

DATE: January 31, 2018

TO: Chair and Directors
Electoral Areas Services Committee

FROM: Russell Dyson
Chief Administrative Officer

FILE: 1700-02/2018/556

Supported by Russell Dyson
Chief Administrative Officer

R. DYSON

RE: 2018 - 2022 Financial Plan – Economic Development - Hornby Island Function 556

Purpose

To provide the Electoral Areas Services Committee with the proposed 2018-2022 financial plan and work plan highlights for the Economic Development-Hornby Island Service, function 556.

Recommendation from the Chief Administrative Officer:

THAT the proposed 2018-2022 financial plan for Economic Development – Hornby Island Service Function 556 be approved.

Executive Summary

Highlights of the financial plan include:

- No significant changes to the budget across the five year plan
- \$62,000 annual operating grant
- Annual requisition of \$68,933 across the five year plan, based on a 2018 tax levy of \$0.122 per \$1,000.
- Maximum tax requisition is \$154,735 based on a tax levy of \$.278 per \$1,000.
- For a property assessed at \$400,000, the tax levy would be \$48.80.

Prepared by:

T. Ian Smith

T. Ian Smith, MCE
General Manager of Community Services

Stakeholder Distribution (Upon Agenda Publication)

Hornby Island Community Economic Enhancement Corporation	✓
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Policy Analysis

Bylaw No. 3005, 2007 was adopted by the Comox Strathcona Regional District to establish an economic development service for Denman - Hornby Islands (then known as electoral area ‘K’). This bylaw was established as a result of a review of the Comox Valley Economic Development Service resulting in, in part, the withdrawal of Denman - Hornby Islands from the Comox Valley Economic Development Service.

The Denman/Hornby Island Economic Development Service pursuant to Bylaw No. 3005 was jointly funded by taxation from both islands. The Comox Valley Regional District (CVRD) was accountable for the governance, delivery and management of this service.


At the regular meeting of the CVRD board on October 30, 2012 Bylaw No. 232 being the “Denman Island Economic Development Service Establishment Bylaw No. 232, 2012” and Bylaw No. 231 being “Hornby Island Economic Development Service Bylaw No. 231, 2012” was adopted separating the Denman Island and Hornby Island economic enhancement service into separate service functions 556 (Hornby Island) and 555 (Denman Island).

Financial Plan Overview

Each year the CVRD prepares an updated five-year financial plan that represents the operation of each service from one budget year to the next. The proposed 2018 requisition is \$68,933 which is the same as the 2017 requisition level. The proposed 2018-2022 operating grant is \$62,000, the same amount as in 2017.

Table 1 below summarizes the 2018 proposed budget as compared to the 2017 adopted budget. Significant variances from 2017 adopted budget will be discussed in the financial plan highlights section below.

Table 1: Financial Plan Highlights

 2018 Proposed Budget			
#556 Hornby Island Economic Development			
Operating	2017 Budget	2018 Proposed Budget	Increase (Decrease)
Revenue			
Requisition	68,933	68,933	-
Transfer from Reserve	1,360	1,422	62
	\$ 70,293	\$ 70,355	\$ 62
Expenditures			
Personnel Costs	4,578	4,592	14
Operating	65,715	64,884	(831)
Contribution to Reserve		879	879
	\$ 70,293	\$ 70,355	\$ 62

The entire 2018 - 2022 proposed five year financial plan for the Hornby Island Economic Development service including the requisition summary and the operating budget, is available through the online budget binder at

<http://www.comoxvalleyrd.ca/EN/main/departments/finance/proposed-financial-plan.html>.

Highlights of the 2018 - 2022 proposed financial plan for function 556 include:

- Annual operating grant of \$62,000 with components to expand economy (\$29,000), community capacity building (\$10,000), improve affordability (\$500), enhance self-sufficiency (\$3500), core activities/administration (\$19,000).
- 2018 – 2022 requisition is \$68,933 based on a 2018 tax levy of \$0.122 per \$1,000.
- Maximum tax requisition is \$154,735 based on a tax levy of \$0.278 per \$1,000.

Revenue Sources

The proposed annual tax requisition for 2018 through to 2022 is \$68,933, unchanged from the prior year. The maximum tax requisition for this service in 2018 is \$154,735 based on a maximum levy of \$0.278 per \$1,000. For a property assessed at \$400,000, the tax levy would be \$48.80. The tax levy is based on assessed property values of the Hornby Island community. The level of taxation is sustainable for the service over the five year plan.

Personnel

The personnel costs represent an allocation of the general manager of community services salary. There are no changes in personnel allocation for this service.

Operations

Economic enhancement services are delivered to Hornby Island residents on behalf of the CVRD through a service agreement that expires on December 31, 2021. The Hornby Island Community Economic Enhancement Corporation (HICEEC) initiated a community economic action plan in 2015 which defines the community priorities for HICEEC. In 2016 the action plan was initiated which brought a significant change in focus and priorities. HICEEC believes satisfactory results are being achieved to date. In 2020 HICEEC is intending to update the strategic plan (Appendix A). The operational grant remains at the same level of \$62,000 until 2022. HICEEC's 2018 budget submission is attached as Appendix B.

Capital

HICEEC does not plan any capital projects for 2018. HICEEC is a proponent for the Islanders' Secure Land Association (ISLA) for the Beulah Creek affordable housing project (Appendix C). ISLA has submitted a request to the CVRD to allocate community works funds to help cover water, septic and district energy costs for this project. The Community Works Funds final expense numbers have not been calculated, but the "uncommitted funds" as of December 31, 2017 is \$51,501.41 and the projected funding for 2018 is \$99,466.00 which will bring the total available funding to December 31, 2018 for any new projects to \$150,967.41.

Reserves

The future expenditure reserve balance as at December 31, 2017 was estimated to be \$52,529. The balance will be updated once the 2017 yearend has been finalized. HICEEC has indicated two possible initiatives for these funds to be used in 2018 (Appendix C, Budget Assumptions). They have indicated that they will advise CVRD staff well in advance of any special request regarding the reserve and seeking advice from CVRD Financial Services Department. Any adjustment to the reserves would require a budget amendment.

Citizen/Public Relations

The Hornby Island Economic Development Service plays a major role in maintaining, developing and enhancing economic development and sustainability for the residents of Hornby Island. The economic enhancement activities are delivered to Hornby Island residents through an agreement with HICEEC which expires on December 31, 2021. HICEEC has been delivering this service to island residents on behalf of the CVRD successfully for a number of years.

HICEEC uses community consultation to assist in determining the development of programs and activities for this service. In 2015 HICEEC initiated an economic action plan based on a broad community survey. This plan will be updated in 2020.

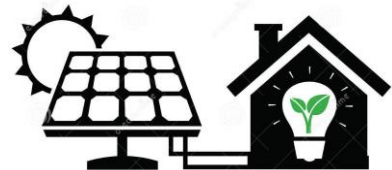
Attachments: Appendix A – “HICEEC strategic plan”
Appendix B – “HICEEC 2018 budget submission”
Appendix C – “HICEEC Budget Assumptions, Changes, and Possible Capital Investment”



**Hornby Island Community
Economic Enhancement Corporation**

ANNUAL PLAN

2017



Introduction

Throughout 2015, HICEEC completed an extensive community outreach and research effort to refocus our programs around priorities broadly identified by Hornby Islanders. As a result, the 2016-2020 Economic Action Plan focuses the organization on enhancing the economic vitality of Hornby Island through initiatives, grants, and investments related to objectives and strategies below. To get a better sense of how we arrived at these priorities, we encourage readers to refer to the Economic Action Plan documents, found at www.hiceec.org.

Thematic 1: Expand the Economy

1. Increase year-round rentals
2. Visitor shoulder season development
3. Attract new families and support new residents
4. Support new businesses and collaborations
5. Support for the arts sector

Thematic 2: Improve Affordability

6. Ferry advisory committee participation
7. Grants for community organizations

Thematic 3: Enhance Self-Sufficiency

8. Promote the green economy and environmental conservation
9. Promote and support farming and food production
10. Promote and incent water conservation

Thematic 4: Provide Excellent Public Administration

11. Collect and publish key island information and statistics
12. Explore a strategic tax review
13. Office and administration (incl. annual plan refreshing)

2016 Initiatives

Thematic 1: Expand the Economy

PROJECT 1: Increase year-round rentals	
THEMATIC 1: EXPAND THE ECONOMY	
Year Initiated: 2016	Expected Completion: 2020
Board Lead: Katherine Ronan Staff Lead: Daniel Arbour	

1. Purpose

The 2015 Economic Action Plan indicated the lack of year-round rentals on the island, sometimes cited as caused by the trend in vacation rentals growth, secondary owners who do not rent, and a number of dwelling restrictions in some zonings, such as R1. Some ponder why developments such as ISLA (Island Secure Land Association) should not focus on a purely rental model, rather than ownership, while others favour the establishment of hostels, more summer staff accommodation, and new rental developments.

Some view the issue of availability of rentals as an affordability consideration, while others see it more as an element of flexibility in the economy. Some people are not willing to commit to buying a home on Hornby and living here full-time, regardless of the price. The underlying theme is that affordable, secure housing is recognized as the greatest bottleneck to having a more stable, viable, resilient and growing community. Over the next five years, HICEEC will focus on growing year-round rentals and affordable housing stock through targeted tactics and strategies.

2. 2017 Activities

- a. Support ISLA in growing affordable rental supply on island through administrative support
- b. Contribute towards rental supply solutions through collaboration with the HIRRA Housing Committee, including investigating the potential for a Hornby-scale housing authority function.
- c. Encourage private and public investment in rentals and affordable housing stock

3. Measure of Success/Target:

- Year-round rental units: goal of having a community year-round rental stock for 33% of resident population. This is based on Canadian rental/ownership long-term balance trend. Our target does not take into account how many households are displaced in the summer on Hornby, which would inflate the number of rental units required.
- Current estimate of total rental households on Hornby: 120
- Current estimate of total year-round households: 450
- Current estimate of rental vs. ownership ratio: 26%
- Number of additional rentals needed to meet 33% target with current population of 950: 28
- Number of additional rentals needed to meet 33% target if the population was 1500: 334

4. Intended Outcomes

Outcomes	Expect to see	Like to see	Love to see
Immediate (1 year)	Review of available strategies to increase rental stock, including providing administrative, planning, and fundraising assistance to the ISLA development	A clear plan supported by HIRRA, HICEEC, and Island Trust for a tax allocation that enables new rental stock.	New year-round rental stock being developed or made available.
Intermediate (2-5 years)	A clear plan supported by HIRRA, HICEEC, and Island Trust for a tax allocation that enables new rental stock.	New year-round rental stock being developed or made available.	15 new permanent year-round rental units
Long term (5 years +)	15 new permanent year-round rental units	30 new permanent year-round rental units	A plan to grow year-round available rentals to 33% ratio of community size.

5. Budget (year 1 – 2016)

	Cash	Partner Cash	Total
Project Contributors			
Comox Valley Regional District	6,000	0	6,000
Total:	6,000	0	6,000
Project Expenditures			
Research, administration, business planning, fundraising (HICEEC staff)	3,000		3,000
Support to ISLA – Property Taxes	1,800		1,800
Support to ISLA – Legal advice - Model			
Support to ISLA – Development Permit			
Support to ISLA – Director and Land insurance	1,200		1,200
Total:	6,000	0	6,000

6. List of Partners

- HIRRA housing committee
- Island Secure Land Association
- Islands Trust
- CVRD
- Elder Housing
- Vacation Rental Owners
- Non-resident owners/ratepayers



PROJECT 2: Visitor Shoulder Season Development	
THEMATIC 1: EXPAND THE ECONOMY	
Year Initiated: 2014	Expected Completion: 2020
Board Lead: Catherine Gray	
Staff Lead: Karen Ross	

1. Purpose:

Hornby Island is a premium tourism destination for visitors from Vancouver Island (58%), the Lower Mainland (>20%), and the Alberta and US northwest markets. In addition to accommodation revenues for B&Bs/resorts and campgrounds, over 100 homeowners derive part of their yearly income from vacation rentals. During the summer, tourism is a major economic driver that supports the market, events, artists, food, and other services.

While there is recognition the island is at capacity in the summer (based on existing infrastructure), there is a clear desire by the community to increase visits in the spring and fall seasons, which would help businesses stay open rather than not, while improving predictability, stability, and length of employment opportunities toward of a more year-round profile.

The project will build on the foundational work done in past years to better understand the island's tourism structures, drivers, and opportunities. In 2017, the project's goal will be to continue to make investments in long-term outreach and marketing tactics.

2. 2017 Activities:

- a. Continue moving to a user-pay model for this work, with public dollars used as seeding leverage.
- b. Continue to produce the Visitor Guide
- c. Leverage marketing opportunities through Destination BC in line with the Shoulder Season development plan.

3. Measure of Success/Target:

- Continued production of the Hornby/Denman Visitor Guide
- Integrated Hornbyisland.com and realhornby.com platforms and web traffic increase by 2%.
- New web content
- New web promotions
- Accessed Destination BC monies to leverage island marketing efforts.
- Increased number of spring and fall visits

4. Intended Outcomes:

Outcomes (produced in 2014)	Expect to see	Like to see	Love to see
Immediate (1 year)	- New Visitor's Guide - Review of Hornby tourism assets and recommendations. - Investments in web assets	- Complementary tourism partnerships with Denman, Comox Valley, and Vancouver Island	- Greater collaboration between Hornby businesses on their marketing strategies.
Intermediate (2-5 years)	- A professional, reflective, and consistent Hornby brand.	- Greater collaboration between Hornby businesses on shoulder season development	- Noticeable increase of Spring and Fall visits.
Long term (5 years +)	- Greater collaboration between Hornby businesses on their marketing strategies.	- Noticeable increase of Spring and Fall visits.	- More consistent tourism-related employment opportunities and conscientious visitors.

5. Budget

	Cash	Partner Cash	Total
Project Revenue			
Comox Valley Regional District	\$7,500		\$7,500
Destination BC (Province)	21,000		\$21,000
Hornbyisland.com	10,000		\$10,000
Visitor Guide and Map	22,000		\$22,000
Total:	\$60,500		\$60,500
Project Expenditures			
Hornby/Denman Visitor's Guide	22,000		\$22,000
Marketing coordinator	\$10,500		\$10,500
DBC Cooperative Marketing Program	21,000		\$21,000
Capital contribution, hornbyisland.com	7,000		\$7,000
Total:	\$60,500		\$60,500

6. List of Partners

- Hornby Festival
- HIAC
- Denman WORKS
- Tourism Vancouver Island
- Destination BC
- Comox Valley Marketing Office



PROJECT 3: Attract New Families & Support New Residents	
THEMATIC 1: EXPAND THE ECONOMY	
Year Initiated: 2016	Expected Completion: 2020
Board Lead: Catherine Gray	
Staff Lead: Karen Ross	

1) Purpose

The population of Hornby is aging, the school population has been in a long-term decline, and there is a need to start attracting new residents, with a focus on young people and families. As a new program stemming out of the Economic Action Plan, in 2016 we will engage current new residents and young families to better understand their experience of moving to Hornby, including what motivated them to move here, and what they see as opportunities and obstacles. One of our goals will be to take their input into future years to address the major obstacles they see, and help capitalize on opportunities identified. With this knowledge in hand, later in the year we will develop a multi-year strategy to attract new residents and young families to Hornby Island.

2) 2017 Activities

- a. Engage new residents and new young families in a structured manner to understand their experience, and what they see as priorities to help them and future new residents.
- b. Develop a multi-year strategy to attract new residents and families, with recommendations for tactics and budgets

3) Measure of Success/Target

- At least 15 new young families who have effectively moved and settled on Hornby by 2020.
- Strategy completed by December 2016

4) Intended Outcomes

Outcomes	Expect to see	Like to see	Love to see
Immediate (1 year)	Engagement of current new residents and young families.	Strategy for attracting new residents and young families.	Campaign plan for 2017 and beyond.
Intermediate (2-5 years)	Strategy for attracting new residents and young families.	Campaign deployed for 2017 and beyond.	At least 3 new young families per year and appropriate support.
Long term (5 years +)	At least 3 new young families per year.	School population in the range of 50-70	Increase in year-round population.

5) Budget

	Cash	Partner Cash	Total
Project Contributors			
Comox Valley Regional District	3,000		1,000
Total:	3,000		3,000
Project Expenditures			
Staff	1,000		1,000
Grant to support related activities	2,000		2,000
Total:	3,000		3,000

6) **List of Partners**

- New residents
- HIES
- Pre-school and school
- Other interested parties.



PROJECT 4: Support New Businesses and Collaborations	
THEMATIC 1: EXPAND THE ECONOMY	
Year Initiated: 2014	Expected Completion: 2020
Board Lead: Dale Armstrong	
Staff Lead: Karen Ross	

1. Purpose:

Hornby Island does not currently have a Chamber of Commerce to represent and serve the interest of businesses and entrepreneurs on the island. HICEEC de facto provides an opportunity to close this gap by reaching out to businesses to understand key concerns and opportunities, and provide business support services and coordination where appropriate.

In 2016, HICEEC will continue to reach out to entrepreneurs through business mixers, and the delivery of topical business development workshops. A survey will be conducted to review the types of services Hornby businesses could see HICEEC assisting with in the future. HICEEC will also enhance its connections with the Comox Valley Chamber of Commerce and the Vancouver Island Economic Alliance (a network of economic stakeholders on Vancouver Island that promotes community economic development, and business knowledge exchange).

2. 2017 Activities:

- a. Deliver semi-annual business mixers.
- b. Bring together key businesses to discuss future long-term investment on Hornby and possible priorities.
- c. Be responsive to requests from the community to provide economic analysis as needs arise.
- d. Launch a Hornby Island micro-lending fund, likely to focus on youth entrepreneurship
- e. Support new commercial spaces

3. Measure of Success/Target

- Two business mixers
- 1 convening event in a targeted sector
- Two-way learning/sharing of opportunities for Hornby Island with off-island agencies

4. Intended Outcomes

Outcomes	Expect to see	Like to see	Love to see
Immediate (1 year)	Opportunities for businesses to network across sectors	At least 40 businesses partake in workshops/mixers	Identification of business gaps and needs that demand collaboration
Intermediate (2-5 years)	Regular/well-attended business development mixers and workshops	HICEEC recognized as a business supportive organization	Cross-sector business collaborations on key gaps and needs
Long term (5 years +)	HICEEC recognized as a business supportive organization.	Cross-sector business collaborations on key gaps and needs	Emergence of new business and community ventures and investments

5. Budget

	Cash	Partner Cash	Total
Project Contributors			
CVRD	\$8,000		\$8,000
Hornby Businesses		\$500	\$500
Hornby Island Micro-Lending Fund		\$5,000	\$5,000
Total:	\$8,000	\$5,500	\$13,500
Project Expenditures			
Economic Development Facilitator	\$7,000		\$7,000
Two Business mixers	\$500	\$500	\$1,000
Comox Valley Chamber membership	\$150		\$150
Travel & Advertising	\$350		\$350
Loans (no public \$ - just private contributions)		\$5,000	\$5,000
Total:	\$8,000	\$5,500	\$13,500

6. List of Partners

- Hornby Island businesses (over 200)
- Comox Valley Chamber of Commerce
- Small Business BC
- Vancouver Island Economic Alliance
- Community Futures
- Union Bay Credit Union



PROJECT 5: Support for the Arts Sector

THEMATIC 1: EXPAND THE ECONOMY

Year Initiated: 2014

Expected Completion: 2020

Board Lead: Cath Gray

Staff Lead: Karen Ross

1. Purpose:

An interesting trend is the concern over “gentrification” of Hornby Island as the cost of living increases. ‘Erosion of alternative culture’ is often listed; there is a strong sentiment that artists are the ‘canary in the coal mine’ in terms of preserving the draw and uniqueness of Hornby as a creative and affordable place to be, which in turn supports the broader economy and contributes to our quality of life.

In terms of *which* supports to provide to artists, there is a range of ideas. Artists who responded to the survey listed the following needs as their highest:

- Improving affordability (especially housing)
- More training and development opportunities
- Financing for businesses and start-ups
- Increase size of the economy
- Make bylaws and policies more friendly to business and investment

2. 2017 Activities:

- a. Consider support to an Arts Centre
- b. Support for collateral (website, publications)
- c. Support for training (e.g., business)
- d. Incentives for artist-led projects

3. Measure of Success/Target

- Sector ranking for employment: third or higher in 2020

4. Intended Outcomes

Outcomes	Expect to see	Like to see	Love to see
Immediate (1 year)	Discussion with arts sector on opportunities.	Prioritization of opportunities.	Funding for at least one initiative.
Intermediate (2-5 years)	Prioritization of opportunities.	Funding for at least one initiative.	Funding for additional initiatives based on success.
Long term (5 years +)	Regular funding for arts initiatives.	Strengthened arts sector.	Strong island reputation for creativity.

5. Budget

	Cash	In-Kind	Total
Project Contributors			
CVRD	\$5,000		\$5,000
Total:	\$5,000		\$5,000
Project Expenditures			
Support to Art organizations	\$2,500		\$2,500
Staff	\$2,500		\$2,500
Total:	\$5,000		\$5,000

6. List of Partners

- Hornby Island Arts Council
- Hornby Festival Society
- Hornby Blues Society
- Other artist-related non-profits



THEMATIC 2: Improve Affordability

PROJECT 6: Ferry Advisory Committee Participation

THEMATIC 2: IMPROVE AFFORDABILITY

Year Initiated: 2015

Expected Completion: 2020

Project Lead: Dale Armstrong

Staff Lead: Daniel Arbour

1. Purpose

The ferry service is listed as the second-highest obstacle to developing our community, next to affordable housing. Over the past year, HICEEC has appointed a staff member to the Ferry Advisory Committee. The key priority is to improve the schedule in the shoulder season and keep pressure off of fares. BC Ferries says they are happy to invest if they sense that the community is as well. Our goal for this year is to continue to develop a solutions-based approach with BC Ferries to improve the schedule.

2. 2017 Activities

- a. Participation in Ferry Advisory Committee (FAC), either through representation or providing research and analysis to the group.

3. Measure of Success/Target:

- Improvement to shoulder season schedule and overall service satisfaction.

4. Intended Outcomes

Outcomes	Expect to see	Like to see	Love to see
Immediate (1 year)	Improved shoulder season schedule	Solutions approach with BC Ferries	Other improvements in service
Intermediate (2-5 years)	Solutions approach with BC Ferries	Other improvements in service	Residents happy with the service
Long term (5 years +)	Solutions approach with BC Ferries	Other improvements in service	Residents happy with the ferry service

5. Budget

	Cash	Partner Cash	Total
Project Contributors			
Comox Valley Regional District	\$250		\$250
Total:			
Project Expenditures			
Ferry Advisory Participation (outreach, research, analysis, input)	\$250		\$250
Total:	\$250		\$250

6. List of Partners

- BC Ferries
- FAC members



PROJECT 7: Grants for Community Organizations	
THEMATIC 5: IMPROVE AFFORDABILITY	
Year Initiated: 2012	Expected Completion: 2020
Board Lead: Darren Bond	
Staff Lead: Daniel Arbour	

1. Purpose

The non-profits sector and other collaborative efforts are critical to Hornby Island's quality of life and economic well-being. For the past number of years HICEEC has offered grant contributions to community organizations for economic enhancement related projects. This initiative provides tax support access to non-profit and business groups, and to maintain the ability to be flexible around emerging needs over the year.

2. 2017 Activities

- Open granting call
- Grant impacts monitored and reviewed annually.

3. Measure of Success/Target:

- At least 8 applications, aligned with HICEEC criteria
- Overall 1:1 minimum matching fund over the year.

4. Intended Outcomes

Outcomes	Expect to see	Like to see	Love to see
Immediate (1 year)	Strategic support to non-profits	Leverage in projects funded	Shared planning and prioritizing between non-profits.
Intermediate (2-5 years)	Strategic support to non-profits	Leverage in projects funded	Shared planning and prioritizing between non-profits.
Long term (5 years +)	Strategic support to non-profits	Leverage in projects funded	Shared planning and prioritizing between non-profits.

5. Budget

	Cash	In-Kind	Total
Project Contributors			
Comox Valley Regional District	\$8,000		\$8,000
Total:	\$8,000		\$8,000
Project Expenditures			
Grants	\$8,000		\$8,000
Total:	\$8,000		\$8,000

6. List of Partners

- CAST (Community Action Solutions Together)

THEMATIC 3: Enhance Self-Sufficiency

PROJECT 8: Promote the Green Economy / Environmental Conservation	
THEMATIC 4: ENHANCE SELF-SUFFICIENCY	
Year Initiated: 2014	Expected Completion: 2020
Board Lead: John Heinegg Staff Lead: Daniel Arbour	

1. Purpose

In recent years, the growing relative cost of transportation, including ferries, gas, and electricity, has put noticeable cost pressures on Hornby businesses and households. For many, the island's dependency on BC Ferries and BC Hydro and rising costs has become a critical issue. In relation to the stated goals of the Hornby Island Community Vision statement, it is arguable that these two areas have seen the least progress towards the intended island vision. The purpose of this initiative is to identify, and invest in constructive ways to improve the island's green economy, with a focus on energy and transportation systems.

2. 2017 Activities:

- Develop the first electric vehicle public charging station on Hornby
- Investigate future demonstration projects, for solar and non-gas technologies.
- Encourage public/partnerships and awareness

3. Measure of Success/Target:

- A public EV charging station is developed
- New green energy projects are identified
- A multi-year energy and transportation plan is initiated

4. Intended Outcomes:

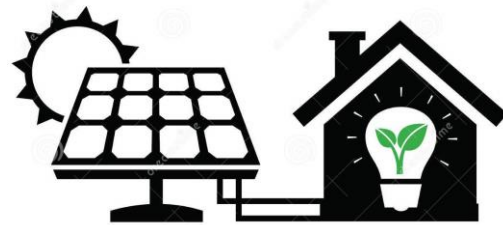
Outcomes	Expect to see	Like to see	Love to see
Immediate (1 year)	Emergence of an Energy and Transportation Steering Group	Prioritization of potential actions and ideas worth investigating.	A multi-year energy and transportation plan.
Intermediate (2-5 years)	Prioritization of potential actions and ideas worth investigating. One project is implemented per year.	A multi-year energy and transportation plan.	Seed investments in pilot alternatives with strategic partners.
Long term (5 years +)	Ongoing tangible investments in alternatives with strategic partners	Some level of community ownership or management of key energy and transportation systems	Significant reduction in dependence to oil, and more economic benefits or less costs related to E&T systems.

5. Budget

	Cash	Partner Cash	Total
Project Contributors			
HICEEC	\$2,700		\$2,700
Private contributor to EV station	\$300		\$300
Total:	\$3,000		\$3,000
Project Expenditures			
EV Charging Station	\$1,500		\$1,500
Research and initiate new initiatives, and long-term transportation and energy strategy	1,500		\$1,500
Total:	\$3,000		\$3,000

6. List of Partners

- Interested Hornby Island residents
- HIRRA, Credit Union, Coop
- Comox Valley Regional District



PROJECT 9: Promote and Support Farming and Food Production	
THEMATIC 4: ENHANCE SELF-SUFFICIENCY	
Year Initiated: 2014	Expected Completion: 2018
Board Lead: Katherine Ronan	
Staff Lead: Daniel Arbour	

1. Purpose:

Hornby Island has a vibrant food and agriculture sector that has much room to grow. With meat, vegetable and floral growers, beverage and specialty products producers, many businesses help us achieve a certain level of food security described in the Vision 2020. The purpose of this project is to identify support opportunities to growers and food product producers to enhance the sector, on a demand basis.

2. Activities:

a. No activities planned this year

3. Measure of Success/Target

b- Responsive to request for future support by farmers/producers or groups.

4. Intended Outcomes

Outcomes	Expect to see	Like to see	Love to see
Immediate (1 year)	HICEEC developing a plan for food and agricultural program investment	Emergence of a Steering Group for the initiative.	Identification of funding partnerships to support future efforts
Intermediate (2-5 years)	An active Steering Group for the initiative.	Funding partnerships to support efforts	Successful investments in product development and sector supports
Long term (5 years +)	Successful investments in product development and sector supports	A strong healthy and local food culture on the island.	A thriving sector as described in the Community Vision.

5. Budget

	Cash	In-Kind	Total
Project Contributors			
Comox Valley Regional District	\$0		\$0
Total:	\$0		\$0
Project Expenditures			
Secure lease	\$0		\$0
Total:	\$0		\$0

6. List of Partners

- Farmland Trust Society
- Growers Producers Alliance
- Coop. Farmer's market



PROJECT 10: Promote and Incent Water Conservation	
THEMATIC 4: ENHANCE SELF-SUFFICIENCY	
Year Initiated: 2016	Expected Completion: 2020
Board Lead: Darren Bond	
Staff Lead: Karen Ross	

1. Purpose

Water is one of Hornby Island's most precious, and often scarce, resources. It is also seen as a major obstacle to support for development. Working with partners, we will investigate the best ways to improve water storage on the island, including consideration of community water systems, incentives to home-owners to invest in rainwater catchment, and education and outreach.

2. Activities

- a. Approve Hornby Island Water Plan and move forward on at least one recommendation from the report.

3. Measure of Success/Target:

- At least one recommendation in the plan is being pursued and implemented

4. Intended Outcomes

Outcomes	Expect to see	Like to see	Love to see
Immediate (1 year)	Plan for how HICEEC can support water conservation goals	Identification of funding opportunities for infrastructure and/or household incentives	Grant applications for higher-level government funding
Intermediate (2-5 years)	Identification of funding opportunities for infrastructure and/or household incentives	Incentive program for water storage and management	Critical mass of homeowners invests in water storage and filtration.
Long term (5 years +)	Incentive program for water storage and management	Critical mass of homeowners invests in water storage and filtration.	There is enough community water storage to support the island's use year-round.

5. Budget

	Cash	In-Kind	Total
Project Contributors			
Comox Valley Regional District	\$1,500		\$1,500
Total:	\$1,500		\$1,500
Project Expenditures			
Research & potential pilot	\$1,500		\$1,500
Total:	\$1,500		\$1,500

6. List of Partners

- Hornby Water Stewardship
- Government of BC



THEMATIC 5: PROVIDE EXCELLENT PUBLIC ADMINISTRATION

PROJECT 11: Collect and Publish Key Island Information and Statistics	
THEMATIC 5: PROVIDE EXCELLENT PUBLIC ADMINISTRATION	
Year Initiated: 2015	Expected Completion: 2020
Board Lead: Darren Bond	
Staff Lead: Daniel Arbour	

1. Purpose

Businesses, individuals, and non-profit organizations need accurate local information to make good decisions, and set priorities. Following the result of the Economic Action Plan, we intend to continue providing information services that help inform public dialogue and knowledge about the state of Hornby's economy.

2. Activities

- Publish and maintain existing statistics
- Determine key new indicators and begin collection, such as in the following areas:
 - Population, employment and income, housing (ownership and rental), sectoral (e.g., tourism), communications, retail behaviours, taxation, energy and use (public, ALR), water

3. Measure of Success/Target:

- HICEEC website area for statistics
- At least one other organization or business provides feedback on the usefulness of our information service.

4. Intended Outcomes

Outcomes	Expect to see	Like to see	Love to see
Immediate (1 year)	List of key statistics	Creation of HICEEC website area for stats	Publishing of available existing stats
Intermediate (2-5 years)	Creation of HICEEC website area for stats	Publishing of available existing stats	Publishing of targeted new statistics of relevance
Long term (5 years +)	Publishing of targeted new statistics of relevance	Utilization of data and trends for analysis	Common backing of organizations' plans using HICEEC-provided statistics

5. Budget

	Cash	In-Kind	Total
Project Contributors			
Comox Valley Regional District	500		500
Total:	500		500
Project Expenditures			
Create indicators and section on website	500		500
Total:	500		500

6. List of Partners

- Islands Trust
- CVRD
- Province of BC
- Statistics Canada
- Real Estate sector
- Destination BC

PROJECT 12: Explore Strategic Tax Review	
THEMATIC 5: PROVIDE EXCELLENT PUBLIC ADMINISTRATION	
Year Initiated: 2017	Expected Completion: 2020
Board Lead: Darren Bond Staff Lead: Daniel Arbour	

1. Purpose

The 2015 Economic Action Plan found 28% satisfaction with services provided for local property taxes paid. This project will investigate the potential to review the effectiveness of property tax allocations and impact on the Hornby economy.

2. Activities

- Contact HIRRA, Island Trust, and CVRD to assess appetite for a strategic tax review
- Chart a course for a possible review before 2020

3. Measure of Success/Target:

- Other tax-supported organizations show interest in such a project, and help chart a course for it.

4. Intended Outcomes

Outcomes	Expect to see	Like to see	Love to see
Immediate (1 year)	Other tax-funded organisations approached	A plan for completing a tax review	Work begins in 2017
Intermediate (2-5 years)	A plan for completing a tax review	Work begins in 2018	Tax review completed
Long term (5 years +)	Tax review completed	Recommendations being pursued	Future surveys indicate higher taxpayer satisfaction (above 40% satisfied).

5. Budget

	Cash	In-Kind	Total
Project Contributors			
Comox Valley Regional District	300		300
Total:	300		300
Project Expenditures			
Staff time – research and outreach	300		300
Total:	500		300

7. List of Partners

- Islands Trust
- CVRD
- HIRRA
- ISLANDS TRUST

PROJECT 14: Office and Administration	
THEMATIC 5: PROVIDE EXCELLENT PUBLIC ADMINISTRATION	
Year Initiated: 2012	Expected Completion: 2018 and ongoing
Board Lead: Darren Bond	
Staff Lead: Daniel Arbour	

1. Purpose:

Living on an island requires cooperation and collaboration to address challenges and capitalize on opportunities. HICEEC appreciates the role the organization is mandated with, which is to help foster an economy that reflects Hornby Island values. The organization benefits from core funding from Hornby Island taxpayers, through the Comox Valley Regional District, and as such intends to provide the best possible governance and administration of these funds. In addition, HICEEC aims to leverage its funds by a factor of at least 1:1, via grants, delivery partnerships, and volunteer engagement.

2. Activities:

- Provide administrative support to multiple initiatives
- Identify potential new board members
- Implement our strategic direction and refresh the Economic Action Plan in the fall
- Develop multiplier effects for each project
- Communicate activities and results

3. Measure of Success/Target:

- Monthly report of financials to Board with early notification of under and overruns
- Bulls-eye variance of actuals to budget
- Leveraged monies by a factor of at least 1:2
- Net Board size increase of one member

4. Intended Outcomes:

Outcomes	Expect to see	Like to see	Love to see
Immediate (1 year)	Efficient use of resources, effective community engagement, and good governance	Engaged and responsible Board of Directors	Emergence of Steering Groups for key initiatives.
Intermediate (2-5 years)	Efficient use of resources, effective community engagement and proper administration and governance	Diverse Board of Directors and excellent succession processes for Staff and Board.	HICEEC recognized as a professional organization that is the “go-to-place” for furthering business and economic initiatives
Long term (5 years +)	Efficient use of resources, effective community	HICEEC recognized as a professional organization	HICEEC has achieved successful investments

	engagement, and proper administration and governance	that is the “go-to-place” for furthering business and economic initiatives on Hornby.	that have measurable benefits and impacts on Hornby Island.
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5. Budget

	Cash	In-Kind	Total
Project Contributors			
Comox Valley Regional District	\$18,250		\$18,250
HICEEC Board members		\$3,000	
HIRRA		\$3,000	
Total:	\$18,250	\$6,000	\$18,250
Project Expenditures			
Administrator	\$7,000		\$7,000
MERCS	\$1,000		\$1,000
Board meetings		\$3,000	
Travel	\$300		\$300
Equipment and supplies	\$1,200		\$1,200
Occupancy	\$800	\$3,000	\$800
Phone/Internet	\$1,500		\$1,500
Insurance	\$1,500		\$1,500
Bookkeeping/Accounting	\$1,200		\$1,200
Contingency (available for allocations to programs on opportunity/need basis)	\$3,500		\$3,500
Total:	\$18,250	\$6,000	\$18,250

6. List of Partners

- Comox Valley Regional District
- Union Bay Credit Union
- Hornby Island Residents & Ratepayers Association



2017 Annual Budget Summary

Income and Expenditures	CVRD Funds	Partners Cash	Total
Thematic 1: Expand the Economy			
Project 1: Increase year-round rentals	\$6,000		\$6,000
Project 2: Visitor shoulder season development	\$7,500	\$53,000	\$60,500
Project 3: Attract new families and support new residents	\$3,000		\$3,000
Project 4: Support businesses and collaborations	\$8,000		\$10,500
Project 5: Support for the arts	\$5,000		\$2,000
Thematic 2: Improve Affordability			
Project 6: Ferry advisory committee participation	\$250		\$250
Project 7: Grants for community organizations	\$8,000		\$8,000
Thematic 3: Enhance Self-Sufficiency			
Project 8: Promote the green economy and environmental conservation	\$2,700	300	\$1,500
Project 9: Promote and support farming and food production	\$0		\$0
Project 10: Promote and incent water conservation	\$2,500		\$1,500
Thematic 4: Provide excellent public administration			
Project 11: Collect / publish key island information and statistics	\$500		\$500
Project 12: Explore strategic tax review	250		250
Project 13: Office & administration	\$18,250		\$18,250
TOTAL	\$62,000	\$53,300	\$115,300

Five Years Financial Plan (2017-2021)					
Revenue	BUDGET 2017	2018	2019	2020	2021
CVRD Contract	62,000	62,000	62,000	62,000	62,000
Other revenue	\$53,300	53,300	53,300	53,300	53,300
Total Revenue	115,300	115,300	115,300	115,300	115,300
Expenses (tax funds only)					
Core Activities/ Administration	18,250	18,250	18,250	18,250	18,250
Program and Projects					
1. Expand the economy	30,300	30,300	30,300	30,300	30,300
2. Improve affordability	8,250	10,500	12,500	12,500	12,500
3. Enhance self-sufficiency	5,200	5,200	5,200	5,200	5,200
Total Expenses	62,000	62,000	62,000	62,000	62,000

Board, Staff, and Partners

HICEEC Board of Directors – 2016/2017

John Heinegg, Board Chair
 Darren Bond, Board, Treasurer, HIRRA rep & HR
 Katherine Ronan, Board, Secretary
 Catherine Gray, Board, HIRRA rep & HR
 Dale Armstrong, Board
 Carlyn Bishop, Board

HICEEC Staff

Daniel Arbour, Administrator
daniel@hiceec.com
 250.335.1199

Karen Ross, Economic Development Facilitator
karen@hiceec.com
 250.335.1199

Associate (CEAS – Employment and training)
 Dominique Husereau
dominique@ceas.ca

Hornbyisland.com (Partner)
 Jake Berman
sales@hornbyisland.com

HICEEC Delivery Partners



HORNBY ISLAND RESIDENTS AND RATEPAYERS ASSOCIATION
 Providing services and a voice for our island community.



Destination
 British Columbia...



Denman WORKS!



HICEEC – Revised Five Year Financial Plan (2018-2021)

Revenue

CVRD Contract

Total Revenue

Budget 2017	Budget 2018	Budget 2019	Budget 2020	Budget 2021
62000	62000	62000	62000	62000
62000	62000	62000	62000	62000

Expenses

Core Activities (Administration)

Budget 2016	Budget 2017	Budget 2018	Budget 2019	Budget 2020
19,000	19,000	22,500	24,000	25,500

Programs and Projects

Community Capacity Building
(Grants)

Expand the Economy
(Shoulder Season Development)

Expand the Economy
(Affordable Housing / Rentals)

Expand the Economy
(Attract New Families / Support
New Residents)

Expand the Economy
(Infrastructure for Commercial /
Community Work Space)

Expand the Economy
(Business Support Coordination)

Expand the Economy
(Support for the Arts)

Improve Affordability
(Ferry Advisory Participation)

Improve Affordability
(Bus transportation)

Self-Sufficiency
(Green Energy)

Self-Sufficiency
(Food Production)

Self-Sufficiency
(Ecosystem Conservation)

Total Expenses

10,000	10,000	5700	6,000	6,000
7,500	7,500	2,000	7,000	7,000
12,000	12,000*	7,000	7,000	7,000
1,000	1,000	0	0	0
1,000	1,000	0	0	0
5000	5000	4750	5000	5000
2000	2000	4800	5000	5000
500	500	0	0	0
0	0	12,250	4500	3000
1,500	1,500	1,000	1,500	1,500
1,500	1,500	0	0	0
1,000	1,000	2,000	2,000	2,000
62,000	62,000	62,000	62,000	62,000



CVRD Economic Development Services Contract with HICEEC: 2018- 2021 Budget Assumptions, Changes, and Possible Capital Investment

November 27th, 2017

Overview of operating allocation

HICEEC is appreciative of the opportunity to manage economic development services for Hornby Island on behalf of CVRD. In 2015 we produced a 5 years Economic Action Plan which defines our priorities, and which we revise each year. 2017 was a landmark year in which many of our project advanced significantly. The organization continues to serve multiple functions – including acting as a de facto Chamber of Commerce; as the Destination Marketing Organization; and as the broad Economic Development Corporation that hosts key projects (such as affordable housing and working towards and Arts Centre), and investing in green infrastructure. Over the past 4 years we have increased our budget by \$30k from other sources on an ongoing basis, in addition to securing occasional strategic provincial and foundation grants.

Looking ahead, we are not planning major revisions for the next 3 years, but in year 2020 we expect to update the Strategic Plan after we re-engage the community towards a 2040 Vision (we have been drive by the 2020 Vision produced in 2002 to inform our priorities).

Budget Assumptions

HICEEC assumes that the requisition will be maintained at the same amount each year to 2020. Currently we do not apply any inflation rate to our request to avoid “tax increase creep” perception by our taxpayers and stakeholder. We expect to review the yearly amount and make recommendations in 2020/2021 as we look to re-negotiate the contract with CVRD.

As it stands, we understand the economic development reserve for HICEEC sits at about 50k after we successfully worked with CVRD to allocate a 25k grant to the ISLA affordable housing project. We do have two possible initiatives that could request fund. These are the proposed new Arts Centre Building, and the proposed Sparks project at the old firehall. The board of HICEEC has not greenlighted either possible investment recommendations, pending completion of their respective business plans and securing of senior-level funding. We will advise CVRD

staff well in advance as these projects advance if we plan to support a request from the Hornby Island Economic Development Reserve.

Capital Investments

HICEEC does not intend to pursue capital investments in 2018 for our organization itself. However we will be assisting ISLA in re-submitting an application for Community Works funding for the Beulah Creek Project – a proposal supported by HICEEC, HIRRA, and the Island Trust. The project now benefits from active support and involvement with BC Housing.

Hornby Bus

Based on the success of the initial bus pilot in 2017, we are allocating \$10,000 from our 2018 operating budget for extending the bus trial to the summer of 2018, and we expect a \$10,000 match from local businesses. We have been in discussion with Director Bruce Joliffe and Mike Zbarsky (Transit Manager), and to ensure a full summer trial we hope to access an additional 18,000 from the “Hornby Feasibility Studies” line item to support the pilot and evaluation thereof as directed by CVRD staff. As Hornby currently pays about 60k per year to Comox Transit, we expect that the pilot will lead to a set of recommendations for Hornby residents and the CVRD to consider in the Fall of 2018.

Please don't hesitate if you have any questions relating to our proposed budget and status.

Daniel Arbour

Administrator, HICEEC

daniel@hiceec.com