

ISLAND COASTAL ECONOMIC TRUST

Annual Report 2010/2011

TRUST REGION

North Island Coast
Development Initiative
Trust-Regions

-  Central South Island
-  North Island– Sunshine Coast
-  Other

Permanent Job Creation from Trust Funding

\$40.2
MILLION
FUNDING¹

1,965
JOBS²

1) Total funding of \$41.7 million less \$1.5 million in Job Opportunities Program funding (which supports short-term jobs). 2) Includes estimated direct, indirect and induced jobs in Trust communities after project completion and several years of operation. Based on analysis of 46% of Trust funding and extrapolated to other projects.

MISSION

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

VISION

The Island and Coast successfully transition to a more diversified, globally competitive resource and knowledge based regional economy.

PRIORITIES

- Strengthen and diversify Island and Coastal communities, including First Nations, by leveraging new investments and partnerships for regional economic development.
- Make strategic investments in targeted sectors* to foster economic growth and job creation that is fiscally and environmentally sustainable and in projects that benefit a broad region and/or support Provincial priorities.
- Build capacity and partnerships by providing regional and multi-regional opportunities for networking, collaboration, information exchange and problem solving.
- Manage the Trust's funds judiciously and according to legislative requirements and strategic and operational plans.

*list of targeted sectors on page 6

Exceptional multi-regional collaboration and lasting infrastructure solutions.

About the Island Coastal Economic Trust

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

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

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

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

Message from the Chair and CEO

In these fast changing times, resilience and adaption are key attributes. Communities that possess these traits are better able to respond to economic cycles and swings, and create remarkable opportunities along the way.

Change is a definite constant in BC's Island and Coastal communities, where global shifts in primary resource sectors have been particularly challenging. We've been collaborating with the people that live and work in these communities for the past 5 years, and are continually struck by the energy and innovation at play. These regions are working hard to re-invent themselves and diversify their economic base, and we're proud to be at the table with them, helping to spark new partnerships and investments.

We're pleased to report that our contributions are making a real difference in the day-to-day lives of Island and Coastal communities. In the past year, we've disbursed approximately \$10 million in project expenses, and approved another \$3.5 million for new projects in the region. This brings our 5-year total investment impact to \$41.7 million for 73 projects, with a total leveraged investment of \$237 million. That's a lot of much-needed capital flowing into and throughout this part of BC.

It's what we're doing with this capital that is the best part of the story. Guided by 43 municipal leaders and local MLAs, including our 13 person Board, we've been very focused on building an economic infrastructure legacy that meets the unique needs of businesses and organizations operating in Island and Coastal communities. These projects represent the building blocks of our region's economic development future, and heighten the Trust's imperative to identify new sources of funding to continue building on to these new foundations.

The benefits of the Trust partnerships that have been forged over the past 5 years are substantial. Job creation is one measure of success, and we're proud to report that the Island and Coastal regions have seen the creation of many new and significant jobs.

Other, more qualitative measures of our success include enhanced regional leadership, lower administrative costs (and hence more funds invested in regional priorities), and stakeholder empowerment.

For us, stakeholder empowerment means giving people who possess deep knowledge about the issues and characteristics of the area the ability to influence the outcome. This stakeholder involvement in the decision making process is probably the most important and fundamental difference between the Trust and most other funders.

Our Board and Regional Advisory Committee members have a real vested interest in making the best possible decisions for our region, and invest huge amounts of time and energy into our collective success. We could not ask for better partners as we pull together towards our common goal of regional economic strength and diversity.

This past year, we have spent quite a bit of time involved in review processes and assessing our impacts and our future. We have completed the mandated legislative review process, have collaborated with a provincial review and have also looked at how we can maximize the impact of our remaining dollars. We have reduced our maximum allocation to ensure that our funds continue to provide the greatest amount of good to the largest number of projects and communities. We have also had the opportunity to think about our organization's future and the role we must assume to ensure continued growth and prosperity for the future.

The findings of our recent legislative review aptly capture our value and impact:

"The Trust model has provided an unprecedented forum for collaboration, networking and information/ideas exchange among local politicians and municipal staff from different communities across the region that is considered of very high value. There is no other forum with such a broad reach that provides this sort of opportunity for substantive regional financial collaboration at a local government level."

We take strength from these words as we embark on what might be our most challenging year yet: renewing our operations for the long term while maintaining the incredible momentum we've helped spark.



Barry Janyk
Chair



Al Baronas
Chief Executive Officer

Board of Directors



Mayor Barry Janyk
Gibsons – Board Chair



Mayor Phil Kent
Duncan – Board Vice-Chair



Mayor Gerry Furney
Port McNeill – Board Treasurer



Camela Tang
Provincial Appointee
Board Secretary



Bob Bennie
Provincial Appointee



Mayor Charlie Cornfield
Campbell River



Mayor Rob Hutchins
Ladysmith



Mayor Ken McRae
Port Alberni



Dave Mannix
Provincial Appointee



Arlette Raaen
Provincial Appointee



Mayor John Ruttan
Nanaimo



Dallas Smith
Provincial Appointee



Joe Stanhope
Chair
Nanaimo Regional District



Mayor Greg Phelps
Courtenay
NISCRAAC Chair



Gerry Giles
Cowichan Valley Regional District – CSIRAC Chair

Members of the North Island-Sunshine Coast Regional Advisory Committee

Mayor Greg Phelps
Courtenay – RAC Chair

Mayor Barry Janyk
Gibsons – RAC Vice-Chair

Mayor Stewart Alsgard
Powell River

Mayor Craig Anderson
Gold River and Chair
Strathcona Regional District

Mayor Fred Bates, Cumberland

Mayor Michael Berry, Alert Bay

Lou Biggemann
Director Area “F”
Regional District of Nanaimo

Hira Chopra
Chair, Alberni-Clayoquot Regional District
(to December 2010)

Mayor Charlie Cornfield
Campbell River

Mayor Corrine Dahling, Tahsis

Gary Feschuk
Chief Councillor
Sechelt Indian Government District

Mayor John Fraser, Tofino

Scott Fraser
MLA, Alberni-Qualicum

Mayor Gerry Furney
Port McNeill

Edwin Grieve, Chair, Comox Valley
Regional District

Members of the Central South Island Regional Advisory Committee

Gerry Giles, Chair
Cowichan Valley Regional District
RAC Chair

Joe Stanhope, Chair
Nanaimo Regional District
RAC Vice-Chair

Acting Mayor Chris Burger
Parksville

Ron Cantelon
MLA, Parksville-Qualicum

Mayor Ross Forrest, Lake Cowichan

Mayor Colin Haime, Lantzville

George Holme, Director Area “E”,
Regional District of Nanaimo

Staff

Al Baronas, Chief Executive Officer

Line Robert, Project Manager

Al Huddleston
Chair, Mt.Waddington Regional District

Mayor Darren Inkster
District of Sechelt

Mayor Paul Ives, Comox

Mayor Edward Lewis, Zeballos

Mayor John MacDonald, Sayward

Honourable Don McRae
MLA, Comox Valley

Mayor Ken McRae, Port Alberni

Mayor Gail Neely, Port Alice

Garry Nohr
Chair, Sunshine Coast Regional District

Colin Palmer
Chair, Powell River Regional District

Mayor Bev Parnham, Port Hardy

Mayor Eric Russcher, Ucluelet

Donna Shugar
Chair, Sunshine Coast Regional District
(to December 2010)

Nicholas Simons
MLA, Powell River-Sunshine Coast

Claire Trevena
MLA, North Island

Mayor Teunis Westbroek
Qualicum Beach

Glenn Wong
Chair, Alberni-Clayoquot Regional District

Mayor Rob Hutchins, Ladysmith

Mayor Phil Kent, Duncan

Leonard Krog, MLA, Nanaimo

Mayor Ed Mayne
Parksville (to January 2011)

Bill Routley, MLA, Cowichan Valley

Doug Routley
MLA, Nanaimo-North Cowichan

Mayor John Ruttan, Nanaimo

Mayor Tom Walker, North Cowichan

Al Sweet, Chief Financial Officer

Denice Regnier, Corporate Administrator



FORESTRY



TRANSPORTATION



TOURISM



SMALL BUSINESS



ENERGY



AGRICULTURE &
AQUACULTURE



ECONOMIC DEVELOPMENT



MINING



OLYMPIC OPPORTUNITIES

Spotlight on five Trust projects

Here are some examples of the types of projects that the Trust has funded. The five projects described on the next few pages offer a glimpse into the wide variety of activities, sectors and communities that are supported by the Trust.

Alberni Valley Visitors Centre

PROJECT A



Trust contribution – \$706,192

Total project budget – \$1,638,344

Trust leverage – 1:1.15

Status – Completed



The Alberni Valley Visitor's Centre is situated at the eastern gateway to Port Alberni and the West Coast of Vancouver Island. The centre is beautifully designed, and equipped with state-of-the-art displays and technology that is appealing to both visitors and residents.

Features include entry doors carved by a local First Nations artist, an interpretative display, videos about local attractions and services, professional travel advice, free wifi, and information about current weather and highway conditions.

The centre is expected to double the number of visitor inquiries in 2011 to 100,000, and this number is projected to increase by another 50% in subsequent years.

- The project brought approximately 90 person months of employment during the construction phase, and will require 2 additional employees during the busy summer season to service increased tourist traffic.
- A 10% conversion of new visitors will provide approximately \$1.8 million in additional annual revenue to the local economy.

"The Trust's support was fundamental to getting our project going. Our small organization would have had a hard time without their help. The Trust's support went well beyond contributing infrastructure capital; staff really assisted us with our vision, as well as day-to-day issues that came up. We couldn't have done it without them."

Mike Carter, Project Team Leader

PROJECT B



Vancouver Island University
Centre for Shellfish Research

Deep Bay Marine Field Station

Trust contribution – \$1,000,000

Total project budget – \$10,854,759

Trust leverage – 1:9.85

Status – Completed



- Over the long term the facility will have 15 full-time employees, and could play a major role in tripling BC's shellfish aquaculture industry, and creating 1,000 new jobs.
- The field station will create indirect regional economic benefits to tourism proponents, the food industry and the transportation sector, and will facilitate technology development and transfer leading to increased and environmentally sustainable growth in the province's shellfish industry.

The Deep Bay Marine Field Station is an off-campus research facility of the Centre for Shellfish Research at Vancouver Island University. Built to LEED standards, it is located on three hectares of waterfront near Courtenay BC on Baynes Sound.

The facility features seawater labs for research, hatchery work and environmental studies; a working shellfish farm; and a teaching kitchen. The facility supports shellfish aquaculture businesses through training and mentoring, thereby strengthening innovation by increasing interaction between researchers and industry, and linking research and training to support coastal economies and ecosystems.

"The Trust was the 'first in' with funds, and both the Trust's Board and Staff were a huge help in moving the project along. The Trust members put their money where their mouths were, so to speak—and it was a very strong statement."

Don Tillapaugh, Director, VIU's Centre for Shellfish Research

Sunshine Coast Botanical Garden



Trust contribution – \$370,295

Total project budget – \$1,481,185

Trust leverage – 1:3

Status – Completed



The Sunshine Coast Botanical Garden project involved acquiring and initiating development of 40 acres of prime land in Sechelt. The garden is home to a beautiful West-Coast-style public assembly building that is a perfect venue for conferences, meetings, events and cultural gatherings.

The non-profit society that operates the site plans to create themed gardens and tours, including native, food and wild gardens. The building will house educational programs for all ages that focus on local food production, conservation, gardening and botany.

- The project brought approximately 220 person months of employment during the construction phase, and projections indicate the new facility will need to hire paid staff to meet increased demand.
- This non profit facility is already having a positive impact on the local tourism service providers and wedding trade businesses.

“We wouldn’t be succeeding in the same way today if it were not for the Trust. They helped us tighten our vision and recognize our role as an economic asset to our community. Their process and staff forced us to look at how we could be income generators for other local businesses and see that our target markets go far beyond the Sunshine Coast.”

Heather Gordon, Treasurer, Sunshine Coast Botanical Garden Society

PROJECT D



Town of Port McNeill

Port McNeill Harbour Development Project

Trust contribution – \$3,500,000

Total project budget – \$7,937,000

Trust leverage – 1:1.27

Status – 90% completed



- Substantial economic benefits projected, especially from marine-related business, recreational boating and land-based tourism.
- Already seeing increase in private investment, including the expansion of a private marina, and the redevelopment of waterfront businesses.
- Projected increase in spending in the community is \$6.6 million by 2015, at which time the redevelopment is expected to support about 80 new permanent jobs locally.

The Port McNeill Harbour Development Project is an extensive upgrade to the waterfront of this bustling community located at the North end of Vancouver Island. The harbour and marina expansion includes a large breakwater and a significant increase in moorage facilities, as well as improvements to upland/adjacent facilities and services, and the relocation of the Visitor Information Centre.

This harbour redevelopment will contribute significantly to the expansion of tourism, and provides a focal point for the working harbourfront. It will also encourage economic activity from both public and commercial interests including aquaculture, resort tourism, sand and gravel extraction, and ocean-based research and development.

“Trust funding in the Port McNeill harbour and waterfront is already having a catalytic effect with the private sector, which is investing substantially in the private marina, waterfront commercial revitalization and a new residential subdivision bordering the waterfront.”

Hiltje Ramsay, Harbour Manager, Port McNeill Harbour Authority, Town of Port McNeill

Cowichan Valley Trail Initiative



Trust contribution – \$1,743,891

Total project budget – \$7,840,338

Trust leverage – 1:3.5

Status – 60% completed



The Cowichan Valley Trail Initiative project includes the addition of eight new sections of a spectacular trail network which will link a number of communities throughout the Cowichan Valley Regional District. This project also includes the rehabilitation of the historic Kinsol Railway Trestle, re-establishing this vital crossing over the Koksilah River.

The Cowichan Valley Trail features many enriching hiking experiences including numerous converted “rail-to-trail” corridors that are popular with outdoor and railway enthusiasts, as well as the impressive Kinsol Trestle. The finished trail will connect the Regional District of Nanaimo’s Trans-Canada Trail System (in the North) with the Galloping Goose Trail system in the Capital Regional District (to the South).

- This trail is a crucial component of a broader tourism strategy for the region. Benefits include growth in the tourism sector, job creation and the stimulation of business investment opportunities.
- New tourist visitation growth projected at 12,000 to 14,000 people per year and new direct visitor spending at \$223,000 to \$303,000 per year (2005 dollars).

“The Trust was a great partner whose initial funding of the project provided significant momentum for financial contributions from private donors and made us eligible for funding from other grant agencies. That’s when things really started moving.”

The Trust has invested in 73 Island and Coast communities

Projects approved to March 2010

APPROVED		Total budget	Trust contribution
	BC Forest Discovery Centre and Visitor Co-location - North Cowichan	\$672,155	\$224,050
	Duncan-Cowichan Visitor Centre - North Cowichan	\$1,274,100	\$520,000

UNDERWAY		Total budget	Trust contribution
	Campbell River Community Promotion and Attractions Strategy - Campbell River	\$115,438	\$36,000
	Campbell River Harbour Revitalization Project - Campbell River	\$1,374,280	\$150,000
	Cowichan Valley Trail Initiative - Cowichan Valley Regional District	\$7,840,338	\$1,743,891
	Fanny Bay Harbour Loading Ramps - Fanny Bay	\$1,869,700	\$515,000
	Geo-Exchange District E Utility for Upper Gibsons - Gibsons	\$976,320	\$244,080
	Historic Alberni Inlet CNPR Trail - Port Alberni	\$152,280	\$76,000
	Homalco Wildlife Tours - Bute Inlet	\$473,900	\$195,000
	Integrated Regional Tourism Plan for North Vancouver Island - North Vancouver Island	\$928,000	\$137,500
	International Centre for Sturgeon Studies - Nanaimo	\$5,250,000	\$1,300,000
	Pacific to Plate 2: Marketing Sustainable Seafood - West Coast Vancouver Island	\$212,466	\$49,668
	Port Hardy Seine Float and Area Improvement Project - Port Hardy	\$6,358,722	\$1,994,000
	Port McNeill Harbour Development Project - Port McNeill	\$7,937,000	\$3,500,000
	Powell River Visitor Attraction and Marketing Tool Development Program - Powell River	\$244,479	\$50,000

	Regional Film Industry Development 2 - North Vancouver Island	\$129,750	\$43,250
	Stamp River Anglers' Trail and Signage Component - Port Alberni	\$168,200	\$84,000
	Sunshine Coast Trail Initiative - Powell River Region	\$3,284,450	\$1,471,050
	'The Runners Trail' Joining Alberni to Cowichan via the Nitinaht River Valleys - Port Alberni	\$929,000	\$450,000
	Tourism Vancouver Island Sunshine Coast 2010 and Beyond Strategic Plan - Vancouver Island/Sunshine Coast	\$734,513	\$469,257
	Vancouver Island Discovery Centre - Comox Valley	\$4,345,000	\$745,000
	Vancouver Island Mountain Sport Centre - Mount Washington, Comox Valley	\$2,350,500	\$555,500
	West Bamfield Dock Improvements - West Bamfield	\$110,000	\$50,000
	Westview Waterfront South Harbour Expansion - Powell River	\$6,171,069	\$2,237,830
	Westview Waterfront Wharf and Infill Completion Project - Powell River	\$3,062,685	\$1,481,342
	Yellow Cedar Marketing Initiative - North Vancouver	\$220,000	\$110,000

COMPLETED		Total budget	Trust contribution
	2009 World Under 17 Hockey Challenge - Port Alberni	\$1,126,430	\$100,000
	7 Hills Golf and Country Club Course Enhancement - Port Hardy	\$49,530	\$24,765
	Alberni Valley Visitors Centre - Port Alberni	\$1,512,384	\$706,192
	Alert Bay Municipal Wharf Upgrade and Scenic Seaside Boardwalk - Alert Bay	\$702,755	\$324,000

	Biathlon Range Target Automation Project, Mount Washington - Comox Valley	\$100,373	\$25,083
	Business Assistance for Successful Enterprise - Parksville	\$45,500	\$8,500
	Campbell River Downtown Revitalization Project - Campbell River	\$1,888,850	\$250,000
	Campbell River Airport Runway Extension - Campbell River	\$8,331,250	\$2,310,000
	Cape Scott North Coast Trail - Port Hardy	\$699,920	\$249,920
	Coal Harbour Dock Expansion - Coal Harbour	\$1,246,700	\$100,000
	Comox Valley International Marketing and Investment Attraction Campaign - Comox Valley	\$210,000	\$50,000
	Cowichan 2008 North American Indigenous Games - Cowichan Valley Regional District	\$10,320,000	\$100,000
	Cowichan Bay Harbour Improvement & Expansion Project - Cowichan Valley Regional District	\$664,358	\$187,000
	Craig Street Revitalization Project - Duncan	\$766,217	\$190,000
	Cumberland Village Square - Cumberland	\$108,900	\$27,225
	Dakota Ridge Winter Recreation Area Access Road - Sunshine Coast	\$938,482	\$234,608
	Deep Bay Marine Field Station - Deep Bay	\$10,854,759	\$1,000,000
	High Speed Infrastructure Development - Coal Harbour and Zeballos	\$352,825	\$72,625
	Job Opportunities Program – Trail Projects*	\$3,000,000	\$1,500,000
	Mt. Cain Hostel Lodge Construction and T-Bar Upgrade - Mount Waddington Area D	\$300,000	\$90,000
	Mt. Cain Infrastructure and Capital Improvement Proposal - Mount Waddington Area D	\$237,300	\$118,650

	'Namgis First Nation Waterfront Enhancement Project - Alert Bay	\$1,326,000	\$499,300
	Nanaimo Airport Expansion Project - Nanaimo	\$24,200,000	\$5,000,000
	Nanaimo Assembly Wharf Port Cruise Facility - Nanaimo	\$22,000,000	\$3,500,000
	Port Alberni Uptown Redevelopment - Port Alberni	\$494,000	\$247,000
	Port of Nanaimo Centre - Nanaimo	\$72,500,000	\$2,000,000
	Purple Banner Studio and Gallery Guide - Sunshine Coast	\$14,140	\$3,000
	Quatse Salmon Stewardship Centre - Port Hardy	\$1,406,000	\$175,000
	Quatse Salmon Stewardship Centre: Phase 2- Interpretive Displays - Port Hardy	\$350,000	\$175,000
	Raft Cove/Marble River Recreational Site and Trail Improvement Project - North Vancouver Island	\$120,067	\$52,600
	Regional Film Industry Development - North Vancouver Island	\$122,854	\$37,720
	Small Business Productivity and Competitiveness Program - Campbell River	\$81,488	\$41,738
	Sunshine Coast Botanical Garden Groundwork Project - Sechelt	\$1,481,185	\$370,295
	Value-Added Wood Products Marketing Forum - Sechelt	\$26,350	\$6,000
	Vancouver Island Forestry Festival - North Cowichan	\$37,000	\$3,700
	Wild Pacific Trail and Parking Lot - Ucluelet	\$285,000	\$95,000
	Woss Regional Trails Development and Upgrade Project - Woss	\$30,000	\$15,000
Sub Total		\$38,322,339	

Projects approved between April 2010 and March 2011

APPROVED		Total budget	Trust contribution
	Heriot Bay Wharf Facility Upgrades - Quadra Island	\$1,249,000	\$450,000
	Malcolm Island Marine Visitor's Centre and Harbour Expansion - Malcolm Island	\$602,910	\$248,500
	Sechelt Airport Rehabilitation - Sechelt	\$4,011,356	\$1,002,839

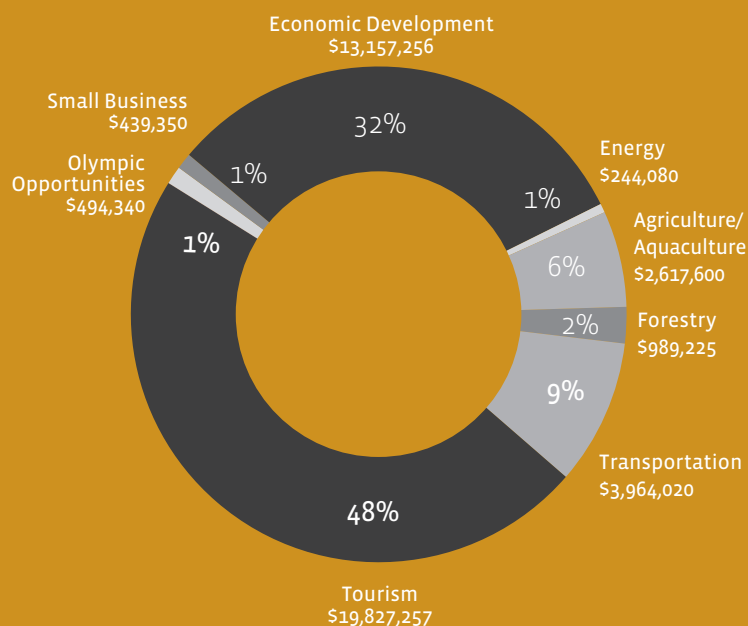
UNDERWAY		Total budget	Trust contribution
	Alberni Valley Eco-Outdoor Adventure Tourism - Port Alberni	\$296,250	\$50,000
	Comox Small Craft Harbour Revitalization Project - Comox	\$1,600,000	\$400,000
	Denman Island Community Dock Project - Denman Island	\$381,000	\$118,500
	Kelsey Bay Wharf Improvement Project - Sayward	\$36,400	\$18,200
	Ladysmith Community Marina Visitor Facilities Project - Ladysmith	\$1,690,000	\$543,750
	Texada Wireless Internet Tower - Gilles Bay, Texada Island	\$65,000	\$14,000
	Ucluelet Aquarium - Ucluelet	\$1,571,781	\$515,000

COMPLETED		Total budget	Trust contribution
	Roberts Lake Fish and Wildlife Viewing Trail - Robert's Lake	\$100,000	\$50,000
Sub Total			\$3,410,789

Total of All Projects to March 31, 2011 **\$41,733,128**
(including Job Opportunities Program Partnership)

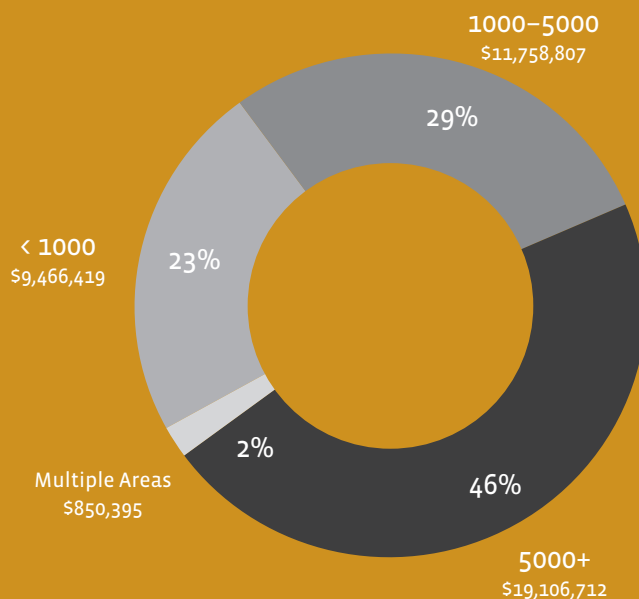
Trust Funding Commitments by Sectors

Total: \$41,733,128



Trust Funding by Community Size

To February 2011



* The Province of BC's three-year Job Opportunities Program concluded in 2010. The Trust's contribution of \$1.5 million was used to assist Vancouver Island and Sunshine Coast communities by creating employment for displaced forestry workers and developing area trails and upgrading existing ones.

Working together to spark lasting economic development

Exceptional collaboration is one of the key ingredients to our success. Every day, we help people come together to work through challenges and identify solutions.

In 2010, we were pleased to be acknowledged for these efforts in our mandated 5-year legislative review (see next page for more details). Specifically, the review highlighted the vital role the Trust plays in fostering collaboration on the ground in the communities we serve.

We share these accolades with the amazing Island and Coastal communities and regions, and we congratulate them on their vision and leadership. We also acknowledge and appreciate our many funding partners.

ISLAND AND COASTAL COMMUNITIES AND REGIONS WITH APPROVED TRUST PROJECTS:

Alberni Clayoquot Regional District
Alert Bay
Bamfield
Bute Inlet – Strathcona Area J
Campbell River
Cassidy
Coal Harbour
Comox
Comox Valley Regional District
Cowichan Valley Regional District
Cowichan Bay
Cumberland
Deep Bay
Denman Island
Duncan
Fanny Bay
Gibsons
Gillies Bay, Texada Island
Gold River
Heriot Bay, Quadra Island
Ladysmith
Lake Cowichan/Shawnigan Lake
Malcolm Island
Mount Cain

Mount Waddington Regional District
Mount Washington
Nanaimo
Nanaimo Regional District
North Cowichan
Parksville
Port Alberni
Port Hardy
Port McNeill
Powell River Regional District
Sechelt
Sayward
Strathcona Regional District
Sunshine Coast Regional District
Ucluelet
Woss
Zeballos

FUNDING AND OTHER VALUED PARTNERS:

Chambers of Commerce
Coast Opportunities Funds
Coast Sustainability Trust
Community Futures
Economic Development Associations
First Nations

Fisheries and Oceans Canada – Small Craft Harbours
Economic Development Association of BC
Government of Canada – Economic Action Plan
Government of Canada – Rural Economic Diversification Initiative
Government of Canada – Western Economic Development
Investment Agriculture Foundation of BC
Mid-Island Science, Technology and Innovation Council
Municipal Finance Authority of British Columbia
Northern Development Initiative Trust
Province of British Columbia
Southern Interior Development Initiative Trust
Tourism Vancouver Island
Union of BC Municipalities
Vancouver Island Economic Alliance
Vancouver Island Coast Economic Developers Association
Vancouver Island University
West Coast Community Adjustment Program

Results

The year 2010 has been particularly busy and productive, with several longer term projects reaching their apex, many new partnerships unfolding, and our mandated five-year review completed. The following list outlines our accomplishments in relation to the priorities identified in our 2010-2012 Strategic Plan.

1. CONTINUE TO MAINTAIN OR EXCEED ADDITIONAL INVESTMENT AND LEVERAGING TARGETS

- Collaborated with other funders and discussed program funding partnership options
- Assisted applicants with search for matching project funding and/or additional project funding
- Analyzed the changes to provincial and federal funding programs
- Distributed monthly and annual regional economic updates
- Held Strategic Planning session for the 2011-2013 period

2. FOCUS ON THE CONSISTENT IMPLEMENTATION OF THE STRATEGIC PLAN IN CONCERT WITH THE APPLICATION GUIDELINES

- Reviewed the application guidelines and adjusted in-kind application guidelines
- Reduced maximum funding amount
- Developed new Trails Projects Guidelines
- Applied Trust precedents in the review of applications
- Researched new programming options to address gaps in the Trust's mandate
- Developed and funded a Regional Agricultural Outlook initiative (with the Province of BC and Ministry of Agriculture)
- Reviewed regional and local distribution of Trust funding

3. MANAGE DECLINING CAPITAL TO MAXIMIZE REGIONAL AND COMMUNITY BENEFITS, EFFECTIVE PROJECT MANAGEMENT AND EFFICIENT FINANCIAL ADMINISTRATION

- Reviewed all project commitments including file closures
- Tightened criteria for approval of extensions to project deadlines

- Prioritized project capacity in the approval process to move to implementation in a timely manner
- Reviewed financial commitments to approved projects, projects currently being processed and amounts remaining for new projects (ongoing)
- Developed new request for reimbursement forms and processes
- Produced quarterly financial reviews with an increased focus on projects and implementation

4. PRIORITIZE EFFECTIVE COMMUNICATIONS WITH A FOCUS ON TRUST SUCCESSES AND IMPACT IN THE REGION

- Emphasized the Trust's key messages, priorities and accomplishments in all communications
- Developed monthly web project to highlight success stories; wrote success stories
- Reviewed website to determine best way to maximize communications
- Ensured applicants and other partners recognized Trust contributions in all communications
- Consulted with community-based organizations
- Attended and presented at numerous conferences and events

5. UNDERTAKE THE REQUIRED YEAR 5 REVIEW OF THE TRUST'S LEGISLATION

- Appointed Board Legislative Review Steering Committee
- Developed the Legislative Review process
- Recruited and appointed the Legislative Review Committee and consultant
- Developed and published Legislative Review Terms of Reference
- Completed, published and distributed the legislative review
- Initiated planning for comprehensive performance review process

Highlights

LEGISLATIVE REVIEW

The Trust Board developed an arm's length review process by appointing an independent Committee to review the legislation and how it is functioning. This review process included consultations with 14 community stakeholders as well as in-depth review of the provisions of the legislation and its impact on the Trust and its operations. The final report is available on our website.

The Trust is very appreciative of the Committee's diligence and commitment to the process, and wishes to thank the Honorable Anthony Abbott, Dr. Robin Dodson, Marilyn Hutchinson and Keith Wilson, as well as Katherine Gordon - the consultant hired to support the process.

APPLICATION GUIDELINES REVIEW

The Trust's vision at inception was to put all of our funds to work on visionary infrastructure projects with a priority on producing economic benefits in the short term. This vision was successful beyond our wildest imaginings, with over \$42 million committed at the end of year five. In light of our diminishing resources and the scarcity of other economic development resources, the Trust Board felt the need to temporarily modify its guidelines and streamline processes to ensure that there were still meaningful funds for a significant period of time. The most significant adjustment was a reduction of the cap on maximum project investments to \$400,000.

FUTURE STRATEGIC DIRECTIONS REVIEW

In the fifth year of our five-year mandate, the Board focussed its 2011-2013 strategic planning session on the development of new directions for the future. The 2011-2013 Strategic Plan highlights the Trust's determination to renew its funding with a view to becoming a legacy trust. The plan highlights the need to develop a new model that reflects provincial priorities and addresses gaps in regional economic development capacity and services.

For every dollar the Trust invests, an additional \$4.70 to \$5.00 is invested from other sources. These leveraged ratios exceed the Trust's goal of 1:3 by over 50%.

Total Approved
Project Budgets

Completed
Project Budgets

Leveraged Dollars

\$ 194,985,530

Trust Funding

\$41,733,128

4.7

Leveraged Ratio

Leveraged Dollars

\$ 37,934,398

Trust Funding

\$ 7,564,051

5.0

Leveraged Ratio

Here's what people are saying about projects supported by the Trust

"The Comox harbour revitalization project will maximize the economic development potential of our existing infrastructure. We will be working with the Port of Nanaimo to explore new marketing possibilities and to develop a regional vision and approach to marine tourism attraction."

Liz McLeod, Harbour Manager, Comox Small Craft Harbour

"The Quatse Salmon Stewardship Centre has become an important part of the tourism product mix available in the region, and it is already capturing the attention of travelers and increasing the desirability of the Vancouver Island region as a destination. It is no surprise that it earned the 2010 Tourism Vancouver Island 'Raising the Bar' award."

Joli White, Tourism Coordinator for Vancouver Island North

"Without the Trust, there would be no project to discuss. The Ucluelet Aquarium Project has established itself as a significant component in our region's tourism infrastructure. Our innovative educational approach has attracted the attention of international guide books, travel magazines and television programs and we are now considered a must see attraction for visitors to Ucluelet, Tofino and Vancouver Island. We couldn't have imagined a better outcome for our community and region."

William Morrison, President, Ucluelet Aquarium Society

"The Fanny Bay Harbour improvements represent a win-win for everyone. When the businesses in our region succeed, our communities and families reap the benefits."

Gordon McLellan, Harbour Authority president and Mac's Oysters CEO



Here's how the Trust is making a difference

"The people administering the Trust's funds are all local and regional politicians who really have their fingers on the pulse of what is going on in their communities. They represent a collective regional viewpoint informed by real on-the-ground knowledge of what is vital and where funding is most needed."

Don Tillapaugh, Director, VIU's Centre for Shellfish Research

"The Island Coastal Economic Trust has been much more than a funding support organization. They have provided leadership and inspiration at every step of our project, and especially when things seemed to be going sideways."

Mike Carter, Team Leader, Alberni Valley Visitors Centre

"The Trust is a fundamental example of a practical partnership that will broaden and reinvigorate the regional economy."

Mayor Barry Janyk, Board Chair Island Coastal Economic Trust



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CERTIFIED GENERAL ACCOUNTANTS

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building business value

INDEPENDENT AUDITOR'S REPORT

To the Members of North Island - Coast Development Initiative Trust

Report on the Financial Statements

We have audited the accompanying financial statements of North Island - Coast Development Initiative Trust, which comprise the balance sheet as at March 31, 2011, and the statements of operations and fund balance and cash flow 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 generally accepted accounting principles, 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.

Auditor's 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 North Island - Coast Development Initiative Trust as at March 31, 2011 and its financial performance and its cash flow for the year then ended in accordance with Canadian generally accepted accounting principles.

Duncan Sabine Collyer Partners LLP

Port Alberni, B.C.
July 15, 2011

CERTIFIED GENERAL ACCOUNTANTS

NORTH ISLAND - COAST DEVELOPMENT INITIATIVE TRUST
BALANCE SHEET
AS AT March 31, 2011

ASSETS

	2011	2010
Current assets		
Cash and short-term deposits	\$ 95,466	\$ 539,355
Prepaid expenses	<u>9,731</u>	<u>9,206</u>
Total current assets	105,197	548,561
 Investments (Note 3)	 32,953,933	 41,965,846
Capital Assets (Note 4)	<u>17,291</u>	<u>21,003</u>
	<u><u>\$ 33,076,421</u></u>	<u><u>\$ 42,535,410</u></u>

LIABILITIES

Current liabilities		
Accounts payable and accrued liabilities	\$ <u>27,265</u>	\$ <u>23,066</u>

FUND BALANCES

Invested in Capital Assets	17,291	21,003
Externally Restricted - Uncommitted	8,320,232	3,027,679
Externally Restricted - Committed (Note 5)	19,123,263	34,248,649
Unrestricted	<u>5,588,370</u>	<u>5,215,013</u>
	<u><u>33,049,156</u></u>	<u><u>42,512,344</u></u>
	<u><u>\$ 33,076,421</u></u>	<u><u>\$ 42,535,410</u></u>

APPROVED BY THE BOARD



Barry Janyk *Chair*



Gerry Furney *Treasurer*

NORTH ISLAND - COAST DEVELOPMENT INITIATIVE TRUST
STATEMENT OF OPERATIONS AND FUND BALANCE
FOR THE PERIOD ENDED March 31, 2011

	2011	2011	2011	2010
	<u>Operating</u>	<u>Project</u>	<u>Total</u>	<u>Total</u>
REVENUES				
Investment income	\$ <u>928,410</u>	\$ <u>-</u>	\$ <u>928,410</u>	\$ <u>1,085,219</u>
Total Revenue	<u>928,410</u>	<u>-</u>	<u>928,410</u>	<u>1,085,219</u>
EXPENSES				
Advertising, travel and communications	24,351	-	24,351	30,429
Capital expenditures	1,701	-	1,701	4,509
Consultants	75,945	-	75,945	116,423
Directors expenses	56,405	-	56,405	65,026
Insurance	10,459	-	10,459	10,184
General office and administration	339,710	-	339,710	326,294
Professional fees	10,744	-	10,744	9,184
Project contributions	-	9,822,333	9,822,333	8,207,383
Regional advisory committee costs	35,738	-	35,738	34,472
Sponsorships and partnerships	<u>-</u>	<u>10,500</u>	<u>10,500</u>	<u>19,200</u>
Total Expenses	<u>555,053</u>	<u>9,832,833</u>	<u>10,387,886</u>	<u>8,823,104</u>
EXCESS OF REVENUE OVER EXPENDITURE	373,357	(9,832,833)	(9,459,476)	(7,737,885)
FUND BALANCE BEGINNING OF YEAR	<u>5,215,013</u>	<u>37,276,328</u>	<u>42,491,341</u>	<u>50,229,226</u>
FUND BALANCE COMMITTED END OF YEAR (Note 5)	-	19,123,263	19,123,263	34,248,649
FUND BALANCE UNCOMMITTED END OF YEAR	<u>\$ 5,588,370</u>	<u>\$ 8,320,232</u>	<u>\$ 13,908,602</u>	<u>\$ 8,242,692</u>

NORTH ISLAND - COAST DEVELOPMENT INITIATIVE TRUST

STATEMENT OF CASH FLOW FOR THE PERIOD ENDED March 31, 2011

	2011	2010
OPERATING ACTIVITIES		
Cash used in operations		
Net loss	\$ (9,459,476)	\$ (7,737,885)
Add (deduct): charges to income not involving cash		
Capital expenditures included in operations	<u>1,701</u>	<u>4,509</u>
	(9,457,775)	(7,733,376)
Net change in non-cash working capital		
Accounts receivable	-	15,411
Accounts payable and accrued liabilities	4,201	(41,528)
Prepaid expenses	<u>(526)</u>	<u>500</u>
	<u>(9,454,100)</u>	<u>(7,758,993)</u>
INVESTING ACTIVITIES		
Additions to capital assets	(1,701)	(4,509)
Net increase in investments	(928,088)	(1,084,943)
Redemption of long-term investments	<u>9,940,000</u>	<u>9,350,000</u>
	<u>9,010,211</u>	<u>8,260,548</u>
(DECREASE) INCREASE IN CASH	(443,889)	501,555
CASH, beginning of period	<u>539,355</u>	<u>37,800</u>
CASH, end of year	<u>\$ 95,466</u>	<u>\$ 539,355</u>

NORTH ISLAND - COAST DEVELOPMENT INITIATIVE TRUST
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2011

1. AUTHORITY

The North Island - Coast Development Initiative Trust is a not-for profit organization incorporated under the North Island - Coast Development Initiative Trust Act October 2005.

The Trust is partner and catalyst to build diverse and sustainable Island and coastal communities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles and reflect the following significant accounting policies:

Fund Accounting

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

The Operating Fund accounts for the organizations general activities.

The Restricted Fund reports contributions restricted to activities outlined in the Trust's strategic plan.

Revenue recognition

Externally restricted contributions received for the Operating Endowment Account are recognized as revenue in the year received. All other externally restricted contributions received are recognized in the Operating Fund as revenue in the year in which the related expenses are incurred.

Investment income is recognized when the income becomes due.

Externally restricted - committed funds

Externally committed restricted funds represent funds at year end for specific project proposals that have been approved by the Board of Directors, and the cash disbursement will not occur until a future date after year end once the conditions of the signed funding agreement are met.

Externally restricted - uncommitted funds

Uncommitted externally restricted funds represent funds not committed at year end to specific project proposals.

Grants and repayable grants

Grants and repayable grants awarded by the Trust are recognized when the conditions of the signed funding agreement are met.

NORTH ISLAND - COAST DEVELOPMENT INITIATIVE TRUST

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2011

Capital Assets

Capital assets are recorded at cost. Depreciation and amortization are provided annually at rates calculated to write-off the assets over their estimated useful lives as follows:

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

Income taxes

No provision has been made for income taxes in these financial statements as the Trust is exempt under Paragraph 149(1) of the Income Tax Act.

Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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 amount of revenues and expenses during the reporting period. Actual results could differ from the estimates.

3. INVESTMENTS

The Trust's investments are held with the Municipal Finance Authority in the following funds:

	<u>2011</u>	<u>2010</u>
Money Market Fund	\$ 156,857	\$ 41,965,846
Intermediate Fund	13,470,994	-
Bond Fund	<u>19,326,082</u>	<u>-</u>
	<u>\$ 32,953,933</u>	<u>\$ 41,965,846</u>

4. CAPITAL ASSETS AND ACCUMULATED DEPRECIATION

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net 2011</u>	<u>Net 2010</u>
Computer equipment	\$ 24,047	\$ 15,899	\$ 8,148	\$ 9,574
Equipment, furniture & fixtures	<u>20,324</u>	<u>11,181</u>	<u>9,143</u>	<u>11,429</u>
	<u>\$ 44,371</u>	<u>\$ 27,080</u>	<u>\$ 17,291</u>	<u>\$ 21,003</u>

NORTH ISLAND - COAST DEVELOPMENT INITIATIVE TRUST
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2011

5. SCHEDULE OF EXPENDED AND COMMITTED FUNDS

	2010	2011	2011
	<u>Expended</u>	<u>Expended</u>	<u>Committed</u>
2009 Under 17 Hockey	\$ 22,266	\$ -	\$ -
Alberni Inlet Trail CNPR Trail	-	39,574	76,000
Alberni Valley Visitor Centre	-	536,336	706,192
BC Forest Museum	-	-	224,050
Biathlon Project	18,812	-	6,271
Campbell River Airport	-	-	2,310,000
Campbell River Attractions	-	23,453	36,000
Campbell River Downtown	250,000	-	-
Campbell River Marina	-	-	30,000
Coast Cultural Alliance	3,000	-	-
Comox Valley Harbour	-	-	400,000
Comox Valley Marketing	-	50,000	50,000
Cowichan Fisherman's Wharf	-	18,700	18,700
Cowichan Valley Trail	-	-	1,743,891
Craig Street Revitalization	-	-	190,000
Cumberland Village Square	-	27,225	27,225
Deep Bay Field Station	201,329	598,671	798,671
Denman Island Dock	-	40,556	118,500
Duncan Cowichan Visitors Ct.	-	-	520,000
Fanny Bay Harbour	-	176,300	515,000
Gibsons Geothermal	11,053	171,237	233,028
Heriot Bay Wharf	-	-	450,000
Holmalco Wildlife Tours	-	103,822	195,000
INFILM Film Industry Dev.	22,181	-	21,069
Job Opportunities Program	708,712	534,312	791,288
Kelsey Bay Wharf	-	-	18,200
Ladysmith Marina	-	-	543,750
Malcom Island Marine Centre	-	-	248,500
Mt. Cain Capital Improvements	85,272	12,000	24,466
Namgis Waterfront	-	399,440	499,300
Nanaimo Airport Expansion	4,456,173	250,000	250,000
Nanaimo Cruise Ship Terminal	-	2,800,000	3,500,000
North V I Integrated Tourist Plan	48,988	49,864	63,614
Pacific to Plate	-	-	49,668
Port Alberni Eco Marketing	-	-	50,000
Port Alberni Uptown Development	-	247,000	247,000
Port Hardy Marina	-	1,195,106	1,994,000
Port McNeill Harbour	1,706,122	1,207,955	1,557,855
Powell River South Harbour	-	90,797	2,237,830
Powell River Wharf & Infill	-	117,180	1,481,342
Quatse Salmon Centre	35,000	68,494	175,000
Raft Cove Trail	-	52,401	52,600
Regional Film Industry Dev.	6,900	-	-
Roberts Lake Trail	-	35,955	50,000

NORTH ISLAND - COAST DEVELOPMENT INITIATIVE TRUST
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2011

5. SCHEDULE OF EXPENDED AND COMMITTED FUNDS cont.

	<u>2010</u> <u>Expended</u>	<u>2011</u> <u>Expended</u>	<u>2011</u> <u>Committed</u>
Sechelt Airport	-	-	1,002,839
Sechelt Value Added Forum	6,000	-	-
Small Business Development	-	41,738	39,750
Stamp River Anglers Trail	50,180	17,014	17,526
Sunshine Coast Botanical	70,999	212,694	299,296
Sunshine Coast Trail	-	124,190	1,471,050
TAVI 2010 Strategic Plan	228,955	114,812	159,332
Texada Wireless	-	10,334	14,000
The Runners Trail	234,425	125,575	215,575
Ucluelet Aquarium	-	-	515,000
Tourism Powell River	-	31,725	50,000
V I U Sturgeon Studies	-	-	1,300,000
V. I. Mountain Sports Centre	-	288,692	555,500
Vancouver Island Discovery Ct.	-	-	720,537
West Bamfield Docks	-	-	50,000
Woss Regional Trails	14,376	-	-
Yellow Cedar Marketing Initiative	<u>26,640</u>	<u>9,181</u>	<u>31,181</u>
Total	<u>\$ 8,207,383</u>	<u>\$ 9,822,333</u>	<u>\$ 28,945,596</u>

Photographs for this Annual Report have been provided courtesy of the Trust and the following:
Page 7 – Katherine Gordon; Page 8 – Brian Kingzett, Deep Bay Marine Field Station; Page 9 – Sunshine Coast Botanical Garden Society; Page 10 (right hand side) – Kristen Baroutis, Creative Exposure; Page 11 (right hand side) – Cowichan Valley Regional District; Page 18 (left) – Ernie Tomlinson, (right) – Alberni Valley Chamber of Commerce; inside back cover – Rick Avis, Alberni Valley Enhancement Association.

A photograph of a forest scene. In the foreground, a wooden boardwalk with railings leads down a slope. The forest is dense with tall trees and lush green ferns. In the background, a body of water is visible through the trees. The lighting is bright, suggesting a sunny day.

“The Island Coastal Economic Trust model ... is seen by local governments as an excellent and very cost-effective delegation model for disbursement by them of provincial dollars to support regional economic development, with all money going to regional priorities and minimal operational expenditure.”

2011 Independent Legislative Review
of the Island Coastal Economic Trust

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