

ISLAND COASTAL ECONOMIC TRUST

Strategic Plan 2012 – 2014



The Island Coastal Economic
Trust's primary objective is
to be a catalyst to build a
diverse and sustainable
Island and Coastal Economy

North Island-Coast Development Initiative Trust

Island Coastal Economic Trust

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ABOUT THE NORTH ISLAND-COAST DEVELOPMENT INITIATIVE TRUST

1.1 BACKGROUND

The \$50 million Island Coastal Economic Trust (the “Trust”) was created by the Government of BC in 2006 to help diversify the economies of central and northern Vancouver Island and the Sunshine Coast.

The Trust uses its funds to leverage partnerships, investments and opportunities for Island and Coastal communities, non-profit societies, First Nations, and other organizations.

The Trust also makes strategic investments in targeted sectors to spark new and sustainable regional economic growth and jobs. These sectors include: forestry, transportation, tourism, mining, small business, energy, agriculture and aquaculture, and economic development.

The Trust is guided by a 13-person Board and two Regional Advisory Committees (RACs). Board members are either appointed by the RACs (8 people) or by the Province (5 people). The RACs are made up of elected local government officials and MLAs. This exceptional team of local community leaders collaborates to set regional priorities and build vital multi-regional networks.

The Trust provides **funding** and leverages **partnerships** to create new and sustainable economic growth and jobs on the North Island and Sunshine Coast.



1.2 TRUST AREA



1.3 STRATEGIC SECTORS

The Act sets out that the purpose of the Regional Account is to support investment within the following sectors in the Trust area:

Forestry

Transportation

Tourism

Mining

Olympic Opportunities (no longer applicable)

Small Business

Economic Development

Agriculture and Aquaculture

Energy

1.4 INVESTMENT APPROACH

The Board utilizes an investment strategy for the \$50 million Regional Fund which is secure, flexible and provides the Trust with the liquidity it requires to respond to investment opportunities in key sectors and projects in short- to medium-term funds.

Trust funds are invested through the Municipal Finance Authority pooled funds. These funds are managed by the investment firm of Phillips, Hager and North. Currently ICET funds are distributed between the Money Market Fund, the Intermediate Fund, and the Bond Fund. The Trust does not invest in equities. The actual amount of funding required annually will depend on the project opportunities and the Board's decision on proposals.

The Board regularly monitors the performance of its investment funds to ensure maximum earnings of its investments and the preservation of capital, while ensuring liquidity to respond to project demands.

1.5 TRUST GOVERNANCE

The Act established the North Island-Coast Development Initiative Trust consisting of 13 Directors, 8 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 5 Directors are appointed by the provincial government.

The RACs are comprised of the mayors within the regions, the chairs or other elected representatives from each regional district and the members of the Legislative Assembly from the region. MLAs cannot be members of the Trust Board.

1.6 BOARD OF DIRECTORS

Mayor Phil Kent, Duncan – Board Chair

Camela Tang – Provincial Appointee – Board Vice-Chair

Mayor Gerry Furney, Port McNeill – Board Treasurer

Mayor Bev Parnham, Port Hardy – Board Secretary

Dallas Smith – Provincial Appointee – Member at Large

Bob Bennie – Provincial Appointee

Mayor John Henderson, Sechelt

Mayor Rob Hutchins, Ladysmith

Mayor Edward Lewis, Zeballos

Dave Mannix – Provincial Appointee

Arlette Raaen – Provincial Appointee

Mayor John Ruttan, Nanaimo

Joe Stanhope, Chair, Nanaimo Regional District

1.7 REGIONAL ADVISORY COMMITTEE MEMBERS

1.7.1 Central South Island Regional Advisory Committee Members

Gerry Giles, Director Cowichan Valley
Regional District – CSIRAC Chair
Joe Stanhope, Chair, Nanaimo Regional
District – CSIRAC Vice-Chair
Mayor Chris Burger, Parksville
Ron Cantelon, MLA, Parksville - Qualicum
Mayor Jack de Jong, Lantzville
Mayor Ross Forrest, Lake Cowichan
George Holme, Director
Regional District of Nanaimo
Mayor Rob Hutchins, Ladysmith and Chair,
Cowichan Valley Regional District
Mayor Phil Kent, Duncan
Leonard Krog, MLA, Nanaimo
Mayor Jon Lefebure, North Cowichan
Bill Routley, MLA, Cowichan Valley
Doug Routley, MLA, Nanaimo-North Cowichan
Mayor John Ruttan, Nanaimo

1.7.2 North Island-Sunshine Coast Regional Advisory Committee Members

Mayor Teunis Westbroek
Qualicum Beach – NISCRAC Chair
Mayor Paul Ives, Comox – NISCRAC Vice-Chair
Mayor Jan Allen, Port Alice
Mayor Craig Anderson, Gold River and Chair,
Strathcona Regional District
Mayor Leslie Baird, Cumberland
Mayor Michael Berry, Alert Bay
Mayor John Douglas, Port Alberni
Gary Feschuk, Chief Councillor
Sechelt Indian Government District
Mayor David Formosa, Powell River
Scott Fraser, MLA, Alberni-Qualicum
Mayor Gerry Furney, Port McNeill
Edwin Grieve, Chair, Comox Valley Regional District
Mayor John Henderson, District of Sechelt
Al Huddleston, Chair
Mt. Waddington Regional District
Mayor Bill Irving - Ucluelet
Mayor Walter Jakeway, Campbell River
Mayor Larry Jangula, Courtenay
Mayor Edward Lewis, Zeballos
Mayor John MacDonald, Sayward
Honourable Don McRae, MLA, Comox Valley
Garry Nohr, Chair, Sunshine Coast Regional District
Colin Palmer, Chair, Powell River Regional District
Mayor Bev Parnham, Port Hardy
Mayor Wayne Rowe, Gibsons
Mayor Perry Schmunk, Tofino
Mayor Jude Schooner, Tahsis
Nicholas Simons, MLA, Powell River-Sunshine Coast
Claire Trevena, MLA, North Island
Glenn Wong, Chair, Alberni-Clayoquot
Regional District

STRATEGIC PLANNING PROCESS



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STRATEGIC PLANNING PROCESS

The legislation governing the Trust (Section 14(1)a of the Act) requires that the directors of the Trust must:

“Each year establish a 3 year strategic plan for the North Island-Coast Development Initiative Trust including goals for each year of the strategic plan relating to the fulfillment of the purposes identified in section 20 in relation to the Regional Account.”



The **first ICET Strategic Plan for the 2007-2010 period** was developed as a result of a comprehensive stakeholder consultation process and round table discussions held in the winter of 2006. Since that time, the Board has stayed focused on the mandate and direction it was given by its stakeholders, and has been updating the Trust's strategic priorities on an annual basis.

On February 24, 2012 the Board of Directors met for a one-day planning session to update their strategic priorities. The Board reviewed data on the current economic environment (see section 3.0) and the position of the Trust, and identified the most significant issues facing the Trust in the upcoming three years. With this process the Board validated the long-range mission, goals and direction of the Trust (see section 4.0), clarified the strategic objectives, and identified annual priorities (see section 5.0).

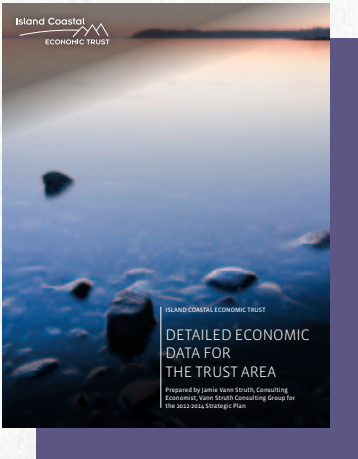
The 2012-2014 ICET Strategic Plan is the sixth edition of the Trust's Strategic Plan. To view all Strategic Plans, visit www.islandcoastaltrust.ca/strategic-plan.

OVERVIEW OF ECONOMIC CONDITIONS IN ICET AREA



OVERVIEW OF ECONOMIC CONDITIONS IN ICET AREA

PREPARED BY JAMIE VANN STRUTH, CONSULTING ECONOMIST,
VANN STRUTH CONSULTING GROUP



The economy of the ICET region provided mixed signals in 2011. Conditions in most of the region are improved from the recession of 2008-2009 and some key sectors are showing promise, but employment growth remains soft and there remain some key challenges confronting the region. (Please note that detailed data on the topics covered in this overview can be found [here](#).)

POPULATION

Population results from the 2011 Census were recently released and provide an opportunity to examine the changes in the region and its communities over the five-year period from 2006 to 2011.

The ICET region as a whole had a Census population of about 425,000 in 2011, an increase of about 18,000 people since 2006. The region's growth rate of 4.4% is slightly below the 6.0% growth between 2001 and 2006.

The ICET region has been growing somewhat more slowly than BC overall, which expanded its population by 7.0% from 2006 to 2011. The major metropolitan areas of the province (Lower Mainland and Greater Victoria) have been fastest-growing (+8.5%), while the Southern Interior region (Thompson-Okanagan and Kootenay regions) is most similar to the ICET region in many respects and had a similar growth rate of 5.3%.

There remains significant diversity within the ICET region. The fastest-growing regional districts from 2006 to 2011 are all in the southern part of the region (Comox Valley, Nanaimo, Cowichan Valley and Sunshine Coast). The other regional districts are generally smaller, more remote and more dependent on traditional resource industries. The Regional Districts of Strathcona, Powell River and Alberni-Clayoquot all grew at a more modest rate, while Mount Waddington lost population.

EMPLOYMENT

According to Statistics Canada's Labour Force Survey, the average number of jobs in the ICET region was down by more than 15,000 in 2011 (from 200,000 jobs in 2010 to 185,000 jobs). This is a troubling sign for the regional economy, but it is worth remembering that the results are based on a survey and there is always random fluctuation from year to year. Nevertheless, the reported 185,000 jobs is the lowest number since 2005 so there are clearly employment challenges in the region.

The regional unemployment rate, which is based on the same data, increased to 9.2% in 2011 from 6.7% in 2010. The Southern Interior, Northern BC and Lower Mainland/Victoria regions all had a lower unemployment rate in 2011, ranging from 7.2% to 7.9%.

MAJOR INDUSTRIES

Total building permit values (which measure construction intentions) were slightly lower in the ICET region in 2011, dropping from \$818 million in 2010 to \$755 million. This is similar to the pattern elsewhere in the province, except for Northern BC, which increased. Building permit values were still much higher in 2011 than the recession year of 2009.

Sawn lumber production and shipments (an indicator of forest sector activity) increased for the second straight year on the BC coast in 2011. The volume of production was back to the same level as 2008, but still only half the level of production as recently as 2004. While there are promising signs in forestry with the opening of new markets in Asia, the forest sector continues to operate in a very challenging environment.

Tourism room revenue statistics are not yet available for 2011 but some of the other regional indicators are mixed. Total BC Ferries traffic was down 3.4% compared to 2010. Average hotel occupancy in Nanaimo was down 1.8% although air passengers were up 3-4%

in Comox, Nanaimo and Campbell River. Cruise passengers through Nanaimo were up 26%.

Looking over a long-time horizon, the ongoing trend in the ICET region (and throughout North America) is for employment to shift from goods-producing sectors to services-producing sectors. Over the last decade, regional employment in goods-producing sectors has declined slightly overall, but there has been significant job loss in resource industries and manufacturing.

Part of the reason that resource-related and manufacturing jobs have been hit so hard in the ICET region is its greater focus in forestry, which has had a very difficult decade throughout the province. (As of 2006, 45% of resource and utilities jobs in the ICET region were in forestry and 61% of manufacturing jobs were in wood and paper.) Both Northern BC (with natural gas and mining) and the Southern Interior (with mining) have benefited from a rapidly growing resource sector that is mostly absent from the ICET region.

All of the roughly 25,000 jobs added in the region in the last decade are in services industries. There has been strong growth in professional, scientific and technical services, which is a positive sign as it includes many well-paying, knowledge-intensive jobs. Other fast-growing services sectors include trade (retail and wholesale), health care, and public administration. Growth has been modest in the key tourism-oriented accommodation and food services sector, but it has fared better than the rest of BC.



Deep Bay Marine Field Station, Deep Bay



Denman Island community dock, Denman Island

SMALL COMMUNITY CHALLENGES

The release of the Census population results showed a continuing trend toward growth being concentrated in communities that were already larger and faster growing. Smaller communities face various capacity challenges that are made worse by a continuing stagnation or decline in population.

The changing municipal tax base in the region further contributes to this issue. In 2011, there were 11 municipalities in the ICET region that received more than half of their municipal property tax revenue from non-residential (primarily industrial and business) properties. By 2011, there were only 2 municipalities in this position. While many would argue that the tax burden on major industrial operations was too high, the shift has nevertheless created significant new challenges for communities to continue to provide services in an era of declining resource-based and manufacturing activity.



Vancouver Island Mountain Centre, Mt. Washington



Ucluelet Aquarium, Ucluelet



MISSION, VISION, OBJECTIVE AND GOALS

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MISSION, VISION, OBJECTIVE AND GOALS

The Island Coastal Economic Trust was created by the Government of BC on February 22, 2006 under the North Island-Coast Development Initiative Trust Act (the Act) to help diversify the economy of the North Island-Coast region (including the Sunshine Coast) by leveraging new investments and expanding regional economic opportunities.

MISSION

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

LONG-RANGE VISION

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

OBJECTIVE

The Trust's primary objective is to be a catalyst to build a diverse and sustainable Island/Coastal economy.

GOALS

- 1** The investment goal of the Trust is to leverage economic development and diversification investments in the economies of the regions. For every dollar the Trust invests, it expects that an additional \$3.00 will be invested.
- 2** The Trust will be managed judiciously, consistent with the intent of the Act, Mission and Goals with an emphasis on sound strategic and operational planning and will be responsive to changing circumstances and opportunities.
- 3** Preference will be given to partnerships and leveraged investments that achieve the projected economic and diversification impacts for the broader region, with a bias for projects which have a broad regional impact while recognizing that local benefits of projects are also valuable.

STRATEGIC PRIORITIES AND ACTIONS 2012-2014



STRATEGIC PRIORITIES AND ACTIONS 2012-2014

SEEK LONG TERM FUNDING FROM THE PROVINCE

Actions 2012

- A) Prepare a request to the Province for long-term funding
Complete the relevant parts of the deferred comprehensive review with a focus on identifying gaps in services and documenting project benefits
- B) Identify Provincial interest in working with ICET to complement the BC Jobs Plan

Actions 2013-2014

- A) Review current operations, systems and staffing to adjust to new funding
- B) Implement new programs and systems as required

For a detailed summary of strategic priorities, actions, targets and timelines, download the [2012-2014 ICET Workplan](#).

IDENTIFY NEW PROGRAM STRATEGIES TO ENHANCE THE EXISTING ICET INITIATIVES

Actions 2012

- A) Research and review potential targeted approaches to connect small communities to economic development resources
Identify gaps and issues in consultation with small communities, stakeholders and RACS
- B) Continue to monitor and adjust to changing economic and political climate
Develop and implement, in consultation with RACs and the Province, a new program to support community and regional participation in the BC Jobs Plan Investment Attraction Initiatives
- C) Explore stronger support options for small business
Consult with RACs, relevant stakeholders and potential partners to identify needs and options
- D) Explore and develop options for targeted sector programs
Consult with RACs and relevant stakeholders to identify needs and options
- E) Simplify granting process for small grants
Develop new one-step application process

Actions 2013-2014

- A) Define, implement and refine new programs and initiatives
- B) Market new programs to the relevant audiences
- C) Measure success of new initiatives and make necessary adjustments

For a detailed summary of strategic priorities, actions, targets and timelines, download the **2012-2014 ICET Workplan.**

INCREASE RECOGNITION OF ICET AND ITS ACCOMPLISHMENTS THROUGH IMPROVED COMMUNICATIONS

Actions 2012

- A) Develop targeted communications strategy
 - 1) *Define key messages*
 - 2) *Communicate new directions or programs*
- B) Improve communication of ICET accomplishments and successes to the various audiences
 - 1) *Implement the BC Reporting Principles in the annual report*
 - 2) *Increase the number of reports, stories, project information and Board information on the organization website*
 - 3) *Continue to develop and distribute ICET project success stories*
- C) Make key improvements to the ICET website

Actions 2013-2014

- A) Develop new communications strategy to integrate new funding and programs
- B) Develop a new website to meet organization's and stakeholders' changing needs

For a detailed summary of strategic priorities, actions, targets and timelines, download the **2012-2014 ICET Workplan.**

ENSURE MAXIMUM BENEFIT OF REMAINING ICET FUNDS THROUGH CONTINUOUS OPERATIONAL IMPROVEMENT AND EFFICIENCIES

Actions 2012

- A) Continue to maintain or exceed investment and leveraging targets
 - 1) *Continue to support applicants with the search for matching funding*
 - 2) *Develop new partnerships with the Province, funding agencies and organizations in targeted sectors to encourage applications for funding and investment in the ICET area*
 - 3) *Maintain and improve existing relationships with other funders to encourage and increase funding in the ICET area*
- B) Improve administrative systems, forms and documents to simplify process for applicants and increase administrative efficiency
 - 1) *Fine-tune and adapt operations to ensure maximum efficiency and benefits*
 - 2) *Improve project tracking system and reporting forms*
 - 3) *Develop a post-completion survey to collect relevant results and benefits information*
 - 4) *Integrate forms and applicant information and reporting documents into new website*
- C) Develop a formal wind-up plan, as a contingency plan for the future

Actions 2013-2014

- A) Monitor new programs and make necessary adjustments to ensure full participation by eligible applicants
- B) Develop relationships with new funders and community partners to maximize leverage of new programs

For a detailed summary of strategic priorities, actions, targets and timelines, download the [2012-2014 ICET Workplan](#).



KEY PERFORMANCE

2012-2014

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FOR THE 2012 – 2013 YEAR, THE TRUST WILL:

- » Leverage investment of more than \$3 dollars for every dollar invested in projects
- » Disburse at least \$10 million dollars to approved projects
- » Approve at least \$2 million in new project proposals
- » Create at least 4.4 permanent jobs per \$100,000 in ICET investment
- » Develop two new grant programs targeting specific sectors
- » Provide targeted assistance to at least 6 small communities
- » Ensure a market rate of return on investments

For a detailed summary of strategic priorities, actions, targets and timelines, download the [2012-2014 ICET Workplan](#).