business and industry to seize innovation opportunities or adapt to change and new technology. Up to \$100,000 is available to support initiatives that drive innovation, productivity, and competitiveness in key sectors.

“When we developed this new funding stream, we were hoping that the region would respond with projects which exceeded our vision,” says Line Robert, CEO of the Island Coastal Economic Trust. “The range of inquiries and

applications we have received has not disappointed, spanning a wide range of sectors, and some of those may be game changers for key industries.”

One of those sectors, where innovation is to be expected, is the technology and creative sector.

Recognizing that innovative entrepreneurs have better success when they are supported with mentorship, education, and co-working space, a group of partner organizations on the Upper Sunshine Coast used the Innovation Support program to fund development of their ‘**Entrepreneurial Ecosystem Incubator**’ project.

The project features an incubation function with targeted startup and entrepreneurial supports and a wide range of programming designed to support the growth of the broader tech and creative sector in the region.

“This project is a direct outcome of the partnership’s recently completed

**Creative Economy Roadmap**,” explained ICET Chair Josie Osborne. “It’s an excellent example of the Trust’s model to support community economic development and innovation from strategic development through to implementation.”

The project is a joint initiative between Powell River Educational Services Society, Vancouver Island University, the City of Powell River and other regional organizations and funding partners.

“It’s not just about supporting growth-oriented businesses or attracting new startups,” explained Julie Jensen, one of the project leads from Vancouver Island University. “It’s about creating and energizing a culture of entrepreneurship and innovation in Powell River.”

From a more ‘traditional’ perspective of innovation, scientists at the BC Centre for Aquatic Health Sciences are working with the shellfish industry and North Island College to provide early detection of norovirus in oyster tissue and seawater.

As the primary shellfish growing area in BC, operators in Baynes Sound have a vested interest in early detection of the disease. Outbreaks in recent years have meant closures to harvesting, and lost sales. Innovation Support funding will help provide shellfish growers with new **norovirus detection technology** that is more accessible, reliable and expedient than current methods.

Finally, in a project that brings together local governments from Vancouver Island and the Sunshine Coast, the Innovation Support funding stream is supporting a **region-wide ‘Strategic Procurement’ initiative**, leveraging government spending for community benefit and social good.

‘Strategic Procurement’ also known as ‘Social Procurement’, is a relatively new phenomenon in North America. The concept allows for purchasing decisions to include requirements for broader benefits, aligned with community needs, such as employment of vulnerable or targeted populations, apprenticeships

for youth or other community-based contributions.

The project is focused on creating a centralized support hub, providing expertise, training, materials and other supports communities may need to implement strategic procurement. The project also includes a focus on educating the supply side, to ensure private sector companies are also ready for the shift in procurement practices.

The current phase of the initiative is focused on community outreach and education and, as project lead Kristi Fairholm-Mader explains, the response has been great.

“From the initial nine communities, membership has grown to sixteen,” states Fairholm-Mader. “What we didn’t anticipate was the level of interest at the provincial level, who are looking at ways to be involved.”

And strategic procurement isn’t just a concern for large municipalities with significant purchasing budgets.

“We’ve seen the greatest interest from rural communities, who may not have the expertise or staffing capacity to implement strategic procurement,” Fairholm-Mader explained. “Our success has been in adapting practices demonstrated in larger urban centres for use in small communities, and already, some are moving into implementation.”

Validating the project’s goal, in the first few months since launching there has been strong uptake from communities of all sizes, as well as from private sector suppliers engaging in the process.

“These early Innovation Support projects are just the tip of the iceberg,” states Robert. “We now have some very exciting projects in the pipeline, which will demonstrate how new technology can modernize key sectors like tourism and showcase what our region’s leadership and innovative companies can do.”



Creative Economy Roadmap

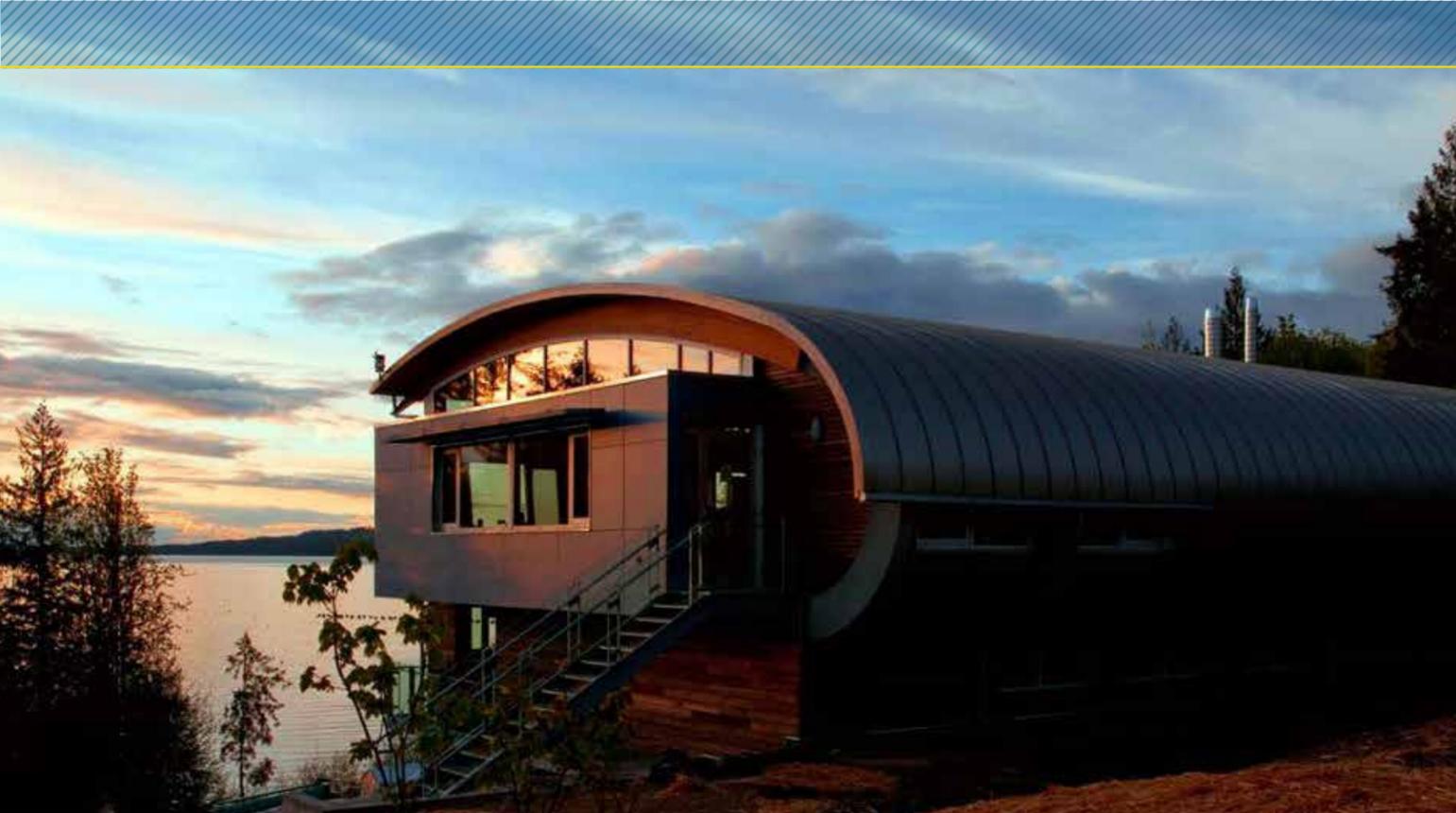
“It’s about creating and energizing a culture of entrepreneurship and innovation in Powell River”

- JULIE JENSEN



Norovirus Early Detection Tool





## PROJECT PROFILE

### DEEP BAY MARINE FIELD STATION

For millennia, Indigenous peoples have practiced sustainable shellfish farming by creating and managing rock-guarded clam gardens. Today, for coastal communities, shellfish aquaculture remains as relevant as ever as a source of economic activity and vitality.

Field stations have played an important role in the development of modern agriculture, and in the early 1970's the shellfish industry began to consider the development of an aquaculture focused field research station.

Baynes Sound is a channel between Denman Island and Vancouver Island. With 90% of its coastline under shellfish tenures, and responsible for the production of half of all BC shellfish, the area offered the perfect conditions for a shellfish research facility.

Flash forward to 2011, with financial support from senior government, industry and ICET, the Vancouver Island

University Centre for Shellfish Research opened its doors.

Known as the **Deep Bay Marine Field Station**, the facility has helped to support the sustainable growth and expansion of Vancouver Island shellfish production, through targeted applied research.

“Deep Bay Field Station may have been ahead of its time, but it has always been positioned to play a crucial role within a vital regional sector,” said Carl Butterworth, Deep Bay Marine Field Station Manager. “With growing global demand for sustainably-produced seafood, we’ve seen it come into its own as an industry-recognized centre for shellfish aquaculture.”

Today, the centre provides a connection point for all facets of the sector, from academia and industry, tourism and education, to aquaculture and environmental science.

This role as a connection point is

evidenced by the industry-related events hosted at the facility, including the Baynes Sound Environmental Intelligence Collaborative Workshop. In 2019, the working group hosted global thought leaders in shellfish and oceanographic research, inspiring new ideas and partnerships within the field.

The applied research that takes place at the Field Station is grounded in supporting industry, and this has led to projects that will help to improve oyster survivability, better understand oyster mortality events in the field, and improve our understanding of climate change in the ocean.

One of the Station's key projects is a Pacific oyster brood stock development program. As the environment continues to change, growing shellfish is becoming more difficult. Water temperature, PH level, dissolved gas content and more are changing, and growing oysters in those environments requires adaptation.

VIU's Canada Research Chair in Shellfish Health and Genomics, Dr. Tim Green, is spearheading a quantitative genetics program to breed oysters that are harder to environmental change and have a higher percentage of survival. This process uses natural selection, similar to a horse breeding program.

“One quarter of Baynes Sound oysters die before they go to market,” Dr. Green explained. “Improving the survivability by just 20% would yield \$10 million to the local oyster industry.”

As a byproduct of this research, the station produces large amounts of oyster seed. In an arrangement with the BC Shellfish Growers Association, the station is able to support its research and sustainability by selling the surplus oyster seed to BC oyster farmers at market rates. This has been a great example of industry and academia working together toward a shared goal.

As the industrial research at the Field Station continues, the next area of development is underway. The facility has an on-site commercial kitchen and is looking to optimize that capacity by becoming a ‘Seafood Innovation Centre.’

“We have submitted a proposal as part of the BC Food Innovation and Processing Hub initiative,” explained Butterworth.

If successful, the project would expand the field station's scope of research to the commercial side, understanding best practices in shellfish packaging, shipping and processing, and even how to effectively market shellfish products.

While the field station provides direct support and transfer of innovation to industry, it's the consistent focus around educational tourism that sets it apart from other research facilities.

Open year-round to the public, school groups and other visitors are encouraged to engage with the industry through

touch tanks and other interactive educational exhibits, demonstrating how the Field Station's research connects back to everyday realities.

The Field Station also provides high level educational events and tours, hosting industry professionals, academics and investors. For example, during the annual BC Seafood Festival's Industry Expo, the Field station hosted international delegates and seafood buyers, showcasing the strength and credibility of the Baynes Sound shellfish sector.

“This is just one example of the connection point Deep Bay Field Station provides for the industry,” explained Butterworth. “Above all, it is emblematic of the sophisticated value-chain for shellfish aquaculture in BC.”



# ECONOMIC INFRASTRUCTURE AND INNOVATION PROGRAM

In Fiscal 2019, over \$2.5 M in grant funding was approved for economic infrastructure projects and innovation programs. These investments create sustainable incremental economic benefits at both the local and regional levels, in addition to other community benefits for the region's residents.

	NEW ECONOMIC INFRASTRUCTURE APPROVALS	APPLICANT	ICET COMMITMENT	TOTAL BUDGET
	FINAL APPROVAL			
	Caycuse Multi-Use Recreation Site	Ditidaht First Nation	\$237,440	\$949,761
	Community Benefit Hub	Town of Qualicum Beach	\$86,559	\$259,159
	Early Norovirus Detection Tool	BC Centre for Aquatic Health Sciences	\$10,000	\$21,800
	Hornby Island Arts Centre	Hornby Island Arts Council	\$175,000	\$1,170,048
	Huu-ay-aht High Speed Fibre Optic Broadband	Huu-ay-aht First Nations	\$30,000	\$60,000
	Tofino to ʔapsčiiik t' ašii Connector Trail	District of Tofino	\$385,122	\$3,784,690
	Upper Sunshine Coast Entrepreneurial Ecosystem	Powell River Educational Services Society	\$95,000	\$190,000
	<b>FINAL APPROVAL SUBTOTAL</b>		<b>\$1,019,121</b>	<b>\$6,435,458</b>
	STAGE ONE PENDING (SUBJECT TO STAGE 2 APPROVAL)			
	7 Pending projects		\$1,493,148	\$5,553,861
	<b>TOTAL</b>		<b>\$2,512,269</b>	<b>\$11,989,319</b>

STRATEGIC TOURISM INFRASTRUCTURE



INDUSTRY & BUSINESS SUPPORT INFRASTRUCTURE



DOWNTOWN REVITALIZATION



DESTINATION TRAILS



INNOVATION INFRASTRUCTURE



INNOVATION SUPPORT



# ECONOMIC DEVELOPMENT READINESS PROGRAM

*In Fiscal 2019, \$243,000 in grant funding was approved for 12 economic development readiness projects. ICET's investments in these initiatives help communities advance the planning required to facilitate the implementation of longer-term strategic priorities and develop the tools they need for investment attraction.*

	NEW EDRP APPROVALS (ONE STEP)	APPLICANT	ICET COMMITMENT	TOTAL BUDGET
	FINAL APPROVAL			
	Port Alberni Industrial Lands Action Plan	City of Port Alberni	\$30,000	\$60,000
	SRD - Community Broadband Plans	Strathcona Regional District	\$30,000	\$60,000
	Comox Valley Agri-food Innovation Strategy	Comox Valley Economic Development Society	\$30,000	\$60,000
	Comox Valley Tech Attraction Strategy	Comox Valley Economic Development Society	\$10,000	\$20,000
	Gabriola Island Economic Development Website	Gabriola Island Chamber of Commerce	\$14,000	\$28,000
	Hornby and Denman Islands Digital Roadmap	Hornby Island Community Economic Enhancement Corporation	\$20,000	\$50,000
	Port Alberni Investment Attraction Digital Hub	City of Port Alberni	\$22,500	\$45,000
	Campbell River Employment Lands Strategy	City of Campbell River	\$10,000	\$20,000
	Ucluelet Economic Development Website Tools	District of Ucluelet	\$10,000	\$20,000
	BC Farmers' Market Trail Expansion	BC Association of Farmers' Markets	\$30,000	\$72,000
	Campbell River Sector Profiles	City of Campbell River	\$9,000	\$18,000
	Ladysmith Investment Attraction Tools	Economic Development Cowichan	\$27,500	\$55,000
	<b>TOTAL</b>		<b>\$243,000</b>	<b>\$518,000</b>

ECONOMIC  
DEVELOPMENT  
STRATEGIES



QUICK  
STARTS

INVESTMENT  
ATTRACTION  
TOOLS



TECH  
STRATEGIES

SECTORAL  
DEVELOPMENT



REGIONAL  
COLLABORATION  
& MARKETING



# OBJECTIVE 3

## BUILD COMMUNITY AND REGIONAL ECONOMIC DEVELOPMENT CAPACITY

ICET invests in projects, planning and training to support the sustainable development of attractive, liveable, and investment-ready communities and a thriving and collaborative region. This is achieved through the **Economic Development Readiness Program and Regional Support Programs**.



VIU Centre for Sturgeon Studies



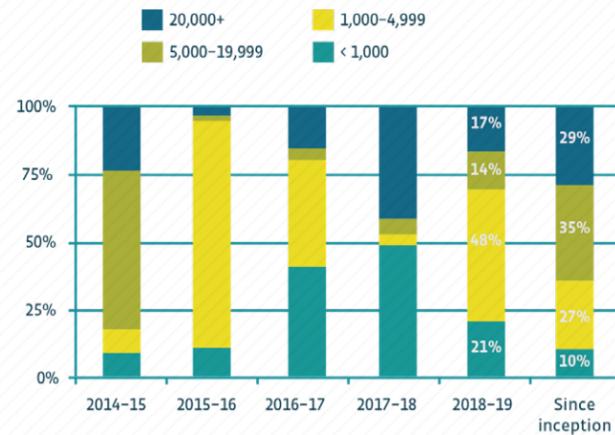
### SUPPORT ECONOMIC DEVELOPMENT CAPACITY BUILDING

In Fiscal 2019, more than two thirds of projects approved were situated in communities with less than 5000 residents, compared to the historic average of 37%. This is of particular significance given that in recent years, many of the projects located in these small communities have evolved from economic development strategies and other planning supports funded through the Economic Development Readiness Program.

In the past five years, the average EIIP project request from communities in the 1000 to 5000 population range has increased, and is larger than the average request in larger communities. This demonstrates a progression in community capacity to develop projects and access funding, relative to the early years of the fund, where there were very few infrastructure projects in smaller communities. It is important to note that there is no correlation between community size and size of community funding allocation.

Economic Development Readiness Program funding approvals in Fiscal 2019 also demonstrate progressive capacity building in smaller communities, moving from economic development strategies and quick start projects to the development of investment attraction tools and connectivity strategies. In mid-sized communities, trends indicate greater investment response readiness with the development of industrial and employment lands strategies and innovative investment attraction tools as well as specific sectoral development strategies in areas such as agri-food innovation.

FUNDING BY COMMUNITY SIZE (INCLUDING EDRP)



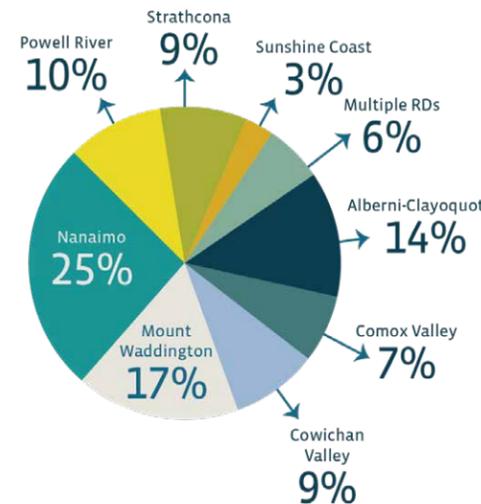
AVERAGE EIIP FUNDING BY COMMUNITY SIZE (LAST 5 YEARS)



### FOSTER EFFICIENT USE OF CAPITAL THROUGH COLLABORATION

New projects such as the Strathcona Regional District's connectivity strategy project, involving eight rural and remote communities, and a similar initiative approved for Hornby and Denman islands demonstrate best practices in the efficient use of capital through collaboration. Other regional collaboration projects such as the BC Farmers' Markets Trail Vancouver Island portal also demonstrate efficient use of regional resources through collaboration, using existing farmers' markets and assets to foster greater tourism in the region.

FUNDING BY RD (SINCE INCEPTION)





Kyuquot Connectivity Planning

Creative Economy Roadmap

## TRENDS WE'RE SEEING: PLANNING FOR THE NEW ECONOMY: COMMUNITIES TAKING CHARGE

Reliable, high-speed internet connectivity is now a basic utility, as important to most of our lives as electricity. However, small, rural, and remote communities are often at a disadvantage compared to urban centres when it comes to that basic information infrastructure. It's called the 'digital divide', and we're seeing communities proactively working to change that.

"The cost of not having rural and remote infrastructure is increasingly obvious," explained Victoria Smith, Strathcona Regional District Broadband Manager. "It's no longer a matter of simple access to information, it's about our capacity to attract young people, business and to access important health services, distance education and other vital use cases."

The Strathcona Regional District is leading the Connected Coast initiative, a \$46M project that will bring a new source of connectivity to more than 150 rural and remote coastal communities.

"With a new information highway coming, we need communities ready to tap into this significant investment, with the appropriate last mile infrastructure to leverage use to its full potential," explained Smith.

With financial support from ICET, the Strathcona Regional District (SRD) is embarking on a detailed **connectivity planning** process with eight rural and remote communities in the region. The community plans will identify last-mile solutions based on each community's unique digital aspirations. This information will then inform the technical design for last-mile infrastructure options.

This project is one of the first initiatives founded on the design principles in the Province of BC's Connected Communities framework. The project has already attracted significant interest from the Province and from other communities who wish to undertake a similar process.

Such is the case with Hornby and Denman Islands. The two islands have also received funding support from ICET for a **broadband strategy**, focusing on 'last mile' connections to homes and businesses. Like the SRD process, this community-driven approach is putting the community in the driver seat, defining their digital needs, aspirations and how to achieve them.

"The Islands have historically been 'have-nots' in the digital age," explained Karen Ross, Economic Enhancement Officer for the Hornby Island Community Economic Enhancement Corporation. "It was clear that communities that are ready, willing and able to receive infrastructure will be first in line, and our planning process means that we will be ready to play."

For Ross, connecting to fibre optic service serves all demographics on the islands. Improved health and emergency services are important for aging populations, while the digital network will provide urban

amenities with a rural lifestyle for younger entrepreneurs looking to the islands as their new home. Broadband opens up new opportunities for online education, new business innovation, and more.

Across the Strait in Powell River, proactive and innovative planning is taking a different shape.

With funding support from ICET, a grassroots coalition of community stakeholders have developed a **Creative Sector Roadmap**, to help guide the community transition from traditional industries to a more knowledge-based economy.

"When the mill closed, many of the workers were also in the creative sector as artisans, musicians and entrepreneurs," explained Julie Jensen, project lead from Vancouver Island University. "At the same time, there has been an influx of remote workers relocating here, and we're considering ways to leverage that economic shift

into something new."

The Powell River project featured extensive grassroots consultation with community stakeholders, to gain a clear understanding of what was needed to support the addition of new economic models.

"Tech entrepreneurs, home based workers and cultural creatives are generally a silent segment of the population," explained Jensen. "We needed a process that would draw them out and get them engaged."

The concept of the 'creative economy' came forward as the best way to engage all creative professionals, from film and television, to arts and culture, video games, digital media, as well as tech entrepreneurs, knowledge workers, and remote workers.

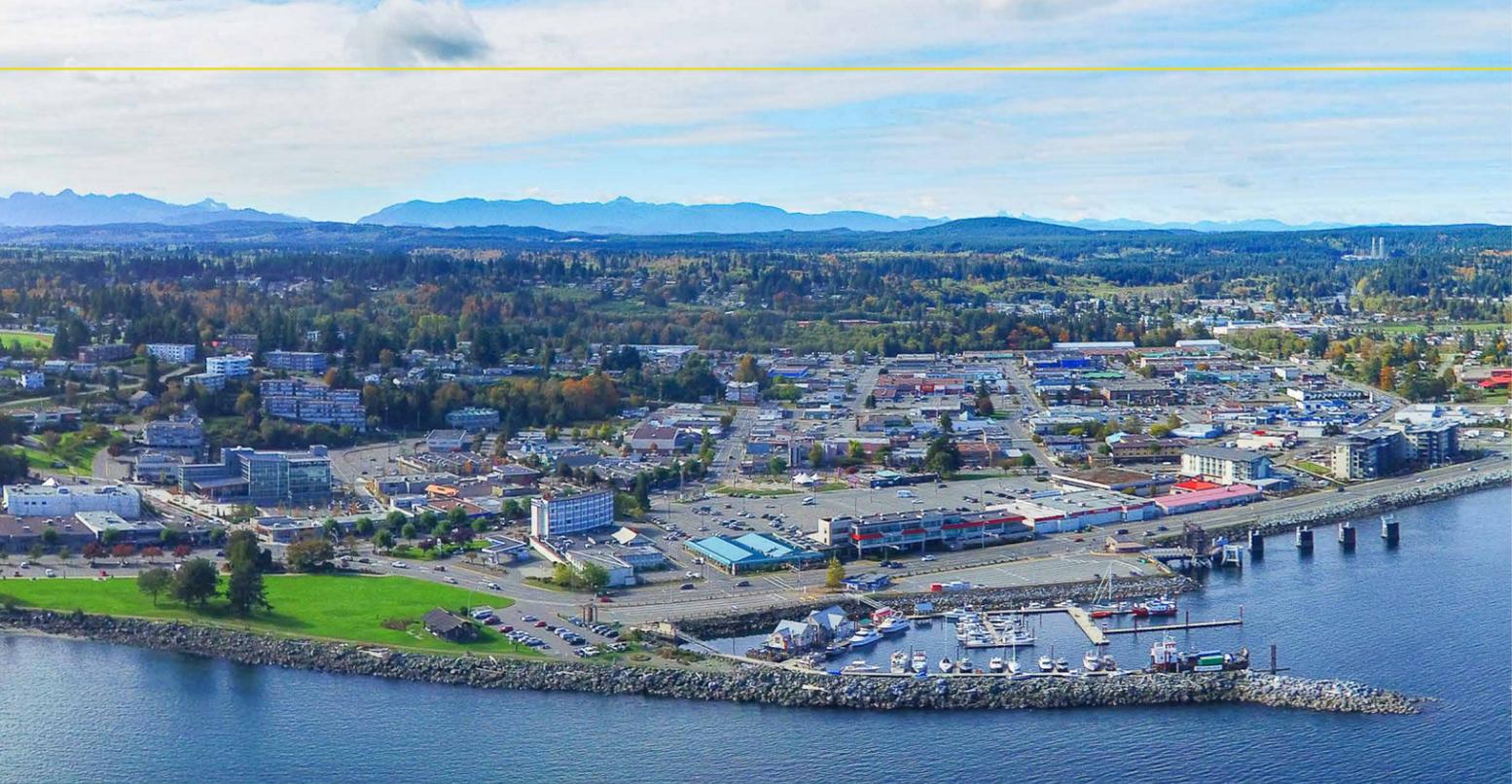
The project group used active research - a methodology that takes research out of a purely quantitative, academic environment and focuses on qualitative,

collaborative work with the subjects - to gather the input needed to form a plan.

Participants were invited to tech talks, video presentations, and cafe conversations. Nearly 80% of the participants were new to the region, and it was the format of the research that was credited with drawing those new home-based workers out to integrate them into the entrepreneurial community.

This **next phase** of the project, already underway with ICET support, will create an incubator to support tech and creative entrepreneurs and foster the broader development of an innovative, entrepreneurial culture.

"The momentum of this initiative is reflective of the strong grassroots involvement from the beginning," states Jensen. "We could not have done this without building the community first."



# INVESTMENT READINESS FUNDING INDUSTRIAL AND EMPLOYMENT LANDS STRATEGIES

Modern investors are no longer constrained by geography, and globalization means that the competition for business and industrial investment is stronger than ever.

To capture the savvy investor’s attention, communities need to utilize a range of tools that provide detailed information, and they need to be ready with quick responses to inquiries.

The first step for many communities is to develop a clear picture of their assets, values, and opportunities. From there, plans for strategic development of industrial and employment lands, keyed to community aspirations and market needs, can be rolled out.

The Economic Development Readiness Program supports investment readiness through its Investment Attraction Tools funding stream. In recent years, a number of communities have optimized

their investment response capacity through strategic land plans.

In the Cowichan Valley, consultations had identified lands ripe for industrial development, however only a small percentage were properly zoned or being fully utilized.

Based on that research, a **region-wide strategy and inventory** was undertaken to enhance, augment and promote industrial land development. The project engaged with current industrial land owners, examined employment trends and determined sector development opportunities that will fuel job growth in the Cowichan Valley.

“Our relative cost advantage has gained attention from more urban, neighbouring regions, creating opportunities to attract new-to-the-valley industries”, stated Amy Melmock, Manager of Economic

Development Cowichan. “With only a small percentage of land designated as industrial, the need to manage, develop and expand must be a priority if we want to diversify and attract emerging sectors such as tech, aquaculture, value-added forestry manufacturing and specialty food processing.”

With its regional scope, and formation of an Industry Advisory Panel, the strategy has been conducive to building stronger relationships between Indigenous communities, local government, industry players and landowners in the region.

The land use strategy dovetails with other ICET supported regional planning initiatives, including the Cowichan Tech Strategy and the Climate Resilience Agri-Plan, while making several recommendations in areas such as food processing.

Similar employment and industrial land use strategies are currently under development in **Campbell River** and Port Alberni. With different opportunities and challenges, both communities are taking a deep dive to determine highest and best use for investment in available lands.

“We are receiving more and more calls from businesses looking to expand or establish a presence in the city,” said Rose Klukas, Economic Development Officer for the City of Campbell River. “In order to accurately respond to inquiries, we need a complete picture of available land.”

With a strong supply of employment lands, and recent enhancements to the airport, Campbell River recognized it could benefit from a stronger approach to investment readiness.

“Now we can determine the type of development we want to have,” explained Klukas. “From opportunities in agriculture, the industrial sector or building our tech ecosystem, strategic development of lands can be the catalyst.”

In Port Alberni, recent initiatives in secondary-wood processing, aerospace and clean technology have attracted the attention of several new firms to the region, but an adequate supply of serviced, accessible land is needed to meet market demand.

“Despite common misconceptions, land for industrial development in the Alberni Valley has become increasingly scarce,” explained Pat Deakin, Economic Development Officer for the City of Port Alberni. “We have been turning away

potential investors and need a strategy to leverage the opportunities at our doorstep.”

The completed **Port Alberni Land Use Strategy** will include a shortlist of properties that can be easily rezoned, and a plan to improve industrial and employment land availability. High-level feasibility for an industrial park is also being considered.

“We are talking to a broad set of stakeholders, both on the supply side and the demand side. We are gaining a better sense of the types of businesses looking toward Port Alberni, and much of this information will feed into our investment attraction activities,” concludes Deakin.



**“With only a small percentage of land designated as industrial, the need to manage, develop and expand must be a priority if we want to diversify and attract emerging sectors such as tech, aquaculture, value-added forestry manufacturing and specialty food processing.”**

**- AMY MELMOCK**  
Manager, Economic Development Cowichan



# PROJECT PROFILE

## LADYSMITH ECONOMIC DEVELOPMENT STRATEGY

The Town of Ladysmith enjoys a unique opportunity to build its economy, thanks to its strategic location between the Cowichan Valley and Nanaimo, and its economic assets, which include a stunning waterfront and historic downtown.

Over the years, multiple organizations in the community have shared a common interest to promote Ladysmith as a great place to live and invest. Although each contributed to the economic development in their own way, there was an opportunity for stronger outcomes through collaboration and coordination.

In 2017, stakeholders in the community mobilized with a plan to revitalize the waterfront. The project formed the basis for a new partnership to develop a unified **economic development strategy**, supported by the Economic Development Strategy funding stream of ICET's Economic Development Readiness Program (EDRP).

The partnership included the Town of Ladysmith, Economic Development Cowichan, Ladysmith Downtown Business Association, Nanaimo Airport Authority, Stz'uminus First Nation, the Ladysmith Chamber of Commerce and Community Futures Central Island.

"Economic Development Cowichan was key to bringing the members onboard," explained Tammy Leslie, President of the Ladysmith Chamber of Commerce. "Once there was someone willing to spearhead the project, it was easy to get everyone else together."

When the diverse groups came together, there was a strong sense of excitement and forward momentum. Collaboration between stakeholders with different needs and aspirations can be challenging, however the partnership quickly evolved into a model demonstrating how to bring multiple organizations – and a community – together under one common objective.

The result is a comprehensive economic development strategy for the Ladysmith region and, through extensive stakeholder consultation, an inventory of projects in progress, a priority project list, and a three-year implementation plan.

On the heels of the newly minted strategy, enthusiasm translated into quick implementation.

An **investment attraction website**, featuring an innovative app, was agreed upon as the next logical step to move the strategy forward. With support from the EDRP Investment Attraction Tools funding stream, this innovative project will provide potential investors with a mobile database of on-the-spot information about investment opportunities in the community.

"When you get a chance to collaborate it builds trust. The investment attraction tools are not just a conduit for information, but another opportunity to

work together and continue building that relationship," said Amy Melmock, Manager of Economic Development Cowichan.

The strategy identified mountain biking as a source of new visitors and economic opportunities for the community. Since its completion, the Cowichan Trail Stewardship Society has approached the working group to spearhead the development of a trail network within the community, once again demonstrating rapid movement to implementation.

Most notably, consultations and research revealed the waterfront plan as a key priority, with the highest economic impact identified among potential projects.

Building on ICET supported investments in **transient boater facilities**, there is an opportunity to grow the marine tourism market in addition to the existing arts and heritage tourism infrastructure in the area. In an active partnership with the Stz'uminus First Nation, a key

feature of the waterfront plan is an 'Arts and Heritage Hub,' with galleries, artist studios, showcasing Coast Salish art and artists, Stz'uminus heritage as well as the area's industrial heritage.

"After speaking to a broad subsection of the community, it was not surprising to learn there was desire to act on the waterfront plan, and its significance as a cultural hub. But it was important that we arrived at that by consensus," explained Melmock.

Strong community buy-in has enabled the community to, once again, move quickly to detailed planning and implementation. Funding applications for the first phase of implementation have already been submitted to senior governments and other funding sources.

Leslie said that all the parts of the project worked because of the focus on collaboration.

**"When you get a chance to collaborate it builds trust. The investment attraction tools are not just a conduit for information, but another opportunity to work together and continue building that relationship."**

**- AMY MELMOCK**  
Manager of Economic Development Cowichan

"The process revealed we all had the same objectives and goals in mind, we were all on the same page. Anytime business does better, we all do better, so it wasn't a surprise," concludes Leslie.

## OBJECTIVE 4

### SUPPORT REGIONAL COLLABORATION AND LEARNING

*ICET facilitates and supports regional collaboration, key networking or learning events as well as regional or sectoral planning initiatives. This is done primarily through the Regional Support Programs, targeted partnerships and operational assistance.*

#### FACILITATE ECONOMIC DEVELOPMENT COLLABORATION

The unique Trust governance structure continues to contribute significantly to the advancement of regional collaboration. The strong attendance and engagement of the Board and the region's 40+ Advisory Committee members, has created a culture of collaboration and regional ownership which would be difficult to replicate in any other setting.

In Fiscal 2019, the Board of Directors met 6 times. The North Island Sunshine Coast Regional Advisory Committee and the Central South Island Regional Advisory Committee each held 3 in-person meetings. These in-person meetings enable frank discussions, the development of regional vision and the development of the trust and understanding required for successful collaborative relationships. This past year, two special presentations were delivered by guest speakers highlighting successful regional initiatives and project best practices.

Proactive support is provided for economic collaboration through the provision of in-kind services for regional initiatives. In Fiscal 2019, this included in-kind administration services for the Vancouver Island and Coast Economic Developers Association (VICEDA) as well as financial project management services and other support for the Regional Tech Attraction Strategy project and subsequent Regional Tech Attraction Web Portal project.

Trust staff also help to facilitate introductions amongst organizations to encourage new collaborations, where common interests or complementary opportunities have been identified.

#### RELATIONSHIPS WITH INDIGENOUS COMMUNITIES

The development of strong, long-term relationships with Indigenous communities and organizations, has been, and continues to be an important strategic priority for the Trust. In recent years, outreach and relationship development has resulted in much stronger participation in the program from Indigenous communities. During

Fiscal 2017 and 2018, more than one third of total infrastructure funding allocations went to projects in remote Indigenous communities. In Fiscal 2019, this trend continued with 25% of total final funding allocations.

This past year, in-person meetings, site visits and project exploration and development discussions were held with staff or leadership from Indigenous communities and organizations including Lake Cowichan First Nation, Ka'yuu:'k't'h'/Che:k'tles7et'h' First Nations, Ditidaht First Nation, Ahousaht First Nation, Huu-ay-aht First Nation, Toquaht Nation, Penelakut First Nation, Nanwakolas Council, Dzawadaenuxw First Nation, Kwikwasut'inuxw Haxwa'mis First Nation, Tseshaht First Nation, 'Namgis First Nation, K'omox First Nation and Homalco First Nation.

#### PARTICIPATE AND PRESENT AT KEY EVENTS

In Fiscal 2019, staff participated in economic development conferences such as the Vancouver Island Economic Summit and British Columbia Economic Summit, provincial events such as UBCM conference, BC Tech Summit, as well as regional sectoral events such as the BC Seafood Expo.

ICET is called upon to make specific presentations about its programs and regional best practices. In Fiscal 2019, due to the fall elections and significant changeover in local government, there were fewer presentations than usual. However, presentations were made to newly elected officials at the Local Government Leadership training sessions, as well as to Chamber of Commerce, local government, Indigenous governments, as well as to Province of BC staff, workshops and working groups.



*The sponsorship of select conferences and events, held in the ICET region, helps to foster the growth and emergence of economic sectors by supporting education, sharing of best practices and opportunities for connection and partnership development.*



## VANCOUVER ISLAND ECONOMIC SUMMIT

The Vancouver Island Economic Alliance held the 12th Annual Vancouver Island Economic Summit in October 2018, bringing together approximately 600 delegates from across business, industry, non-profit and government. Speaker sessions focused on a broad range of topics from cannabis business development, technology and innovation, Indigenous tourism and more, including keynotes by the Premier of BC and Federal Minister of Fisheries and Oceans.



## BC SEAFOOD EXPO

The 4th Annual BC Seafood Expo was hosted by the Comox Valley Economic Development Society in June 2018. The two-day trade show brought together leading industry participants and international buyers to collaborate and promote BC's seafood exports to a world-wide market. Panels featured leading professionals, academics and chefs focused on topics ranging from Indigenous aquaculture development, to marine research and seafood diversification.



## BC TECH SUMMIT – VANCOUVER ISLAND REGIONAL HOUSE

The 4th Annual BC Tech Summit was held at the Vancouver Convention Centre and featured the Vancouver Island and Sunshine Coast Regional House, showcasing technology success stories. The house featured a video presentation highlighting the region's tech sector and tech related opportunities. Local companies in attendance included Biopreme Medical Technologies from Chemainus, Kranked Bikes located in Gibsons and Port Alberni's Coulson Ice Blast.



## 2019 ELECTED OFFICIALS SEMINAR

The Local Government Leadership Academy held the 2019 Elected Officials Seminar Series in Parksville in February 2019. The event invited new and returning local government and First Nations elected officials to improve competencies needed to effectively lead communities. Session topics included dynamic decision making, local government law, and sustainable community planning.



## BURSARIES: SUPPORT FOR ECONOMIC DEVELOPMENT CAPACITY

The bursary program was established as a way to support community participation in regional economic development training. Since the program's inception in 2013, 86 bursaries have been awarded to individuals working to make a difference in the Island and Coastal region.

This past year, seven bursaries were awarded to enable local leaders, involved in economic development initiatives, to participate in the Vancouver Island Economic Summit. Five of the bursaries were awarded to participants under the age of 40, supporting ICET's strategic priority to increase participation of younger people in regional economic development. Recipients included representatives from diverse local economic development groups, First Nations, Chamber of Commerce, Young Professional and tourism organizations as well as local government leaders.

A bursary was also awarded to one younger participant to attend the Western Economic Development course. Over the years, several bursary recipients have evolved into regional economic development leaders, spearheading new and innovative approaches to economic development.



**“Shortly after entering the field, I was looking for a greater understanding of economic development through the lens of a First Nations community. The bursary provided by ICET enabled me to enroll in the SFU Community Economic Development program, which equipped me with tools and the knowledge to be successful as an economic development professional. The remote curriculum meant I was able to apply what I learned to my job in the community and in everyday life. The two-week residency provided practical feedback on actual project development – it was all applicable.”**

**- JENNIFER KNOX**

Jennifer Knox is the assistant to the CEO, for the K'ómoks Economic Development Corporation. She received a bursary to attend the SFU Community Economic Development program in 2018.

## INTERNSHIP PROGRAM

*The Economic Development Internship program provides recent university graduates with high level on-the-job training, mentorship and work experience in regional economic development. Upon completion, interns are employment-ready economic development professionals, with a vast network of regional contacts and on-the-ground experience in communities of varying sizes.*

This past year, ICET intern Andrew Hutchison, had the opportunity to support a range of projects throughout the region. The range of assignments included granting writing, economic indicator research, contract management and other research and analysis. The internship also provided internal organizational experience with economic impact analysis, website and data management, board governance, project development support, program analysis, social media, and technical writing.

Following the internship, Andrew successfully transitioned to a new role as Project Analyst and Communications Coordinator with the Trust.

We asked Andrew to share his experience and reflections about the program:

### WHAT ATTRACTED YOU TO THE INTERNSHIP AT ICET?

As a recent graduate I was looking to complement my economics degree with relevant professional experience. I discovered ICET through the diversity of projects they were involved in throughout the region, and was drawn by the opportunity to learn about economic development from a well-respected organization. I was especially interested to learn about the challenges and opportunities facing the region, and how each community approaches economic development differently.

### WHAT DID YOU FIND MOST VALUABLE ABOUT THE INTERNSHIP?

The Trust occupies a unique role in the region, offering me an incredible opportunity to network with economic development professionals, elected officials and other community leaders.

As a result, I've gained an intimate knowledge of the region's communities and actors. With the supportive mentorship from ICET staff, I provided project-based support directly to communities, allowing me to refine my skillset in a broad range of community settings. The combination of highly transferable experience, along with invaluable relationships, has provided me with a strong platform to begin my career as an economic development professional.

### WHAT WERE THE HIGHLIGHTS OF YOUR INTERNSHIP?

I really enjoyed attending industry related events, such as the Vancouver Island Economic Summit, VICEDA quarterly meetings, and the Western Economic Development Course, which provided me with opportunities to network and advance my economic development knowledge. I also appreciated the project applicant site visits, where I was able to get out in the field and build lasting professional relationships. Interacting with dedicated community leaders and learning about community-driven initiatives has been energizing, and has inspired me to grow and develop as a professional.

### WHAT ARE THE BENEFITS OF HAVING AN INTERNSHIP PROGRAM LIKE THIS IN OUR REGION?

For me, the internship provided a foot in the door into the economic development field, and equipped me with the skills, knowledge and practical experience to be successful. This is especially important for retaining and developing young leaders in the region who are committed and ready to contribute to a vibrant coastal economy.



# OBJECTIVE 5

## MAXIMIZE THE IMPACT OF TRUST RESOURCES

*ICET ensures that Trust resources are maximized with responsible administrative practices, continuous improvement of operations and programs, strong accountability and risk management and implementation of best practices.*

### INCREASE REGIONAL PROFILE AND SHARE BEST PRACTICES

ICET's communications strategy is based on the importance of sharing key economic development news and progress to inform stakeholders and the general public. This is done through a range of media including news releases, media interviews, Facebook posts, project stories, sharing best practices in publications, web content, social media and presentations, and videos of regional initiatives.

In Fiscal 2019, project funding news releases and social media continue to be at the forefront of the organization's communications strategy.

Project **news releases** provide optimal transparency for stakeholders, ensuring that the region is fully informed of key funding decisions on an ongoing basis. These news releases generate positive earned media coverage in both print and radio, highlighting the region's economic development initiatives and progress to its stakeholders and beyond.

This transparency is supplemented with **project summaries** on the website. All approved projects, summaries, images, key funding sources as well as final reports are posted.

**Stories** and case studies are also used to share key information and results about approved projects and regional economic trends. Published in the annual report and on the website, these stories provide applicants and stakeholders with a greater understanding of trends and successes, in both quantitative and qualitative terms.

The CEO and Chair are often called upon by media to comment on funding announcements and regional trends. The CEO proactively champions the region's successes, aspirations and challenges with senior government staff and elected officials to ensure that the region's profile is well documented and understood by those in leadership capacity.

### GOVERNANCE

The Board regularly reviews the skills, knowledge and experience of the Board in order to determine if any gaps exist, to ensure the highest quality Board composition. In Fiscal 2019, the organization

experienced a larger than usual turnover in governance due to the local government elections in October 2018 and the end of terms for all five Provincial appointees in August 2018.

Staff and Board worked with the Crown Agencies and Board Resourcing Office (CABRO) to develop recommended profiles for the new provincial appointments and to support the recruitment process.

In November, five new local government leaders and two new ex-officio Regional Advisory Chairs were elected to the Board by the two regional advisory committees. Four of the five provincial appointee vacancies were also filled in November, and the fifth was filled in June 2019. One provincial appointee vacancy remains to be filled.

New directors and new regional advisory committee members were provided with a comprehensive orientation to familiarize them with operations and governance processes. Three separate half-day orientation sessions were held in the various regions for the new Board and RAC members, as well as targeted orientations for new Executive Committee members.

The turnover of two thirds of the Board and half of the Regional Advisory Committees has created some minor operational delays for staff, but will provide an opportunity to integrate new ideas and renew the organization's vision and priorities.

### CONTINUOUS OPERATIONAL IMPROVEMENT

In Fiscal 2019, operational improvements were focused on modernization of the website as well as research into a new database system. The new database is expected to be operational in Fiscal 2020.

The turnover of Board created an opportunity to renew and modernize the orientation process and materials as well as update risk management policies and standard operating procedures.

Trust staff continue to seek out operational best practices and in Fiscal 2019, participated in a meeting with other Trust CEOs at UBCM. A two-day meeting in the region is being planned for early Fiscal 2020, to share regional best practices with other Trusts, including site visits and presentations from regional leaders.



The following financial management discussion and analysis is the responsibility of management and reflects events known to management up to June 30, 2019. It is intended to help the reader understand ICET operations, financial performance as well as present and future obligations. It should be read in conjunction with the annual audited financial statements and related notes.

## 2019 FINANCIAL HIGHLIGHTS

The Island Coastal Economic Trust achieves its objectives by investing its capital and interest in economic development initiatives, using the \$60 million allocation plus interest income earned. Operational expenses have been financed by interest income and operational reserves allocated from the capital amount.

In Fiscal 2018, the accounting policy for revenue recognition was changed to the deferral method from the previously used restricted fund method. Based on current operations and funding agreements, the deferral method is preferable as it presents more reliable and relevant information in a manner that is more easily understood by most users of the financial statements. The deferral method aligns government funding revenues with the related project expenditures.

## INVESTMENTS

A conservative investment approach has been used since inception, in order to preserve capital availability for short term allocation. In previous years all capital has been invested in the Municipal Finance Authority (MFA) Money Market Fund, Short term Bond Fund and Intermediate Fund.

Future fund performance was assessed for resiliency under different interest rate scenarios. In order to ensure stability and predictability with the portfolio's assets for the estimated 5-year cash flow needs, it was recommended that all investments be transferred to the MFA Short Term Bond Fund.

A significant presentation change in the statement of operations was the inclusion of the net change in the balance of the unrealized gain or loss on investments. ICET had unrealized gains of \$89,904 in 2019.

The MFA funds generated \$350,651 in interest income and realized a loss of \$7,888, as a result of the redemptions of funds in the Short Term Bond Fund. The fund's realized return on investment is 3.79%, well in excess of the benchmark one-year treasury rate of return of 1.52%.

ICET Staff and Board, supported by third party expertise, will continue to monitor the performance of its investment funds to ensure a balance between maximum earnings and the preservation of capital and availability of funds for the organization's short-term financial needs.

## PROJECT DISBURSEMENTS

During the 2019 fiscal year, \$1.4 million was disbursed to approved projects, partnerships and sponsorships. This represents an increase of \$0.3 million from the previous year's disbursements. Disbursements are subject to applicant reimbursement requests for work which has been completed and may not occur in the same year as project funding commitments. Disbursements may be inconsistent from year to year, subject to reasons unique to each applicant, and may not accurately reflect the actual value and volume of project work completed by applicants in that fiscal year.

## OPERATIONS

In Fiscal 2019, operating expenses totaled \$526,102, more than \$30,000 under budget. This represents an increase of 11.9% from Fiscal 2018. Most of the organization's operating costs are fixed in nature and fluctuate very little from year to year, based on the current model of operations.

Since inception, ICET's average operation costs have been less than 12% of total funds disbursed. This percentage includes Board of Directors and Regional Advisory Committee costs (approximately 50 members expense and travel costs) as well as all program administrative costs, services and all other internal operations.

## OPERATIONS AND EXPENDITURES FORECAST

For the 2020 fiscal year, management anticipates the approval of \$2 million in new project funding as well as disbursements of approximately \$1.9 million to approved projects.

The Economic Infrastructure and Innovation Program was oversubscribed in Fiscal 2019. Management expects there will be more projects that qualify for funding than there are program funds available in Fiscal 2020. The strength of the Island and Coastal economy, and the recent trend in larger projects of regional scope, is expected to result in a higher number of larger funding requests. Pressure on the available annual program funding envelope is expected to increase based on the availability of senior government matching funding opportunities.

Management is anticipating a slightly lower volume of projects for the Economic Development Readiness program. While communities continue to move their level of readiness forward, the availability of senior government economic infrastructure funding and a strong economy is enabling communities to focus on implementation of existing strategies, resulting in a reduced emphasis on planning and readiness initiatives.

Operating and staffing costs are expected to fluctuate very little from 2020.

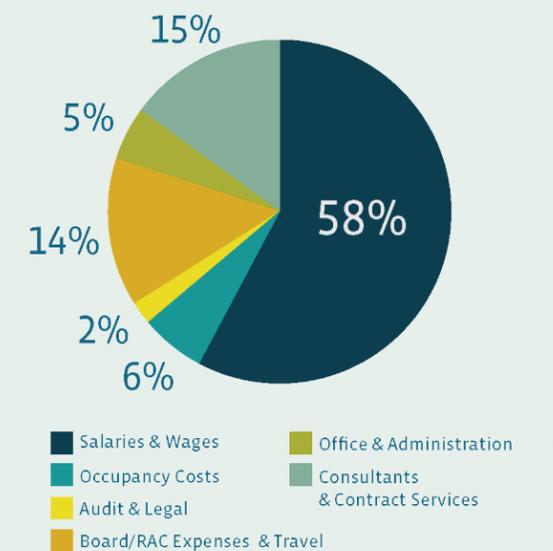
RATE OF RETURN ON MFA INVESTMENTS



ICET FUNDS DISBURSED TO APPROVED PROJECTS



2018 OPERATING EXPENSES



## FUND SUMMARY AS OF MARCH 31, 2019



*Operational risk is managed through development of internal controls, continuous improvement of organizational policies and procedures, and development of risk management tools. These management practices have a positive influence on decision making, accountability and transparency.*

## DUE DILIGENCE AND PERFORMANCE MONITORING

A thorough due diligence process, with documented protocols and systems, is in place to minimize the risks inherent to grant funding. There are established, detailed selection criteria for each funding program to help guide the decision-making process. Once a project is approved, strict conditions ensure all the requirements for successful completion are in place.

A monitoring framework ensures that funds are being used as intended and are attaining expected results. Grant recipients are required to provide financial and operational reports addressing project progress as well as a full performance report and financial statement upon completion. Clear policies have been developed to support required action where concerns may be identified.

Performance monitoring and measurement is also achieved through ongoing quantitative and qualitative economic impact assessments and detailed project evaluations, prepared five years post-completion.

Project data is tracked and maintained in custom-designed databases. Information is managed centrally from initial receipt of an application through the approval process. The central database model also enables regular performance measurement analysis of funding allocations, prepared by a consulting economist in accordance with accepted methodologies.

## FREEDOM OF INFORMATION AND PROTECTION OF PRIVACY

Responsible information management practices, compliant with the Freedom of Information and Protection of Privacy Act are in place to protect the privacy of people whose personal information is held by the organization. Security measures, specific to the organization's IT systems and technology, have been developed to further protect confidential information and maintain appropriate access to information, as required by law.

## DIGITAL SECURITY AND TECHNOLOGY USE

Digital security is a key risk addressed by the organization. Appropriate firewalls, virus detection software, remote

backup, secure Canadian based cloud servers are just a few of the tools employed to ensure the organization's data is safe from malicious use and/or accidental loss. Security audits are conducted to assess systems and ensure that they meet current digital security best practices.

Policies are in place to ensure that information technology, provided to staff and Board is used in a professional, ethical and appropriate manner to facilitate and support operations. These include policies detailing technology use, access to employee communications, and protocols to maintain security controls and functionality.

## TRANSPARENCY

Transparency is a core organizational value. The website is the key information portal to keep stakeholders, as well as the general public, well-informed. Designed to provide efficient public access to information about programs, funding criteria, governance, strategic planning, performance reporting and financial reporting, it also includes detailed information about all approved project investments. The website also features economic development resources, best practices information and detailed regional economic analysis. Social media accounts, news releases and third party reporting ensures stakeholders are informed on a day-to-day basis of key initiatives, investment decisions and performance reporting.

To ensure that funding decisions are made in a fair and consistent manner, detailed program guidelines set out clear eligibility requirements and program criteria and larger project investments are subject to a professional economic impact assessment, prior to approval.

## GOVERNANCE AND RISK MANAGEMENT REVIEW

Governance and risk management policies are reviewed annually to ensure compliance with legislation, operational requirements and alignment with strategic initiatives. This includes short and long term financial risk assessment, personnel retention and succession planning, Board resourcing and succession, and any other factors which may impact the organization's efficient operations. Based on risk assessment criteria, detailed plans may be developed to address identified short term and medium term risks.

## INTERNAL FINANCIAL CONTROLS

The management team is responsible for establishing and maintaining adequate internal control over financial reporting. This process is designed by the Chief Financial Officer to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Accounting Standards for Not for Profit Organizations (ASNPO).

Internal controls of investments are designed to manage financial risk. Investments are currently limited to MFA funds and monthly return statements are reviewed at every board meeting.

All project reimbursement requests are subject to a review by staff for eligibility and legitimacy before payment. Staff approvals, including the full details of the request, are subsequently forwarded to Board Executive members for approval and signature prior

to payment. All other organization expenses are authorized by two duly authorized ICET signatories.

Based on this evaluation, management concluded that internal controls over financial reporting were effective at March 31, 2019, in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes.

In Fiscal 2019, there was no change in ICET's internal control over financial reporting that materially affected or is reasonably likely to materially affect ICET's internal control over financial reporting in the future.



## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Island Coastal Economic Trust

### Opinion

We have audited the accompanying financial statements of Island Coastal Economic Trust (the "Trust"), which comprise the statement of financial position as at March 31, 2019, and the statements of net assets, operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the Trust's financial statements present fairly, in all material respects, (or give a true and fair view of) the financial position of the Trust as at March 31, 2019, and of its financial performance and its cash flows for the year then ended. The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations.

### Basis of Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management intends for the Trust's to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for over-seeing the Trust's financial reporting process.

### Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of the users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.



**Auditors' Responsibilities for the Audit of the Financial Statements (continued)**

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Chan Nowosad Boates Inc.*

Chartered Professional Accountants  
Courtenay, BC

May 24, 2019

**ISLAND COASTAL ECONOMIC TRUST**

**Statement of Financial Position**

March 31, 2019

2019

2018

(Note 3)

**ASSETS**

**Current Assets**

Cash	\$ 153,948	\$ 73,145
GST receivable	7,858	13,825
Prepaid expenses	<u>9,445</u>	<u>10,509</u>
	171,251	97,479

**Tangible Capital Assets (Note 4)**

4,328 4,805

**Long Term Investments (Note 5)**

13,371,725 14,989,255

\$ 13,547,304 \$ 15,091,539

**LIABILITIES**

**Current Liabilities**

Accounts payable and accrued liabilities	\$ 5,756	\$ 72,567
Government remittances payable	<u>10,006</u>	<u>8,486</u>
	15,762	81,053

**Deferred Contributions (Note 6)**

12,184,385 13,753,233

12,200,147 13,834,286

**NET ASSETS**

**Operating Fund**

1,342,829 1,252,448

**Capital Asset Fund**

4,328 4,805

1,347,157 1,257,253

\$ 13,547,304 \$ 15,091,539

Approved by the Directors:

Josie Osborne, Chair

Andy Adams, Treasurer

## ISLAND COASTAL ECONOMIC TRUST

## Statement of Changes in Net Assets

Year ended March 31, 2019

	Operating Fund	Capital Asset Fund	2019	2018 (Note 3)
Net assets beginning of year, as previously stated	\$ 804,086	\$ 4,805	\$ 808,891	\$ 1,257,253
Prior period adjustment (Note 3)	448,362	-	448,362	-
Net assets beginning of year, as restated	1,252,448	4,805	1,257,253	1,257,253
Surplus (deficiency) of revenues over expenditures	91,089	(1,185)	89,904	-
Purchase of tangible capital assets	(708)	708	-	-
Net assets end of year	\$ 1,342,829	\$ 4,328	\$ 1,347,157	\$ 1,257,253

## ISLAND COASTAL ECONOMIC TRUST

## Statement of Operations

Year ended March 31, 2019

	Budget 2019	2019	2018 (Note 3)
<b>Revenue</b>			
Province of BC contributions	\$ -	\$ 179,434	\$ 448,362
Investment income	244,813	350,651	142,813
Miscellaneous	-	3,905	10,000
	\$ 244,813	\$ 533,990	\$ 601,175
<b>Expenditures</b>			
Advertising, travel and communications	28,000	26,795	26,016
Amortization	-	1,185	1,475
Consultants and due diligence	65,000	38,125	46,463
Contract services	32,000	39,056	32,288
Directors' expenses	36,000	27,747	26,133
Insurance	8,000	7,663	7,308
Interest and bank charges	800	582	692
Internet and website	16,000	9,585	3,200
Memberships	1,500	1,262	1,270
Office and sundry	13,700	8,955	9,819
Professional fees	9,000	12,906	167
Regional advisory meeting costs	30,000	27,262	18,899
Rent	22,000	21,935	20,831
Telephone	2,500	3,233	1,954
Wages, benefits and training	286,557	299,811	273,503
Capital expenditures	6,000	-	-
	557,057	526,102	470,018
	(312,244)	7,888	131,157
Loss on Disposition of Investments	-	(7,888)	(131,157)
Unrealized Gains on Investments	-	89,904	-
	-	82,016	(131,157)
<b>Surplus (Deficiency) of Revenues over Expenditures from Operations</b>	\$ (312,244)	\$ 89,904	\$ -
<b>Project Revenues</b>			
Province of BC Contributions	3,072,836	1,389,414	1,131,678
<b>Project Expenditures</b>			
EDRP funding	533,767	262,478	109,277
Economic infrastructure program funding	2,434,069	1,086,228	979,890
Regional support programs	105,000	40,708	42,511
	3,072,836	1,389,414	1,131,678
<b>Surplus (Deficiency) of Revenue over Expenditures</b>	\$ (312,244)	\$ 89,904	\$ -

## ISLAND COASTAL ECONOMIC TRUST

### Statement of Cash Flows

Year Ended March 31, 2019

	2019	2018 (Note 3)
<b>Cash Flows From Operating Activities:</b>		
Surplus of Revenues over Expenditures	\$ 89,904	\$ -
Items not involving cash:		
Amortization of tangible capital assets	1,185	1,475
Unrealized Gains on Investments	<u>(89,904)</u>	<u>-</u>
	<u>1,185</u>	<u>1,475</u>
Changes in non-cash working capital		
Prepaid expenses	1,064	(1,010)
Accounts receivable	5,967	(13,825)
Accounts payable and accrued liabilities	(66,811)	5,925
Government remittances payable	1,520	1,019
Deferred contributions	<u>(179,434)</u>	<u>(448,362)</u>
	<u>(237,694)</u>	<u>(456,253)</u>
	<u>(236,509)</u>	<u>(454,778)</u>
<b>Cash Flows From Investing Activities:</b>		
Purchase of Tangible Capital Assets	(708)	-
Province of BC Contribution	-	10,000,000
Purchase of Long Term Investments	-	(10,000,000)
Project Expenditures	(1,389,414)	(1,124,278)
Proceeds from Redemption of Investments	<u>1,707,434</u>	<u>1,638,696</u>
	<u>317,312</u>	<u>514,418</u>
<b>Net Increase in Cash</b>	80,803	59,640
<b>Cash - Beginning of Year</b>	<u>73,145</u>	<u>13,505</u>
<b>Cash - End of Year</b>	<u>\$ 153,948</u>	<u>\$ 73,145</u>

## ISLAND COASTAL ECONOMIC TRUST

### Notes to Financial Statements

March 31, 2019

#### 1. Organization and Purpose:

The Island Coastal Economic Trust (the "Trust") is a not-for-profit organization incorporated under the North Island Coast Development Initiative Trust Act on February 27, 2006. The Trust is exempt from tax under Paragraph 149(1)(c) of the Income Tax Act.

The Trust is a partner and catalyst to build a diverse, innovative and sustainable Island and Coastal economy.

#### 2. Significant Accounting Policies:

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") and their significant accounting policies include the following:

##### Tangible Capital Assets

Tangible capital assets are recorded at cost and in the year of acquisition, are amortized at one-half the below annual rates. Tangible capital assets are amortized using the following annual rates:

Furniture, fixtures and equipment	20% declining balance
Computer equipment	30% declining balance

##### Revenue Recognition

The Trust follows the deferral method of accounting for contributions. Government funding and grants, initially recognized as deferred contributions on receipt, are recognized as revenue when the resulting project, operating or investment costs associated with their intended use are recognized. Investment income is recognized when the income is realized and becomes due to the Trust.

##### Project Expenses

Amounts which are awarded to third parties by the Trust are recognized when the conditions of the signed funding agreement are met.

##### Accounting Estimates

The preparation of financial statements in accordance with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Those estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known. Estimates made by management include the useful life of tangible capital assets.

##### Financial Instruments

###### Measurement of financial instruments

The Trust measures its financial assets and liabilities at fair value. The Trust subsequently measures all of its financial assets and liabilities at amortized cost. Financial assets measured at amortized cost include cash. Financial liabilities measured at amortized cost include accounts payable and government remittances payable. Financial assets measured at their fair value at year-end include long term investments and accounts receivable.

###### Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in the statement of revenue and expenditures. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

## ISLAND COASTAL ECONOMIC TRUST

### Notes to Financial Statements

March 31, 2019

#### 3. Prior Period Adjustment:

The financial statements for the year-ended March 31, 2018 have been restated to recognize revenues relating to the operational activities during the year that were not previously recognized. The contribution agreement from the Province of BC allows for the use of funds for both project and operational purposes. The restatement resulted in the following adjustment:

	2018 As previously stated	Adjustment	2018 As restated
Deferred contributions	\$ 14,201,595	\$ (448,362)	\$ 13,753,233
Province of BC contributions	-	448,362	448,362
Excess (deficiency) of revenues over expenditures	(448,362)	448,362	-

#### 4. Tangible Capital Assets:

	Cost	Accumulated amortization	2019 Net book value	2018 Net book value
Furniture, fixtures and equipment	\$ 23,961	\$ 20,706	\$ 3,255	\$ 3,271
Computer equipment	<u>28,454</u>	<u>27,381</u>	<u>1,073</u>	<u>1,534</u>
	<u>\$ 52,415</u>	<u>\$ 48,087</u>	<u>\$ 4,328</u>	<u>\$ 4,805</u>

#### 5. Long Term Investments:

Long Term Investments are held with the Municipal Finance Authority of BC.

	2019	2018
Money market fund	\$ 63,783	\$ 111,860
Short term bond fund	<u>13,307,942</u>	<u>14,877,395</u>
	<u>\$ 13,371,725</u>	<u>\$ 14,989,255</u>

The book value of the short term bond fund at March 31, 2019 is \$13,218,038 (2018 - \$14,877,395). The book value of the money market fund at March 31, 2019 and March 31, 2018 approximates its market value on those dates.

## ISLAND COASTAL ECONOMIC TRUST

### Notes to Financial Statements

March 31, 2019

#### 6. Deferred Contributions:

	2019	2018
Deferred contributions beginning of year	\$ 13,753,233	\$ 5,333,273
Revenue recognized - Project Revenue	1,389,414	1,131,678
Revenue Recognized - Operational Revenue	179,434	448,362
Contributions during the year:		
Province of British Columbia	-	<u>10,000,000</u>
Deferred contributions end of year	<u>\$ 12,184,385</u>	<u>\$ 13,753,233</u>

At March 31, 2019 the Trust had committed funds totalling \$1,625,631 (2018 - \$1,857,409) to Board approved projects. Because the costs for the above referenced projects have not yet been expended, the funds remain in deferred contributions at year-end.

Total uncommitted funds at March 31, 2019 were \$10,558,754 (2018 - \$11,895,824).

#### 7. Lease Agreement:

The Trust leases its office space. The lease has a term of 3 years and expires August 31, 2021. The annual lease rate under the lease term is \$14.15 a square foot or approximately \$14,150 a year exclusive of strata fees and taxes.

#### 8. Financial Risks:

##### *Liquidity risk*

Liquidity risk is the risk that the Trust will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Trust manages its liquidity risk by monitoring its operating requirements. The Trust prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations. There has been no change to the risk exposures during the year ended March 31, 2019.

##### *Interest rate risk*

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in interest rates. In seeking to minimize the risks from interest rate fluctuations, the Trust manages exposure through its normal operating and financing activities. The Trust is exposed to interest rate risk primarily through its long term investments held with the Municipal Finance Authority of BC.

## ISLAND COASTAL ECONOMIC TRUST

## Notes to Financial Statements

March 31, 2019

## SCHEDULE 1 - PROJECT EXPENDITURES:

	Approved and Committed	2006-2017 Spent	2018 Spent	2019 Spent	Future Committed
Completed prior to 2018 fiscal year	\$ 46,390,490	\$ 46,390,490	\$ -	\$ -	\$ -
Cowichan Farm Incubator	7,750	-	7,750	-	-
Croteau Lake Group - Site Shelter	30,000	-	30,000	-	-
Ford Cove Harbour Improvement	298,279	160,526	137,753	-	-
Gibsons Public Market	400,000	354,877	45,123	-	-
Anacla Bamfield Walking Trail	263,970	-	220,287	43,683	-
Campbell River Broadband Network	47,584	-	45,000	2,584	-
Comox Marine Centre	306,245	24,767	263,273	18,205	-
Cowichan Lake Mobile Visitor Unit	11,959	-	-	11,959	-
Economuseum 2 - Artisans at Work	56,650	38,394	5,256	13,000	-
Extending Mt. Cain Operating Season	12,000	-	-	12,000	-
Texada Food Hub	19,207	1,629	7,221	10,357	-
Tidemark Theatre	153,000	137,700	15,300	-	-
Tofino Mainstreet Revitalization	89,383	-	89,383	-	-
Vancouver Island Alpine Hut	90,000	-	81,000	9,000	-
<b>Total Completed Projects</b>	<b>48,176,517</b>	<b>47,108,383</b>	<b>947,346</b>	<b>120,788</b>	<b>-</b>
Caycuse Recreation Site	\$ 237,440	\$ -	\$ -	\$ -	\$ 237,440
Community Benefit Hub	86,559	-	-	-	86,559
Forests Forever Exhibit	400,000	-	-	295,885	104,115
Hornby Island Arts Centre	175,000	-	-	-	175,000
Huu-ay-aht High School Fibre Optic	30,000	-	-	-	30,000
MARS Wildlife Eco Centre	236,000	-	12,585	199,815	23,600
Norovirus Detection Tool	10,000	-	-	5,629	4,371
Ragged Edge Community Network	50,000	18,046	19,959	6,995	5,000
Sayward Working Waterfront Trail	183,750	-	-	165,375	18,375
Secret Beach Marina	400,000	-	-	291,741	108,259
Tofino PRNP Connector	385,122	-	-	-	385,122
Upper SC Entrepreneurial Eco-System	95,000	-	-	-	95,000
Wild Pacific Trail Connector	75,000	-	-	-	75,000
<b>Total Uncompleted Projects</b>	<b>\$ 2,363,871</b>	<b>\$ 18,046</b>	<b>\$ 32,544</b>	<b>\$ 965,440</b>	<b>\$ 1,347,841</b>
<b>Total Economic Infrastructure Program Funding</b>	<b>50,540,388</b>	<b>47,126,429</b>	<b>979,890</b>	<b>1,086,228</b>	<b>1,347,841</b>
Completed EDRP Projects (Schedule 2)	775,867	572,046	95,222	108,599	-
Uncompleted EDRP Projects (Schedule 2)	439,224	-	14,055	153,879	271,290
<b>Total EDRP Spending</b>	<b>1,215,091</b>	<b>572,046</b>	<b>109,277</b>	<b>262,478</b>	<b>271,290</b>
<b>Regional Support Programs</b>	<b>348,266</b>	<b>258,547</b>	<b>42,511</b>	<b>40,708</b>	<b>6,500</b>
<b>Total Project Spending</b>	<b>\$ 52,103,745</b>	<b>\$ 47,957,022</b>	<b>\$ 1,131,678</b>	<b>\$ 1,389,414</b>	<b>\$ 1,625,631</b>

## ISLAND COASTAL ECONOMIC TRUST

## Notes to Financial Statements

March 31, 2019

## SCHEDULE 2 - ECONOMIC DEVELOPMENT READINESS PROGRAMS

	Approved and Committed	2006-2017 Spent	2018 Spent	2019 Spent	Future Committed
Completed Prior to 2018 Fiscal Year	\$ 524,472	\$ 524,472	\$ -	\$ -	\$ -
Cormorant Island ED Quick Start	15,000	-	-	15,000	-
CVRD Industrial Attraction Strategy	15,000	-	-	15,000	-
CVRD Tech Strategy	10,000	-	9,000	1,000	-
Gabriola ED Strategic Planning	6,000	-	6,000	-	-
INfilm - Invest & Attract Tools	5,000	2,500	2,500	-	-
Ladysmith ED Strategy	14,411	-	-	14,411	-
Lantzville ED Strategy	30,000	-	-	30,000	-
Made on VI Marketing	29,688	-	-	29,688	-
North Island ED Partnership	15,000	-	15,000	-	-
Reg Marketing Educational Tourism	29,000	26,100	-	2,900	-
Remote Regions Enhanced Mktg Plan	14,400	12,960	1,440	-	-
Salish Sea Marine Trail	19,036	6,014	13,022	-	-
Sayward ED Quick Start	10,000	-	10,000	-	-
Van Island Coast Tourism Research	9,375	-	8,775	600	-
VI Wood Value Added Sector	29,485	-	29,485	-	-
<b>Total Completed EDRP Projects</b>	<b>775,867</b>	<b>572,046</b>	<b>95,222</b>	<b>108,599</b>	<b>-</b>
BC Farmers' Market Trail Expansion	\$ 30,000	\$ -	\$ -	\$ -	\$ 30,000
Campbell River Employment Lands Strategy	10,000	-	-	-	10,000
Campbell River Sector Profiles	9,000	-	-	-	9,000
Campbell River Tech Strategy	10,000	-	-	-	10,000
Comox Valley Agri-Food Innovation	30,000	-	-	15,000	15,000
Comox Valley Tech Strategy	10,000	-	-	2,500	7,500
Cortes Island EAP	12,500	-	4,822	6,245	1,433
Cowichan Lake Tourism Action Plan	10,000	-	-	9,238	762
Discovery Islands Marine Trail Plan	10,000	-	-	9,061	939
FDI Attraction Tools	30,000	-	-	27,000	3,000
Gabriola Econ Development Website	14,000	-	-	-	14,000
Gabriola Island ED Quick Start	5,000	-	-	2,980	2,020
Hornby and Denman Digital Road Map	20,000	-	-	-	20,000
Ladysmith Invest Attraction Portal	27,500	-	-	-	27,500
MHSS Strategic Plan	15,203	-	-	-	15,203
MWRD Workforce Attraction	30,000	-	-	23,670	6,330
Port Alberni Industrial Land Strategy	30,000	-	-	-	30,000
Port Alberni Invest Attraction Digital Hub	22,500	-	-	-	22,500
Powell River Sectoral Dev Strategy	25,000	-	-	24,625	375
Rural Business Exchange	21,188	-	6,250	12,118	2,820
SRD Last Mile Broadband Strategy	30,000	-	-	-	30,000
UBERE Program	12,333	-	2,983	8,124	1,226
Ucluelet Econ Development Web Tools	10,000	-	-	-	10,000
Zeballos ED Quick Start	15,000	-	-	13,318	1,682
<b>Total Uncompleted EDRP Projects</b>	<b>439,224</b>	<b>-</b>	<b>14,055</b>	<b>153,879</b>	<b>271,290</b>
<b>Total EDRP Spending</b>	<b>\$ 1,215,091</b>	<b>\$ 572,046</b>	<b>\$ 109,277</b>	<b>\$ 262,478</b>	<b>\$ 271,290</b>



**icet** ISLAND  
COASTAL  
ECONOMIC  
TRUST

ISLAND COASTAL ECONOMIC TRUST

#108-501 4th Street  
Courtenay, BC V9N 1H3  
Telephone: 250-871-7797

[www.islandcoastaltrust.ca](http://www.islandcoastaltrust.ca)