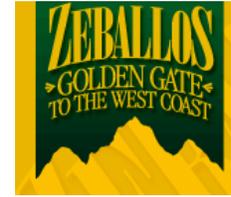




ECONOMIC DEVELOPMENT STRATEGY (PHASE 2) FOR THE ZEBALLOS, NUCHATLAHT AND KA:'YU:'K'T'H'/CHE:K'TLES7ET'H' REGION 2014



Nuchatlaht First Nation



Ka:'yu:'k't'h'/Chek'tles7et'h' First Nations



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Introduction

Background

This economic development strategy was initiated by the Village of Zeballos who wanted to increase economic activity in the area. The project was undertaken in two phases, with a separate report for each phase consisting of the elements as outlined below. This report consists of Phase 2 only.

The Economic Development Strategy Phase 1 report provides detailed information about the community and local assets. It focuses on the Village of Zeballos rather than the region as a whole. The Phase 1 report includes the following elements:

- Brief purpose and context for the study
- Community profile and economic analysis
 - Key physical, economic and social features of Zeballos and surrounding areas
 - Indicators, including trends and opportunities where available
- Community assets
 - Outline of current assets available
 - Outlines current and future needs
 - Identifies unique and significant characteristics of Zeballos

Phase 1 occurred prior to the development of the Integrated Sustainability Plan (ISP), which convened the Village of Zeballos, and the Ka:'yu:'k't'h'/Chek'tles7et'h' and Nuchatlaht First Nations in a joint planning process; from the ISP process, there was a clear need to continue the collaboration into Phase 2 of the economic strategy development.

Phase 2 Strategy Overview

This report for Phase 2 of the Economic Development Strategy includes the following key elements:

- Long-term goals for our region's economy;
- Indicators to track performance;
- Preferred economic opportunities prioritized by the project advisory committee; and
- Feasibility assessments of the three preferred opportunities.

This Strategy was developed by representatives from the Village of Zeballos and the Ka:'yu:'k't'h'/Chek'tles7et'h' and Nuchatlaht First Nations, who formed the advisory committee to help guide the project. The Phase 2 process extended the collaboration amongst the partnering communities that was initiated through the development of the ISP for the region and positions the partners well to work collaboratively into the future. A community economic development (CED) approach was used, which encourages the following key considerations:

- A community-centred process that blends social and economic development to foster the economic, social, ecological and cultural well-being of communities
- The use of local resources in a way that enhances economic opportunities while improving social conditions in a sustainable way.

This Strategy was created immediately following the development of the ISP, which enabled a few key efficiencies and benefits: the public engagement process and input gathered was relied upon and expanded for this project; the long-term economic goals developed for the ISP were used to guide the economic strategy development; and many members of the advisory committee for the ISP continued as members of the economic strategy advisory committee.

In addition to the input gathered from the advisory committee through the development of the economic strategy, community members also provided input at a community dinner held in June 2014. Relying on the ISP community engagement and economic goals extended the project's budget to enable the delivery of feasibility assessments for the three preferred economic opportunities identified by the advisory committee.

Thank you to the following people who took part in one or more of the economic advisory committee meetings, or who provided input to the strategy by phone or email:

1. Mike Ante, Zeballos resident
2. Gary Ardron, CAO, Ka:'yu:'k't'h'/Che:k'tles7et'h' First Nations
3. Wayne and Elyane Arnold, Post and Beam Lodge
4. Julie Colborne, Councillor, Village of Zeballos
5. Donn Cox, Councillor, Village of Zeballos
6. Doug Farrington, Mid-Island Ice
7. Lillian Jack, Ka:'yu:'k't'h'/Che:k'tles7et'h' First Nations
8. Ted Lewis, Mayor, Village of Zeballos
9. Eileen Lovestrom, CAO, Village of Zeballos
10. Adrian O'Connor, Reel Obsession Sport Fishing
11. Steve Shelley, Island Tides Lodge
12. Beth Thompson, Band Manager, Nuchatlaht First Nation
13. Alice Weston, Zeballos resident



Funding for this project was generously provided by Island Coastal Economic Trust and West Coast Aquatic Management Association. Funding for the regional dinner that brought members from the communities together to provide input to the strategy was provided by the Union of BC Municipalities through the Community-to-Community Forum program.

Economic Context

The challenges facing resource-based communities

Forestry- and fishery-dependent communities in Canada are undergoing a fundamental transition. The key drivers of this transition are numerous and interlinked.

In the forestry industry, there has been a prolonged downturn in the United States market for British Columbia forest products because of constraints imposed by the softwood lumber agreement, the slump in the United States housing market, long periods with a strong Canadian dollar, and most recently, a slow recovery following the global economic crisis. Compounding the shrinking US market are growing competition from wood and paper product industries in other countries, labour-saving technologies, environmental regulation, declining availability of easily accessible timber, unresolved First Nations land claims and competition for use of forest lands from interests such as recreation and conservation.

In fisheries, government policies introduced in the 1980s to reduce the size of the fishing boat fleet have resulted, paradoxically, in bigger boats, greater capacity, and increased corporate ownership. More expensive boats make it difficult for a new generation of aspiring fishers to buy into the industry. An even greater obstacle is the Byzantine system, administered by Fisheries and Oceans Canada, requiring exorbitantly priced licences to fish during extremely brief openings and allowing those licences to be purchased by non-fishers.

Finding new ways to thrive

Despite all of the challenges, some resource-based communities are finding new ways to sustain themselves economically, and in some cases, are even thriving. Valemount and Terrace, for example, have diversified their economies from a heavy reliance on forestry to economies based on a mix of tourism, services, and other sectors in addition to forestry. How did these communities make this transition, especially when so many other communities could not? What can community leaders do to promote successful transitions in resource-based communities?

Research shows there are a number of factors that determine the resiliency of communities, among them: economic diversity, access to natural resources, local control over enterprises, stakeholder-driven planning and smart transition programming.

Economic strategy embedded in broader sustainability

The region's economic success is inextricably linked to the natural and human resources in the area, and therefore to the health of those systems. In other words, economic success depends on the health of a place and its people. Everything is connected. This is the meaning of the Nuu-chah-nulth word *hi?suk?iis ca waak* and it is one of the reasons the region developed an integrated sustainability plan. Planning for the future of a region's social, economic or environmental system in isolation lies at the root of many of the problems our society faces. We have created environmental disasters when looking at economic returns exclusive of the environmental costs. And while trade-offs between these systems will sometimes be unavoidable, they should only occur in the short term and be mitigated as much as possible.

Where we're going: Economic goals, strategic directions and performance indicators

The economic goals were articulated by residents of the region through the development of the ISP. They were created along with goals for five other areas/systems of the region. Collectively, the goals for the six areas create the high-level vision of a more successful and sustainable region in 20 years. They provide specific yet flexible outcomes that should be used to provide direction for more detailed planning and decision making. They can be used directly to inform decisions, or be embedded into more detailed plans, as has been done for this Economic Development Strategy. This approach can also be used to guide a tourism plan or a detailed recreation and trails master plan.

All goals are equally important and inter-dependent and all that is undertaken in the region should ultimately support the goals for all

six areas. While short-term tradeoffs between them may sometimes be necessary, they should ultimately be avoided completely in the long-term.

The goals are framed by four sustainability objectives, which define what must be achieved if society is to be successful well into the future. The sustainability objectives are included in Appendix B.

Indicators to measure performance related to the goals have been recommended and are included in this section in short form. Appendix A provides more information about indicators and the rationale for those recommended as part of this plan.

Goals for each of these six regional areas/systems were developed through the ISP:

- 1. The economy**
- 2. The natural environment**
- 3. Arts, culture, heritage, learning and recreation**
- 4. Community and individual health**
- 5. Infrastructure**
- 6. Neighbourhoods housing and land use**

The Economy

Goals for the future

The region has a thriving and resilient economy based upon the sustainable use of resources and the effective use of partnerships. This economy offers all community members the opportunity to engage in productive and meaningful work, to provide for themselves and their families and to live in their home community if they choose to do so.

<p>The local economy is strong and diversified with a mix of year-round industries that promote sustainable local resource use.</p>	<p>There is meaningful employment for all community members currently living in the region and for those that wish to return home. Training and mentorship opportunities are available to those wishing to develop job-ready skills. Entrepreneurs and small businesses are supported. The resultant vibrancy creates intrigue that lures new residents and investors.</p>	<p>Essential products and services are supplied locally, reliably and affordably by locally owned businesses, which are thriving and supported by residents and visitors alike.</p>	<p>Economic activities help to restore regional natural areas and resources; they avoid continuous encroachment into sensitive areas and are transitioning to the sustainable use of energy and materials.</p>	<p>The region is a model for successful and sustainable community-supported tourism development that respectfully shares our communities' cultures, heritage and the natural environment with visitors from near and far. The authentic experiences available to visitors and the standard of quality with which they are offered create a distinct competitive advantage fostering loyalty, repeat visitation and favourable word of mouth.</p>
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Related Indicators

Resident population

Visitor room nights

Business licenses

Economic diversity

Annual income

Unemployment rate

For more information about the related indicators, see the Implementation and Monitoring section.

Strategic Directions

Create a business-friendly, collaborative and entrepreneurial environment, and nurture relationships to enable regional economic development.

Encourage the development of businesses based on local strengths and knowledge, value added, year-round and sustainably managed local resource-based industries. *

Create a local labour pool that can be hired locally rather than employing and paying to accommodate outside labour.

Explore the potential to attract visitors through an event based on regional natural and/or cultural assets (e.g., ocean, wildlife, regional cultures, etc.)*

Enhance and coordinate tourism amenities and services, including trails, accommodation, food and retail services, etc.*

**These strategic directions informed the selection of the preferred economic opportunities – see the “How We’re Going to Move Forward” section for more information.*

Where we are now: SWOT Snapshot

This snapshot of the region’s strengths, weaknesses, opportunities and threats (SWOT) was developed as part of the Integrated Sustainability Plan for the region, and then it was expanded with information from the economic advisory committee and the phase 1 Community Profile and Community Assets report. The SWOT includes socio-economic data as well as information about other aspects of the region, making it an integrated tool for getting a high level sense of where the region is today in a broad range of areas or systems.

The SWOT snapshot gives a sense of where the region is today in 2014. It does so in relation to the shared vision for the future 20 years from now. By providing a sense of what currently exists (and doesn’t) relative to what the community wants in the future, strategic directions and actions can be prioritized to focus on the areas of biggest opportunity and/or challenge – making the planning process more strategic and helping to move the region toward the vision more quickly and efficiently.

It is important to note that the SWOT is *not* a comprehensive research report. It includes existing data and information with the intent of presenting essential information that is relevant to the region’s current situation and the external context in which it operates. The information contained in this SWOT was developed using the following sources:

- One on one conversations with community members;

- Background documents;
- Public input via the online ISP survey and from the “Create the Future Community Dinner;”
- The ISP Advisory Committee meeting held December 4, 2013;
- Summary notes from previous SWOT analyses developed for the Ka:’yu:’k’t’h’/Che:k’tles7et’h’ First Nations; and
- A survey of Zeballos residents (marked throughout the SWOT as “Zeballos survey”), which was conducted during phase 1 of the Zeballos Economic Development Strategy project (prior to the inclusion of Nuchatlaht and Ka:’yu:’k’t’h’/Che:k’tles7et’h’ First Nations during phase 2 of the project).

The SWOT elements are defined as follows:

1. **Strengths:** Existing characteristics/assets that give the region an advantage; things that can be leveraged for future success and sustainability
2. **Weaknesses:** Characteristics/things that place the region at a disadvantage
3. **Opportunities (external):** Things beyond the region’s control that should be leveraged to achieve the goals
4. **Threats (external):** Things beyond the region’s control that should be managed/avoided so the goals can be achieved

Strengths/Assets	Weaknesses
<p>People and Place</p> <ul style="list-style-type: none"> Local knowledge/skills: land, local resources (fisheries, forestry), eco-tourism and hospitality, wildlife, traditional foods Location: Remoteness provides escape and serenity Unique local culture, including the gold mining heritage and Nuchatlaht hereditary system; knowledge of traditional territories, language, rituals and practices <p>Natural Environment and Resources</p> <ul style="list-style-type: none"> Natural resources: fish and wildlife (salmon, halibut, shellfish, otters), trees/forest licence; fishing (river and ocean); high marine biodiversity Established sports fishing businesses Natural environment: productive ocean and estuary ecosystems, river, mountains, green spaces, flora and fauna; scenery and beaches Wildlife: humpback whales, salmon runs, bird watching, bear viewing Outdoor recreation: proximity to nature and trails; Nootka Trail proximity; Little Zeballos trail; proximity to rivers, oceans, wildlife viewing Weather: sunny summer weather Renewable energy generation: existing Zeballos Lake Hydro run-of-river project sells electricity to grid 	<p>People and Place</p> <ul style="list-style-type: none"> Small, declining population: youth leaving town; population older than BC average; number of elders and 'cultural keepers' declining Location: Remoteness and access challenges (logging road, distance from Comox and CR airports and ferry terminal, ferry prices and schedule reductions) Community aesthetics: Lack of curb appeal; untidy properties; street aesthetics need be improved; lack sense of arrival/welcome to the community (from land and water) Uncoordinated marketing/branding to visitors Visitor experience: questionable value equation for visitors (quality of accommodation, price of food); lower service levels during off-season (for residents too); inconsistent service quality throughout year; poor signage and limited access to beaches and trails <p>Socio-economic</p> <ul style="list-style-type: none"> High unemployment: 24% of Zeballos survey respondents (BC average is 6-7%); limited jobs for young people; lack of on the job training and limited capacity to secure employment; some apathy exists Lower incomes: Incomes significantly lower than BC average (Zeballos survey: 39% earn less than \$20,000; 39% earn \$20,000-\$40,000) Low employment diversity: most employment is related to local resources (forestry and fishing), tourism and hospitality, education and government. And most of the tourism and hospitality jobs are tied to forestry camps and worker accommodation. <p>Natural Environment and Resources</p> <ul style="list-style-type: none"> Motorized and non-motorized conflict in natural areas Forests: Overharvested Fishery fluctuations/declines: declining salmon stocks; herring closed; pilchard recently successful but closed in 2013/14 due to insufficient stocks; Weather: short tourism season (6-8 weeks); difficult to expand the shoulder season; intense rainfall during winter months First Nations/cultural integration: lack of Interpretive signage re First Nations traditional placenames, traditional territories; lack of Big/Long House (for community gathering space and as a tourism amenity) Unresolved claims on traditional territories between Nuchatlaht and Ehattesaht

<p>Built Environment</p> <ul style="list-style-type: none"> • Iconic ‘false fronts’ on some buildings (could become part of local ‘brand’) • Interpretive nature and heritage signage 	<p>Built Environment</p> <ul style="list-style-type: none"> • Lack of waterfront amenities and access: docks, moorage, marinas, services – laundry, showers, water, fuel • Communications: lack of cell coverage; unreliable internet service • No gathering place to connect with others that is welcoming and inclusive 	
Opportunities		Threats/Challenges
<p>Tourism and Marketing</p> <ul style="list-style-type: none"> • Cultural tourism (Aboriginal, mining): Aboriginal cultural tourism and learning/experiential travel are among the fastest growing tourism sectors • Existing cultural events: Northern Region Games; Tribal Journeys (annual) – opportunity to host travellers and for cultural sharing • Recreation and eco-tourism: growing tourism sectors • Marketing organizations: North Vancouver Island Tourism; Tourism Vancouver Island; Aboriginal Tourism BC supports training, product development and marketing of authentic Aboriginal experiences; Destination BC and Canadian Tourism Commission promote market-ready visitor experiences • Strathcona Regional District Tourism Development Strategy: more coordinated approach to regional tourism (phase 1 report – econ feasibility study) <p>Resources</p> <ul style="list-style-type: none"> • Fisheries: Value added fish products; prawns and halibut have been stable over recent years; pilchards recently successful but closed in 2013/14 due to insufficient stocks; however, capital cost to enter into commercial fishing is prohibitive for most individuals • Established sports fishing businesses (lower capital cost to enter than for commercial fishing, but highly seasonal and dependent on external factors) • Shellfish aquaculture established, but not operating at full capacity (9 shellfish tenures in the area; only one is currently operating) • Finfish aquaculture (5 tenures not currently in operation but discussions underway with corporate owner, Ehattesah and Nuchatlaht) • Forestry: Value added wood products; community forest using ecosystem based management practices; forestry jobs high paying but • Renewable energy generation: existing Zeballos Lake Hydro run-of-river project sells electricity to grid <p>Funding and Support</p> <ul style="list-style-type: none"> • Several government levels support Aboriginal training and capacity building with funding programs 		<ul style="list-style-type: none"> • Tourism destabilizers (beyond local control): economic conditions; price of fuel; price of ferry travel; Cdn/US dollar • Canadian dollar: Rises can challenge exports such as shellfish, fish and forestry products • Tsunami debris: potentially toxic material in local environment (also a potential opportunity) • Climate change and associated extreme weather events: affect wildlife, fish runs, travel intentions • Ocean acidification: impacts on aquaculture and fisheries

<ul style="list-style-type: none"> • Nuu-chah-nulth Economic Development Corporation supports entrepreneurial business development • Ka:'yu:'k't'h'/Chek'tles7et'h' Treaty status will enable opportunities and access to other levels of government support and funding • Aboriginal Affairs and Northern Development Canada (AANDC) has Aboriginal community economic development funding programs <p>Other</p> <ul style="list-style-type: none"> • Tsunami debris: waste handling opportunity (also a threat) 	<ul style="list-style-type: none"> • Poor management of fisheries and forests – need better monitoring/data, compliance and enforcement
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How we're going to move forward

Preferred Economic Opportunities

Economic opportunities that our region could pursue in the immediate future were identified, discussed and prioritized by the project advisory committee from input gathered from regional residents. These economic opportunities prioritized to move forward into the feasibility assessment phase of the project are:

1. **Tourism recreational infrastructure:** The focus of the conversation on tourism infrastructure was on trails in the region that would help to attract visitors for mountain biking, hiking and potentially some motorized recreation. There was also recognition that the trails would support other community goals as well, including those related to health, recreation and social wellbeing.
2. **Tourism-related event:** The committee felt there is potential to start small and build an event that will help to attract visitors to the area, by building on the natural and recreational amenities of the region such as ocean kayaking, sport fishing or a trail-based offering if trail amenities could be expanded.
3. **Fish processing plant:** A processing plant was promoted and discussed as having the potential to increase employment and add value to the fish and shellfish landing in the region.

The considerations used by the group to inform the selection of the three preferred opportunities were:

- Region-wide/collaboration potential;
- Existence of local champions;
- Potential employment opportunities;
- Available sources of financing; and
- Market opportunities/profitability.

The notes from the committee meeting where the economic opportunities were explored and prioritized are included in Appendix A.

Feasibility Assessment Summary

Tourism: Mountain Biking Trails and Event

Wilderness trails for hiking, mountain biking, horseback riding or motorized access (with all-terrain vehicles) have become an established economic development tool. The Provincial Trails Strategy (2010) states:

Communities throughout the province are recognizing the opportunities associated with recreation trail users as a source of much needed tourism revenues and drivers of economic development for rural communities and urban centres alike. Trails have the advantage of boosting economic activity while contributing positive impacts to community, social development, education of citizens, and the environment. It is also becoming apparent that economic benefits can be compounded if trails are designed and managed as a network of interlinked connections between communities and a range of attractions.

Considering the area's remoteness, the popularity of different outdoor activities, and participants' willingness to travel, mountain biking is the best candidate for recreational infrastructure that can bring economic benefit for the Village of Zeballos, Nuchatlaht First Nations and Ka:'yu:'k't'h'/Chek'tles7et'h' First Nations.

The Rossland Visitors Study, published in 2013 by the Ministry of Tourism, Culture and Sport, found that average spending of visitors was \$148.57 per party and \$62.82 per person per day. Mountain bike visitors to Rossland spent a total of \$589,000 in one year.

Zeballos, Nuchatlaht and Ka:'yu:'k't'h'/Chek'tles7et'h' will need to have their trails designed professionally. While there is a cost associated with design, there are many advantages. Professional design will incorporate the local communities' desires and cautions, while ensuring the trails have little impact on the environment, resist erosion, blend with the surrounding area, and serve a variety of users. The trails will be designed to be enjoyable and challenging.

The area will be best served with two kinds of interconnected trails: a series of stacked loops that provide recreation opportunities to riders at all levels of ability, and an "epic" trail to draw the crowds. Epic mountain bike trails can attract tourists from across North America, revitalize local economies, and put a destination on the map. A natural candidate for an epic trail would be a trail connecting Zeballos and Fair Harbour via Oclucje, offering each of the three communities a chance to feature its history and geography and to draw visitors.

A designed trail network can be articulated in a master plan. The master plan is a blue print for current and future trails in a given area and is the result of a comprehensive decision-making process that analyzes the landscape and the needs of current and future visitors, takes into account limitations and constraints, and strives to meet user expectations in a system of trails that link activity to place.

The most important element in drawing visitors is the quality of the experience. Building great trails will create word-of-mouth publicity. Offering support facilities (e.g. washrooms, good trail signage), getting local businesses involved and creating a cool website will all help. Finally, an annual event can assist in drawing visitors. Port Alice held its Rumblefest event for two decades, drawing about 200 people annually. While the cash outlay was modest, it took an enormous amount of time from a core group of volunteers and a great deal of support from the town's businesses and institutions. However, the organizers felt that it was well worth the effort.

Fish Processing Plant

The Advisory Committee for the economic development strategy work undertaken for the Village of Zeballos, Nuchatlaht and Ka:'yu:'k't'h'/Che:k'tles7et'h' First Nations expressed interest in the concept of adding value to fish caught off the shores of the area. Might it be possible to land some of the catch in Zeballos or Fair Harbour, if there were a plant; and if so, would that provide enough volume for a viable fish processing operation?

According to a Living Oceans Society report summarizing landings for licensees who reside in the Regional District of Mount Waddington, the cumulative value for 2009 was approximately \$274 million. Another Living Oceans Society report, published in 2012, focuses on five sustainably harvested species. It shows 69% of the surveyed fishermen landed fish in Port Hardy; 23% in Ucluelet and 8% in Zeballos. Finally, a 2011 report by Ecotrust Canada found the volume of traced landings to be as follows: 728,000 lbs. in Ucluelet; 449,000 lbs. in Port Hardy; and 173,000 lbs. in Zeballos.

The business of fish processing has never been easy. Over the last two decades, with the herring fishery collapse and dramatically decreased salmon returns, fish plants had to adapt to survive. Many plants failed.

Two Vancouver Island plants that survived the changes over the last two decades (Bella Bella Fish and Keltic Seafoods) did so using the strategies listed below.

- Rationalizing: They stopped unprofitable, capital intensive or high-risk activities.
- Diversifying: They looked for new species to process and became year-round operations. Keltic does custom unloading, sells ice to fish boats and processes hake, shellfish, pilchards, tanner crab, dogfish, herring roe on kelp and groundfish. It also renders offal into oil.

- Focusing on custom processing: They rarely buy and sell fish with the hope of making a margin – instead, the fish remains in other parties' possession and the plants process fish at cost plus a mark-up.

While the list of challenges is long and daunting, this does not necessarily mean that it is impossible to succeed. It means a lot of careful planning must take place.

A plant in Zeballos or Fair Harbour would need to start in a strategically chosen niche; one that would give the plant a chance to establish itself. Then opportunities for expansion should be explored.

An example of a plant that merits consideration in terms of its business model is Haida Wild. It is one of Haida Gwaii's custom seafood processors for the sports fishing industry and provides specialized processing for locals and visitors. Haida Wild plans to increase its production to include fish caught by Haida Nation commercial fishery licenses. This constitutes a well-crafted vertical integration strategy for Haida fisheries.

Annual Strategic/Action Planning

Regardless of whether the advisory committee continues or a new/separate task force is created, one or the other should be engaged in regular and ongoing planning to ensure that the economic strategy continues to be a living process and, most importantly, that it creates on-the-ground action and results. Ideally this would be done on an annual basis, but should be done at least every other year. The planning process should continue in a manner similar to what occurred during the first process to develop the strategy.

The following is a high-level summary of the process. The AC should: review implementation and performance indicator results; assess local and regional opportunities; review the goals for the future; review and modify

the strategic directions and opportunities being pursued if necessary; and identify and prioritize new tasks for implementation.

Implementation and Monitoring Plan

Developing this economic strategy is just the first step in the journey toward a successful and sustainable regional economy. Ongoing implementation and monitoring will be required to actually achieve the goals set out herein, and ongoing commitment and implementation by regional partners, businesses and individuals will be essential. This section outlines the main areas for building on this economic strategy and the ISP, creating an ongoing process for moving toward success and sustainability for the region.

Ongoing Role for the Advisory Committee

The economic advisory committee played an instrumental role in the development of the plan. It would be ideal if the committee members continue to play a role in the implementation phase through an annual review and planning process, as well as in implementation of the economic opportunities where possible. Consideration should be given to expanding the AC over time to include representatives and stakeholders that will help to achieve the strategic directions and economic opportunities.

Economic Indicators and Monitoring

Monitoring and reporting progress toward (or away from) the economic goals is essential to provide transparency, inform decision-making and enable continuous improvement. The indicators below are recommended for measuring and reporting whether the region is progressing toward the economic goals.

As economic opportunities are pursued, additional indicators could be added. For example, indicators related to the mountain bike event and trails explored through the feasibility assessment could include: number of people attending the mountain bike event; number of

visitors travelling to the region to mountain bike; kilometers of trail;
percent of residents using the trails; etc.



#	Short Name	Long Name	What is being measured
1	Resident population	Total resident population in the region, including breakdown by age group and comparison to Vancouver Island and BC averages.	This measures the region's ability to attract and retain residents, with young people being critically important to attract and retain at this time.
2	Visitor room nights	Total visitor room nights sold per year by all accommodation providers in the region.	This indicator measures the total number of room nights sold in the region in a given year.
3	Business Licenses	Number of new, closed and renewed businesses	This indicator reports on the mix of new business licenses, renewals and non-renewed business licenses.
4	Economic Diversity	Economic diversity as measured by 'employment by sector'	Measured by 'employment by sector' gathered through a community survey.
5	Annual Income	Average annual income	Average annual income per person per year (by \$20,000 increments, e.g., less than \$20,000/yr, \$20-40K/yr, etc.)
6	Unemployment Rate	Unemployment rate of residents in the work force	This indicator measures the proportion of individuals who are not currently working but are actively seeking work.

Appendices

Appendix A: Advisory Committee Meeting Notes (Economic Opportunities)

Notes from the Advisory Committee meeting held June 4th, 2014

Location: Village of Zeballos Community Hall

MEETING OBJECTIVE: To discuss and prioritize the regional economic opportunities that should be the focus of the feasibility assessment phase of the project.

ATTENDEES

1. Gary Ardron, CAO, Ka:'yu:'k't'h'/Che:k'tles7et'h' First Nations
2. Julie Colborne, Councillor, Village of Zeballos
3. Donn Cox, Councillor, Village of Zeballos
4. Ted Lewis, Mayor, Village of Zeballos
5. Eileen Lovestrom, CAO, Village of Zeballos
6. Beth Thompson, Band Manager, Nuchatlaht First Nation
7. Mike Ante, Zeballos resident

MEETING FLIPCHART NOTES

Tourism

- Unique gold mining history
- Hunting and guiding
- Build a brand for the area
- Mark the FSR for the region

Energy

- No long term employment
- Tidal power little Espinoza 1MW opportunity?
- KCFN have potential project – Synex?
- GOOD time for community projects: developers need you

Forestry and Value Added

- Nootka Sound Economic Development Corp – community forestry
- FNs: community forestry
- Each are pursuing opps
- Everyone is logging, done by outside contractors
- Possible to combine AAC & have locally owned forestry co.
- Community forestry for the region
- Value added
- Nuchatlaht have sawmill
- 1 local mill in Zeballos
- Volume available
- Insufficient

(Shell)Fish Farming

- Sablefish farm KCFN
- Steve Cross's integrated farm
- Sea Breeze farm on the market
- Labour pool challenges

Fish Processing/Cold Storage

- PILCHARD FISHERY
- Licenses held locally by FNs
- KCFN has purchased a commercial fishing boat, planning on 1-2 more
- FNs get 2¢ / lb not fishing themselves
= \$40,000 / license
- 5,000 sq ft cold storage, community owned
- 38 people off loading into cold storage
- Other species?
- And tie in other sports fishing
- Sport fishing operators currently do the processing themselves; might not need plant
- Labour pool and parts challenge

Considerations used for choosing the three preferred options:

- Regional/collaborative
- Local champion
- Employment opportunities
- Sources of financing
- Market opportunities profitability

The three opportunities that were selected by the group were:

1. Tourism infrastructure
2. Tourism-related event
3. Fish processing plant (centred on the pilchard fishery)

ADDITIONAL MEETING NOTES REGARDING THE THREE SELECTED OPPORTUNITIES

1. Tourism (a) infrastructure and (b) event

- Tahsis/Zeballos trail and second access into Zeballos – study by Western Forest (C. Lepore should have a copy)
- Kusam Climb – Sayward
- Tahsis – Great Walk
- Port Alice Rumblefest Mountain Bike Race
- Eco-challenge event contact: Donn Cox and Julie Colborne
- Trail to Fair Harbour
- Given importance of water-based transportation in the area, consideration should be given to including a water component in the trail system

2. Fish/Shellfish Processing Plant

- connect with Mayor Lewis as starting point

FEASIBILITY ASSESSMENT STEPS FOR THE THREE SELECTED OPPORTUNITIES

Tourism Infrastructure

The following steps will be taken to investigate the feasibility of building tourism infrastructure:

- i. Collect information on existing trails and water-based infrastructure in Zeballos/Fair Harbour area
- ii. Collect studies on proposed additional trails and water-based infrastructure in the area
- iii. Collect visitor data for north-island trails and water-based infrastructure
- iv. Collect information on costs of building and maintaining trails and water-based infrastructure
- v. Collect information about permitting and possible support from Provincial agencies

- vi. Draw some conclusions regarding what it would take for the region to successfully develop and sustain tourism infrastructure

The findings will be presented and discussed with interested members of the AC by phone to gather input and insights regarding the region's capacity to deliver.

1. Tourism-related Event

The following steps will be taken to investigate the feasibility of hosting an event, such as an eco-challenge or a mountain-biking festival:

- i. Collect information on existing events in BC and elsewhere, in comparable locales (far from the madding crowd), with an emphasis on Vancouver Island. Where possible, we will obtain visitor numbers over time, costs of hosting, marketing efforts and budgets, benefits to the local economy (hotel stays, retail sales, etc.)
- ii. Draw some conclusions regarding what it would take for the region to successfully develop and sustain tourism infrastructure

The findings will be presented and discussed with interested members of the AC by phone to gather input and insights regarding the region's capacity to deliver.

2. Fish Processing Plant (centred on the pilchard fishery)

The following steps will be taken to investigate the feasibility of a fish processing plant:

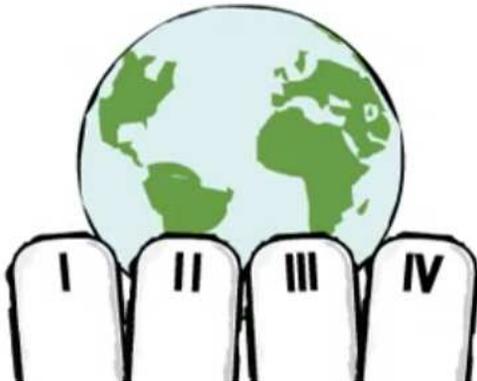
- i. Sit down with Ted and obtain information on the pilchard fishery: license holders, buyers, volumes landed in Zeballos over time, current processing costs, etc.
- ii. Corroborate information by talking with buyers, license holders, processors
- iii. Gauge the size of the plant required and the cost of building and operating it
- iv. Perform a high-level financial analysis to see under what circumstances a plant could be built and run profitably. These circumstances would include the processing of other fish, for example, sable fish from the Ka:'yu:'k't'h'/Chek'tles7et'h' farms and fish caught by Ka:'yu:'k't'h'/Chek'tles7et'h' boats
- v. Draw some conclusions regarding what it would take for the region to successfully develop and sustain fish processing plant.

The findings will be presented and discussed with interested members of the AC by phone to gather input and insights regarding the region's capacity to deliver.

Appendix B: Our Sustainability Objectives

The region's four sustainability objectives (aka 'care instructions' for the earth), which are based on the Natural Step principles for sustainability, help shift sustainability from something abstract that we want, to something concrete that we can plan for and manage. They can then be used as a filter or lens to guide planning and decision-making, whether for internal, day-to-day decisions, or longer-term strategic direction.

The objectives are based on a **scientific approach to sustainability**. They are concrete and non-overlapping to **simplify strategic planning**, focus on **root causes** of issues, specific yet **non-prescriptive**. Taken together they describe the four basic directions for any organization, community or activity to operate in a sustainable manner.



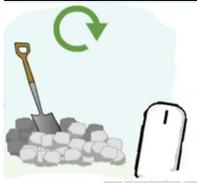
The Natural Step principles have been in use for about 20 years, during which time governments, corporations and individuals have used the principles to quickly create a **shared language** and integrate it into visions and strategic directions.

Not every action toward a desirable successful community will meet all four sustainability objectives today, but over time, we need to create conditions where they ultimately do.

The four sustainability objectives are presented on the next page and in more detail in the regional Integrated Sustainability Plan, or watch this [fun 2-minute video!](https://www.youtube.com/watch?v=FFCNCQleCuk) [<https://www.youtube.com/watch?v=FFCNCQleCuk>]

Trade-offs are bound to occur as we move toward achieving the economic goals and sustainability objectives. Trade-offs occur when progress toward some aspects of success and sustainability results in no progress or even backward movement relative to other aspects. So while trade-offs are bound to occur, they should be short-term and flexible – temporary stepping stones on the detour route before getting back on the path toward the desired future where all criteria for success and sustainability are ultimately achieved.

The Zeballos region's sustainability objectives are to reduce and eventually eliminate our contribution to:



Socio-cultural and economic conditions that undermine people's ability to meet their basic needs.

This generally means favouring activities that support:

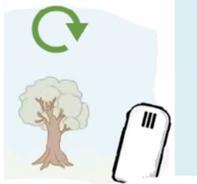
- Safe, vibrant working and living conditions
- Inclusive and transparent decision-making
- Political freedoms
- Affordable products and services; sufficient resources for livelihood



The ongoing physical degradation of nature.

This generally means favouring activities that support:

- Materials and energy from well-managed ecosystems
- Re-usable, recyclable and recycled content
- Fast-growing crops (bamboo etc.)
- Use of previously developed lands



The ongoing build-up of synthetic materials produced by society.

This generally means favouring activities that support:

- Natural, biodegradable materials (glass wood, cotton, water-based etc.)
- Materials that are managed in tight technical cycles
- Organically grown, untreated
- Re-usable, recyclable and recycled content materials



The ongoing build-up of materials extracted from the earth's crust.

This generally means favouring activities that support:

- Energy efficiency
- Renewable energy
- Metals that are plentiful (aluminum, iron etc...)
- Recycled content materials
- Natural, biodegradable materials
- Materials that are managed in tight technical cycles
- Re-usable, recyclable materials