

A NEW PATH TO GROWTH

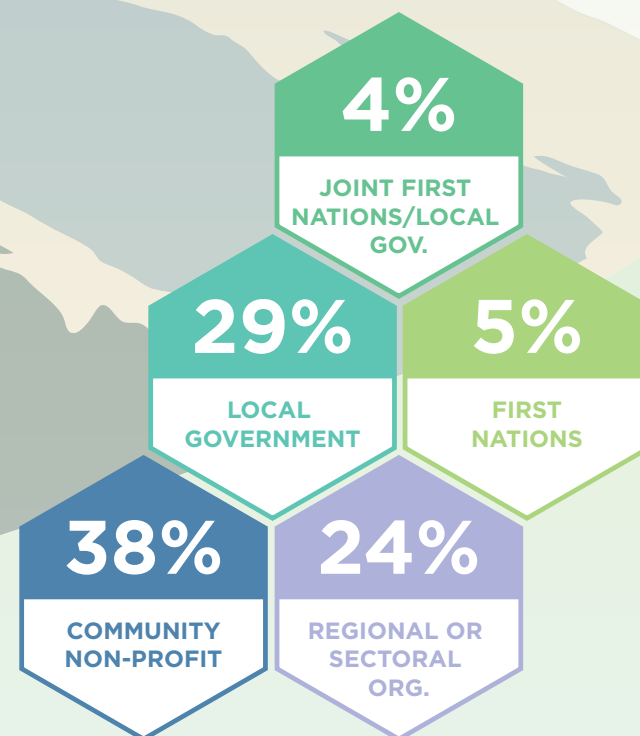
ICET BY THE NUMBERS

\$49.7 Million
ICET INVESTMENT

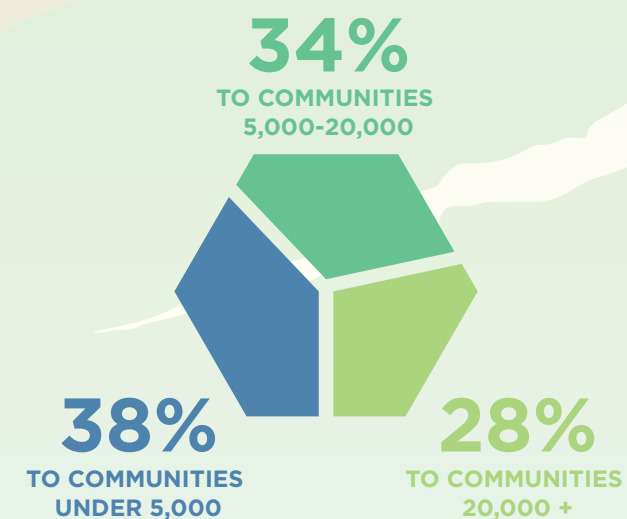
\$228 Million
LEVERAGED

\$278 Million
TOTAL REGIONAL INVESTMENT

170 Projects
% BY APPLICANT TYPE



\$49.7 Million
% BY COMMUNITY SIZE



2615 LONG TERM
JOBS

2580 CONSTRUCTION
JOBS

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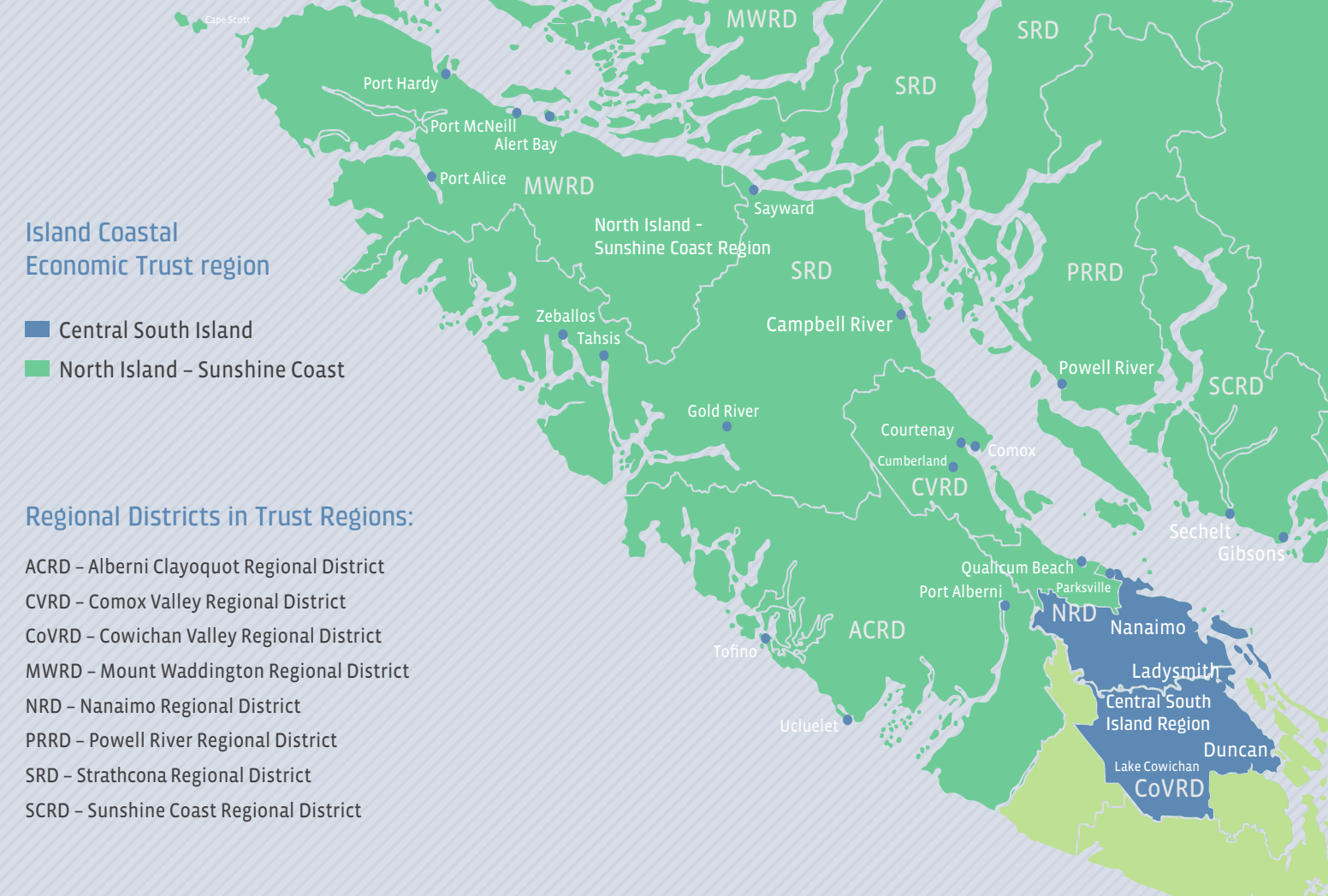
ABOUT THE ISLAND COASTAL ECONOMIC TRUST

The \$50 million Island Coastal Economic Trust (ICET) was created by the Government of British Columbia in 2006 to support economic development initiatives on central and northern Vancouver Island and the Sunshine Coast.

ICET funds community driven economic development initiatives in targeted sectors to spark new and sustainable economic growth and diversification. ICET programs also support the development of regional alliances, economic collaboration as well as community, sectoral, and regional economic development planning and readiness initiatives.

ICET is guided by a Board of Directors and two Regional Advisory Committees (RACs), which include more than 50 locally elected officials, Members of the Legislative Assembly and five appointees. This exceptional team of leaders collaborates to set regional priorities and build vital multi-regional networks.

The specific region where ICET may invest is shown on the map below and may be viewed in detail on the Trust's web page at www.islandcoastaltrust.ca.



Nanaimo Airport Expansion project



STRATEGIC OBJECTIVES

- 1 LEVERAGE** ECONOMIC INVESTMENT IN THE ICET REGION
- 2 INVEST** IN ECONOMIC DEVELOPMENT INFRASTRUCTURE
- 3 SUPPORT** INVESTMENT ATTRACTION AND JOB CREATION
- 4 ADVANCE** REGIONAL COLLABORATION AND PLANNING
- 5 MAXIMIZE** THE IMPACT OF TRUST RESOURCES

OUR MISSION

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

OUR VISION

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

OUR VALUES

- Integrity
- Transparency
- Accountability
- Collaboration

LETTER FROM THE CHAIR AND CEO

Beginning with the celebration of our 10th Anniversary and culminating with the announcement of \$10M in new funding from the Province of BC, the past twelve months have been memorable.



Mayor Phil Kent
Chair

Successful economic diversification and growth requires vision, long range planning and stability. Over the past decade we have partnered with communities, First Nations, non-profits and other regional visionaries to support the revitalization of the Island and Coastal economy, based on locally designed programs and grassroots based decision making.

This past year, we were rewarded with the largest gain in full-time employment in all of BC's rural regions, demonstrating the value in the past decade's work. As we look forward to the next chapter, we will continue to build on the region's strengths and the structural investments that have laid the foundation for growth and diversification.

One of the earliest economic foundation investments was the Nanaimo Airport Expansion project. The new facilities have been instrumental in the successful attraction of business, and growth of

sectors such as international education, all of which depend on reliable, efficient air transportation for both products and human capital. We invite you to read more about the Nanaimo Airport on page 24 of this report.

Tourism is a major driver of the revitalized regional economy, and ICET has been a key player in the development of signature amenities. Assets like the Wild Pacific Trail and the Ucluelet Aquarium (featured on page 28) have helped to transform

small communities into world-class visitor destinations. These showpiece investments have attracted international media attention, further boosting awareness and visitor numbers in other parts of the region.

The focus is now turning to niche markets and filling gaps in the region's tourism asset mix. First among those opportunities is Aboriginal tourism. Broader, regional plans are in development, and this year's new investments include Aboriginal tourism projects—such as the Huu-Ay-Aht First Nation's trail linking Anacla to Bamfield, highlighted on page 23 of this report.

To support visitors when they arrive and maximize benefits to communities, we have made strategic investments in regional Visitor Centres and innovative service models such as the Cowichan Mobile Visitor Centre approved this year. These new facilities have been defying trends and attracting record numbers of visitors, by creating interactive visitor experiences and expanding their role to support new resident and business attraction. On page 30, you can read about how these Visitor Centre investments are paying dividends across the region.

In a rapidly changing world, economic diversification and growth requires responsive programs. ICET's Economic Development Readiness Program (EDRP), with its "Find Your Fit" approach, provides a flexible vehicle to support communities as they move along the economic development continuum.

The past year was the program's busiest yet, with 18 new project investments, and the development of a new funding stream to support strategic approaches to tech sector attraction. To get a better sense of the breadth and range of projects in this program, turn to page 36 for a few EDRP success stories.

The combined investments in economic infrastructure and planning have set the stage for continued strong performance in key sectors of the ICET region such as aquaculture and seafood exports. Support for harbours and off-loading facilities, research and development of new products and processes, and other focused investments have paid dividends for these core industries.

The region's strategic investments have also set the stage for success in other emerging sectors of our economy. Aerospace, value-added processing, and specialty manufacturing are just some of the areas that are emerging as new economic drivers. Read more about a regional collaborative initiative to attract value-added wood manufacturing on page 38.

The high-tech sector has been tagged in the Island and Coast region as a significant growth opportunity. The past year's investments in innovative projects such as the Campbell River open access broadband network or funding to support local and regional technology business attraction planning are some of the steps this region is taking to build a sustainable tech eco-system.

Relationship-building and collaboration with First Nations communities has long been a key priority for ICET. We are pleased to see that in the past year, First Nations represented one-quarter of new infrastructure program applicants, a significant increase from previous years. We expect this trend to continue into the future, as we engage with several other First Nations communities in the development of new economic initiatives.

Finally, we want to acknowledge that across our region, there is a sense of economic optimism. We've had an incredible decade of work, and the foundation for continued, long-term growth is in place.

Our task now is to build on progress and opportunity, leveraging the enthusiasm and energy of leaders at every level across the Island and Sunshine Coast. We'll continue to consult with communities and work cooperatively to develop a strong understanding of their needs and challenges. Together, we're building a roadmap to take full advantage of the rapidly changing economic landscape, creating a sustainable future for the next generation.

STATEMENT OF ACCOUNTABILITY

The 2016-2017 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 ended March 31, 2017.

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.

WHO WE ARE

ICET’s governance structure is defined in its legislation, the *North Island Coast Development Initiative Trust Act*. This arms’ length decision making model includes two regional advisory committees made up of local government representatives and MLAs who function as Board Advisors. The Board of Directors is the final decision making voice for the organization and is responsible for strategic planning and operations oversight.

BOARD OF DIRECTORS

ICET is governed by a Board of Directors 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 BC’s Lieutenant Governor in Council.

The Board incorporates best practices into its governance procedures as guided by the [Best Practices Guidelines on Governance and Disclosure for Public Sector Organizations](#).

The Board includes representatives from diverse areas in the ICET region, from its largest community to some of the smallest, as well as from other urban and rural areas. This diverse Board, complemented by the specific expertise of the provincial appointees, brings an exceptional skill set and wide ranging perspectives to the table. The full Board of Directors meets approximately seven to ten times per year.

KEY STAFF AND CONTRACTORS

ICET favours a cost effective and responsive approach to regional funding delivery. The core staffing model is lean, comprised of a Chief Executive Officer and Project and Corporate Administrator supplemented with contract teams. Finances and investments are managed by a contract Chief Financial Officer and team of accounting and financial professionals. Communications and economic analysis are provided on contract and additional consultants are used for due diligence and other specialized duties on an as-needed basis, in order to provide ICET with the high level expertise and flexibility needed for the diverse nature of its work.

REGIONAL ADVISORY COMMITTEES

The ICET Board is advised by two Regional Advisory Committees 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 applications to the Trust 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 ICET’s operations. Their regional knowledge and ground truth perspective provides the Board with valuable information about local needs and economic environment. The RACs also bring the region’s voice to the table in the development of strategy and policy, ensuring that no community is left unheard.

NISCRAC MEMBERS (NORTH ISLAND-SUNSHINE COAST REGIONAL ADVISORY COMMITTEE)

Mayor Teunis Westbroek
Qualicum Beach –
NISCRAC Chair

Garry Nohr
Chair, Sunshine Coast
Regional District
– *NISCRAC Vice-Chair*

Mayor Shirley Ackland
Port McNeill

Mayor Andy Adams
Campbell River

Mayor Jan Allen
Port Alice

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

Scott Fraser
MLA, Alberni-Qualicum

Andrew Hory
Chair, Mt. Waddington
Regional District
(from January 2017)

Mayor Paul Ives
Comox

John Jack
Chair, Alberni-Clayoquot
Regional District
(from January 2017)

Mayor Larry Jangula
Courtenay

Bruce Jolliffe
Chair, Comox Valley
Regional District

Don McRae, MLA
Comox Valley

Mayor John MacDonald
Sayward and Chair,
Strathcona
Regional District

Mayor Bruce Milne
Sechelt

Mayor Josie Osborne
Tofino

Chief Warren Paull
Sechelt Nation

Mayor Wayne Rowe
Gibsons

Dave Rushton
Chair, Mt. Waddington
Regional District
(to December 2016)

Mayor Mike Ruttan
Port Alberni

Mayor Jude Schooner
Tahsis

Nicholas Simons, MLA
Powell River-
Sunshine Coast

Mayor Dianne St. Jacques
Ucluelet

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

Matteus Clement
Director, Cowichan
Valley Regional District
(to September 2016)

Mayor Ross Forrest
Lake Cowichan

Mayor Colin Haime
Lantzville

Mayor Phil Kent
Duncan

Leonard Krog, MLA
Nanaimo

Mayor Bill McKay
Nanaimo

Ian Morrison
Director, Cowichan
Valley Regional District
(from September 2016)

Bill Routley, MLA
Cowichan Valley

Doug Routley, MLA
Nanaimo-North Cowichan

Honourable Michelle Stilwell, MLA
Parksville-Qualicum

Mayor Aaron Stone
Ladysmith

Bill Veenhof,
Chair, Nanaimo
Regional District

KEY STAFF AND CONTRACTORS

Line Robert
Chief Executive Officer

Denice Regnier
Project and Corporate
Administrator

Donna Cloutier
Chief Financial Officer

Judith Marriott
Accountant

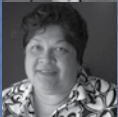
Jamie Vann Struth
Consulting Economist

Stephen Harris
Communications Consultant

BOARD OF DIRECTORS



Mayor Phil Kent
Duncan – *Board Chair*



Camela Tang
Provincial Appointee –
Vice Chair



Mayor Paul Ives
Comox – *Board Treasurer*



Mayor Josie Osborne
Tofino – *Board Secretary*



Dallas Smith
Provincial Appointee –
Member at Large



Mayor Shirley Ackland
Port McNeill
(from July 2016)



Mayor Andy Adams
Campbell River



Mayor Michael Berry
Alert Bay
(to July 2016)



Mayor Ross Forrest
Lake Cowichan



Dave Mannix
Provincial Appointee



Mayor Bill McKay
Nanaimo
(to July 2016)



Mayor Aaron Stone
Ladysmith



Kevin Tevington
Provincial Appointee



Bill Veenhof
Nanaimo Regional District
(from July 2016)



Starr Winchester
Provincial Appointee



Mayor Jon Lefebure
North Cowichan –
CSIRAC Chair, Ex-officio



Mayor Teunis Westbroek
Qualicum Beach –
NISCRAC Chair, Ex-officio

WHAT WE DO

ICET's mission is to be a partner and catalyst to build a diverse and sustainable Island and Coastal economy. This mission is primarily 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 its governing legislation, ICET invests its funds in initiatives that enhance the region's competitive position in eight key sectors: Forestry, Transportation, Tourism, Mining, Small Business, Energy, Agriculture and Aquaculture and Economic Development.

ICET PROGRAMS

ICET invests its funds primarily through its two grant programs: the Economic Infrastructure Program and the Economic Development Readiness Program. Through its programs, ICET acts as an enabler for community and regionally led economic development initiatives that advance its vision, mission and goals. ICET also provides internships, sponsorship funding, bursaries and initiates partnerships that allow the organization to further deliver on its mandate.

ECONOMIC INFRASTRUCTURE PROGRAM

The Economic Infrastructure Program supports the development of a wide range of economic diversification infrastructure projects in targeted sectors, with non-repayable matching contributions up to a maximum of \$400,000. This program is designed to enable communities, non-profits, First Nations and other eligible applicants to develop the infrastructure required to support strategic economic development initiatives. One of the highlights of this infrastructure funding program is its matching funding criteria, which is based on a community economic performance analysis. To adjust for variations in economic vitality between communities applying for funding, ICET relies upon a sliding scale matching funding formula.

ECONOMIC DEVELOPMENT READINESS PROGRAM

The Economic Development Readiness Program supports the growth of economic development readiness in the region, with a "Find Your Fit" formula which provides funding support options adapted to the level of economic readiness. The program provides non-repayable matching funding up to a maximum of \$30,000. The goal is to improve community and regional economic readiness through the development of targeted strategies and tools required to attract economic investment. The program also serves to improve the region's competitive position through the development of sectoral strategies, regional marketing programs, investment and tech attraction initiatives and the building of regional alliances.

INTERNSHIP 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.

SPONSORSHIPS

Annual sponsorships are provided to a select number of regional or provincial events occurring in the ICET region, promoting economic development or one of ICET's mandated sectors.

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 and to support the participation of younger people in economic development.

PARTNERSHIPS

ICET initiates and collaborates on select partnership initiatives such as emergency community response initiatives, timely sectoral opportunities and studies as well as broader scope regional economic development initiatives.

STAKEHOLDER AND FUNDING PARTNER RELATIONS

Building and maintaining partnerships with stakeholders is a critical success factor for ICET. Proactive engagement practices help develop strong relationships with communities and other stakeholders in the region. ICET achieves meaningful engagement in a variety of ways, guided by its core business needs, vision, mission and values and the needs of stakeholders. Networking opportunities, meetings and presentations are scheduled on a continuous basis to strengthen relations, help to link partners to resources as well as develop new regional and provincial partnership opportunities.



OPERATIONAL RISK MANAGEMENT

ICET applies a variety of tools to ensure sound management of its funds and incorporates risk management into its operational activities. These management practices have a positive influence on decision making, accountability and transparency. The key financial risk management strategies are detailed in the Management Discussion and Analysis and Internal Controls section of this report. Key operational risk management practices include the following:

DUE DILIGENCE AND PERFORMANCE MONITORING

ICET has a thorough due diligence process prior to project approval and has protocols and systems in place to minimize the risks inherent to grant funding. There is an established detailed selection criteria in place for each grant program to help guide the decision-making process. Projects must align with ICET's investment sectors as well as local, regional and provincial priorities. Once a project is approved, strict conditions provide ICET with assurance that the applicant has all of the requirements to ensure successful project completion.

A monitoring framework is in place to ensure that funds are being used as intended and are attaining expected results. Clear reporting requirements have been developed and policies established to support required action where concerns have been identified. Grant recipients are required to provide financial and operational reports addressing project progress. Upon project completion applicants must provide a full performance report and financial statement in order to receive the final balance of funding, subject to ICET's holdback policy.

In addition, summary project economic impact assessment reviews are prepared on an as-needed basis and detailed project impact assessments are prepared after five years post-completion.

ICET's 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, such as those found in this report. This performance analysis is prepared by a consulting economist in accordance with accepted methodologies.

FREEDOM OF INFORMATION AND PROTECTION OF PRIVACY

ICET is committed to protecting the privacy of people whose personal information is held by the organization through responsible information management practices. Any personal information provided to ICET is collected, used and disclosed in accordance with the [Freedom of Information and Protection of Privacy Act](#). Security measures have been integrated into the design, implementation and day-to-day operating practices as part of ICET's commitment to the protection of personal information it holds.

TECHNOLOGY USE

ICET ensures that the information technology, provided to its staff and Board, is used in a professional, ethical and appropriate manner to facilitate and support ICET's business. Policies are in place outlining appropriate technology use, access to employee communications, and protocols to maintain security controls and functionality. 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.

TRANSPARENCY

ICET remains committed to transparency and to keeping stakeholders and the region informed of its activities. The ICET website is a key information portal for the organization. It has been designed to enable efficient stakeholder access to information about funding guidelines, governance, strategic planning, performance reporting, financial reporting as well as detailed information about all approved project investments. In addition, the website provides value added resources, best practices and detailed regional economic analysis information. ICET also uses Facebook, Twitter and regular news releases to ensure stakeholders are fully informed of its strategic initiatives, investment decisions and performance reporting.

To ensure that funding decisions are made in a fair and consistent manner, ICET has developed detailed program guidelines for each of its funding programs that sets out clear eligibility requirements and program criteria. All applicants are assessed against established selection criteria. In addition, Economic Infrastructure Program project applications over \$50,000 go through a professional economic impact assessment process to ensure that estimated impacts are assessed in a consistent manner.

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.



PERFORMANCE RESULTS.*

KEY PERFORMANCE HIGHLIGHTS

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

Total commitments since inception stands at \$49.7 million. These investments have leveraged 4.6 dollars from other sources and represent an estimated 2615 new long-term jobs (3-5 years post completion) and an additional 2580 construction jobs, BC wide.

In the past year, ICET provided approval for \$1.8 million in new regional project investments totaling \$4.7 million. Final approval was provided for 25 projects valued at \$1.1 million, with 0.7 million in projects still pending final approval.

The new Infrastructure project approvals are expected to leverage \$1.7 per dollar invested. Total project leveraging since inception is \$4.7 per dollar. More than one half of matching funding was leveraged from non-government sources, exceeding ICET’s target of 25%.

In Fiscal 2017, more than 82% of all infrastructure funding went to communities in the 1:1 matching areas, representing those communities with serious economic challenges. This indicates that resources are being targeted to those areas with the greatest need.

ICET’s regional programs continue to support sectoral development, relationship building and economic development literacy through targeted sponsorships, bursaries and internships. Results and more information about these regional programs can be found on pages 50-53.



STRATEGIC FRAMEWORK

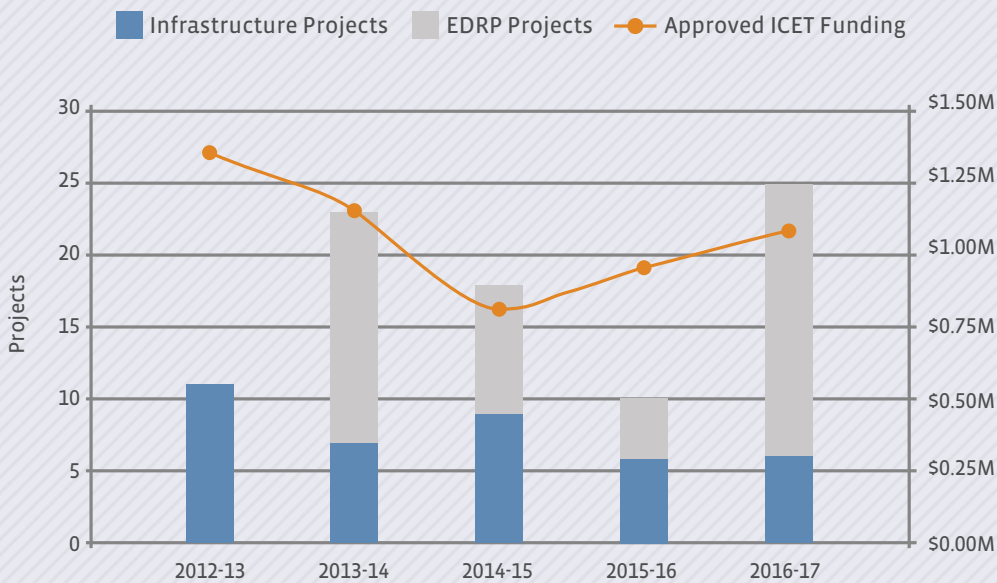
ICET’s primary strategy has been to administer simple, flexible, grant programs to enable communities, non-profits and First Nations to develop economic development infrastructure and strengthen their economic development readiness. Through the delivery of its grant programs, ICET acts as a catalyst or enabler for community and regionally led economic development programs and activities which advance ICET’s objective to build a diverse and sustainable Island and Coast economy.

PERFORMANCE MEASUREMENT

ICET uses a variety of robust performance measures to assess its 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. As an enabler, ICET can help to address 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.

Projects Approved and ICET Funding



* 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 will not be funded or sources of matching funding may increase, resulting in increased leverage.

Wild Pacific Trail



OBJECTIVE 01

LEVERAGE ECONOMIC INVESTMENT IN THE ICET REGION.

ICET uses its \$50 million funding allocation as a lever to attract incremental investment, from other levels of government, non-government sources and private sector sources, into individual project investments as well as larger community and regional investments.

MAINTAINING LEVERAGING TARGETS

In Fiscal 2017, the Economic Infrastructure program projects leveraged more than \$1.7 per dollar invested, in funding from other sources. While this is less than previous years, it is consistent with the fact that more than 80% of 2017 funding was distributed to more economically challenged communities requiring only 1:1 leveraging. Since inception, the total project leveraging remains at \$4.7, well above the target of 1:3.

DIVERSIFICATION OF MATCHING FUNDING SOURCES

In addition to the standard economic development funding sources, new matching funding sources for Fiscal 2017 included more than a dozen different public sector and non-profit sources such as the Alpine Club of Canada, Small Business Roundtable, First Nations, Community Futures, Chambers of Commerce and Port Authorities.

Matching funding also included several new private sector sources such as Seaspan, Harmac, Mountain Equipment Coop, Thrifty Foods and Interfor as well as individual contributions to public projects.

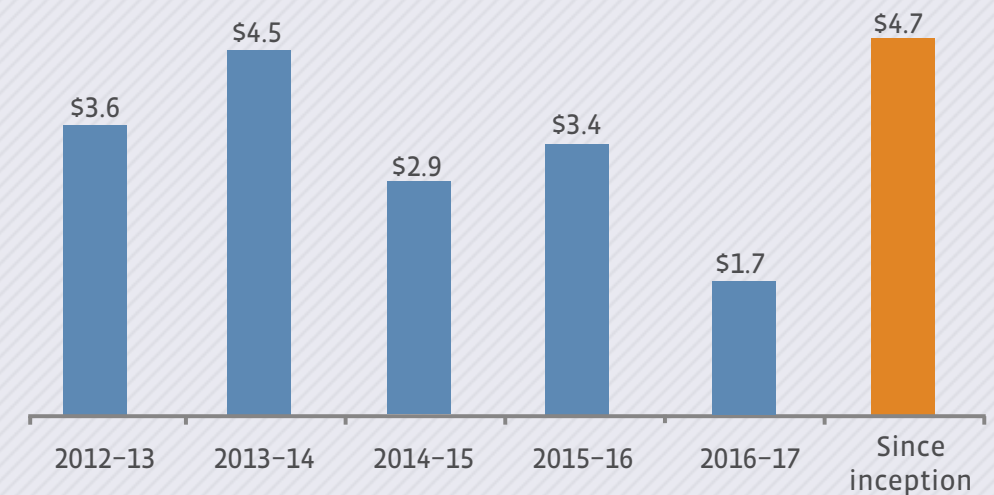
In addition, projects funded in Fiscal 2017 such as the MARS Wildlife Eco-Centre project and the Vancouver Island Alpine Hut, included significant amounts of volunteer time and in-kind contributions from individuals and businesses, demonstrating strong grassroots community support.

In Fiscal 2017, non-government sources of funding represented more than half of all matching funding sources, and 30% of total project budgets. While this is a bit lower than Fiscal 2016, it exceeds ICET's strategic target of at least 25% in matching funding from non-government sources. Local government share of budgets is up slightly while Federal government share of budgets has dropped significantly. Provincial share of project budgets has increased, due in large part to the availability of BC Rural Dividend Program funding.

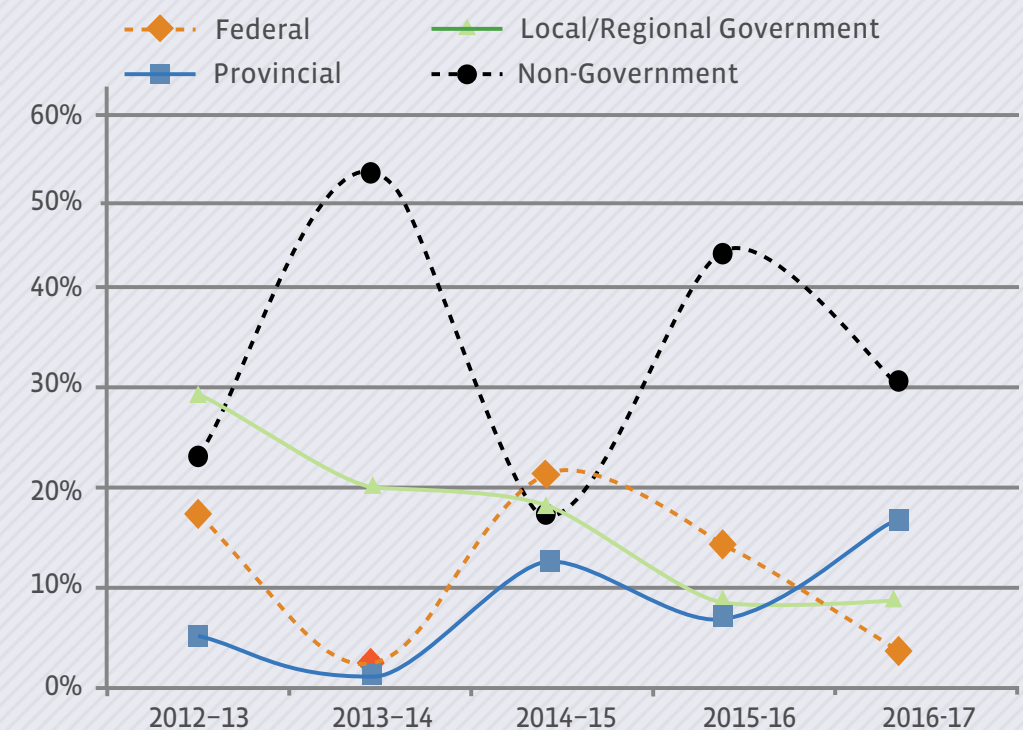
The strong presence of non-government funding in approved projects continues to generate beneficial results. Projects with community and corporate funding have greater capacity to overcome financial hurdles and, in general, have stronger results due to the increased capacity and expertise that community and corporate partners bring to the table. The high visibility of corporate funding in community projects is having a ripple effect throughout the region with greater corporate involvement in projects, as early as the concept development stage.

The benefit of a fund like ICET is that it provides a steady source of matching funding, enabling communities to move forward with projects at the most opportune time for them. This is especially important for smaller communities who may not be able to respond within the tight timelines that have become commonplace for many senior government funding programs. For larger budget initiatives, the fund acts as a catalyst to attract new funding to the province and the region, demonstrating strong community support as well as financial buy-in from the region. For smaller projects, the fund acts as a tipping point, providing the required matching funding to ensure projects can move forward.

Average Funding Leverage



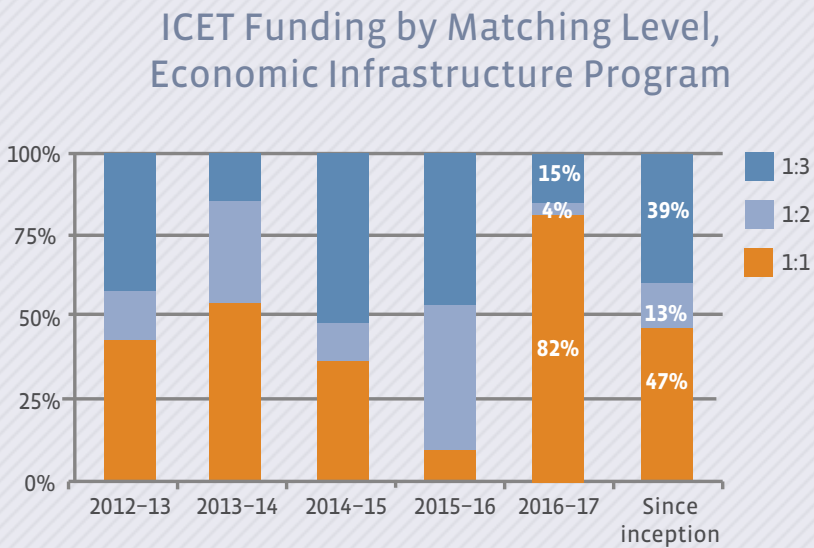
Share of Total Project Budgets



FUNDING BY MATCHING LEVEL

Communities in the 1:1 matching level areas received the largest share of funding, with 82% allocated to those communities with the most challenging economic conditions.

Distribution of funding to communities with stronger growth (1:2 and 1:3), saw a significant reduction in funding allocations in relation to Fiscal 2016, due to delays in larger, more complex initiatives. Several new projects from 1:2 and 1:3 communities are expected in Fiscal 2018.



One of the key aspects to providing applicant support is to link applicants to funding resources. This requires the maintenance of ongoing relationships with other funders to ensure knowledge and understanding of funding programs. In Fiscal 2017 staff continued to work proactively with Rural Dividend Fund staff to facilitate the flow of information to the ICET region and to facilitate optimal, complementary use of both funding sources by the region's stakeholders. With the significant decrease in federal funding sources for economic development initiatives in smaller communities, staff has been engaged in proactive communication with federal government politicians and program staff to investigate potential opportunities and to keep them informed about the region's needs.

ICET's support role has also grown in the post completion project phases providing ongoing support for future initiatives and monitoring project performance.

RECAPITALIZATION OF THE FUND

The Island Coastal Economic Trust, in collaboration with the region's key stakeholders, continued to make the business case for recapitalization of the fund. This was done through the communication of fund and project outcomes, publications, news releases, media interviews and project case studies.

In February of 2017, the Province of BC announced a new funding injection of \$10 million dollars into the Island Coastal Economic Trust as part of Budget 2017/2018. This funding is expected to flow through to the Island Coastal Economic Trust prior to the end of the 2017/2018 fiscal year.



SUPPORTING APPLICANTS

One of the unique features of ICET is its open, interactive relationship with project proponents. Applicants are encouraged, early in the project development stages, to contact ICET staff for information and clarification regarding the application process. This support continues through the project approval and implementation processes as well as post completion.

In Fiscal 2017, ICET staff saw a marked increase in requests for project development support, particularly for very large scope initiatives. This included support for more than half a dozen significant infrastructure initiatives located in First Nations communities, as well as several others in communities throughout the region. While some of these initiatives may take years before they reach the funding stage, ICET is providing support services including site visits, project planning advice, referrals to other funders, links to planning resources, review of business cases and feasibility studies as well as support with the development of project applications.

Travel to meet with communities and project applicants



OBJECTIVE 02

INVEST IN ECONOMIC DEVELOPMENT INFRASTRUCTURE

ICET supports strategic investment in key local and regional economic development infrastructure, with a strong focus on incremental economic benefits, economic growth and diversification, regional cooperation and long term economic and environmental sustainability.

This is done primarily through its Economic Infrastructure Grant Program. Investments are made in the sectors specified in ICET's legislation: forestry, transportation, tourism, mining, small business, energy, agriculture and aquaculture, and economic development. Specific project investments and program results are discussed on page 22.

SUPPORT FOR EMERGING SECTORS

ICET has been working proactively with sectoral stakeholders and governments to identify emerging sectors and any role that ICET can play in supporting these sectors.

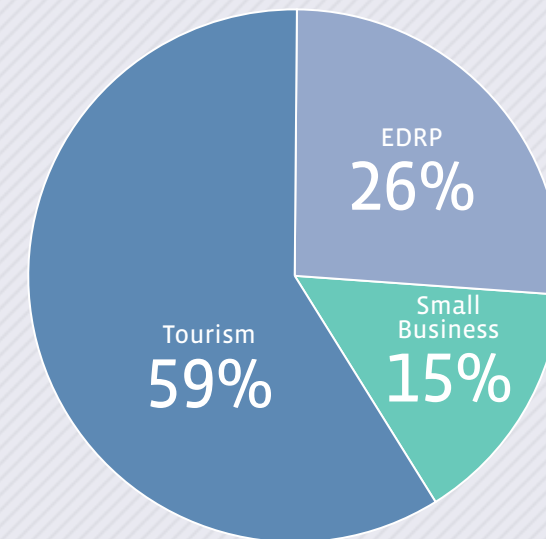
During the past year ICET has met with a wide range of sectoral organizations, First Nations, non-profits and government staff involved in technology, aquaculture, value-added wood manufacturing, forestry, eco-forestry, tourism, Aboriginal tourism, social enterprise, aerospace, clean tech and green tech and agri-tourism with a view to supporting these sectors.

Support has materialized in the form project funding and of sponsorship of key events to promote these emerging sectors to a wider audience or to help spark collaboration and joint initiatives in the region. Some of the projects approved this year include under-represented sub-sectors such as Aboriginal tourism, and emerging sectors such as technology.

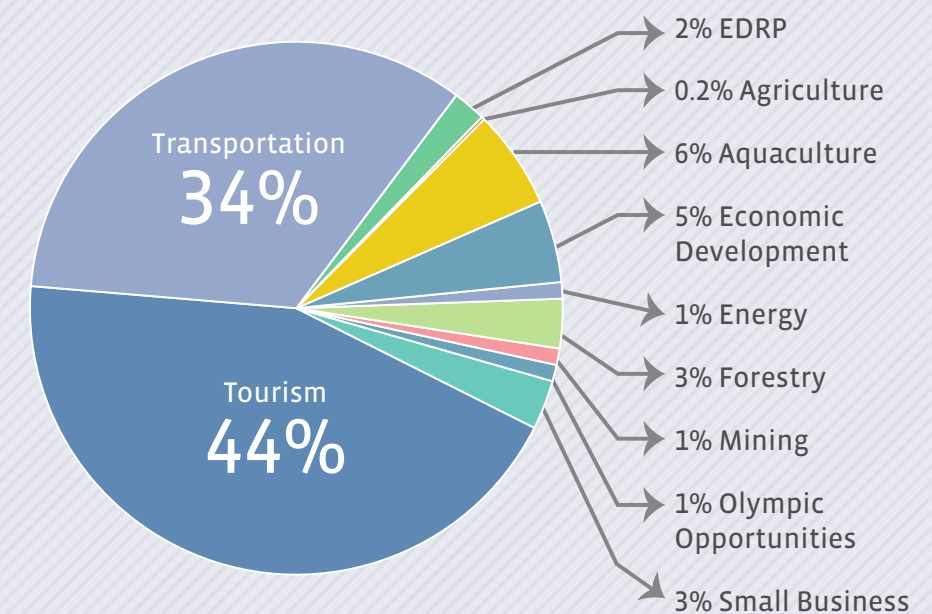
Gibsons Landing Dock



ICET Funding by Sector, 2016–17
(Including EDRP)



ICET Funding by Sector since Inception
(Including EDRP)



ECONOMIC INFRASTRUCTURE PROGRAM

The Economic Infrastructure Program has been ICET’s flagship program since inception. It enables community investment in targeted, incremental, economic development infrastructure initiatives.

In Fiscal 2017, ICET approved almost \$1.5M in grant funding to infrastructure projects. Eleven of the project applications received met the criteria required to be evaluated by the Regional Advisory Committees.. Project applicants included 3 First Nations, 3 communities and 5 non profit organizations. Of those, 6 received final funding approval and 3 stage one applications are pending.

Two thirds of approved projects were capital projects that addressed identified gaps in the tourism sector including Aboriginal tourism, backcountry, and educational tourism product development. With funding support from ICET,

the Alpine Club of Canada Vancouver Island Chapter is developing the first heated backcountry alpine hut on Vancouver Island creating a new year-round tourism opportunity. Another newly approved project is the MARS Wildlife EcoCentre, which builds on niche birdwatching and wildlife tourism by providing visitors with live links to its wildlife hospital and recovery areas in addition to traditional visitor interpretation.

One third of approved projects addressed small business growth and attraction. One innovative project approved, the Campbell River Broadband Network, is the first community owned “open access” broadband network on Vancouver Island. In addition to providing business with affordable access to high speed broadband not otherwise available, this project will serve as a best-practices model for other communities on Vancouver Island and elsewhere in BC.

New Economic Infrastructure Approvals Fiscal 2017:	ICET Commitment	Total Budget
FINAL STAGE TWO APPROVALS		
Anacla Bamfield Walking Trail	\$279,763	\$559,526
Vancouver Island Alpine Hut	\$90,000	\$205,000
Tofino Main Street Revitalization Project	\$117,993	\$533,032
MARS Wildlife EcoCentre Project	\$236,000	\$637,500
	\$723,756	\$1,935,058
FINAL ONE STEP APPROVALS		
Lake Cowichan Mobile Visitor Centre	\$30,000	\$90,400
Campbell River Broadband Network	\$50,000	\$173,000
	\$80,000	\$263,400
STAGE ONE PENDING (subject to Stage 2 approval)		
3 Pending Projects	\$663,556	\$1,900,226
TOTAL	\$1,467,312	\$4,098,684

PROJECT VIGNETTE

Applicant

Project

Status

ICET contribution

Huu-ay-aht First Nations’

Anacla Bamfield Walking Trail

Under construction

\$279,763

Aboriginal Tourism is one of the fastest growing sub-sectors of tourism in British Columbia. The new 4.5km walking trail connecting Bamfield and the Village of Anacla will be integral in the development of the Huu-ay-aht’s Cultural Tourism Destination marketing strategy. As the new owner of 11 tourism properties in Bamfield, the Huu-ay-aht First Nation is redesigning many of them to feature a First Nation theme, where First Nation art and culture will be showcased.

The trail will traverse a culturally-significant route and will feature culturally themed rest areas, and interpretive storyboards along the way. It will connect the historic Village of Anacla to the Village of Bamfield and provide access to the traditional capital - Kiixin - a designated National Historic site. The trail will be a key component of this new Aboriginal Tourism destination, and will support the development of Huu-ay-aht guided tours.





KIIXIN TOURS LAUNCHING THIS SUMMER

Journey to Kiixin, the ancient traditional village site of the Huu-ay-aht people. Explore the west coast of Vancouver Island’s pristine rainforest and spectacular beaches as you share in the Huu-ay-aht’s knowledge, history, and culture.

Walk. Learn. Experience.

Inhabited by Huu-ay-aht ancestors for over 5,000 years, Kiixin is the only known remaining complete traditional First Nations village on the southern BC Coast and is commemorated as a National Historic Site.

For more information, please email: kiixintours@huuayaht.org
<https://huuayaht.org>



ECONOMIC DEVELOPMENT TAKES FLIGHT: NANAIMO AIRPORT'S KEY ROLE IN REGIONAL BUSINESS SUCCESS!

AIRPORTS ARE ONE OF THE LARGEST infrastructure investments a region can make, and for good reason: the jobs they generate through their own operations is significant, but the total economic activity they support is massive. Nanaimo Airport (YCD) was one of ICET's earliest major infrastructure investments, with \$5M going towards functional upgrades including runway expansion, terminal improvements, and new safety features such as navigation and lighting systems. All told, these investments have helped turn YCD into one of the mid-Island's most-important economic assets.

“WHEN I THINK ABOUT THE INDUSTRIES AND SECTORS THAT DEPEND ON A RELIABLE AIRPORT, IT BECOMES APPARENT THAT YCD IS A CRUCIAL LINK FOR THE ENTIRE REGION

their international program with confidence knowing there are reliable connections. Our two organizations have developed and grown together, and have become significant economic drivers in the region.”

Today VIU relies on the Nanaimo Airport to bring students and their families from more than 90 countries worldwide, as well as every province and territory in Canada. The vast majority of international students at VIU arrive through YCD, and growth in their international student body has been approximately 10% per year for the past three years. A recent report indicates that for every 100 international students, the province gains 25 jobs and \$1.6M in GDP growth.

Overall passenger numbers at YCD are strong and growing faster than projected, necessitating terminal expansion and infrastructure upgrades. Research demonstrates a direct correlation between airport passenger volume and employment growth, validating the importance of airport expansion as an economic development tool.

At Nanaimo Airport, passenger volume has grown a record-setting 108 per cent in the last six years, since expansion completion. This places YCD ten years ahead of forecasts, with an economic output of \$229M in 2016.

Direct and indirect employment numbers of 1,200 FTE jobs and passenger volumes of more than 340,000 passengers are a big part of that overall economic impact. “By expanding our facilities, we are able to host more flights, meaning more convenience for passengers and cargo customers,” Hooper explained.

In a cycle of continual improvement, expanded facilities have resulted in new services like Westjet Encore flights to Calgary, daily FedEx Express flights, Air Canada expanding direct service to Calgary, and new aviation services, including Enex Fuels.

“Thanks to those expanded services, we’re planning for more growth, including a \$50M+ terminal building through a 20-year master plan,” said Hooper. “This will include increasing the security, boarding, and customs areas, an addition of 200 parking stalls, and much more.”

With more than 50 hectares of land for development, the aerospace opportunities at YCD are significant, and this key piece of economic infrastructure has solidified its place as a fundamental asset driving growth and success of the region.

“When I think about the industries and sectors that depend on a reliable airport, it becomes apparent that YCD is a crucial link for the entire region,” said Mike Hooper, President and CEO of Nanaimo Airport. “Tourism, retail, manufacturing, international education, and more: being able to get your products and people in and out of a region efficiently is core to every business.”

It’s one of the Island’s busiest shipping hubs. Millions of dollars’ worth of products — from auto parts to electronics to Christmas gifts — are air freighted through the airport annually. Its cargo facilities support everything from online shopping to business supply chains. For time-sensitive shipments, air freight is the main option.

Robotics company Inuktun Services, mobile air-compressor manufacturer VMAC, and medical cannabis producer Tilray are just some of the companies in the region who are benefiting from increased competitiveness thanks to a bigger, better, more reliable airport.

And while cargo is a growing trend of airport operations, Hooper sees the movement of passengers as the key to the airport’s success.

“Vancouver Island University is our largest client. Their staff, faculty, students, and visiting families all have a major impact on the airport’s customer base,” he explained. “When our reliability improved, it allowed VIU to promote



PROJECT PROFILE NANAIMO AIRPORT

\$27 MILLION
BUDGET

\$5 MILLION
ICET CONTRIBUTION

2010
COMPLETION DATE



PROJECT PROFILE

ÉCONOMUSÉE



Townsite Brewing Économusée



Tofino Cedar Furniture Économusée



Mary Fox Pottery Économusée

SHOW AND TELL FOR GROWNUPS: ÉCONOMUSÉE UNITES ARTISANS, CRAFTERS AND VISITORS IN UNIQUE BUSINESS MODEL

TOURISM IS CHANGING, with savvy travellers looking for more than guided trips and pre-packaged stops-of-interest. They're seeking authentic experiences and the opportunity to be immersed in the culture of the people and places they visit.

That's where the Économusée Network model comes in. The network helps small artisanal businesses transform their workshops into an interactive experience by supporting them with site development, interpretation of their craft as well as by providing marketing and outreach support.

ICET has supported Économusée sites across the region, starting with a pilot project completed in 2013 that saw Merridale Ciderworks and Hazelwood Herb Farm become part of the network. Funding and support helped the proprietors guide development of their tourism product and to transform their workshops into interactive and authentic visitor experiences.

With the success of those first two sites, ICET invested in a 'Phase 2' project to create several additional sites.

Sites in the network now include Mary Fox Pottery in Ladysmith, where visitors interact with Mary directly, watching and learning as she creates raku pottery and ceramics for her shop. On the south-island, Folki Herb Farm in Duncan gives visitors a glimpse into the workings of an organic herb farm where over 50 different varieties of herbs, botanicals and fruits are grown.

JOINING HAS ALLOWED US TO ENHANCE THE EXPERIENCE OF THE VISITOR IN OUR TASTING ROOM AND EXPAND OUR CONNECTION TO OUR CUSTOMERS

On the west coast, Tofino Cedar Furniture brings guests up close to the process of turning Western Red Cedar into beautiful Adirondack chairs and more. On the mid-island, Courtenay's Wayward Distillation House introduces tourists to the artisanal process of creating small-batch, craft gin, vodka, and other spirits from a base of BC honey.

In Powell River, the Townsite Brewery is a great example of how the Économusée model can enhance economic activity beyond the borders of the site itself.

"Powell River's historic Townsite neighbourhood is in the midst of a renaissance, with new businesses being developed and residents moving in," said the City's Manager of Economic Development Scott Randolph. "There's a vibrancy to the neighbourhood, with new life being breathed into a number of historic buildings in what used to be its commercial centre. It is investments like the Townsite Brewing Économusée that will assist in building upon the momentum that has been created for economic and cultural growth in the community."

The Townsite area is the former industrial hub of Powell River – home to the world's largest pulp and paper mill at the time – and was designated as a National Historic District in 1995. The renewed interest in the region has led to Powell River becoming a magnet for the hipster crowd — young, educated, entrepreneurial. Hundreds of original buildings still exist, and Townsite Brewing is located in the beautiful, circa 1939 art deco Federal Building.

"We at Townsite Brewing firmly believe that tourism will be the next big industry in Powell River," said Chloe Smith, the brewery's General Manager. "We focused our efforts from the outset to not only brew great beer but also create a business that would put our town on the map."

The Économusée model works well for the craft brewery, Smith explained. "Joining has allowed us to enhance the experience of the visitor in our tasting room and expand our connection to our customers."

The goal of Économusée sites is to connect the creators – whether they're artisans, farmers, brewers, or more – with tourists. Providing authentic experiences is what an Économusée is all about, and that sense of authenticity is amplified in locales like Powell River's Townsite.

"Neighbourhoods like Townsite enrich the entire surrounding community by attracting businesses and new residents, and by spurring economic activity through renewed tourist interest," said Paul Kamon, Executive Director of Sunshine Coast Tourism. "The Économusée model fits perfectly with Townsite Brewing's artisan character and is a perfect enhancement for their tasting room."

\$301,000
BUDGET

\$75,000
ICET CONTRIBUTION

2016-2017
OPENING DATES



AQUARIUM 2.0: UCLUELET'S UNIQUE APPROACH TO LEARNING ABOUT LOCAL SEA LIFE

PROJECT PROFILE

UCLUELET AQUARIUM



IT ALL BEGAN WITH REIMAGINING

the traditional aquarium, in a small double wide trailer, with a few glass tanks and very high hopes.

“The idea started with my close friend and collaborator – Philip Brueker – in the late 90’s when he dreamt up a reaction to the traditional aquarium,” explained Bill Morrison, President of the Ucluelet Aquarium Society and project champion. “His idea was to connect people a little more closely and to create a much smaller facility that had only local species: no amazon gallery. We would catch the species, show them for a short time, and then release them.”

As the region worked together to create other experiential-tourism draws – like the ICET supported Wild Pacific Trail – visitor numbers to the region and the mini-aquarium grew exponentially. This created an opportunity to develop a new, larger facility which would be instrumental in helping Ucluelet become the key regional visitor destination it is today.

“The number of visitors to the Aquarium has almost doubled since 2013,” said Aquarium curator Laura Griffith-Cochrane. “We are expecting 2017 to set new records, with more than 35,000 visitors. For a community of less than 2000 residents, that’s quite impressive.”

... THIS EDUCATIONAL TOURISM MARKET IS SOMETHING THAT THE REGION IS BUILDING ON TO CREATE GREATER YEAR-ROUND SUSTAINABILITY...

The Ucluelet Aquarium, together with the Wild Pacific Trail, are the two “must do” activities in Ucluelet. Designed to resemble a whale tail, it features more than 3000 sq. ft. of aquarium displays and amenities including: touch tanks for hands-on experiences; display areas for static and interactive exhibits; demonstration and teaching stations; a multipurpose lecture and seminar room as well as a marine observation area. All specimens are gathered from local waters and later released in public participation events.

An innovative system integrates the Ucluelet Aquarium with the local marine ecosystem as fresh water from the harbour flows through the tanks providing the specimens with all of the fresh nutrients found in the wild.

The model dovetails perfectly with the type of visitor that Ucluelet and region already attracts: active, engaged and environmentally-conscious.

“The Aquarium has become much more than an attraction for children and families,” explains Ucluelet Mayor Dianne St-Jacques. “People are coming for short term courses and experiential learning opportunities centered around marine wildlife. This educational tourism market is something that the region is building on to create greater year-round sustainability for our community and our businesses.”

Beyond education, the Aquarium plays an important role in regional environmental stewardship, leading initiatives such as beach cleanups and harbour cleanups.

“The amazing thing, is how the community has participated and embraced these cleanup initiatives,” explains Griffith-Cochrane. “These one-time projects have now taken on a life of their own, with groups coming forward to grow and sustain them over the long term, allowing us to refocus on new projects.”

Since the opening of the Aquarium, the historic downtown core has seen a renewed economic dynamism, with three new businesses opening up. The draw of the Aquarium has exceeded expectations and led the municipality to acquire a parcel of land to deal with increased demand for parking in the area.

“The Community has fully embraced this Aquarium, it’s a true love-in,” adds Mayor St-Jacques. “Residents, and even short-term visitors, will purchase season passes so that the kids can go back over and over again, to learn about the new creatures or participate in different activities.”

St-Jacques adds, “We couldn’t have imagined a better triple bottom line — positive impacts for business, environmental stewardship as well as community pride and enjoyment.”

\$1.8 MILLION
BUDGET

\$515,000
ICET CONTRIBUTION

2012
OPENING DATE

Vancouver Island Discovery Centre



BEYOND BROCHURES: REGIONAL VISITOR CENTRES ADDING VALUE FOR VISITORS AND BUSINESS

VISITOR NEEDS, AND EXPECTATIONS

are evolving, and ICET has supported a proactive approach through investments in regional Visitor Centres in Cowichan, Port Alberni, Nanaimo, and the Comox Valley as well as mobile visitor units and Visitor Information parks in more rural or remote regions.

These regional visitor centres are flourishing, with record numbers of visitors coming through their doors, a surprising fact in this digital information age. One of the reasons is the broad mandate they have embraced, which goes beyond traditional visitor information to include services that support new business and resident attraction.

“WE HAVE SEEN THE NUMBER OF VISITORS DOUBLE SINCE OUR MOVE INTO THE NEW FACILITY, AND WE ARE PROVIDING A BROADER RANGE OF SERVICES AND INFORMATION

The Cowichan Regional Visitor Centre – co-located with the BC Forest Discovery Centre – is a prime example of this new focus. The centre features nine displays highlighting some of the key sectors in the region such as wineries, agriculture, ocean and outdoor adventures, providing an opportunity for tourism operators and local businesses to connect with visitors. In addition to traditional visitor information, staff handed out more than 340 Cowichan relocation packages in 2016.

“We have seen the number of visitors double since our move into the new facility, and we are providing a broader range of services and information,” explains Sonja Nagel, Executive Director of the Duncan Cowichan Chamber of Commerce, operator of the Cowichan Regional Visitor Centre. “We are impressed by the number of visitors looking to relocate to the Cowichan Valley, especially when they come back to thank us for the relocation packages and tell us that they have purchased a home or a business.”

In the Comox Valley, the Vancouver Island Visitor Centre draws and engages visitors with interactive displays such as a shellfish touch tank, a climb-up tree, and a Vancouver Island Marmot den. A multi-media exhibit gallery boasts

stunning displays that promote the area’s tourism, cultural and heritage products and experiences, presented through the region’s four environments alpine, forest, rural and ocean.

“The ultimate goal of a visitor centre is to create a quality visitor experience, increase the length of stay, the spending, the number of referrals to family, friends and co-workers, and to increase return visits,” said Calum Matthews, Community and Industry Specialist with Tourism Vancouver Island. “Visitors should always leave here wanting to return because there is something they haven’t done.”

Many entrepreneurs discover a potential for relocation during a vacation, and Visitor Centres are a key resource for business attraction.

“We’ve interacted directly with several people who moved to Port Alberni specifically to build a business and life here,” said Bill Collette, Executive Director of the Alberni Valley Chamber of Commerce, operator of the Visitor Centre. “Every day, we provide information to visitors who want to move here, and it’s become such an important part of what we do, that we now track those numbers.”

In Nanaimo, the Northfield Rotary Park Visitor Centre is also pushing into new areas of contact and service. With a strategic location and compact footprint, the centre is exploring the area where traditional visitor centre services intersect with social media support. As a pilot project participant in Destination BC’s Social Media Visitor Services Program, the centre is augmenting the increase in visitors to their new physical location, with social media and online support services which rank third in the province (behind Kelowna and Whistler).

From creating mobile visitor centres that go to where the crowds of tourists are, to aiding in the attraction and relocation of new businesses, the modern Visitor Centres across the ICET region are demonstrating how they can play a significant role in community economic growth and diversification.

PROJECT PROFILE VISITOR CENTRES



Northfield Rotary Park Visitor Centre



Alberni Valley Visitor Centre



Cowichan Regional Visitor Centre Official Opening

\$7.7 MILLION
TOTAL BUDGETS (ALL)

\$2.2 MILLION
ICET CONTRIBUTION (ALL)

2010-2014
COMPLETION DATES



PROJECT PROFILE

GIBSON'S PUBLIC MARKET



REDEFINING THE "FARMERS' MARKET" INTO A MODERN, ECONOMIC ENGINE

THE CONCEPT OF A TRADITIONAL

farmers' market – local growers selling produce in an empty lot on a Saturday – is being turned on its head.

Across BC, the model of farmer markets is evolving into sophisticated, permanent facilities that serve as incubators for new farmers and small-scale food producers looking to refine their products and grow their business.

One of the best (and newest) is the Gibsons Public Market (GPM). Since opening its doors in late April 2017, the accolades have been flooding in, and merchants at the GPM are embracing the opportunity to use the crowds to develop customers, products, and new markets.

Art Meets Chocolate is one of those market vendors, looking to grow a company that distributes nationally.

Their product is top-quality, hand-crafted chocolate. But the differentiation is their packaging: every variety of chocolate bar on the display wall in their market stall is wrapped in a beautiful piece of BC artwork. These unique wrappers are matched to products and places, and the company is planning an expansion that would see the products sold in gift shops – including airports – across the country.

“WE’RE NOT ONLY A DESTINATION FOR SUNSHINE COAST RESIDENTS, WE’RE ALSO DRAWING SIGNIFICANT NUMBERS FROM VANCOUVER. PEOPLE COME TO THE MARKET, SHOP, EAT, LEARN, EXPLORE, AND THEN STAY TO SHOP IN OTHER BUSINESSES AROUND THE REGION

“We already have more than 15 retailers, and we’re selling quite a bit through art galleries, and private label editions,” said Art Meets Chocolate founder Sylvia Punguntzky. “Moving into the Gibsons Public Market gave us a permanent home, kitchen facilities, shipping, and a head office.”

The company, started by Sylvia and her husband, has now grown to add three employees, all Gibsons locals. “It’s exciting to work with young, motivated, ambitious people,”

she said. “They’re such hard workers, and it makes me happy to give these young people a chance.”

Next on the agenda for the Market is the completion and opening of the Nicholas Sonntag Marine Education Centre, slated for early summer. The facility is modelled on places like the Ucluelet Aquarium, where visitors can touch the spines of a prickly sea urchin or smell a watermelon-scented nudibranch, rather than just watching it through a glass tank.

Gerry Zipursky is the Executive Director of the GPM, and he’s seen first-hand how it has driven economic activity in the region. “Local businesses have told us that they’ve seen a definite spike in numbers since the Market opened,” Zipursky said. “We’re not only a destination for Sunshine Coast residents, we’re also drawing significant numbers from Vancouver. People come to the market, shop, eat, learn, explore, and then stay to shop in other businesses around the region.”

The businesses operating in the Market also embrace the ‘buy local’ ethos, sourcing their supplies from other merchants in the hall. Emelle’s Bistro – part of the Vancouver-based catering company of the same name – gets meat from The Gibsons Butcher, and fish from the Fisherman’s Market.

Zipursky spoke about one of the seven current anchor tenants: Fisherman’s Market. “It’s a great example of a family business that has its roots here, and has grown to several locations around BC,” he said. “With the space here at GPM, they have been able to bring their business back home, creating jobs and opportunity in their local community.”

The Market’s unofficial role as a business incubator isn’t accidental. The market was designed as a community project that inspires and supports economic activities in the region. But it’s more than just a space for business. With amenities like a community kitchen, space for arts and performance, a marine education centre and more, the Gibsons Public Market is showing its commitment to community and vitality with a triple-bottom line of social, environmental, and financial success.

\$2.2 MILLION
TOTAL BUDGET

\$400,000
ICET CONTRIBUTION

2017
COMPLETION DATE

OBJECTIVE 03

SUPPORT INVESTMENT ATTRACTION AND JOB CREATION

ICET will invest in projects, planning and training to support the development of attractive, liveable, competitive, investment ready communities capable of attracting high value investment and job creation for the region.

The primary investment vehicle to support investment attraction and job creation is the Economic Development Readiness Program. More detailed information can be found on page 36.

ENGAGING WITH STAKEHOLDERS

In Fiscal 2017, ICET prioritized engagement with stakeholder groups to increase awareness of the opportunities provided by the Economic Development Readiness program and to support the implementation of new economic development strategies with the new Quick Start stream.

This increased engagement has resulted in a record number of EDRP applications. New applicants include communities and non-profit groups that had not yet taken advantage of the EDRP. It also includes several Quick Start projects to kick start implementation of recent strategies, creating momentum in small communities.

ICET has also supported economic development readiness through its internship program. More information is available on page 53.

COLLABORATION WITH PROVINCIAL GOVERNMENT

The ICET Board and staff continue to prioritize ongoing communication and collaboration with the Province of BC, primarily through its economic development arm, the Ministry of Jobs, Tourism and Skills Training (JTST). This includes meetings with regional staff as well as senior staff and officials, to ensure that ICET programs and initiatives align with provincial priorities. This also includes the promotion of Ministry initiatives to the region's stakeholders, sharing information about ICET communities, economic conditions and key regional priorities or providing support related to specific government programs or priorities.

In Fiscal 2017, ICET staff and JTST staff held joint meetings with West Coast First Nations to develop new relationships, gain a stronger understanding of need and opportunities and share information about regional support services. ICET staff also supported JTST Economic Development 101 workshops and other regional initiatives.

Communication and collaboration also occurs with other Ministries, based on the region's immediate needs, emerging sectors and project submissions. In Fiscal 2017 this has included meetings and discussions with the Ministry of Forests, Lands and Natural Resource Operations, Ministry of Agriculture, Ministry of Technology, Innovation and Citizen's services, Ministry of International Trade, Ministry of the Environment, Ministry of Social Development as well as Parks, Recreation Sites and Trails.

SUPPORT EMERGING SECTORS AND HIGH VALUE SECTORS

ICET supports emerging sectors and high value opportunities in the region, through a number of avenues including the sponsorship of events, meetings with key industry stakeholders and sharing of best practices and information.

Sharing of best practices is primarily done through presentations to groups, website stories and social media. Quarterly economic updates are provided by tracking economic indicators such as total employment, building permits, population growth etc., and providing more detailed analysis including benchmark comparisons with other regions in BC. In Fiscal 2017, ICET also produced an economic analysis piece for media, highlighting the region's full-time employment growth.

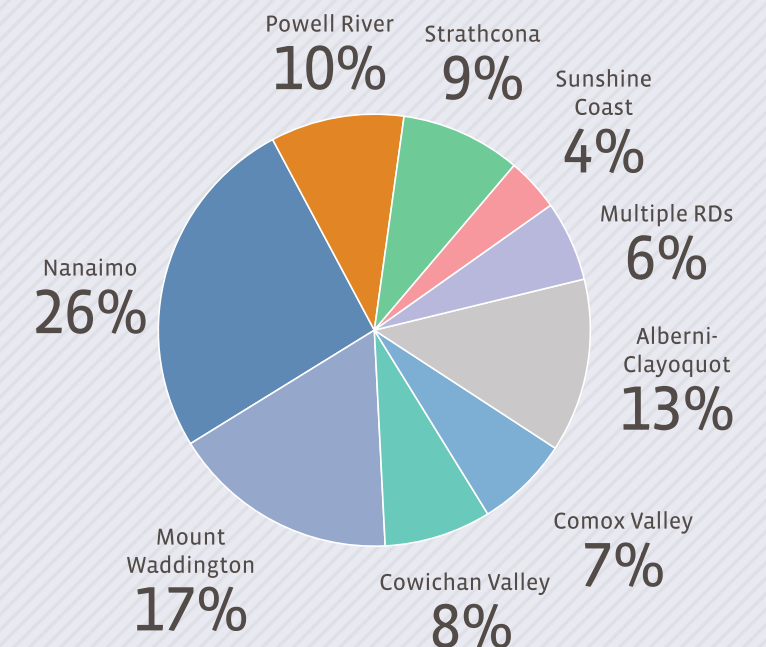
DISTRIBUTION OF FUNDING BY REGIONAL DISTRICT AND COMMUNITY SIZE

The ICET funding programs are designed to support the best projects throughout the region, regardless of where they are located. This regional thinking approach will support initiatives based on community need, local and regional benefits and readiness to proceed. There are no community or regional quotas or allocations.

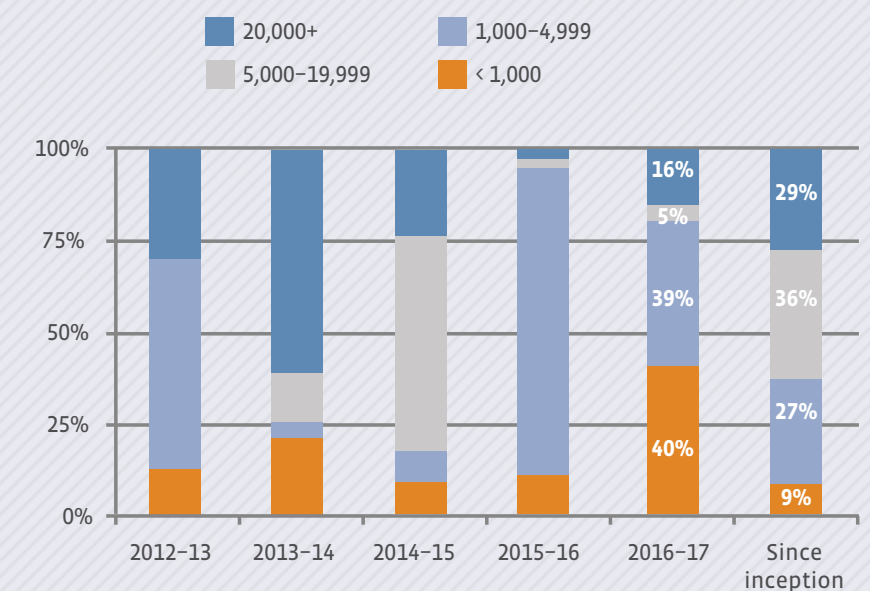
In Fiscal 2017, almost 80% of projects approved were situated in communities with less than 5000 residents, compared to the historic average of 38%. This is of particular significance given that smaller communities often struggle to access funding from senior levels of government. Many funding programs are designed for communities with significant administrative and rapid response capacity, effectively shutting out those communities with limited capacity.

The development of the Economic Development Readiness Program and the increased support available to develop new projects has contributed to increased engagement and action in small and rural communities. In Fiscal 2017, the BC Rural Dividend program also played a symbiotic role, by providing the matching funding needed to move initiatives forward which could not have happened without either program.

ICET Funding by RD, Since Inception



ICET Funding by Community Size (Including EDRP)



ECONOMIC DEVELOPMENT READINESS PROGRAM

Since its inception in 2013, the Economic Development Readiness program has supported a total of 48 projects. In Fiscal 2017, the program saw its largest numbers yet, with 18 project applications approved. This represents more than \$280,000 in investment and 38% of all EDRP projects approved to date.

Designed to address the readiness of communities as they move through the economic development continuum and adapt to evolving community needs, the program was rebranded with a “Find Your Fit” approach to clarify the process for applicants.

In Fiscal 2016, a new “Quick Start” funding stream was added to support rapid implementation of new economic development strategies. In the past year, five small communities with recent strategies have taken advantage of the new program stream, to help advance economic development in their communities. Some of these projects involved the implementation of “quick wins”, creating the momentum needed to facilitate the implementation of longer term priorities. Other projects supported the planning work required to move key strategies forward to the “shovel ready” and funding stages.

In response to the growing importance of the tech sector in the region, a new funding stream was added to support the development of tech strategies. Launched in early 2017, the Cowichan Valley Regional District and the City of Campbell River were the first two communities to take advantage of the program, to help them identify unique opportunities and strategies to attract the tech sector to the region.

The program continues to support communities in all of the “Find your Fit” streams. Funding was provided to four small or rural communities for new economic development strategies, bringing the regional total to 17 new economic development strategies in the past three years. Funding approvals also included two investment attraction initiatives, one sectoral development strategy and four regional marketing initiatives.

ECONOMIC DEVELOPMENT READINESS: WHERE DO YOU FIT?

ECONOMIC DEVELOPMENT STRATEGIES



INVESTMENT ATTRACTION TOOLS



SECTORAL DEVELOPMENT



TECH STRATEGIES



REGIONAL COLLABORATION & MARKETING



2017 EDRP APPROVALS



PROJECT VIGNETTE

Applicant VIEA - Vancouver Island Economic Alliance
Project Detailing economic opportunities for the wood value-added sector
Status Underway
ICET contribution \$30,000

The forest sector is a key component of the Island and Coastal economy and there is strong potential for growth in the secondary wood manufacturing subsector. Working as a collective group, the value-added wood sector has the opportunity to promote growth and market expansion, and to increase the economic significance of the sector.

The Vancouver Island Economic Alliance (VIEA), in partnership with BC Wood and Canadian Wood Council, will inventory the region's value-added wood manufacturers and assess the economic impact of those businesses to local communities. The project will also include business cases for "Transformative Investment Opportunities" such as a glulam plant, wood insulation manufacturing, and a pressure treatment operation.

The results of the project will provide the region with some of the information and tools required to strengthen the forestry sector by increasing the profile of existing businesses, and by the supporting growth and attraction of value-added wood manufacturing to the region.



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LIGHTING THE FUSE: QUICK START PROJECTS ARE ECONOMIC CATALYSTS IN SMALL COMMUNITIES

IN THE PAST 3 YEARS, the Economic Development Readiness Program has supported the development of more than a dozen new economic development and diversification strategies in small and rural communities. But many of these small communities struggle with the capacity required to move the full strategy into action.

The new 'Quick Start' stream of the EDRP program was developed to help communities with limited staff and resources "kick start" their new strategies. The funding can be used to implement easy-to-realize priorities in the strategy or to bridge the planning gap for more complex initiatives. As the name implies, the goal of the program is to quickly turn concepts into action, with deliverables often completed in a matter of weeks.

The Sayward waterfront planning project is a good example of how the Quick Start program helps to bridge the gap from strategy to action, creating momentum to support longer-term objectives. The community is embracing its resource-industry background, and leveraging that history into a unique tourism and educational experience for visitors and residents alike.

"The Kelsey Bay Harbour is Sayward's most valuable community asset, and our project will incorporate existing assets - wharves, seafood processors, the log sort and more, as part of a 'working waterfront walkway', adding interpretive signage, viewing areas, restaurants, artisans, and perhaps even a small maritime museum," explains Sayward Mayor John McDonald.

IT IS TRULY REWARDING TO SEE THIS VISION
COMING TO LIFE — MAYOR OF TAHSIS, JUDE SCHOONER

Zeballos and Tahsis – with the support of the area's First Nation communities – are jointly building on existing strengths in their tourism and recreation market to develop a shared-use ATV trail system. "There are miles and miles of deactivated logging roads crisscrossing the region, and we have a great opportunity to showcase the region and its history by creating a great trail network," said Zeballos Mayor Donn Cox.

The Zeballos and Tahsis Quick Start projects focused on the development of a business plan and technical analysis fieldwork required to build the 25km multi-use trail. "With the planning work now complete, we are very excited to be moving this project into the funding and trail building phase," explains Tahsis Mayor Jude Schooner. "It is truly rewarding to see this vision coming to life."

In Port Alice, an industry downturn that led to curtailment of one of the region's largest employers, sparked the development of a new economic development strategy. One of the key diversification priorities was to build on the branding of 'Gateway to the Wild West Coast' by improving signage at the junction of the major transportation routes leading to Port Alice. "Port Alice has the natural amenities that visitors to the North Island are seeking," explained Mayor Jan Allen. "A refreshed marketing presence is our first step in drawing more visitors to our community."

On the other side of the Island, the 'Namgis First Nation and the Village of Alert Bay came together in 2015 to complete an award winning economic development strategy. The results placed a high priority on growing tourism and supporting the development of small business. This led to a Quick Start project to develop new cultural and historic signage for the waterfront as well as vendor kiosks to support small business incubation and artisan business development.

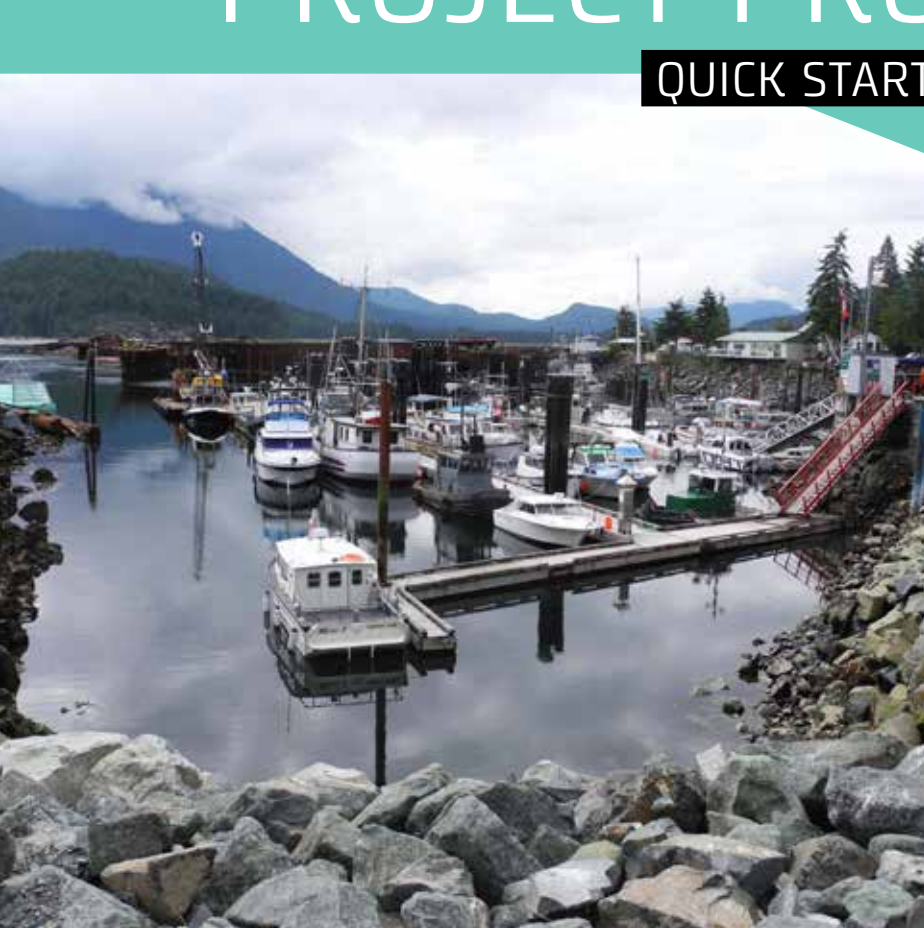
"What we're showcasing on Cormorant Island is an experience: our natural environment, First Nations culture, and the stories of the people and places that make us unique," said Michael Berry, Mayor of Alert Bay. "This project will help us all to move new opportunities forward."

What all of these projects have in common is the focus on leveraging the Quick Start funding as a catalyst for long lasting economic diversification: turning plans into action.



PROJECT PROFILE

QUICK START PROJECTS





PROJECT PROFILE

VENTURE CONNECT



TRANSITION TIME: MATCHING BUYERS AND SELLERS

A WIN FOR SMALL COMMUNITIES

SMALL, FAMILY-OWNED BUSINESSES

in rural BC are key drivers of their local economies, and when a business closes, the community impacts can be significant. Selling the business to new owners is the preferred option, but rural communities face challenges with this, too.

The expertise required to determine valuation and pricing, list and market the sale, and identify buyers is often not available in rural communities.

Venture Connect was formed in 2011 to specifically address these issues in rural communities on Vancouver Island and the Sunshine Coast. Its mandate is to connect business buyers with sellers, delivering valuable, innovative, cost-effective solutions to business transitions.

Since then, the success of the program has led to its expansion across British Columbia. The platform has been adopted by the Province of BC as the populating source for business listings on the province's trade and investment website: www.britishcolumbia.ca.

“THE TECHNICAL BUSINESS VALUATION SUPPORT AND SALE MEDIATION SERVICES FROM THE VENTURE CONNECT ADVISOR, GAVE ME THE KNOWLEDGE AND SUPPORT NEEDED TO CONFIDENTLY PROCEED WITH THIS ACQUISITION

“Rural BC was at a disadvantage compared to Vancouver or Victoria when it came to succession planning, business valuation, and finding buyers for businesses,” explained Lori Camire, Venture Connect's Manager.

Venture Connect is more than just a service to list businesses for sale. The background work of determining valuation, pricing, and creating the documentation to support it is a key service.

“And it's not just for sellers,” Camire explained. “We also work with buyers to help them assess whether the price is reasonable and justified.”

Venture Connect's platform continues to grow, and a new ICET supported project has been approved this year, to develop new tools.

“We're upgrading with a new confidential matching-system tool that connects business owners seeking to sell with potential buyers without compromising their competitive advantages,” said Camire. “Another component will facilitate mergers and acquisitions, enabling potential buyers to bundle business opportunities, creating greater investment efficiency and sustainability.”

This project started with research indicating that a quarter of current business owners were planning to exit within the next five years. The demographic shift underway with baby boomers looking to exit the workforce is driving the need for Venture Connect's service in rural BC.

In just the past year, Venture Connect's business listings and site views increased by more than 200%, and resulted in nearly 500 connections between buyers and sellers. In just one of the region's Community Futures offices – Alberni Clayoquot – Venture Connect helped with succession and transfer of eight businesses, keeping those jobs and economic activity in the local community.

Venture Connect's success is exemplified with the succession of Fireside Books. A Parksville institution, Fireside Books operated successfully for 20 years until one of the owners passed away. The remaining partner struggled with the decision to sell or close the doors.

Venture Connect stepped in and helped to connect a potential buyer – Brian Webber – to the sellers.

“I had worked for 27 years in retail management, and wanted to buy a small retail business, but had no idea how to determine fair value for an existing business,” explained Webber. “The technical business valuation support and sale mediation services from the Venture Connect Advisor, gave me the knowledge and support needed to confidently proceed with this acquisition.”

The decision to move forward was a win for the seller and for Webber, but also for the community, by retaining a retail institution which is part of the town's charm and vitality.



INVESTMENT
ATTRACTION
TOOLS



PROJECT PROFILE

COMMUNITY TECH STRATEGIES



Qualicum Beach Digital Media Studio



Cloudhead Games Studio



TECH ATTRACTION:

SYNCING OUR COMMUNITIES WITH THE FUTURE

COMMUNITIES ACROSS THE ICET REGION

are looking to develop, expand, and renew their economies. Those with a base in traditional resource industries are also keenly interested in diversification, and attracting new high-tech businesses is a key priority for many of the region's cities and towns.

ICET's Technology Attraction / Community Broadband Strategy is a new stream of funding introduced this year through the Economic Development Readiness Program. One of six different focus areas in the EDRP, this new stream provides up to \$10,000 for community or regional strategies to attract the tech sector.

The global success of small town companies such as Qualicum's virtual reality pioneers Cloudhead Games or Cumberland's game developer Hinterland Games, are shining the spotlight on Vancouver Island and attracting interest and talent to the region.

With the leadership of Innovation Island, a regional organization which provides executive mentorship and business development support to emerging tech companies, the Island is quickly growing its tech footprint.

“THROUGH THIS PROCESS, WE'VE GAINED AN INCREDIBLE UNDERSTANDING OF WHAT TECH COMPANIES NEED TO FEEL SUPPORTED AND WHAT WE CAN BRING TO THE TABLE.”

“We've done well with the 'early adopters' choosing the Island and Sunshine Coast, and we're crossing the threshold into a mainstream movement,” explains Paris Gaudet, Innovation Island Executive Director. “This funding opportunity from ICET will help communities be strategic and focused on doing the right things at the right time to attract innovative tech entrepreneurs into their tax base.”

One of the goals of the new funding stream is to support communities as they create a comprehensive strategic plan that focuses on recruiting and cultivating tech-based businesses and entrepreneurs, and developing the specific initiatives that support their long-term sustainability and “growth in place”.

The Cowichan Valley Regional District was the first group to take advantage of the program to build on an existing and growing cluster of tech companies calling the region home. The region is undertaking a comprehensive planning process to get a clear picture of the types of companies that exist, to understand their needs and the needs of the tech sector in general and to identify the appropriate targets for attraction.

“Having ICET funding has helped us turn the corner on a tech strategy that is made in Cowichan yet rooted in regional partnerships,” says Economic Development Cowichan Manager Amy Melmock. “Through this process, we've gained an incredible understanding of what tech companies need to feel supported and what we can bring to the table.”

In addition to supporting the work of individual communities, the program has been developed to support regional approaches, such as regional tech attraction strategies. In conjunction with community strategies which support “place-based” approaches to tech attraction, the region's communities are developing collaborative mechanisms to support broader regionally based approaches to tech attraction.

Lifestyle amenities, connectivity, workforce, education and affordable housing are just a few of the decision points for tech entrepreneurs in choosing locations. This program will support the work required to ensure that the region is using its resources in the best way possible to find its place in the new tech economy.



TECH
STRATEGIES



PROJECT PROFILE

SALISH SEA MARINE TRAIL



SALISH SEA MARINE TRAIL: COMMUNITY HUBS BOOST SUPPORT FOR GROWING PADDLESPORT MARKET

TRAILS - BOTH HIKING TRAILS ON

land, and marine trails for paddlers – are significant and growing regional tourism assets.

And while some hiking trails have acquired significant notoriety, marine trails tend to be known more through ‘insider’ knowledge.

This gap in paddlesport marketing to the broader public is being addressed through projects like the Salish Sea Marine Trail (SSMT). As the only linkage between the mainland and Vancouver Island, the marine trail is a crucial link in the 24,000-km Trans Canada Trail and part of the BC Marine Trails Network.

The Salish Sea Marine Trail is a network of campsites, day use sites, launch points, and stops-of-interest, targeting a broad spectrum of paddlers and other self-propelled watercraft users.

The creation of the Salish Sea Marine Trail is underway, with completion and grand opening planned for fall 2017. It is a 257-km route that begins near Victoria, and works its way up the coast through communities like Ladysmith and Nanaimo, past more remote Islands such as Texada and Lasqueti, and ultimately terminating at Jericho Beach in Vancouver.

THE TRAIL INCLUDES A CLEAR MARINE ROUTE, INCLUDING NEW RECREATION SITES.

The trail includes a clear marine route, including new recreation sites. The project will also connect the route’s access and destinations with related businesses such as accommodation providers, food and beverage, and outdoor equipment and supplies.

“Being able to market a completed, supported, trail with designated stops opens up the opportunity for paddling to a much bigger market than the traditional ‘hard core’ paddler,” said BC Marine Trails President, Paul Grey.

“Leveraging off the publicity of the Trans Canada Trail gives us a chance to reach a huge new segment of the population, bringing visitors and dollars to communities all along our coastal route.”

One of the key features of the SSMT is the use of ‘community hubs’ at strategic points along the route. Ladysmith is one of the more innovative stops. With a floating campsite purposefully-designed for paddlers on the Salish Sea Marine Trail, the community is expanding its welcome for marine tourists, whether they come in power boats, sailboats, or paddle-powered.

As a Salish Sea Marine Trail hub, Ladysmith is positioning itself to bring paddlers into town for provisions, information, guiding services, accommodations—even just a nice dinner in one of the local restaurants. Additionally, since paddlers often travel in groups, the community’s investments in its waterfront infrastructure can be leveraged to accommodate paddling groups.

The Ladysmith Community Marina Visitor Facilities Project was an ICET-funded effort completed in 2012 with a view to attracting the lucrative boater “rendez-vous” market. The key attraction is the floating Visitor Centre, a hospitality and special events area, which provides a welcoming and well-equipped stop for the groups of boaters travelling along the coast. This centre now serves a dual purpose as a key component of the ‘hub’ concept in the marketing of the Salish Sea Marine Trail.

The Salish Sea Marine trail project is a great example of the type of high-impact ventures that can be funded through ICET’s Economic Development Readiness Program. Applicants can ‘find their fit’ within a range of different options in the ERDP: investment attraction tools; quick start; sectoral development; or in this case, regional collaboration and marketing.



OBJECTIVE 04

ADVANCE REGIONAL COLLABORATION AND PLANNING

ICET facilitates and provides financial or operational assistance to support regional collaboration, key networking or learning events as well as long term regional or sectoral planning initiatives.

This collaboration happens internally at Board and RAC meetings as well as externally with participation in events and meetings with stakeholders.

BOARD AND REGIONAL ADVISORY COMMITTEE MEETINGS

The unique Trust governance structure has contributed significantly to the advancement of regional collaboration. The collaborative best practices developed in our region would not have been possible without the strong attendance and participation of the 48 Board and RAC members at the Trust in-person meetings.

In Fiscal 2017, ICET held eight Board of Directors meetings, three North Island Sunshine Coast RAC meetings and two Central South Island RAC 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, four special presentations were delivered by guest speakers highlighting successful regional initiatives and project best practices.

PRESENTATIONS AND PARTICIPATION AT ECONOMIC DEVELOPMENT EVENTS

In Fiscal 2017, ICET participated in a wide range of economic development and sectoral events and meetings in order to learn and share best practices, as well as increase knowledge about the region and its potential in targeted sectors.

Staff developed two panel presentations, highlighting project development best practices, which were presented at the 10th anniversary celebrations. More information on the 10th anniversary Day of Learning events can be found on page 56.

ICET was present, as a sponsor and participant at a number of regional and provincial events in key regional sectors such as aquaculture, agriculture, tourism and agri-foods. ICET also sponsored and participated at events in emerging sectors such as clean tech/green tech, technology and innovation, Aboriginal Tourism and social enterprise. More information about sponsored events and participation bursaries can be found on page 52.

ICET is an active member of several economic development organizations and provides executive leadership and support on committees as well as in-kind assistance with regional event planning and logistics.

COMMUNITY OUTREACH

As part of its strategy to increase regional participation in economic development, share best practices and encourage the development and growth of sustainable, high value economic development, ICET staff make formal presentations throughout the region.

In Fiscal 2017, ICET staff made a series of formal presentations to five local governments, and three Chambers of Commerce situated throughout the region. ICET also made short information presentations at economic development events.

ICET staff will also proactively seek out communities and groups who have not yet participated in its programs to assess whether there are any barriers which can be addressed with additional support or policy modifications. In Fiscal 2017, ICET staff participated in dozens of in-person meetings with communities, non-profits or individuals to encourage full knowledge and participation in the ICET program.

OUTREACH AND ECONOMIC COLLABORATION WITH FIRST NATIONS

One of ICET's key strategic priorities in the past few years has been to develop strong long term relationships with First Nations communities and organizations. This outreach strategy has resulted in a growing number of project inquiries, applications and project approvals from First Nations communities and organizations as well as a growing number of joint community and First Nations initiatives.

During Fiscal 2017, ICET received three new infrastructure funding applications from First Nations communities, signaling that outreach and relationship building work is progressing. Staff is also working with several other First Nations Communities on significant new infrastructure project developments in various stages of development.

In person site visits and project exploration and development meetings were held with staff or leadership from First Nations communities including the Huu-ay-aht First Nation, Hupacaseth First Nation, Ahousaht First Nation, Dididaht First Nation, Snuneymuxw First Nation, Namgis First Nation, Stz'uminous First Nation, Ka:'yu:'k't'h'/Che:k'tles7et'h' First Nations, Yuulu?il?ath Government and Toquaht Nation.

Denman Island Dock



Homalco Wildlife Tours



SPONSORSHIPS: SUPPORT FOR ECONOMIC SECTORS

Through sponsorship of conferences and events, ICET helps to foster the growth and emergence of economic sectors by supporting education, sharing of best practices, and opportunities for connection and partnership development.

ICET Sponsored events in Fiscal 2017:



Social Enterprise Catalyst – Social Enterprise
Social Enterprise Catalyst held a Day of Learning in May 2016 and Gala event in November 2016 that showcased the social enterprise sector on Vancouver Island.



Vancouver Island Economic Alliance State of the Island Summit – Regional Economic Development
The Vancouver Island Economic Alliance (VIEA) held the 10th Annual State of the Island Economic Summit in October 2016 that brought together delegates with a focus on regional economic development and collaboration.



BC Seafood Expo and Workshop Series – Aquaculture
The Comox Valley Economic Development Society held an Expo and Workshop series in June 2016 to raise awareness of the regional value of the seafood and aquaculture sector.



Innovation Island Technology Showcase at VIEA Economic Summit – Tech
Innovation Island held a Tech Showcase as a Pre-Summit event at the VIEA State of the Island Summit that provided an opportunity for regional entrepreneurs to demonstrate their innovation to summit attendees.



Aboriginal Tourism Conference – Tourism
The Nuu-chah-nulth Economic Development Corporation hosted a learning event for aboriginal entrepreneurs, economic developers and Aboriginal leaders in November 2016.



Young Agrarians Education Mixer – Agriculture
The Young Agrarians held an educational mixer in January 2017 that brought together potential, new and young farmers from across Vancouver Island for a two-day educational series.



Islands Agriculture Show – Agriculture
The 2017 Islands Agriculture Show was held in Port Alberni and featured a trade show and learning sessions highlighting small scale farming, agritourism, and new and innovative agriculture as well as aquaculture.



Economic Development Building Blocks Workshops – Economic Development
The Ministry of Jobs, Tourism and Skills Training held a series of economic development workshops in the region, supporting communities to expand their capacity, knowledge and skill sets and helping to ensure economic sustainability and future growth.

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, ICET has awarded 62 bursaries to community leaders.

In Fiscal 2017, a total of 15 bursaries were awarded to enable local leaders, involved in economic development initiatives, to participate in the VIEA Economic Summit. Eight 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 of diverse local economic development groups, First Nations, Chambers of Commerce, Young Professional and tourism organizations, arts organizations as well as local government leaders.

Bursaries were also awarded to two younger participants to attend the BC Economic Development Association's Western Economic Development course.

Over the years, several of the bursary recipients have evolved into regional economic development leaders, spearheading new and innovative approaches to economic development.



The bursary received by ICET to attend the BCEDA Western Economic Development Course provided me with a wealth of knowledge to provide better support to local business and learn of new ways to research and implement programs to build a viable, sustainable community. Our Chamber will soon be providing contract Business Retention and Expansion services to the new Sunshine Coast Regional Economic Development Organization (SCREDO), something which we probably would have never done if I had not participated in this training.

Theresa Logan, Executive Director, Sechelt and District Chamber of Commerce

ECONOMIC DEVELOPMENT INTERNSHIP PROGRAM

ICET's Economic Development Internship program enables recent university graduates to benefit from a high level of 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.

In Fiscal 2017 the internship program supported community projects in Ladysmith, Lake Cowichan, Campbell River, and the Cowichan Valley Regional District. This included a range of community assignments such as Business Walks, community economic profile development, industry sector profile development, target market tourism research, and industrial park business retention and expansion research. The internship also provided internal organizational experience with economic impact analysis, website and data management, Board governance, project development support and review, social media, and technical writing.

Bridget Horel was ICET's second intern and, through this program, was successful in transitioning to a professional career opportunity in community economic development.

Horel shares her experiences, and reflections about the program with ICET's 2017 intern, Bobbi-Anne Piercy:

What attracted you to the internship at ICET?

Several aspects attracted me to the internship. The opportunity to work in economic development at a regional level, access to mentorship from ICET staff and consultants, and the opportunity to connect with a wide range of people and partners within the ICET region were very attractive to me. Different funding models interest me and I was curious to learn first-hand about a model where funding decisions are made at the community level. Born and raised in the Comox Valley, I was eager to move back to the Vancouver Island-Coast Region to establish my professional career after being away to complete my MBA in Community Economic Development.

What did you find most valuable about the internship?

The relationships that I built throughout the region and the practical experience that directly transfers to the work I will be undertaking in my new position have been invaluable. I have had an opportunity to learn, grow, practice skills, and network in a very supportive environment during my time at ICET. I was able to learn a great deal from the wide range of team members including the staff, Board, Regional Advisory Committees, communities, economic development professionals and regional partners.

How did the internship help prepare you for your new position?

Throughout the internship, I gained experience working in communities with different economic development structures, and at the regional level across industry sectors, to support communities working to diversify the local economy and to build a resilient regional economy. This experience and the knowledge I gained about approaches that Vancouver Island and Coast Region communities are taking in response to the opportunities and challenges they are facing helped prepare me for my new position as Community Economic Development Officer with the Central Coast Regional District.

What are the benefits of having an internship program like this in our region?

I believe that the organization and communities benefit along with the intern. The intern gets "loaned out" to communities, so ICET is able to expand its support services to communities, offering "boots on the ground" in addition to funding options. In the first two years, the internship has attracted young professionals wanting to return to the region and each intern has successfully secured full-time employment in the field of economic development.



OBJECTIVE 05

MAXIMIZE THE IMPACT OF TRUST RESOURCES

ICET will ensure that Trust resources are maximized with frugal administrative practices, continuous improvement of operations and programs, strong accountability processes as well as implementation and sharing of best practices to promote state of the art administrative and economic development practices.

INCREASE REGIONAL PROFILE

ICET's communications strategy is based on the importance of sharing key economic development news and progress, in order to inform stakeholders and the general public within the region and beyond. This is typically 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 most recently video of regional initiatives.

One of the key communications priorities in Fiscal 2017 was to reach a broader range of stakeholders. One of the focus areas was to increase ICET's social media presence and engagement. Facebook continues to be one of the primary tools and the number of followers increased by more than 40% during the past year.

One of the new social media strategies for Fiscal 2017, was the development of a Twitter presence. This has resulted in new engagement from different groups of stakeholders including government, politicians, First Nations and media. In less than nine months the organization's Twitter presence has grown to almost 400 followers, with 400+ tweets and more than 200 retweets of ICET posts.

All of ICET's news releases were "picked up" by media, including 12 news releases shared by media outside of the ICET region.

The number of media interviews was consistent in Fiscal 2017, with nine radio interviews, six print media interviews as well as two "feature story" interviews.

SHARE PROJECT AND ECONOMIC DEVELOPMENT BEST PRACTICES

In Fiscal 2017 ICET continued to use multiple approaches to communicate economic development best practices to its stakeholders as well as other interested parties outside the region. This included presentations from the CEO at conferences, events, and meetings.

All approved project summaries have been posted to the ICET website. These summaries serve to share best practices between applicants and include relevant project descriptions, funding sources, completion reports and full disclosure of project finances to ensure transparency. They can be viewed at: <http://www.islandcoastaltrust.ca/projects>.

Project "stories" and case studies have also been developed. In the past year, eight new stories were posted to the website and an additional nine stories are in development. These stories and case studies provide applicants and stakeholders with a stronger understanding of what makes a project successful and how that success can be measured in both quantitative and qualitative terms. They also go beyond the numbers to provide insight as to a project's impact on "real" people and businesses on the ground. These stories and case studies can be viewed at: <http://www.islandcoastaltrust.ca/media-stories>

Project successes and best practices as well as best practices from other jurisdictions are shared weekly on both Facebook and Twitter and relevant project videos are added to the project summaries pages. Additional best practices information is shared individually to project applicants and community leaders at Regional Advisory Committee and Board meetings.

The 10th anniversary celebrations represented a great opportunity to share best practices information and highlight regional success and the individuals who have contributed to that success. More than 150 stakeholders- funding recipients, First Nations, industry and business representatives, elected officials and future proponents- attended the events.

The 10th anniversary publication, highlighting the investments of the past decade, has also proven to be an effective tool to share project and economic development practices. More than 1000 of the newspaper style publication have been distributed throughout the region in addition to the sharing of the online version. More information about the 10th anniversary celebrations can be found on the next page.

IMPROVE ADMINISTRATIVE SYSTEMS AND TOOLS

ICET continually improves its program and administrative processes to maximize the impact of the Fund. In Fiscal 2016, a new methodology was developed to assess project impacts, 3-5 years post project completion. The number of post project completion assessments continues to grow. This information is then used to produce and disseminate program results, through project summaries, case studies and other impact measurement processes.

In Fiscal 2017, changes were made to the application process to integrate more baseline information as well as information about result measurement processes.

Staff continues to provide applicants with timely reimbursement of project expenses. In line with its strategic targets, more than 90% of project reimbursement cheques are mailed within 14-21 days of receipt of required documents.



THE 10TH ANNIVERSARY PUBLICATION, HIGHLIGHTING THE INVESTMENTS OF THE PAST DECADE, HAS ALSO PROVEN TO BE AN EFFECTIVE TOOL TO SHARE PROJECT AND ECONOMIC DEVELOPMENT PRACTICES.

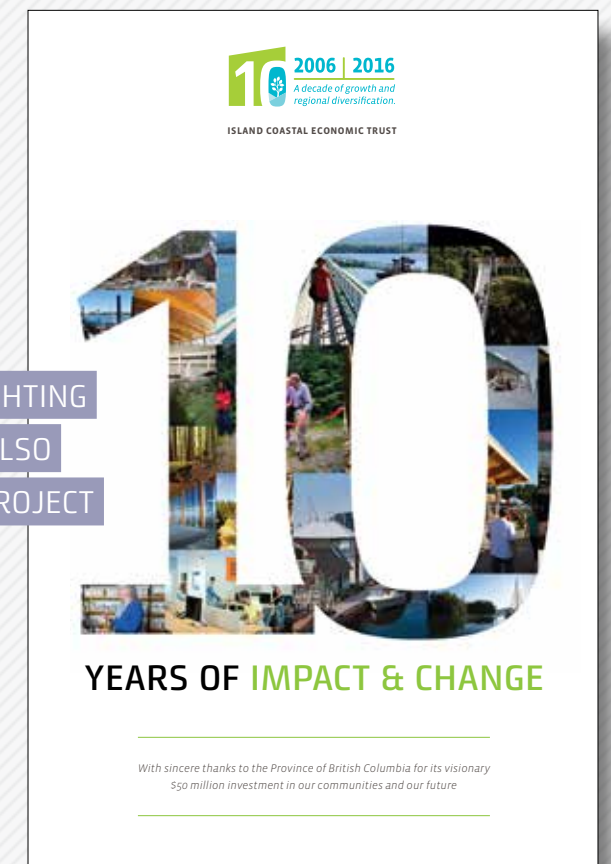
IMPLEMENT MANAGEMENT AND GOVERNANCE BEST PRACTICES

ICET's new governance policy manual has been fully updated and approved by the Board of Directors.

In Fiscal 2016, ICET conducted the mandated legislative review process. The results of this process were communicated to government and in Fiscal 2017, follow-up with government has been initiated to assess progress on possible implementation of the Legislative Review Committee's recommendations. To date, the ICET legislation has not been modified. However, the \$10 million-dollar funding injection will require, at a minimum, some minor modifications to the current ICET legislation.

In light of the new funding commitment of \$10 million, staff has initiated research into the development of a new project management database, given that the current database has reached the limit of its capabilities. The implementation of a new system is anticipated for the next fiscal year.

Other governance policies and processes have been modernized to reflect changes in workplace and standards.



10 YEARS OF IMPACT AND CHANGE

ICET held 10th Anniversary celebrations on June 16, 2016 to recognize, learn from, and thank the people who have brought the region's projects to life. More than 150 stakeholders – funding recipients, First Nations, industry and business representatives, elected officials, and future project proponents – attended the event, making it a great success!

The day featured expert panels and speakers, including some of the people behind the region's signature projects. Panelists shared insight on how to build a winning team, mobilize project champions, community members and volunteers, and how to secure funding from senior government, communities and the private sector.

The evening celebration served to recognize and thank all who have contributed to the success of the past ten years. The evening featured inspiring speakers, recognition and awards as well as entertainment and delicious food.



10 2006 | 2016
A decade of growth and regional diversification.

MANAGEMENT DISCUSSION AND ANALYSIS

The following financial management discussion and analysis is the responsibility of ICET management and reflects events known to management up to March 31, 2017. 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.

2017 FINANCIAL HIGHLIGHTS

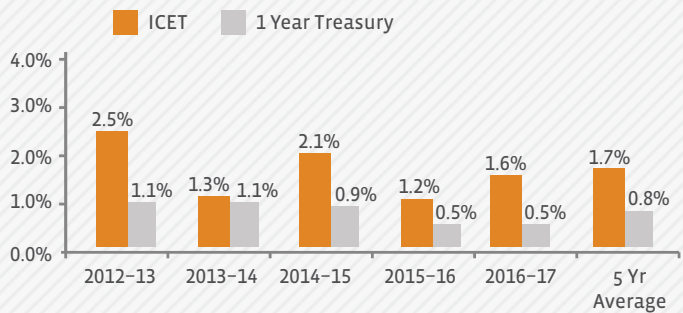
ICET's primary objective is to build a diverse and sustainable Island and Coastal Economy. This is achieved by investing its capital in economic development initiatives, drawing down the initial \$50 million allocation plus interest income earned. Operational expenses have been financed by interest income and operational reserves allocated from the capital amount.

INVESTMENTS

ICET has adopted a conservative investment approach in order to preserve its capital and keep it available for short term allocation. The remaining capital is invested in the Municipal Finance Authority (MFA) Money Market Fund and Intermediate Fund.

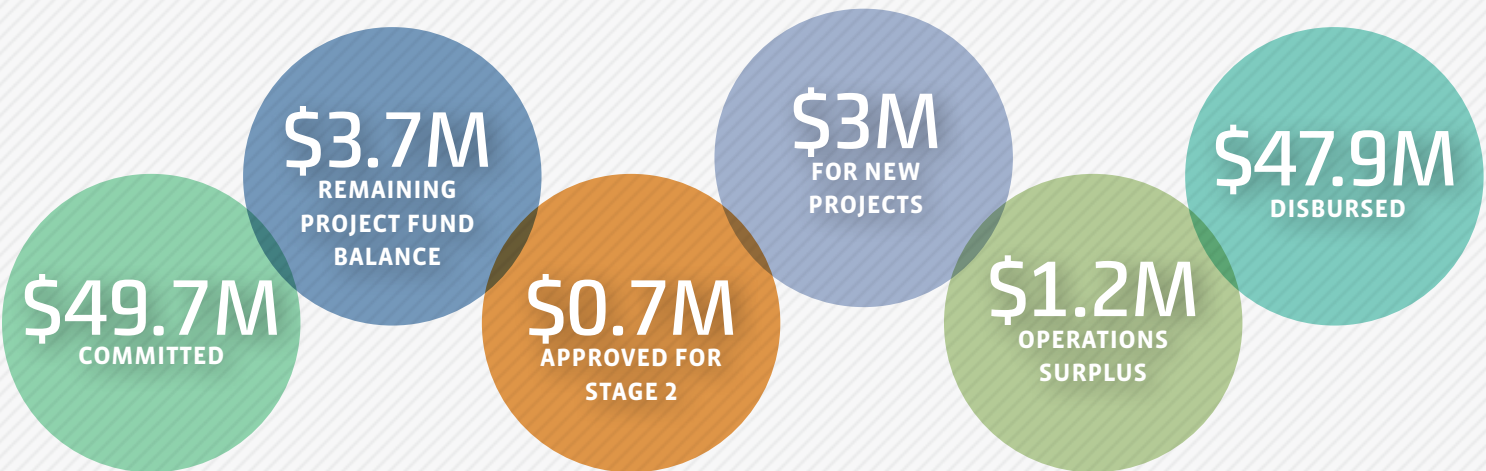
Return on Investment (ROI) for the 2017 Fiscal year was 1.6%. This rate of return is the higher than the previous year, and consistent with prevailing market conditions and the 5 year average of 1.7%. Annually, ICET investments have exceeded the benchmark market index of 1 year treasury bills.

Rate of Return on MFA Investments

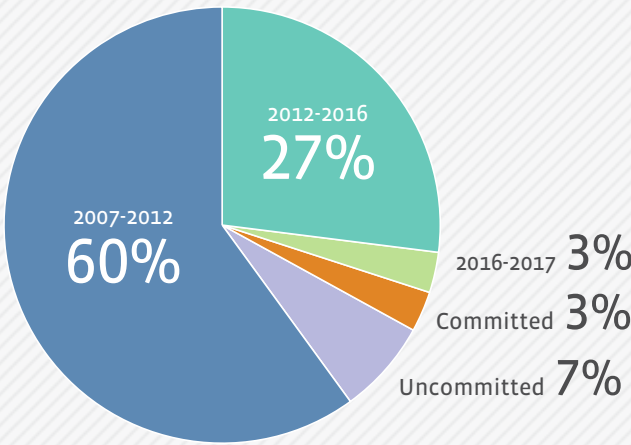


Canadian and global economic influences are not expected to change significantly in the upcoming year, keeping bond fund yields consistent with recent years. ICET Staff and Board, supported by third party expertise, will continue to monitor the performance of its investment funds to ensure a balance between maximum earnings and the preservation of capital and availability of funds for short term financial needs.

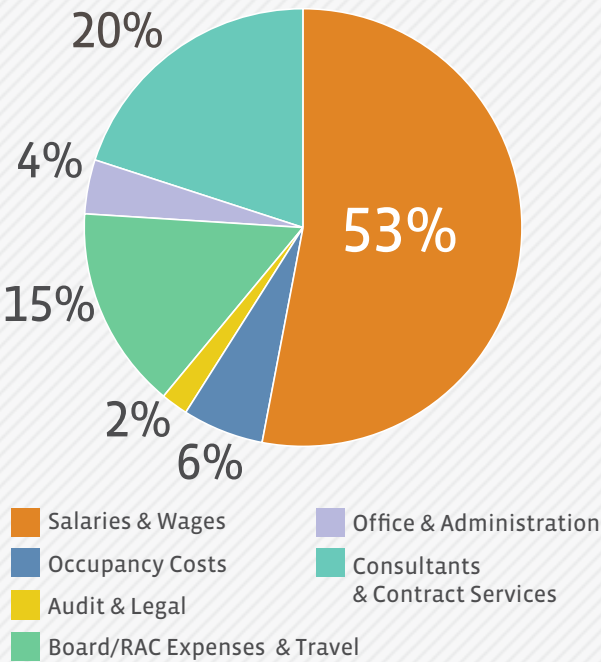
FUND SUMMARY AS OF MARCH 31, 2017



ICET Funds Disbursed to Approved Projects



2017 Operating Expenses



PROJECT DISBURSEMENTS

During the 2017 Fiscal year, \$1.5 million was disbursed to approved projects, partnerships and sponsorships. This represents an increase of \$0.8 million from the previous year's disbursements. Disbursements are subject to applicant reimbursement requests and may be inconsistent from year to year, subject to reasons unique to each applicant. Disbursements may not accurately reflect the actual value and volume of project work completed by applicants in that fiscal year.

OPERATIONS

For the 2017 Fiscal year, operating expenses totaled \$480,774, more than \$22,000 under budget. This represents an increase of 4.5% from Fiscal 2016 and a total decrease of 10% since Fiscal 2013. 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 11% of total funds disbursed. This percentage includes Board of Directors and Regional Advisory Committee costs as well as all program administrative costs, services and all other internal operations.

OPERATIONS AND EXPENDITURES FORECAST

For the 2018 fiscal year, management anticipates the approval of \$1.7 million in new project funding as well as disbursements of approximately \$1.4 million to approved projects.

The Economic Development Readiness program saw a significant increase in the number of funding approvals in Fiscal 2017. In Fiscal 2018, a consistent volume of projects is expected as several economic development initiatives have been progressing successfully, positioning communities to pursue next steps in their economic development strategy.

Management is anticipating a significant increase in the number and value of Economic Infrastructure Program applications, likely exceeding the annual funding cap available. The strength

of the Island and Coastal economy in the past year is fueling increased optimism and confidence, leading to development of larger scale initiatives.

Operating and staffing costs are expected to fluctuate very little from 2017. The operational reserve balance will continue to decline over the foreseeable future due to annual operating losses.

A new funding injection of \$10 million was announced in the 2017/2018 BC Budget. The transfer of funds is expected to occur before March 31st 2018, once the budget has been approved and the ICET legislation has been amended to allow for this additional capitalization.

Wayward Distillery Économusée



Elk Falls Suspension Bridge



INTERNAL 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 the MFA 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, 2017, in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes.

In Fiscal 2017, 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.

FINANCIAL STATEMENTS

CHAN NOWOSAD BOATES
CHARTERED PROFESSIONAL ACCOUNTANTS



INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Island Coastal Economic Trust

We have audited the accompanying financial statements of the Island Coastal Economic Trust, which comprise the statement of financial position as at March 31, 2017, and the statements of operations and changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Island Coastal Economic Trust as at March 31, 2017, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Chan Nowosad Boates

Chartered Professional Accountants
Courtenay, BC

May 26, 2017

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ISLAND COASTAL ECONOMIC TRUST

Statement of Financial Position

March 31, 2017

	2017	2016
ASSETS		
Current Assets		
Cash	\$ 13,505	\$ 30,667
Prepaid expenses	9,499	14,916
	23,004	45,583
Tangible Capital Assets (Note 3)	6,280	8,241
Long Term Investments (Note 4)	6,627,951	8,406,486
	<u>\$ 6,657,235</u>	<u>\$ 8,460,310</u>
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 59,242	\$ 27,729
Government remittances payable	7,467	8,032
Funds held for distribution	-	5,000
	<u>66,709</u>	<u>40,761</u>
NET ASSETS		
Operating Fund	1,250,973	1,608,279
Project Fund (Note 6)	5,333,273	6,803,029
Capital Asset Fund	6,280	8,241
	<u>6,590,526</u>	<u>8,419,549</u>
	<u>\$ 6,657,235</u>	<u>\$ 8,460,310</u>

Approved by the Directors:


Director


Director

ISLAND COASTAL ECONOMIC TRUST

Statement of Changes in Net Assets

Year ended March 31, 2017

	Operating Fund	Project Fund (Note 6)	Capital Asset Fund	2017	2016
Net assets - beginning of year	\$ 1,608,279	\$ 6,803,029	\$ 8,241	\$ 8,419,549	\$ 9,488,914
Deficiency of revenues over expenses	(357,306)	(1,469,756)	(1,961)	(1,829,023)	(1,069,365)
Net assets - end of year	<u>\$ 1,250,973</u>	<u>\$ 5,333,273</u>	<u>\$ 6,280</u>	<u>\$ 6,590,526</u>	<u>\$ 8,419,549</u>
Committed funds - Schedule 1		\$ 1,693,619			
Uncommitted funds		<u>3,639,654</u>			
Total project funds		<u>\$ 5,333,273</u>			

ISLAND COASTAL ECONOMIC TRUST

Statement of Operations

Year ended March 31, 2017

	Budget 2017	2017	2016
Revenue			
Investment income	\$ 66,847	\$ 121,507	\$ 109,327
Expenditures			
Advertising, travel and communications	39,500	32,893	32,039
Amortization	-	1,961	2,327
Consultants and due diligence	50,000	49,718	42,845
Contract services	30,000	29,530	23,738
Directors' expenses	39,000	31,903	33,672
Insurance	10,500	9,973	10,202
Interest and bank charges	800	680	631
Internet and website	4,000	2,974	3,219
Memberships	1,500	1,186	1,191
Office and sundry	8,100	7,754	8,639
Professional fees	8,000	7,447	7,463
Regional advisory meeting costs	32,000	27,716	26,831
Rent	21,000	20,874	17,298
Telephone	2,500	2,058	1,683
Wages, benefits and training	254,793	254,107	248,261
Capital expenditures	2,500	-	-
	504,193	480,774	460,039
Deficiency of Revenues over Expenditures from Operations	(437,346)	(359,267)	(350,712)
Project Expenditures			
EDRP funding	-	136,827	213,941
Economic infrastructure program funding	-	1,247,027	454,382
Regional Support Programs	-	85,902	50,330
	-	1,469,756	718,653
Deficiency of Revenue over Expenditures	\$ (437,346)	\$ (1,829,023)	\$ (1,069,365)

ISLAND COASTAL ECONOMIC TRUST

Statement of Cash Flows

Year Ended March 31, 2017

	2017	2016
Cash Flows From Operating Activities:		
Deficiency of revenues over expenditures	\$ (1,829,023)	\$ (1,069,365)
Items not involving cash:		
Amortization of tangible capital assets	1,961	2,327
	(1,827,062)	(1,067,038)
Changes in non-cash working capital		
Prepaid expenses	5,417	(5,389)
Accounts payable and accrued liabilities	31,513	988
Government remittances payable	(565)	845
Funds held for distribution	(5,000)	(25,000)
	31,365	(28,556)
	(1,795,697)	(1,095,594)
Cash Flows From Investing Activities:		
Purchase of tangible capital assets	-	(2,090)
Proceeds from redemption of investments	1,778,535	930,701
	1,778,535	928,611
Net Decrease in Cash	(17,162)	(166,983)
Cash - Beginning of Year	30,667	197,650
Cash - End of Year	\$ 13,505	\$ 30,667

ISLAND COASTAL ECONOMIC TRUST

Notes to Financial Statements

March 31, 2017

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 diverse and sustainable Island and Coastal communities.

2. Significant Accounting Policies:

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations ("ASNFP") in Part III of the CPA Canada Handbook and their significant accounting policies include the following:

Fund Accounting

The operating fund reports the revenues and expenditures related to general operational activities.

The project fund reports contributions restricted to activities outlined in the Trust's strategic plan.

The capital asset fund reports the assets, liabilities, revenues and expenditures related to the Trust's property and equipment.

Tangible Capital Assets

Tangible capital assets are recorded at cost.

Tangible capital assets are amortized using the following annual rates:

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

Tangible capital assets acquired during the year are amortized at one-half the above annual rates.

Revenue Recognition

The Trust follows the restricted fund method of accounting for contributions.

Investment income is recognized when the income is realized and becomes due to the Trust.

Project Expenses

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

ISLAND COASTAL ECONOMIC TRUST

Notes to Financial Statements

March 31, 2017

2. Significant Accounting Policies (continued):

Accounting Estimates

The preparation of financial statements in accordance with ASNFP 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.

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 and long term investments. Financial liabilities measured at amortized cost include accounts payable and government remittances payable.

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.

3. Tangible Capital Assets:

	Cost	Accumulated amortization	2017 Net book value	2016 Net book value
Furniture, fixtures and equipment	\$ 23,252	\$ 19,164	\$ 4,088	\$ 5,110
Computer equipment	<u>28,455</u>	<u>26,263</u>	<u>2,192</u>	<u>3,131</u>
	<u>\$ 51,707</u>	<u>\$ 45,427</u>	<u>\$ 6,280</u>	<u>\$ 8,241</u>

4. Long Term Investments:

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

	2017	2016
Money market fund	\$ 259,372	\$ 707,245
Intermediate fund	6,368,579	2,562,127
Short term bond fund	<u>-</u>	<u>5,137,114</u>
	<u>\$ 6,627,951</u>	<u>\$ 8,406,486</u>

ISLAND COASTAL ECONOMIC TRUST

Notes to Financial Statements

March 31, 2017

5. Lease Agreement:

The Trust leases its office space. The lease has a term of 3 years and 6 months and expires August 31, 2018. There is a renewal option of an additional 5 years on expiration of the above term. The annual lease rate for 2017 and all subsequent periods under the lease term is \$13.50 a square foot or approximately \$13,500 a year exclusive of strata fees and taxes.

6. Committed Funds:

At March 31, 2017 the Trust had committed funds totalling \$1,693,619 (2016 - \$3,151,911) to Board approved projects. Total uncommitted funds at March 31, 2017 were \$3,639,654 (2016 - \$3,651,118).

7. 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 from 2016.

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, 2017

SCHEDULE 1 - UNCOMPLETED PROJECTS:

	Approved and Committed	2006-2015 Spent	2016 Spent	2017 Spent	Future Committed
Anacla Bamfield Walking Trail	\$ 279,763	\$ -	\$ -	\$ -	\$ 279,763
Campbell River Broadband Network	50,000	-	-	-	50,000
Comox Marine Centre	320,045	-	-	24,767	295,278
Cowichan Farm Incubator	10,000	-	-	-	10,000
Cowichan Lake Mobile Visitor Unit	30,000	-	-	-	30,000
Economuseum 2 - Artisans at Work	75,000	-	12,315	26,079	36,606
Ford Cove Harbour Improvement	300,000	-	-	160,526	139,474
Gibsons Public Market	400,000	-	-	354,877	45,123
MARS Wildlife Centre	236,000	-	-	-	236,000
Ragged Edge Community Network	50,000	-	-	18,046	31,954
Texada Food Hub	22,100	-	738	892	20,470
Tidemark Theatre Revitalization	153,000	116,894	20,806	-	15,300
Tofino Mainstreet Revitalization	117,993	-	-	-	117,993
Vancouver Island Alpine Hut	90,000	-	-	-	90,000
Wild Pacific Trail Connector	75,000	-	-	-	75,000
EDRP Funding (Schedule 3)	268,232	-	-	47,574	220,658
	<u>\$ 2,477,133</u>	<u>\$ 116,894</u>	<u>\$ 33,859</u>	<u>\$ 632,761</u>	<u>\$ 1,693,619</u>

ISLAND COASTAL ECONOMIC TRUST

Notes to Financial Statements

March 31, 2017

SCHEDULE 2 - COMPLETED PROJECTS:

	Approved and Committed	2006-2015 Spent	2016 Spent	2017 Spent	Future Committed
Alert Bay Performance Amphitheatre	\$ 38,584	\$ -	\$ -	\$ 38,584	\$ -
Bear Cove Recreation Site	400,000	400,000	-	-	-
Chemainus Revitalization Project - Festival Square	200,000	180,000	20,000	-	-
China Creek Bridge	26,877	26,877	-	-	-
Community Carbon Marketplace	43,863	30,995	12,868	-	-
Cortes Island Visitor Kiosk	7,500	-	570	6,930	-
Cowichan Regional Visitor Centre	638,500	487,010	84,840	66,650	-
Cowichan Valley Trail & Kinsol Trestle	1,645,337	1,585,693	59,644	-	-
Davis Bay Wharf Expansion	120,760	120,760	-	-	-
Elk Falls Suspension Bridge	325,000	228,521	96,479	-	-
Fishermens Harbour Project	3,116,848	2,694,479	-	422,369	-
Geoscience Project	395,558	395,558	-	-	-
Gwayasdums Bighouse Restoration	119,444	119,444	-	-	-
Homalco Wildlife Tours	195,000	175,500	19,500	-	-
Kelly's Bridge	37,600	-	-	37,600	-
Ladysmith Maritime Society Dock	21,573	21,573	-	-	-
Lasqueti Broadband Infrastructure	19,777	6,895	12,882	-	-
Mt. Cain Building and Lodging Project	48,500	27,738	20,762	-	-
Powell River Academy for Arts	10,000	-	-	10,000	-
Renfrew Town Square	126,500	126,500	-	-	-
Rumble Beach Marina	140,000	140,000	-	-	-
Seaplane Base Boat Launch	14,290	-	14,290	-	-
Sid Williams Theatre Performance Technology Modernization	19,556	13,820	5,736	-	-
Squareone Tech Incubator	18,694	6,035	12,659	-	-
Tofino Streetscape	132,007	132,007	-	-	-
West Bamfield Dock Improvement	13,773	13,773	-	-	-
West Coast Aquatic Stewardship Centre	140,000	-	60,293	79,707	-
Woss Fire Lookout Tower	30,231	30,231	-	-	-
EDRP Funding (Schedule 3)	524,473	221,279	213,941	89,253	-
Regional Support Programs	170,572	34,340	50,330	85,902	-
Completed prior to 2015 fiscal year	<u>38,432,692</u>	<u>38,432,692</u>	-	-	-
Total Completed Projects	47,173,509	45,651,720	684,794	836,995	-
Total Uncompleted Projects (Schedule 1)	<u>2,477,133</u>	<u>116,894</u>	<u>33,859</u>	<u>632,761</u>	<u>1,693,619</u>
Total Project Spending	<u>\$ 49,650,642</u>	<u>\$ 45,768,614</u>	<u>\$ 718,653</u>	<u>\$ 1,469,756</u>	<u>\$ 1,693,619</u>

ISLAND COASTAL ECONOMIC TRUST

Notes to Financial Statements

March 31, 2017

SCHEDULE 3 - EDRP PROJECTS:

	Approved and Committed	2006-2015 Spent	2016 Spent	2017 Spent	Future Committed
Campbell River Tech Strategy	\$ 10,000	\$ -	\$ -	\$ -	\$ 10,000
Community Based Visitor Exp Survey	8,079	-	3,300	4,779	-
Cormorant Island ED Plan	30,000	-	30,000	-	-
Cormorant Island Quick Start	15,000	-	-	-	15,000
Cortes Island Economic Action Plan	12,500	-	-	-	12,500
Cowichan Regional Community Profile	21,565	-	21,565	-	-
CVRD Tech Strategy	10,000	-	-	-	10,000
Enhancing CV Agriculture Processing	19,038	19,038	-	-	-
Gabriola ED Strategic Planning	6,000	-	-	-	6,000
Gabriola Island Econ Assets Mapping	12,507	-	8,920	3,587	-
Hornby Island Economic Action Plan	4,111	-	4,111	-	-
Film and Television Invest Attraction Tools	5,000	-	-	2,500	2,500
Kelsey Bay Harbour Needs	5,705	-	5,705	-	-
Malcolm Island Strategic Plan	11,839	11,839	-	-	-
Marine Tourism Sector Marketing	29,376	20,999	8,377	-	-
Marine Tourism Sector Marketing #2	30,000	-	17,285	12,715	-
MWRD Sectoral Strategic Plan	12,500	6,000	6,500	-	-
MWRD Workforce Attraction Strategy	30,000	-	-	-	30,000
NI Economic Forum and Tourism Sign Sector	15,000	-	-	-	15,000
Oceanside Initiatives	30,000	30,000	-	-	-
Oceanside Initiatives ED Strategic Plan	10,000	-	10,000	-	-
Pacific Rim Knowledge & Innovation	24,655	-	24,655	-	-
Port Alice Quick Start	12,500	-	-	12,500	-
Port McNeill ED Strategy	23,822	23,822	-	-	-
Prov Partnership - Port Alice ED Strategy	15,000	-	15,000	-	-
Powering Economic Alignment & Growth	29,969	29,969	-	-	-
Remote Regions Enhanced Marine Mktg Plan	14,400	-	-	12,960	1,440
Regional Marketing of Education Tourism	29,000	-	-	26,100	2,900
Rural Business Exchange	21,188	-	-	-	21,188
Salish Sea Marine Trail	25,144	-	-	6,014	19,130
Sayward ED Strategy	16,000	16,000	-	-	-
Sayward Quick Start	10,000	-	-	-	10,000
Sunshine Coast ED	7,125	-	-	7,125	-
Sunshine Coast Region ED Charter	7,500	-	7,500	-	-
Sunshine Coast Region Signage Strategy	4,103	4,103	-	-	-
SRD - Tourism Service & Strategy	18,524	18,524	-	-	-
Tahsis ED Strategy	23,208	-	23,208	-	-
Tahsis Quick Start	14,365	-	-	14,365	-
Tofino Investment Readiness	5,000	-	-	5,000	-
Van Island Trail Strategy	27,815	-	27,815	-	-
Van Island Trail Strategy Phase 2	29,182	-	-	29,182	-
VI Wood Value Added Sector	30,000	-	-	-	30,000
VIEA - First Nations Portal	2,498	2,498	-	-	-
West Coast Leadership Initiative	24,231	24,231	-	-	-
Whale Heritage Site for NVI Strategic Plan	20,000	-	-	-	20,000
Zeballos ED Strategy	14,256	14,256	-	-	-
Zeballos ED Quick Start	15,000	-	-	-	15,000
	<u>792,705</u>	<u>221,279</u>	<u>213,941</u>	<u>136,827</u>	<u>220,658</u>
Total Completed EDRP Projects	524,473	221,279	213,941	89,253	-
Total Uncompleted EDRP Projects	<u>268,232</u>	-	-	<u>47,574</u>	<u>220,658</u>
Total EDRP Spending	<u>\$ 792,705</u>	<u>\$ 221,279</u>	<u>\$ 213,941</u>	<u>\$ 136,827</u>	<u>\$ 220,658</u>



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