



Regional Services Committee Meeting Agenda

Wednesday, March 28, 2018
9:30 AM - Boardroom

1. APPROVAL OF AGENDA

2. ADOPTION OF MINUTES

M1. Regional Services Committee Meeting of February 28, 2018

Recommendation That the minutes of the Regional Services Committee meeting of February 28, 2018 be adopted.

M2. Special Regional Services Committee Meeting of March 14, 2018

Recommendation That the minutes of the Special Regional Services Committee meeting of March 14, 2018 be adopted.

3. BUSINESS ARISING FROM THE MINUTES

4. PUBLIC INPUT PERIOD

The purpose of the Public Input Period is to provide the public with an opportunity to comment on an agenda item before the Board / Committee / Commission considers the item. The Public Input Period Procedure Policy provides for the public input period to proceed in a timely fashion. Public Input Period items cannot include matters which are, or have been, the subject of a Public Hearing.

5. DELEGATIONS

6. CORRESPONDENCE

7. INFORMATION

8. REPORTS

R1. Report from the Manager, Environmental Services Re: Proposed Water and Watershed Protection Service

Recommendation That it be recommended to the Board that a draft service establishment bylaw be prepared based on Option 2 of the March 13, 2018 report from the Manager, Environmental Services for consideration by the Regional Services Committee.

R2. Report from the General Manager, Corporate Services Re: Proposed Affordable Housing Service Establishment

Recommendation For Direction

R3. Report and PowerPoint Presentation from the Manager, Economic Development Re: Cowichan Tech Strategy

Recommendation For Information

R4. Report and PowerPoint Presentation from the Manager, Economic Development Re: Cowichan Agricultural Equipment Library Study

Recommendation For Information

R5. Report by the Environmental Analyst/Technician, Environmental Services Re: 2018 Environmental Services Budget Amendments – Functions 131 Environmental Initiatives and 540 Liquid Waste Plan – South Sector

Recommendation That it be recommended to the Board:

1. That the 2018 Budget for Function 131 Environmental Initiatives be amended to:
 1. Increase Federal Conditional Grants revenue by \$46,934;
 2. Increase Provincial Conditional Grants revenue by \$42,494;
 3. Decrease Transfer from Gas Tax revenue by \$3,148;
 4. Increase Surplus revenue by \$35,000;
 5. Decrease Regional Sustainability Plan / Climate expense by \$3,148;
 6. Increase Contract for Services expense by \$21,678;
 7. Increase Flood Plain Management expense \$67,750; and
 8. Increase Project Expenditures expense by \$35,000.
2. That the 2018 Budget for Function 540 Liquid Waste Plan – South Sector be amended to:
 1. Increase Transfer from Gas Tax revenue by \$18,353; and
 2. Increase Contract for Services expense by \$18,353.
3. That Function 131 – Environmental Initiatives requested Contract for Services expenditures be authorized to proceed prior to approval of the 2018 Budget amendment

R6. Report and PowerPoint Presentation from the Manager, Recycling & Waste Management Re: Solid Waste Management Plan Amendment No. 4 Project Update

Recommendation For Information

R7. Report from the Acting Manager, Public Safety Re: Agreement – Woodley Range 911 Repeater Site

Recommendation That it be recommended to the Board that the 10-year co-location renewal agreement between Rogers Communications Incorporated and the Cowichan Valley Regional District be approved.**9. UNFINISHED BUSINESS****10. NEW BUSINESS****11. QUESTION PERIOD**

Questions shall be addressed to the Chair and must be truly questions and not statements of opinions. Questioners are not permitted to make a speech.

12. CLOSED SESSION

Motion that the meeting be closed to the public in accordance with the *Community Charter* Part 4, Division 3, Section 90, subsections as noted in accordance with each agenda item.

CS1. SR1 Land Acquisition {Sub (1)(e)}

Recommendation n/a**13. ADJOURNMENT**

Minutes of the Regional Services Committee Meeting held on Wednesday, February 28, 2018 in the Board Room, 175 Ingram Street, Duncan BC at 9:35 AM.

PRESENT: Chair L. Iannidinardo
Director S. Acton
Director K. Davis
Director B. Day
Director M. Dorey
Director S. Jackson
Director K. Kuhn
Director J. Lefebure
Director K. Marsh
Director M. Marcotte
Director I. Morrison
Director A. Nicholson
Director T. Walker
Director A. Stone
Alternate Director C. Morris

ALSO PRESENT: B. Carruthers, Chief Administrative Officer
M. Kueber, General Manager, Corporate Services
J. Barry, Corporate Secretary
R. Blackwell, General Manager, Land Use Services
H. Hatami, General Manager, Engineering Services
A. Jeffery, Procurement Officer
B. Farquhar, Manager, Parks & Trails
A. Melmock, Manager, Economic Development
S. Moss, Manager, Finance
T. Waraich, Manager, Recycling & Waste Management
L. Smith, Assistant Finance Manager
A. Tokarek, Asset Coordinator
B. Suderman, Planner III
T. Daly, Recording Secretary

ABSENT: Director M. Clement

APPROVAL OF AGENDA

It was moved and seconded that the agenda be amended by moving Item UB2 to be dealt in conjunction with Item C1, that Item R7 be moved after Item C1, and that the agenda, as amended, be approved.

MOTION CARRIED

ADOPTION OF MINUTES

M1 Regular Regional Services Committee meeting of January 24, 2018

It was moved and seconded that the minutes of the Regular Regional Services Committee meeting of January 24, 2018 be adopted.

MOTION CARRIED

BUSINESS ARISING FROM THE MINUTES

Director Kuhn spoke to the process and differing financial figures of the proposed drinking water and watershed protection service and requested that more information and clarity be provided.

It was moved and seconded that a report be prepared clarifying the financial details of the proposed Drinking Water and Watershed Protection service.

MOTION CARRIED

CORRESPONDENCE

C1 Correspondence from the Cowichan Housing Association Re: Affordable Housing in the Cowichan Region was received for information.

UB2 Report from the Senior Planner, Land Use Services Re: Affordable Housing-Cowichan Housing Association's Proposal to Establish a Regional Service

Item UB2 was moved to follow C1 at the time of adoption.

It was moved and seconded that a report be prepared for the March 28, 2018 Regional Services Committee meeting outlining the elector approval options and the tax rate details for a proposed Affordable Housing Financial Contribution Service.

MOTION CARRIED

REPORTS

R7 Report from the Assistant Manager, Finance Re: Draft 2018 Cowichan Valley Regional Hospital District Budget

It was moved and seconded that it be recommended to the Board:

1. That the 2018 Cowichan Valley Regional Hospital District (CVRHD) budget as presented be forwarded to the Hospital Board for consideration.
2. That up to \$5,220,000 in expenditures be approved as the CVRHD's contribution to the capital cost of building a new hospice facility, with funds to come from the capital reserve fund.
3. That \$2,960,000 of unallocated contingency funds be used to cover the CVRHD's 40% share of the 2018 Major Capital Projects.

MOTION CARRIED

R1 Report from the Senior Environmental Analyst - Energy Re: Asset Management 2018 Budget Amendment

It was moved and seconded that it be recommended to the Board:

1. That the 2018 Budget for Function 280 – Regional Parks be amended to:
 1. Increase transfer from federal conditional grants by \$33,435; and
 2. Increase consulting services by \$33,435.
2. That the 2018 Budget for Function 520 – Solid Waste Management Complex be amended to:
 1. Increase transfer from federal conditional grant revenue by \$11,015; and
 2. Increase Asset Management Expenses by \$11,015.
3. That the 2018 Budget for Function 571 – Asset Management be amended to:
 1. Increase transfer from federal conditional grant revenue by \$141,000;
 2. Increase transfer from provincial conditional grant revenue by \$15,000;
 3. Increase training expenses by \$4,500;
 4. Increase consulting services by \$141,500; and
 5. Increase wages by \$10,000.
4. That Function 280 – Regional Parks, Function 520 – Solid Waste Management Complex, and Function 571 – Asset Management Budget amendments be authorized to proceed prior to approval of the 2018 Budget amendment.

Director Morrison was absent at the vote.

MOTION CARRIED

R2 Report from the Senior Environmental Technologist, Recycling & Waste Management Re: Short-Term Borrowing for 2018 Solid Waste Management Budget

It was moved and seconded that it be recommended to the Board:

1. That short-term borrowing of up to \$175,000 be approved for purchase of a replacement loader at the Bings Creek Solid Waste Management Complex, to be paid back over five years as per the Liabilities under Agreement Section 175 of the *Community Charter*; and
2. That short-term borrowing of up to \$50,000 be approved for the purchase of a pickup truck for solid waste operations, to be paid back over five years as per the Liabilities under Agreement Section 175 of the *Community Charter*.

Director Morrison was absent at the vote.

MOTION CARRIED

R3 Report from the Manager, Economic Development Re: Tourism Operating Reserve Request

It was moved and seconded that it be recommended to the Board:

- 1. That the Tourism Cowichan Society be approved \$15,888 from the Tourism Operating Reserve for destination marketing activities.**
- 2. That Function 123 – Regional Tourism 2018 Budget be amended to increase Transfer from Operating Reserve by \$15,888 and increase Grant to Organization by \$15,888.**
- 3. That Function 123 – Regional Tourism 2018 Budget amendment be authorized to proceed prior to approval of the 2018 Budget amendment.**

MOTION CARRIED

10:56 AM It was the consensus of the Committee to recess at 10:56 a.m.

11:05 AM The meeting resumed at 11:05 a.m.

R4 Report from the Assistant Manager, Finance Re: 2018-2022 Five Year Financial Plan Bylaw Amendment

It was moved and seconded that it be recommended to the Board that Five Year Financial Plan (2018-2022) Amendment Bylaw No. 4188 be forwarded to the Board for consideration of first three readings and adoption.

Director Day was absent at the vote.

MOTION CARRIED

R5 Report from the Procurement Officer Re: Procurement Card Program

It was moved and seconded that it be recommended to the Board that the Cowichan Valley Regional District is authorized to borrow from, and incur other obligations to, BMO with respect to the Bank of Montreal's Commercial Card Program.

Director Day was absent at the vote.

MOTION CARRIED

R6 Report from the Procurement Officer Re: Community Benefit Hub Pilot Project - Strategic Procurement

It was moved and seconded that it be recommended to the Board that the Cowichan Valley Regional District join the Community Benefit Hub to advance Strategic Procurement as a founding member.

MOTION CARRIED

R7 Dealt with earlier on the agenda.

UNFINISHED BUSINESS

UB1 Report from the Parks & Trails Planner, Parks & Trails Re: Parks and Trails Volunteer Policy

It was moved and seconded that the Parks and Trails Volunteer Policy, attached to the Parks & Trails Division’s November 20, 2017 Staff Report, be referred back to staff for a report to include comments from the Parks Commissions.

MOTION CARRIED

It was moved and seconded that it be recommended to the Board that the Electoral Area Parks Commissions’ appointments be extended to December 31, 2018.

MOTION CARRIED

UB2 Report from the Senior Planner, Land Use Services Re: Affordable Housing - Cowichan Housing Association's Proposal to Establish a Regional Service

Item UB2 was moved to follow Item C1 at the adoption of the agenda.

UB3 Report from the Corporate Secretary Re: Options and Timing for Seeking Public Approval - Regional Grant-in-Aid Service Establishment Proposal

It was moved and seconded that it be recommended to the Board that the report from the Corporate Secretary Re: Options and Timing for Seeking Public Approval – Regional Grant-in-Aid Service Establishment Proposal be deferred to 2019 for consideration.

MOTION CARRIED

ADJOURNMENT

11:29 AM **It was moved and seconded that the meeting be adjourned.**

MOTION CARRIED

The meeting adjourned at 11:29 a.m.

Chair

Recording Secretary

Dated: _____

Minutes of the Special Regional Services Committee Meeting held on Wednesday, March 14, 2018 in the Board Room, 175 Ingram Street, Duncan BC at 3:03 PM.

PRESENT: Chair L. Iannidinardo
Director S. Acton
Director K. Davis
Director M. Clement
Director B. Day
Director M. Dorey
Director S. Jackson
Director K. Kuhn <after 3:24 PM>
Director K. Marsh
Director M. Marcotte
Director I. Morrison
Director A. Nicholson
Director T. Walker
Director A. Stone

ALSO PRESENT: B. Carruthers, Chief Administrative Officer
K. Harrison, Deputy Corporate Secretary
J. Elzinga, General Manager, Community Services
B. Mohan, Manager, Human Resources
S. Moss, Manager, Finance
L. Smith, Assistant Finance Manager
T. Daly, Recording Secretary

ABSENT: Director J. Lefebure

APPROVAL OF AGENDA

It was moved and seconded that the agenda be approved.

MOTION CARRIED

REPORTS

R1 Report from the General Manager, Corporate Services Re: 2018 Regional Grant-in-Aid Applications

3:24 PM Director Kuhn entered the meeting at 3:24 PM.

Cowichan Housing Association

It was moved and seconded that it be recommended to the Board that funding of \$77,500 for a Regional Grant-in-Aid for the Cowichan Housing Association be approved.

It was moved and seconded that the Cowichan Housing Association Regional Grant-in-Aid discussion be referred to the March 28, 2018 Regional Services Committee meeting.

MOTION CARRIED

Cowichan Green Community

It was moved and seconded that it be recommended to the Board that funding of \$30,000 for a Regional Grant-in-Aid for the Cowichan Green Community be approved.

It was moved and seconded that the motion be amended by decreasing the Regional Grant-in-Aid amount for the Cowichan Green Community from \$30,000 to \$15,000.

MOTION CARRIED

The main motion, as amended, was then voted on.

It was moved and seconded that it be recommended to the Board that funding of \$15,000 for a Regional Grant-in-Aid for the Cowichan Green Community be approved.

MOTION CARRIED

Mill Bay Marine Rescue Society

It was moved and seconded that it be recommended to the Board that funding of \$5,000 for a Regional Grant-in-Aid for the Mill Bay Marine Rescue Society be approved.

MOTION CARRIED

Cowichan Valley Naturalist Society

It was moved and seconded that it be recommended to the Board that funding of \$7,500 for a Regional Grant-in-Aid for the Cowichan Valley Naturalist Society be approved.

It was moved and seconded that the motion be amended by decreasing the Regional Grant-in-Aid amount for the Cowichan Valley Naturalist Society from \$7,500 to \$6,000.

MOTION DEFEATED

It was moved and seconded that the motion be amended by decreasing the Regional Grant-in-Aid amount for the Cowichan Valley Naturalist Society from \$7,500 to \$5,000.

MOTION CARRIED

The main motion, as amended, was then voted on.

It was moved and seconded that it be recommended to the Board that funding of \$5,000 for a Regional Grant-in-Aid for the Cowichan Valley Naturalist Society be approved.

MOTION CARRIED

Cowichan Beekeepers Society

It was moved and seconded that it be recommended to the Board that funding of \$1,500 for a Regional Grant-in-Aid for the Cowichan Beekeepers Society be approved.

MOTION CARRIED

Ladysmith Family and Friends Society

It was moved and seconded that it be recommended to the Board that funding of \$2,500 for a Regional Grant-in-Aid for the Ladysmith Family and Friends Society be approved.

MOTION CARRIED

Literacy Now Cowichan Society

It was moved and seconded that it be recommended to the Board that funding of \$10,000 for a Regional Grant-in-Aid for the Literacy Now Cowichan Society be approved.

MOTION DEFEATED

It was moved and seconded that it be recommended to the Board that funding of \$7,000 for a Regional Grant-in-Aid for the Literacy Now Cowichan Society be approved.

MOTION DEFEATED

It was moved and seconded that it be recommended to the Board that funding of \$5,000 for a Regional Grant-in-Aid for the Literacy Now Cowichan Society be approved.

MOTION CARRIED

Scouts Canada 1st Lake Cowichan

It was moved and seconded that the Regional Grant-in-Aid application from the Scouts Canada 1st Lake Cowichan be referred to the directors for Electoral Area F, Electoral Area I, and the Town of Lake Cowichan to be considered from their discretionary funds.

MOTION CARRIED

Ladysmith Festival of Lights Society

It was moved and seconded that it be recommended to the Board that funding of \$10,000 for a Regional Grant-in-Aid for the Ladysmith Festival of Lights Society be approved.

MOTION CARRIED

Providence Farm

It was moved and seconded that it be recommended to the Board that funding of \$25,000 for a Regional Grant-in-Aid for Providence Farm be approved.

It was moved and seconded that the Regional Grant-in-Aid application from Providence Farm be denied.

MOTION CARRIED

4:20 PM

Cowichan Intercultural Society

Director Jackson declared a conflict of interest as she has done work on the Cowichan Intercultural Society website and left the Board Room 4:20 p.m.

It was moved and seconded that it be recommended to the Board that funding of \$10,000 for a Regional Grant-in-Aid for the Cowichan Intercultural Society be approved.

MOTION CARRIED

4:26PM

Director Jackson returned to the Board Room at 4:26 p.m.

Cowichan Green Community

Director Stone requested that the Committee revisit the application for a Regional Grant-in-Aid from the Cowichan Green Community as there was additional information that the Committee did not have an opportunity to hear that may have an impact on their previous decision. The chair consented and the item was brought back for consideration.

It was moved and seconded that it be recommended to the Board that funding for a Regional Grant-in-Aid for the Cowichan Green Community be increased from \$15,000 to \$25,000.

MOTION DEFEATED

It was moved and seconded that it be recommended to the Board that funding for a Regional Grant-in-Aid for the Cowichan Green Community be increased from \$15,000 to \$40,000.

MOTION CARRIED

4:46 PM

By consensus, the Committee recessed at 4:46 PM.

4:58 PM

The meeting resumed at 4:58 PM.

Providence Farm

Director Jackson requested that the Committee revisit the application for a Regional Grant-in-Aid from Providence Farm as Committee members were unclear on the motion prior to the vote. The Chair consented and the item was brought back for consideration.

It was moved and seconded that it be recommended to the Board that funding of \$30,000 for a Regional Grant-in-Aid for Providence Farm be approved.

Director Clement was absent at the vote.

MOTION CARRIED

Handmade Hugs Society

It was moved and seconded that it be recommended to the Board that funding of \$1,000 for a Regional Grant-in-Aid for the Handmade Hugs Society be approved.

Director Clement was absent at the vote.

MOTION CARRIED

5:16 PM

BC Forest Discovery Centre

Director Clement returned to the meeting at 5:16 PM.

It was moved and seconded that it be recommended to the Board that funding of \$8,000 for a Regional Grant-in-Aid for the BC Forest Discovery Centre be approved.

MOTION DEFEATED

Cobble Hill Events

It was moved and seconded that it be recommended to the Board that funding of \$3,500 for a Regional Grant-in-Aid for the Cobble Hill Events Society be

approved.

MOTION DEFEATED

Cowichan Housing Association

It was moved and seconded that it be recommended to the Board that funding of \$10,000 for a Regional Grant-in-Aid for the Cowichan Housing Association be approved.

MOTION CARRIED

Clements Centre Society

It was moved and seconded that it be recommended to the Board that funding of \$15,000 for a Regional Grant-in-Aid for the Clements Centre Society be approved.

MOTION CARRIED

5:15 PM

Hiihe'yu Leleum (House of Friendship) Society

Director Iannidinardo declared a conflict of interest as she is employed by the House of Friendship and left the Board Room at 5:15 p.m. Director Marsh assumed the Chair.

It was moved and seconded that it be recommended to the Board that funding of \$15,000 for a Regional Grant-in-Aid for the Hiiye'yu Leleum (House of Friendship) Society be approved.

It was moved and seconded that funding for a Regional Grant-in-Aid for the Hiiye'yu Leleum (House of Friendship) Society be reduced from \$15,000 to \$10,000.

MOTION DEFEATED

It was moved and seconded that it be recommended to the Board that funding of \$15,000 for a Regional Grant-in-Aid for the Hiiye'yu Leleum (House of Friendship) Society be approved.

MOTION CARRIED

5:30 PM

Director Iannidinardo returned to the Board Room and assumed the Chair at 5:30 p.m.

ADJOURNMENT

5:31 PM

It was moved and seconded that the meeting be adjourned.

MOTION CARRIED

The meeting adjourned at 5:31 p.m.

Chair

Recording Secretary

Dated: _____



STAFF REPORT TO COMMITTEE

DATE OF REPORT March 13, 2018
MEETING TYPE & DATE Regional Services Committee Meeting of March 28, 2018
FROM: Environmental Services Division
Engineering Services Department
SUBJECT: Proposed Water and Watershed Protection Service
FILE:

PURPOSE/INTRODUCTION

The purpose of this report is to update the Committee on the status of the proposed Water and Watershed Protection Service and to seek direction for the development of a potential service establishment bylaw.

RECOMMENDED RESOLUTION

That it be recommended to the Board that a draft service establishment bylaw be prepared based on Option 2 of the March 13, 2018 report from the Manager, Environmental Services for consideration by the Regional Services Committee.

BACKGROUND

At the November 29, 2017, Regional Services Committee meeting, the following resolution was passed:

“That it be recommended to the Board that staff undertake a public engagement process for input to the establishment of a regional water/watershed protection service in accordance with the scope and costs described in the November 21, 2017 staff report from the Manager, Environmental Services, to be completed by the end of February 2018; and engage the Province to explore possible partnership and funding opportunities.”

In response to this resolution, the range of potential program activities for a proposed drinking water and watershed protection service were taken to the community for input during the month of February. A number of themes emerged through the public engagement process which have informed the options being presented for consideration (see Attachment B).

The issues associated with water and watershed protection are complex and vary throughout the regional district. The engagement focused on explaining the variety of threats and risks to our water and watersheds and the range of activities that the CVRD could undertake to mitigate risk and protect our water resources. There was an attempt to broaden the discussion from the specific issues facing individual water utilities to a strategic approach to understanding and managing the water values that are important to our residents and communities. General themes emerged from the February engagement process which have informed the recommendations contained in this report. These themes should also inform any future engagement on a proposed service establishment bylaw:

1. The public generally does not understand the structure of regional district services nor the complex regulatory framework governing service provision or taxation.
2. There is not a common understanding of the distinction between the direct delivery of services by individual water utilities and broader requirements for water and watershed protection.

3. Activities under the proposed service should be focused on action and implementation, not just plans and strategies.
4. There is an appreciation for the need to balance growth and development with the capacity to provide water now and into the future.
5. The cost of the service was identified as an issue, including a fundamental question about local government assuming responsibility for a provincial function and the direct impact of increased taxation on homeowners.
6. There is a recognition that water is vital to the future of the region and that measures need to be taken to protect the resource and that some degree of taxation is necessary.
7. Concerns were raised with the creation of an additional bureaucracy and the need for the CVRD to be assuming these responsibilities.

In general terms, views of the proposed service ranged from it not being necessary at all to it being needed immediately. Those areas directly impacted by water issues seemed to be more supportive of, or aware of, the need for the service.

ANALYSIS

The future issues and challenges facing our region are significant based on both climatic and population projections. Based on earlier public engagement and consultation with stakeholders and provincial and federal agencies, a regional approach to a service was recommended to address these challenges in an effective manner going forward. The approach must also support decisions based on appropriate information and data, effective communication and productive partnerships with other levels of government (First Nations, local, provincial, federal) and stakeholders. The following options are provided for consideration based on an analysis of the recent input and feedback received from the public, municipal partners and staff:

Option 1 - Full scope and full requisition (as presented in the November 21, 2017 staff report from the Manager, Environmental Services – see Attachment A)

A draft summary of all potential water and water-related activities and programs was provided to the Regional Services Committee in November 2017. This comprehensive scope of services included the development of watershed and water protection strategies, monitoring and data collection, development and ongoing monitoring of liquid waste management plans, integration and development of land use planning tools and policies, internal coordination, drainage planning and implementation, bulk water supply strategies, support to the Cowichan Watershed Board and others.

The option is comprehensive and ambitious and seeks to integrate a number of water related functions and organizational structures. The vision is future focused with a budget designed to accommodate both growth and potential future needs. The work plan would take a number of years to fully develop and implement in response to policy development and organizational capacity.

This approach would result in a substantial change to the CVRD organizational structure as water is a cross cutting element in multiple organizational units.

Creation of this service would allow the Board and local service participants to consider reduction or elimination of existing services that are being duplicated by this service.

The proposed maximum tax requisition for this service is **\$12.60/\$100,000** of residential assessment based on an annual budget of approximately \$2.5M. Please note that this is lower than the previously estimated \$15.00/\$100,000 which was based on the 2017 assessment.

Option 2 - Reduced scope/reduced requisition (see Attachment C)

This option would reduce the scope of proposed activities to focus on the following key elements:

- Integrated drinking water and watershed protection strategies
- Integrated land use policy and planning
- Partnerships public education
- Hazard identification and analysis
- Financial support to external organizations

This option removes the proposed integration of liquid waste and drainage master plans and provides a more focused scope for the function on long term water supply. The reduced complexity will allow more transparent communication of the programs objectives and outcomes. This is a substantial step forward within the region and provides a long term structure for watershed management beyond sequential projects available in the Environmental Initiatives function (131). This service would substantially meet the Board Regional Strategic direction.

The removal of the liquid waste master planning does potentially create future overlap in water quality monitoring and development of drainage master plans; however, this overlap can be addressed through organizational communication. The liquid waste master plans are, or can be, regulatory documents; removing them reduces the complexity of the program but also results in a non-regulatory planning process that will have to be integrated into other master plans (OCPs, DP, etc.)

Creation of this service would allow the Board and local service participants to consider reduction or elimination of existing services that are being duplicated by this service.

The proposed maximum tax requisition for this service is **\$7.06/\$100,000** of residential assessment based on an annual budget of approximately \$1.4M.

Option 3 - Status quo

Continue with the use of the Environmental Initiatives function (131) for water/watershed related projects as funding allows, with limited or no ability for long-term or ongoing programs.

The existing Environmental Initiatives function provides support to the development of a Regional Environmental Strategy as well as ongoing environmental planning support within the Environmental Services Division. Legal opinion has been provided that the focus of this function is on projects not programs; therefore, it is limited in scope and could not be expanded to long-term programming. Additionally, Function 131 is not a granting function, so other options for continued financial support to the Cowichan Watershed Board would have to be considered by the Board.

The current maximum requisition for Function 131 is set at a rate of **\$3.97 /100,000** of residential assessment for an annual maximum of approximately \$786,891.

FINANCIAL CONSIDERATIONS

The recommendations contained in this report will have no impact on requisition levels for 2018. Funding for public consultation and the outreach associated with a possible referendum has been identified within General Government. Impacts on future requisition levels are undetermined at this point and will be subject to future work plans and budgets.

There have been a number of inquiries regarding the method of potential taxation to be used and the merits of using an assessed value vs parcel tax model. Based on the analysis of staff it is recommended that an assessment based tax be utilized. A summary is provided in Attachment D.

Rescinding/reducing existing overlapping services is an option for the Board and local service participants as programs are functionally integrated. While some potential overlap may exist in the future for some functions such as the South Cowichan Water Management service or the Shawnigan Lake Authority service, it would require public assent to formally dissolve the function. The Board in their annual budget and organizational work plan deliberations would continue to have full control over any expenditures. Rescinding existing functions would have a positive taxation benefit for those areas already receiving services but there may still be increases to the net value based on the options chosen by the Board. Until such time as clear direction is provided by the Board and the electorate, it is not possible to predict the financial implications.

COMMUNICATION CONSIDERATIONS

At the direction of the Board, staff used various methods to obtain public and corporate input into the proposed service over the month of February, the focus was to allow input into the development of a service, not to communicate the specifics of a potential service as a pre-established decision about its form or function. This input used a variety of forms including public presentations, open houses, dialogue and the use of *PlaceSpeak* as a forum. The public input process is summarized in a public input summary attached as Attachment B. Any proposed bylaw will be communicated going forward as a referendum question with specifics regarding the proposed service and its objectives.

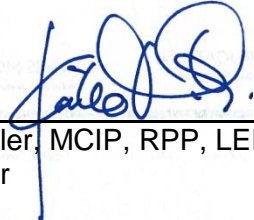
STRATEGIC/BUSINESS PLAN CONSIDERATIONS

Addresses the Regional Strategic Focus Area #3 Sound Fiscal Management

Referred to (upon completion):

- Community Services (*Island Savings Centre, Cowichan Lake Recreation, South Cowichan Recreation, Arts & Culture, Public Safety, Facilities & Transit*)
- Corporate Services (*Finance, Human Resources, Legislative Services, Information Technology, Procurement*)
- Engineering Services (*Environmental Services, Recycling & Waste Management, Water Management*)
- Land Use Services (*Community Planning, Development Services, Inspection & Enforcement, Economic Development, Parks & Trails*)
- Strategic Services

Prepared by:



Kate Miller, MCIP, RPP, LEED AP
Manager

Reviewed by:



Hamid Hatami, P. Eng.
General Manager



Brian Carruthers
Chief Administrative Officer

ATTACHMENTS:

- Attachment A – November 29, 2017 Report to Regional Services Committee
- Attachment B – February Consultation Summary
- Attachment C – Proposed Service Program Summary and Budget
- Attachment D – Parcel Tax Compared to Assessment Based Tax



STAFF REPORT TO COMMITTEE

DATE OF REPORT November 21, 2017

MEETING TYPE & DATE Regional Services Committee Meeting of November 29, 2017

FROM: Environmental Services Division
Engineering Services Department

SUBJECT: Watershed Management Service Establishment

FILE:

PURPOSE/INTRODUCTION

The purpose of this report is to provide an update and a continuing forum for discussions related to a potential integrated watershed management service, and more specifically to address what should be included and what geographic areas may be appropriate.

RECOMMENDED RESOLUTION

For Direction

BACKGROUND

At the April 26, 2017 Regular Board Meeting, a resolution was passed “that an analysis of the various options to support a watershed function for the CVRD (watershed specific, sub-regional or regional) for the committee’s review and further public input be developed.” Further to that meeting, direction was provided to staff at the October 25, 2017 Regional Services Committee meeting to return with an estimated cost of providing the full suite of proposed services at a regional scale.

ANALYSIS

The CVRD has determined that the development of integrated watershed management services meets the CVRD’s corporate strategy and objectives in a number of key areas, including, but not limited to, the orderly and strategic development of its communities, infrastructure, and stewardship as well as environmental, social, and climate adaption responses. This objective parallels and supports the communities’ ongoing desire to prioritize water and watershed protection, as expressed through numerous surveys and other community consultation processes over the last ten years across the region.

This dialogue to date has been about how best to achieve those objectives – should new services be added on in key areas or additional services be added to existing functions. Based on advice and ongoing dialogue with both internal and external agencies as well as consultants, it is recommended that a integrated and cross functional approach be taken to develop a more strategic basis for future planning, resulting in a deconstruction of existing financial and administrative silos.

Based on the direction of the Board to return with a financial estimate of those more functional services, the following was undertaken at a high level in comparison to those provided by the Regional District of Nanaimo as a example:

1. A review of the RDN Watershed function structure and budget.
2. A review of the CVRD’s current functions, services, and budgets.
3. The objectives of the proposed function and likely costs.

4. A review of what functions could be discharged over time in favour of the new service, either in whole or in part.
5. A proposed phased in approach and cost over 5 years.

The value of the program is not insignificant both in terms of a new approach or financial investments required. Many of these activities are already occurring; however, with the existing approach they are not as structured or synergistic as possible.

The associated financial summary table is attached with base budget amounts for each of the components, as well as the likely phased in values over time. Also attached is a table with the values for some existing functions that could be phased out. Should this function go forward, this is a substantial opportunity for a new way of doing master planning and program implementation in an integrated way in our organization and communities. As with most new process and structures, it is important to build in an adaptive approach that allows for ongoing refinement and adjustments.

If the Committee wishes to proceed with the establishment of a watershed function, the following direction would be appropriate: That staff undertake a public engagement process for input to the establishment of a regional water/watershed protection service in accordance with the scope and costs described in this report to be completed by the end of February 2018.

FINANCIAL CONSIDERATIONS

None at this time, pending the 2018 public consultation budget.

COMMUNICATION CONSIDERATIONS

An engagement strategy will be developed to solicit input from community members and key stakeholders.

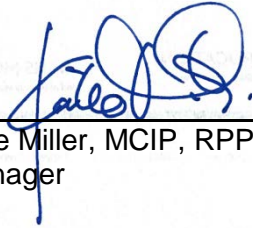
STRATEGIC/BUSINESS PLAN CONSIDERATIONS

This initiative is in support of the Board's strategic focus areas: 4. Protection of Water Resources; 2. Response to Climate Change; and 3. Engaging our Communities.

Referred to (upon completion):

- Community Services (*Island Savings Centre, Cowichan Lake Recreation, South Cowichan Recreation, Arts & Culture, Public Safety, Facilities & Transit*)
- Corporate Services (*Finance, Human Resources, Legislative Services, Information Technology, Procurement*)
- Engineering Services (*Environmental Services, Recycling & Waste Management, Water Management*)
- Land Use Services (*Community Planning, Development Services, Inspection & Enforcement, Economic Development, Parks & Trails*)
- Strategic Services

Prepared by:



Kate Miller, MCIP, RPP, LEED AP
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Reviewed by:

Not Applicable
Not Applicable



Brian Carruthers
Chief Administrative Officer

ATTACHMENTS:

- Attachment A – Integrated Watershed Function Costs
- Attachment B – Cost of Existing Functions

Integrated Watershed Function Costs – Preliminary**

Service Component	Existing function(s), where some of the function already deals with the issue to some limited extent	Total Budget (\$)	Phased Budget annual first 5 years (\$)	Cost per \$100,000 assessed value (2018 assessment)	
				Total Budget	Phased Budget
Integrated drinking water and watershed protection strategies					
Surface and groundwater monitoring, technical team support, public education, water balance and master plans	131; 531	490,000	490,000	2.81	2.81
Infrastructure planning for bulk water supply (surface and ground)					
Capital works funding to set aside large infrastructure needs, bulk water supply studies and implementation	None at a scale larger than specific utility	170,000	100,000	0.98	0.57
Liquid Waste Management Plans					
Master Plan support (south, central, western, northern) on rolling basis, ongoing compliance monitoring and management	535; 540; 545	320,000	200,000	1.84	1.15
Integrate Watershed management into community planning strategies, regulations, and guiding documents					
Updated land use and engineering plans, policies and best practices, development of development standards, LID's and public support documents.	131; 325	350,000	200,000	2.01	1.15
Coordination of policy and decision-making					
Technical drinking water and watershed committee, technical support budget, community drinking water team, staff training support		210,000	100,000	1.21	.57

Service Component	Existing function(s), where some of the function already deals with the issue to some limited extent	Total Budget (\$)	Phased Budget annual first 5 years (\$)	Cost per \$100,000 assessed value (2018 assessment)	
				Total Budget	Phased Budget
Flood, drainage and hazard management					
Updated mapping of flood zones and other hazard lands, selected area minor and major works, storm water and drainage	131; 530; 701; 702; 703; 705; 705; 707; 711; 714; 715; 799	360,000	150,000	2.07	0.86
Water Resource Contamination					
Mapping and analysis, surface and groundwater protection bylaws, septic system bylaws and incentives.		200,000	50,000	1.15	0.29
Financial supports or grants for entities engaged in watershed-related public outreach					
Coordinate and support volunteers to operate and maintain stream monitoring sites, grants to ENGO's (CWB, Shawnigan, Stewardship Roundtables)		325,000	175,000	1.87	1.00
TOTAL		\$2,425,000	\$1,465,000	\$13.92	\$8.41

****Does not include any costs currently covered by Municipal partners or First Nations; this should be discussed as part of the consultation process.**

- **TOTAL CVRD Water Service Budget \$2,425,000**
- **TOTAL RDN Water Service Budget \$5,000,000**

Cost of Existing Functions

Function		2017 requisition	2018 proposed requisition	Requisition Limit (greater of)			
				Set Value		OR % of net taxable value	
#	Name			Total	Cost per \$100,000	Total	Cost per \$100,000
131	Environmental Initiatives	578,121	586,944**	590,000	3.38	686,868	3.94
530	Cowichan Flood Management	150,000	150,000	150,000	2.32	171,605	2.65
531	South Cowichan Water Study	0	50,000	100,000	2.04	126,252	2.58
535	Central Sector LWMP	95,900	95,900	95,900	1.50	90,011	1.41
540	South Sector LWMP	70,000	130,356**	125,000	2.98	148,109	3.53
545	West Sector LWMP*	0	0	N/A	N/A	N/A	N/A
701	Wilmot Road Drainage	7,000	7,000	10,000	25.46	39,272	100.00
702	Sentinel Ridge Drainage	4,970	4,970	10,000	15.99	156,243	249.83
703	Shawnigan Lake East Drainage	2,040	2,040	3,400	29.18	43,962	377.36
705	Arbutus Mountain Estates Drainage	4,370	4,900	20,000	50.40	749,460	1,888.57
707	Lanes Road Drainage	3,800	3,800	6,000	29.50	122,153	600.66
711	Bald Mountain Drainage	4,500	4,200	20,550	38.64	244,886	460.40
714	Cobble Hill Drainage	6,800	6,800	19,600	14.05	21,547	15.44
715	Arbutus Ridge Drainage	20,000	20,000	37,000	1.17	37,964	1.20
799	Shawnigan Creek Cleanout System	12,021	12,021	18,000	2.13	19,217	2.27

*Requisition for function 545 was \$200,000 over 2 year period 1997-98

**Proposed requisition for functions 131 and 540 have been revised to reflect recommendations from committee budget review meetings to utilize operating surplus to offset a portion of the requisition increase.

Consultation Summary

Input was received from the public by various methods for this phase of the project in February 2018. The input summary indicates what forum the feedback was collected in and a general summary of what we heard.

Placespeak Discussions and Noticeboard

Similar to phase 1 of the project, the four phase 2 open house event boards were posted on the Placespeak discussion tab and participants were asked: *Do you support this comprehensive approach to protecting the region's drinking water and watersheds?*

There were 107 views on this topic with 79 comments made. These comments included initial comments as well as two-way conversations between participants. Twenty-two different people shared their thoughts. There was overall support for protecting the region's water and watersheds. In general, the support for the approach was mixed with approximately one-third supporting the comprehensive approach to protecting the region's water and watersheds as proposed.

Those that preferred the comprehensive approach wanted the CVRD to lead and work with the many existing partners within the community to protect our water. They commented that a fulsome approach is important for success which include wells, water storage and all regional water supply.

The proportion that was not clearly supportive at this time was also approximately one-third of respondents. They wanted to ensure the CVRD had control over watershed protection and asked for additional details on the process prior to going further with this initiative. It was mentioned that organizations such as Catalyst are currently doing a good job at managing the weir and water levels. Additional engagement was suggested as well, prior to this moving forward.

The last third were opposed to the comprehensive approach, concerned about the cost proposed, and suggesting finding the money from elsewhere rather than additional taxes. It was commented that current decentralized or local control system was preferred rather than regional or central approach that was proposed.

Community Meetings

A total of seven community meetings were held throughout the CVRD. The majority were held for two to four hours in the late afternoon and evening. Some of these meetings were casual drop in style with information to be viewed, while others also included a formal presentation of the project to attendees.

Location	Date	Attendees
Lake Cowichan	February 6	15
Duncan	February 8	7
Mill Bay	February 13	27
Ladysmith	February 15	28
Sahtlam	February 20	28
Cowichan Bay	February 22	13
Glenora	February 26	20
Total		138

Although there was not a significant amount of written feedback gathered from the events, there was productive dialogue with attendees. Once they understood the proposed activities and purpose of the service, they were generally supportive of the approach with caution about the cost and ability to deliver the broad range of activities within the service. While some expressed their concerns that the service was not needed and would be too costly, others indicated that the service needed to provide concrete actions, not just plans. Some expressed full support and wanted to see the service move forward immediately.

Some of the general themes from the events included:

- Support for the need to better manage water in the region

- Challenges with knowing about or wanting to engage on Placespeak
- Misunderstanding of the service versus the operation of individual water utilities
- Wanting assurances that more on the ground actions would be included in the service
- Impacts on watersheds from harvesting activity on privately managed forest lands
- Equitable distribution of benefits from the service throughout the regional district

Three written input forms were received from these events with comments on existing areas having their own water resource, logging to be decreased, no support for increased taxes, and concerns about contaminated wells.

Input notes were collected at the events, with thoughts gathered on current concerns for our watershed and how this process should work in the future to protect water. Generally, attendees wanted to ensure a comprehensive, transparent approach was taken that was interconnected, working very closely with local partners to ensure success. The leadership shown to date by the CVRD on this matter was appreciated. More details and information were requested on how this service would be funded; some were willing to support tax increases and others were not. Concerns over local forestry practices were mentioned and ideas such as water meters to ensure more local control over water were suggested.

An action-oriented approach is needed that is not just planning, but is, however, linked to growth planning and development. It should be explicitly pragmatic on the ground and provide a strong level of education and communication. Suggestions were made around finding local supply options. Concerns were also raised about growing the bureaucracy and the proposed central form of government.

Cowichan Stewardship Roundtable Presentation

On February 15, 2018, the CVRD's proposed water and watershed protection service was presented to the Cowichan Stewardship Roundtable (CSRT) to provide an update on the consultation process and to gather input from participants. It was suggested that the CVRD should consider a regional growth strategy that considers population growth and future planning for population growth. There was discussion about the meaning of the proposed water protection service, described as managing flood, drainage and hazard issues. It was suggested that Qualicum Beach went through a good process that was able to get residents on board. It may be a good example to look at.

Cowichan Watershed Board

A brief presentation was made to the Cowichan Watershed Board on February 26, 2018, advising of the public engagement activities and process for bringing recommendations for a proposed service to the Board for further consideration. No material input was received.

In person comments

Five people have stopped by the CVRD office to share their thoughts at the counter about our proposed approach. Overall the input was positive but there were a number of areas where some discussion ensued:

- Ensuring it is action orientated
- Liked science-based approach
- Link to growth and development planning
- A misunderstanding between this proposed program and the existing utilities services
- Why not have more education and outreach to date?
- The speed at which the program could be developed
- The price – although nobody had a problem with it in general, one person was interested in a comparison of a parcel tax option to make it more fair

Email comments

Five email correspondence threads were received by CVRD staff related to the project. These emails were mainly from people who attended community meetings or the CSRT presentation. Overall support was shared in these emails, with comments made in relation to bringing together all local and government organizations that are supportive of watershed protection will be important for success. More education

should be shared about the different organizations and authorities with the public. To ensure success, education and encouragement for the project are fundamental.

The main focus needs to be protection for our water, not on funding sources as the project proceeds. It was mentioned that land use decisions must be based on watershed factors in the future. There were concerns raised about whether all areas within the CVRD will benefit from this equally. Current forestry practices were also stated as one of the reasons our watersheds need protection.

Two additional email correspondence threads were forwarded by Area Directors. One thread from the Glenora area expressed concern over the increase to government oversight, imposition or possible imposition of taxes over private wells, the effectiveness of waste and recycling programs, and CVRD organizational growth. The communication also called for action on industrial extraction, regulation of forestry activities and the need for ongoing monitoring of water quality.

The second set of three email threads from two residents of the Cowichan Bay community was sent to Director Iannidinardo via email and Facebook. These threads highlighted the need for more and effective education and outreach, the effective management of watersheds similar to that of the Capital Regional District, the importance of an organizational and cultural shift in the integration of these services across organizational silos, and the importance of better planning in making land use decisions that both impact water resources as well as rely on water resources. Lastly, issues and concerns were expressed regarding the audience that is represented at the meetings and how best to reach a wider cross-section of the community in consultation activities, in particular young families and youth.

Local government presentations

Presentations were made to the following local government partners by the CVRD's CAO to brief each of the communities, discuss some of the proposed items to be included in the proposed function, and to elicit feedback.

Town of Lake Cowichan – Mayor and Council

Municipality of North Cowichan – Mayor and Council

Town of Ladysmith – Mayor and Council

City of Duncan – Mayor and Council

Presentation to CAOs - Ladysmith, North Cowichan and Duncan on March 15, 2018. Expressed the need to provide examples of how the proposed service will benefit municipalities.

Financial Breakdown Option 2 Reduced Scope.

Watershed Function					
No	Water Management Plan components	Program/s	Outcomes	Cost (Total)	Cost / \$100,000
1	<i>Integrated drinking water and watershed protection strategies & programs</i>				
	1.1	Climatic, hydrometric and water quality monitoring program	Base data collection and monitoring of water quality, water supply and changing climatic conditions. Key data collection and guiding parameters to inform watershed management programs infrastructure development and communication	\$300,000.00	\$1.51
	1.2	Public Education	Ensuring the public is aware of the functions and issues facing regional watersheds, and specifically what we can do as a community to protect or enhance those values	\$60,000.00	\$0.30
	1.3	Watershed Characterization	Development and maintenance of information required to inform watershed protection strategies and other key planning programs. Mapping and information provision to other partners and collaborative programs	\$40,000.00	\$0.20
	1.4	Partnerships	Enter into formal partnerships with First Nations, other local governments, BC, Canada, not for profit and private sector organizations for provision of services within the service.		
	1.5	Watershed Protection Strategies and Programs	Develop and implement strategies and plans to address current and emerging risks and threats to water supply and water quality.	\$300,000.00	\$1.51

Watershed Function					
No	Water Management Plan components	Program/s	Outcomes	Cost (Total)	Cost / \$100,000
2	<i>Integrated Watershed management with Community Planning</i>				
	2.1	Integration of watershed protection strategies into land use planning	Establish capacity within the organization to effectively utilize technical data and analysis in land use planning, policy development and decision-making.	\$100,000.00	\$0.50
3	<i>Flood, Drainage, Erosion, and Hazard Management</i>				
	3.1	Identification and quantification of emerging hazards	Updated hazard mapping and projections reflecting watershed characteristics and climate variability	\$100,000.00	\$0.50
	3.2	Developing hazard management adaptation and mitigation strategies	Strategic hazard management plans and strategies to mitigate or adapt to changes and protect communities	\$150,000.00	\$0.76
4	<i>Financial Support or Grants for entities involved in leading watershed management programs</i>				
	4.1	Coordinating and/or supporting community based volunteers involved in water stewardship and monitoring activities.	Work with community to acquire, monitor and track watershed based parameters.	\$50,000.00	\$0.25
	4.2	Provide financial support to approved watershed management/advisory boards.	Stronger partnerships and integrated approaches to complex issues	\$300,000.00	\$1.51
				\$1,400,000.00	\$7.06

Parcel Tax compared to Assessment based Tax

Background

A parcel tax can be recovered on the basis of three methods: (1) a single amount for each parcel; (2) the taxable area of a parcel; or (3) the taxable frontage of a parcel. Using the frontage method is suited toward linear services such as certain water and sewer utility projects, and the area method is extremely rare in the province and is justified in limited cases. Therefore, this information is referring to the first type of parcel tax, known as a flat tax.

Regional districts have been provided with broad powers to provide services, and the option of cost recovery by parcel tax has been broadened. The only exception is that parcel taxes may **not** be used to recover all or part of the costs of a regulatory service. Regulatory services are defined as building inspection, animal control, control of the deposit and removal of soil, and control of pollution, nuisances, pests, noxious weeds etc. Regulation of fire alarm systems and security alarm systems, and building numbering services also cannot use parcel taxes.

Standard practice

The majority of services within the CVRD are currently funded through property value taxes, except for sewer and water facilities and a few exceptions like Thetis Island Wharf & Boat Launch.

An informal survey of regional districts revealed that most only use parcel taxes for sewer and water services; however, some do apply flat taxes to community parks, drainage control, docks, community halls and regional parks. These circumstances have typically arisen from requests from the taxpayers or from directors where a uniform tax amount is preferred over a value-based tax.

The use of value-based property taxes has occurred for centuries. Land was the main form of wealth and reflected a citizen's income and ability to pay. In more recent times, dissenters of the property value tax have argued that it is no longer based on ability to pay and does not always coincide with benefits received. It is sometimes suggested that owning a higher valued property does not automatically translate into the ability to pay higher property taxes. However, this is not the majority of cases. The Provincial Government also provides relief from property taxation for those on low or fixed incomes. An example is the property tax deferral program, which is a loan program that allows property owners 60 years or older that qualify to defer their annual property taxes to future years.

It is the opinion of BC Assessment that the current property assessment/taxation system meets most of the criteria of an ideal taxation system, which are: simple and efficient administration, accountability, understandability, neutrality (economically efficient), fairness, and provision of a stable tax base.

Implications

A shift to the use of parcel taxes will increase the workload of staff at the CVRD. While there will be a slight impact on the Legislative Services Division to prepare establishment bylaws, the burden will be heaviest on the Financial Services Division, as it becomes the CVRD's responsibility to create and maintain a parcel tax roll for each separate service. Each parcel tax roll sets out the parcels on which the tax is to be imposed and the name and address of the owner of each parcel. The tax roll is authenticated by a parcel tax roll review panel and a notice mailed to the owner of every parcel of land in the service area. It must be updated and reviewed on an annual basis with notices posted in the newspaper.

The Financial Services Division would have to maintain a database of property owners for each service that uses a parcel tax. Discussions with other regional districts revealed that this creates a heavy administrative burden on the organization. The costs of undertaking this activity would be charged to each service. Advice from other regional districts is to not expand our usage of parcel tax due to the administrative burden it causes.

The use of parcel taxes would have an economic impact on the Regional District. Firstly, the assessment-based tax system uses eight classes of property, which are taxed at different rates. Residential properties are used as a baseline, and utilities, industry, business and managed forest land are taxed at higher rates. Under the flat tax system, all property classes would pay the same amount per parcel, which could result in a heavier tax burden on residential properties. Secondly, value-based taxes (property assessment) are taxes on wealth and by having all parcels pay the same amount, the majority of property owners would see an increase in the amount of taxes paid. This would negatively impact those with the lowest-valued properties and positively impact those with the highest-valued properties.

With a regional service, the cross over is for residential properties assessed at \$476,840. All properties assessed below this number would be paying more when parcel taxes are used to collect the required tax, and those properties assessed higher than \$476,840 would pay less when parcel taxes are used.



STAFF REPORT TO COMMITTEE

DATE OF REPORT March 5, 2018
MEETING TYPE & DATE Regional Services Committee Meeting of March 28, 2018
FROM: General Manager
Corporate Services Department
SUBJECT: Proposed Affordable Housing Service Establishment
FILE:

PURPOSE/INTRODUCTION

The purpose of this report is to provide the Board with information regarding the request by Cowichan Housing Association for the CVRD to establish an annual financial contribution service to provide funding for affordable housing in the Cowichan region.

RECOMMENDED RESOLUTION

For consideration.

BACKGROUND

The CVRD Board has had numerous meetings, workshops and reports where affordable housing has been discussed. The most recent report dated January 8, 2018 and its attachments are included as attachments to this report, so they won't be raised again in this report. This report will focus on the timelines for seeking public approval for a new service, the costs of seeking that approval, funding for the public consultation, as well as the tax implications for the annual funding of the service.

The request by the Cowichan Housing Association is for the CVRD to establish an annual financial contribution service for affordable housing in the Cowichan region and then have the CVRD enter into an agreement with Cowichan Housing Association who would then use these funds to provide community coordination and the development of services related to affordable housing and housing loss prevention. There would be annual reporting back to the Board on how the public funds were spend, and accomplishments made during the year.

ANALYSIS

Public approval to establish a new annual financial contribution service for affordable housing can be obtained through either a referendum or an alterative approval process (AAP). Attachment A breaks down the dates for both if the board wishes to go forward in 2018 for a new service to start in 2019. Based on these dates, it is actually too late for a spring AAP and the time required for a summer AAP (based on the Boards AAP policy) would need to be cut back. If the Board does not waive its policy, there is only one alternative for obtaining public approval for a new 2019 service and that is through a referendum.

The last date for the Board to give first three readings to the Service Establishment Bylaw is June 13, the 60-day formal community engagement would then start, ending mid August. During this time the Province would be considering formal approval of the bylaw. The actual wording for the referendum question would occur at the August 8, 2018 Board meeting.

FINANCIAL CONSIDERATIONS

Annual financial request from Cowichan Housing Association is for an annual financial contribution of \$750,000. This new service would be considered a granting function which, under

the CVRD's Recovery of Administration/Finance Charges policy, would receive a 2% (\$15,000) charge. The total that would be taxed annually for this service would be \$765,000, and based on the 2018 completed assessment roll would cost \$3.86 per \$100,000 of residential assessment.

Community engagement is required under Board policy prior to any referendum, these costs were estimated at \$100,000 in the January 8, 2018 report. This cost could be reduced if there are more than one referendum question on the 2018 ballot and engagement efforts could be combined. Funding for these cost could come from the General Government Operating Reserve. Should the Board choose to go to referendum and the new service was approved, these costs would be deemed costs of the new service and required to be returned to General Government the first year that this service is taxed.

Referendum costs would also be incurred. All costs directly associated with referendums are deemed to be costs of the new service and must be paid back by the new service, similar to the community engagement costs. Referendums that occur during an election are difficult to estimate due to the uncertainty of any acclimations, if there are none then the incremental costs that are associated to the referendum, and all direct referendum costs must be paid back in the following year.

COMMUNICATION CONSIDERATIONS

Should the CVRD Board decide to proceed with this initiative, either through a referendum or an AAP, community education and engagement on the proposal will be required. The nature of the required communications are laid out in the CVRD AAP policy which was adopted by the Board in 2016.

STRATEGIC/BUSINESS PLAN CONSIDERATIONS


The CVRD's Corporate Strategic Plan does not have any strategic focus area that considers affordable housing, however, its overall vision is that Cowichan communities will be the most liveable and healthy in Canada.

Referred to (upon completion):

- Community Services (*Island Savings Centre, Cowichan Lake Recreation, South Cowichan Recreation, Arts & Culture, Public Safety, Facilities & Transit*)
- Corporate Services (*Finance, Human Resources, Legislative Services, Information Technology, Procurement*)
- Engineering Services (*Environmental Services, Recycling & Waste Management, Water Management*)
- Land Use Services (*Community Planning, Development Services, Inspection & Enforcement, Economic Development, Parks & Trails*)
- Strategic Services

Prepared by:

Reviewed by:



Mark Kueber, CPA, CGA
General Manager

Not Applicable
Not Applicable

Not Applicable
Not Applicable

ATTACHMENTS:

Attachment A – 2018 Timelines for Seeking Public Approval

Attachment B – Cowichan Housing Association Request

Attachment C – Financial Contribution Draft Bylaw

Attachment D – January 24, 2018, Regional Services Committee Report

Attachment E – Proposal for Affordable Housing Contribution Service

Attachment F – January 15, 2018, Letter from Cowichan Housing Association

Attachment G – PowerPoint Presentation, Affordable Housing in the Cowichan Region

2018 TIMELINES FOR SEEKING PUBLIC APPROVAL

	Date Board Gives First Three Readings to bylaw	60 Day Formal Community Engagement (while Province considers formal approval of bylaw)	Date when Board considers public comments and sets AAP Deadline Date	Statutory Newspaper AAP Ads	60 Day Elector Response Period	AAP Deadline Date	Date when Board considers adoption of bylaw	If Board decides to take bylaw to Referendum (must be within 80 days of AAP Deadline Date)
Spring AAP (with no option of going to referendum)	January 24	Late January to Late March	March 28	April 6 and April 13	Mid-April to Mid-June	Wed. June 6	June 13	Saturday August 25
Summer AAP (with option of going to referendum in October)	March 14	Mid-March to Mid-May	May 23	May 30 and June 6	Early June to Early August	Tuesday August 7	August 22	Saturday October 20 **same day as election*
Direct to Referendum (no AAP)	June 13	Mid-June to Mid-August	N/A	N/A	N/A	N/A * Aug 8 - Board approves wording of Ref. question	N/A	Saturday October 20 **same day as election*



Date of Report: February 20, 2018
From: Cowichan Housing Association
To: Regional Services Committee, CVRD
Subject: Affordable Housing in the Cowichan Region

I. PURPOSE/INTRODUCTION

The purpose of this report is to provide information to clarify and augment the “Affordable Housing in the Cowichan Region” Proposal submitted to Regional Services in January 2018 and discussed at Corporate Services in February 2018.

The proposal is intended to ensure that the Region is well situated to take advantage of Federal and Provincial funding opportunities contingent on local government involvement. This step was highlighted in the most recent UBCM Housing Strategy Report.

The key recommendations are as follows:

- I. The Cowichan Valley Regional District (CVRD) establish a CVRD Affordable Housing Contribution Service to address issues related to Affordable Housing and Homelessness Prevention
- II. The CVRD enter into a working agreement with Cowichan Housing Association (CHA) to manage the funding on behalf of the community and provide community coordination and development services related to affordable housing and housing loss prevention

This report will provide information to address questions and comments posed during those meetings and subsequent communications including the following:

- What could the funds proposed do?
- How will the fund be accessed?
- How will the Service achieve regional equity and serve rural areas?
- How will the fund serve young families and seniors?
- What are the key activity areas? Provide an Annual work plan and a more detailed breakdown of proposed expenditures and taxation implications.
- How do Coordination and Administrative components support the Affordable Housing Service?
- What are the potential benefits and outcomes in terms of return on investment? Are there statistics or other metrics that can inform us about the potential cost savings resulting from this investment?

II. PROPOSED CONTRIBUTION SERVICE COMPONENTS

The proposed Contribution Service components are as follows:

- \$500,000 (67%) Directly for a Housing Trust Fund to support affordable housing projects
- \$138,000 (18%) Planning, research, housing development coordination and prevention
- \$112,500 (15%) Management and administration

Each component will be discussed in turn.

1. Housing Trust Fund (67% / \$500,000)

1.1 Rationale and Context for a Cowichan HTF

The housing situation in the Cowichan Region is characterized by:

- Increasing costs to own
- Increasing demand and cost for rental housing
- Declining rental supply plus adequacy issues
- Increasing homelessness (youth, family, senior, indigenous homelessness)
- *1 in 4 households in the Cowichan Region do not meet one or more standards for housing adequacy, suitability or affordability.*

The CVRD Affordable Housing Needs Assessment (2014) identified needs for rental housing to accommodate youth, families, Indigenous people, students and seniors, and affordable homeownership opportunities for families with low to moderate incomes and for seniors.

The BCNPH's Affordable Housing Plan for BC¹ identified:

- Current CVRD rental supply backlog at 750 units
- Rental housing demand to 2021 is 1000+ units
- The annual cost to catch up with affordable housing demand is \$28+million per year of which the community share is estimated at \$7.5 million per year.

Provincial and National Context

A National Housing Strategy was announced in 2017 that outlines a framework of investments that will be implemented in partnership with local and provincial levels of government.

Concurrently, the BC Government has indicated that through partnerships with local governments, the federal government, and the private and not-for-profit sectors, they will begin to build 114,000 units.

¹ BCNPHA (2016) Affordable Housing Plan Regional Breakdown. Available at: http://bcnpha.ca/wp_bcnpha/wp-content/uploads/2017/04/Cowichan-Valley.pdf

In 2018, the UBCM released its Affordable Housing Strategy emphasizing the need for “officials from all orders of government to roll up their sleeves and work together” to:

- Create a large amount of affordable rental housing starting now and continuing for at least 10 years
- Actively manage housing prices through targeted tax and regulatory changes
- Take a more comprehensive approach to homelessness that is focused on prevention
- Work collaboratively across all levels of government.

1.2 What would the HTF do?

The Housing Trust Fund (HTF) portion of the Contribution Service will provide seed funding to Affordable Housing projects with a key focus on leveraging partnership funding for housing that meets criteria for affordability as per CMHC definitions².

- Funds would be used for acquisition, development and retention of housing, including land or building purchase, new builds, and improvements to housing owned by non-profit societies
- Focus for funds will be on low to moderate income households including families with children, lone parent families, singles and seniors
- The Service may provide the ability similar to Comox RD to accept public donations and top up with funds contributed as community amenities through rezoning.
- May elect to carry funds over to fund larger projects.

Allocations decisions will be based on solid principles, criteria and priorities, to be determined in collaboration with the CVRD and the Cowichan Coalition to Address Homelessness and Affordable Housing.

Section 1.4 provides Case Studies and Research to illustrate potential outcomes.

1.3 Process for determining allocations for the Cowichan Region HTF

The Cowichan Coalition to Address Homelessness and Affordable Housing Strategic Plan and upcoming Attainable Housing Strategy and Action Plan (to be developed in 2018) will provide the backdrop, from the community’s perspective, for developing three year priorities for housing and homelessness prevention.

An Annual Plan and Budget will be developed and provided to the CVRD.

A process and criteria for Fund allocations will be developed by CHA, the Cowichan Coalition and CVRD for assessment of possible projects, and will include:

- Priority needs/population to be addressed
- Regional Equity
- Leveraging potential
- Partnerships

² CMHC (2018) About Affordable Housing in Canada. Available at: https://www.cmhc-schl.gc.ca/en/inpr/afhoce/afhoce_021.cfm

- Organizational credibility
- Accountability and Performance Measures
- Community Support

CHA with the Cowichan Coalition will ensure community is aware of the fund and issue a call for project proposals on a regular basis subject to available funds.

CHA will work with applicants initially to review criteria and process for urgency and comprehensiveness, and review and analyze applications at the CHA Staff level for submission.

Approval, monitoring and evaluation processes will be developed to ensure involve thorough review and accountability.

Ongoing monitoring and evaluation of projects will be undertaken by CHA Staff and reports submitted annually.

1.4 Potential Outcomes for a Cowichan HTF: Experiences in other Island Regions

i. Capital Regional District

- Capital grants for “bricks and mortar” for the acquisition, development and retention of housing of \$5,000 to \$15,000 per unit
- Requirement that projects must demonstrate that the funds can leverage a minimum of \$5 in additional funding to every \$1 granted
- By 2009, the funds were leveraging an average of 15 to 1
- 2005 – 2016: - \$9.6 million has been granted toward capital assets valued at more than \$114 million
- 777 AH units built
- Developed Housing First Partnership Agreement with BC Housing and Island Health
- \$30 million each from CRD and BC Housing

ii. Comox Valley Regional District

- Tax requisition 0.0152% per year per \$1,000 of assessed value, starting in 2015
- Coalition presents 5 Year plan to the Board each year
- Can accept public donations with tax receipt issued
- Comox Valley RD can top up the budget with funds contributed as community amenities through rezoning, and can carry funds over to fund long-term projects
- Occupied in Jan 2017:
- Two units Transitional Housing (CV Transition Society) funded through CVRD Homelessness Supports Regional Service
- Four 2 bedroom units (CV Transition Society) funded through CVRD Homelessness Supports Regional Service, Town of Comox and BC Housing
- Start in spring 2017
- 34 units at Braidwood site coordinated by Wachiay Friendship Centre and M’akola Housing funded through BC Housing and City of Courtenay.

1.5 Return on Investment Research to Inform Potential Benefits

BC Housing's (2016) Social Return on Investment Research indicated that:

- For every dollar invested in supporting affordable housing, between two and three dollars in direct social and economic value is created for individuals, governments, and communities.

At Home / Chez Soi Research (2015) on Housing First found:

- Improvements in health and declines in use of health services, reduced involvement with the Justice System and increased social and community engagement
- *Every \$10 invested resulted in cost savings of almost \$22.*

Medicine Hat (2014) Annual Report: Noted significant decreases in utilization of public systems over a twelve month period under the Housing First Program.

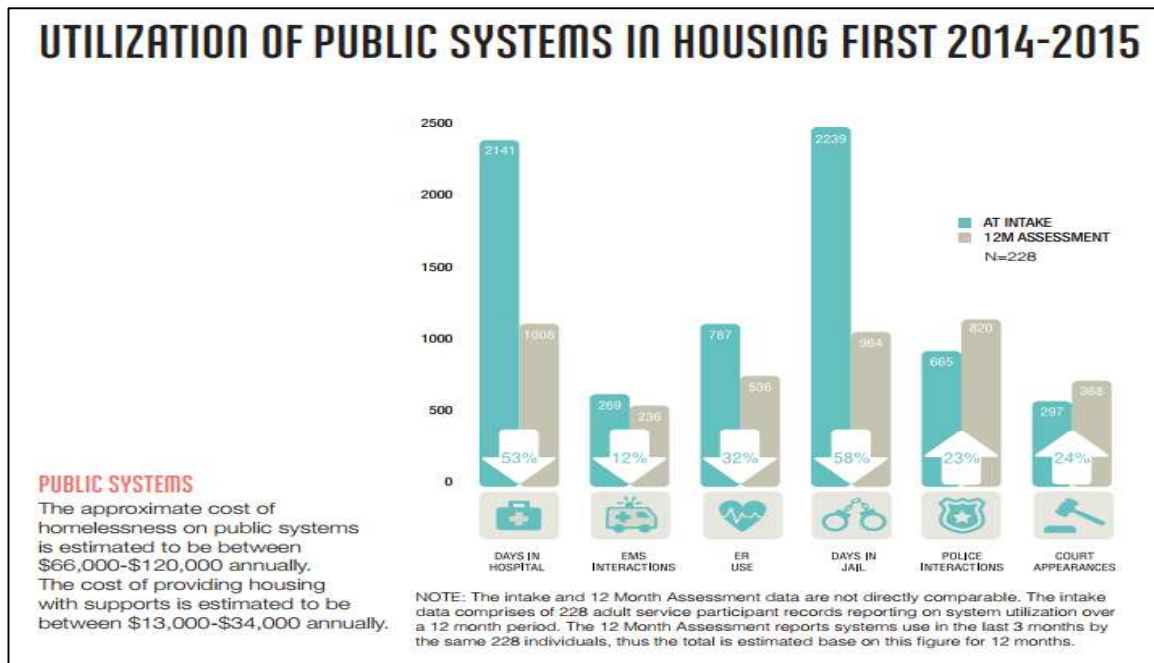


Figure 1 Medicine Hat Year 5 indicators re use of Public Systems. Source: <http://www.mhchs.ca/static/main-site/files/housing-development/Year-5-Progress-Report.pdf>

2. Planning, research, housing development and coordination, prevention (18% / \$138,000)

The Planning, Coordination, Research and Prevention component of the Service is needed to facilitate the spectrum of activities required to support project development.

CHA will carry out this component in close collaboration with the Cowichan Coalition. CHA and the Coalition will continue to leverage funding toward all of these components and for special projects as available.

Staffing for this component is one full time equivalent (FTE) plus resources required for assistance to facilitate projects, research, data, engagement and consultation, and housing loss prevention activities as follows:

- Assistance in leveraging funding including assistance with federal/provincial funding program applications, project management assessments, and other assistance more directly required to facilitate development projects.
- Support projects through local government approval processes.
- Investigate new housing options and encourage their integration into local planning practice.
- Build partnerships to leverage opportunities for funding and affordable housing development with local companies and developers, other non-profits and community organizations.
- Coordination of / build capacity with the Cowichan Coalition.
- Community engagement, education and consultation:
 - Develop a Communications Plan and communications tools for effective information sharing and consultation Provide education and information on issues and solutions geared to all sectors of the community.
- Undertake data and policy analysis to maintain current information on funding sources, local government requirements and processes, housing supply, best practices and local progress.
- Develop partnerships to promote and establish Housing First approaches and programming in the Cowichan Region. Provide a fund and leverage funding for housing loss prevention to assist individuals and families and prevent them from losing their housing (e.g. emergency housing assistance, tenant and landlord information and support).

Currently Cowichan Housing has successfully received federal government funding for work to address the needs of the homeless and those at risk. These projects complement and enhance work on housing development but are not factored into this budget component except where integral to related work. This includes cost for developing communication strategies and material, networking etc.

3) HTF Management and Administration (15% / \$112,500)

Fund management and administration will ensure sound and efficient financial and decision making processes related to the Service, including policies, criteria and processes for soliciting, reviewing and awarding of project funding.

This component will be carried out by CHA with an estimated staffing of 1 FTE, plus contracted accounting and legal services, and resources required for office overhead, equipment and professional development. Components include:

- Develop and maintain financial and decision making processes related to the Service.
- Establish a process for allocations decisions.
- Maintain a database of non-profit housing providers or other societies interested in accessing HTF funds.
- Prepare application forms and issue calls for proposals.
- Develop and maintain website or page with information on the Fund and process.
- Meet with potential applicants prior to and during application submission and review process.
- Review applications and prepare reports to the Allocations Committee, with analysis and possible recommendations.
- Administer Allocations process and distribution of funds.
- Conduct Quarterly and Annual Project Monitoring and Performance Analysis.
- Provide Accounting and Financial management (including legal requirements).
- Prepare Annual Report to the CVRD Board.
- Overhead costs include rent, utilities, auditing costs, legal advice.
- Professional Development costs to ensure that staff are kept up-to-date on related legislation and best practices in the development of affordable housing.

III. SUMMARY AND CONCLUSIONS

The need for Affordable Housing in the Cowichan Region has been a topic of concern for the last decade or so. The current need for affordable rental and ownership housing has been characterized as a range of housing types for low to moderate income households including youth, lone parent and two parent families with children, singles, students and seniors.

Recent strategies and mandates of federal and provincial governments indicate investment frameworks that will be implemented in partnership with local governments. An Affordable Housing Trust Fund can provide the means to support acquisition, development and retention of housing through seed funding that can be based on leveraging and partnership criteria similar to that of the CRD.

Research on return for investment indicates significant leveraging potential for HTF funds as in the CRD example of 15:1. Where Housing First programming is implemented, research has shown decreased usage of institutional facilities such as hospitals and jails. The At Home / Chez Soi research estimated that for every \$9 invested a savings of \$22 was achieved.

Access to the proposed HTF fund would be provided through calls for proposals administered by CHA and carried out in collaboration with the Cowichan Coalition. A thorough process will be developed to articulate a range of criteria, and oversee the process and approvals. The need to achieve regional equity would be among the criteria. The Cowichan Coalition Strategic Plan and Attainable Housing Strategy documents will provide the backdrop for prioritization of needs.

Cowichan Housing Association would provide the supportive functions for the overall Service. Administration of the Service will entail maintaining financial and decision making processes, issuing calls for proposals, reviewing and monitoring of proposals and projects, annual budgets and reports, performance monitoring.

The Planning/Coordination component will be important to engage in the range of community engagement, education, capacity building, and planning activities needed to support the Service. This component includes promoting Housing First and housing loss prevention approaches.

Next Steps

Cowichan Housing is committed to undertaking significant community engagement over the coming months leading to October. This engagement work is integral to the development of the Attainable Housing strategy detailing more explicitly the housing needs in various parts of the region.

Current reports and plans provide validation of the housing needs of the region. This step will focus on gathering public opinion on where specific areas require specific types of housing. It will drive a detailed business plan for the Housing Trust fund for the near to medium term. Funding for the strategy, including a CVRD grant in aid application, is being sought. In-kind contributions from sister organizations have been secured. This exercise is expected to supplement CVRD costs for promoting a referendum.

Many of the fine details as to how the housing function will operate can be resolved over the coming weeks leading to the deadline for bylaw introduction.

Recommendation

That the CVRD move forward on a referendum to establish a Housing Contribution Service, to provide a foundation for discussing an arrangement with Cowichan Housing Association, substantially in accordance with the principles outlined in this report.



COWICHAN VALLEY REGIONAL DISTRICT

BYLAW No. XXXX

A Bylaw to Establish a Service to Provide an Annual Financial Contribution to the Cowichan Housing Association

WHEREAS pursuant to Sections 332 and 338 of the *Local Government Act*, a Regional District may, by bylaw, establish and operate any service that the Board considers necessary or desirable for all or part of the Regional District;

AND WHEREAS the Board of the Cowichan Valley Regional District wishes to establish a service for the purpose of assisting the Cowichan Housing Association with costs associated with providing programs and services related to affordable housing and homelessness prevention in the Cowichan valley;

AND WHEREAS the Board of the Cowichan Valley Regional District has obtained the approval of the service area electors in accordance with the *Local Government Act* and the *Community Charter*;

NOW THEREFORE the Board of Directors of the Cowichan Valley Regional District, in open meeting assembled, enacts as follows:

1. **CITATION**

This bylaw may be cited for all purposes as "**CVRD Bylaw No. XXXX – Cowichan Housing Association Annual Financial Contribution Service Establishment Bylaw, 2018**".

2. **SERVICE BEING ESTABLISHED**

The service being established under the authority of this bylaw is a service for the purpose of providing an annual financial contribution to assist the Cowichan Housing Association with costs associated with providing programs and services related to affordable housing and homelessness prevention in the Cowichan valley. The service shall be known as the "Cowichan Housing Association Annual Financial Contribution Service".

3. **SERVICE AREA BOUNDARIES**

The boundaries of the service area are the boundaries of the whole of the Cowichan Valley Regional District.

4. **PARTICIPATING AREA**

The participating area for this service is the whole of the Cowichan Valley Regional District comprised of the City of Duncan; District Municipality of North Cowichan; Town of Lake Cowichan; Town of Ladysmith; and Electoral Areas: A – Mill Bay/Malahat; B – Shawnigan Lake; C – Cobble Hill; D – Cowichan Bay; E – Cowichan Station/Sahtlam/Glenora; F – Cowichan Lake South/Skutz Falls; G – Saltair/Gulf Islands; H – North Oyster/Diamond; and I – Youbou/Meade Creek.

5. **METHOD OF COST RECOVERY**

The annual cost of providing this service shall be recovered by one or more of the following:

- a) property value taxes requisitioned and collected on the basis of the net taxable value of land and improvements within the service area;
- b) revenues raised by other means authorized by the *Local Government Act*, or any other Act.

6. **MAXIMUM REQUISITION**

The maximum amount of money that may be requisitioned annually in support of this service shall be the greater of \$765,000 or an amount equal to the amount that could be raised by a property value tax of \$0.04584 per \$1,000 of net taxable value of land and improvements within the service area.

READ A FIRST TIME this _____ day of _____, 2018.

READ A SECOND TIME this _____ day of _____, 2018.

READ A THIRD TIME this _____ day of _____, 2018.

I hereby certify this to be a true and correct copy of Bylaw No. XXXX as given Third Reading on the _____ day of _____, 2018.

Corporate Secretary

Date

APPROVED BY THE INSPECTOR OF MUNICIPALITIES this _____ day of _____ 2018.

ADOPTED this _____ day of _____, 2018.

Chairperson

Corporate Secretary



STAFF REPORT TO COMMITTEE

DATE OF REPORT January 8, 2018

MEETING TYPE & DATE Regional Services Committee Meeting of January 24, 2018

FROM: Community Planning Division
Land Use Services Department

SUBJECT: Affordable Housing: Cowichan Housing Association's Proposal to
Establish a Regional Service

FILE:

PURPOSE/INTRODUCTION

The purpose of this report is to introduce the Cowichan Housing Association's proposal that the CVRD establish a regional affordable housing service. Cowichan Housing Association will be presenting this proposal to the Committee, and be able to respond to any questions about it.

RECOMMENDED RESOLUTION

For direction.

BACKGROUND

In July 2017, the Regional Services Committee considered a report on options for taking action on the issue of affordable housing. At that meeting, a decision was made to learn more about the issues through an Affordable Housing workshop, to be organized by the Cowichan Housing Association. Other opportunities to learn more about what is being done on this issue were made available as well, such as a tour of Warmland House to learn more about the facility and the services offered, as well as an invitation to participate in a Cowichan Housing Association workshop on "Housing First."

On November 6, 2017, members of the CVRD Board, together with elected officials from municipal jurisdictions and alternate Board members, participated in an Affordable Housing workshop, facilitated by representatives from the Cowichan Housing Association, Social Planning Cowichan, OUR Cowichan, and the United Way. The workshop included presentations from two nearby Regional Districts, together with their community partners: Capital Regional District, and the Comox Valley Regional District. Through discussions at that workshop, and a subsequent delegation to the Regional Services Committee in November 2017, the Cowichan Housing Association was encouraged to bring a proposal forward to the CVRD outlining a regional response to the affordable housing situation. This proposal is attached, together with a slide presentation.

ANALYSIS

The proposal presented by the Cowichan Housing Association reflects the considerable work being undertaken within the Cowichan community, including community-based organizations, churches, and local governments, to develop a comprehensive and effective response to the issue of affordable housing and homelessness within the Cowichan Region. The community is mobilizing to develop capacity and partnerships to meet current needs for shelter and affordable housing, and prevent homelessness. Part of the overall response is the development of a community-based plan to identify priority actions. This plan should be completed by March 2018.

Recent announcements regarding the National Housing Strategy, which is anticipated to invest significant new money into communities to address affordable housing needs, have emphasized

that all levels of government need to be involved with community-based organizations in working together on affordable housing issues. It is anticipated that matching funds will be required.

The community planning process has identified that there are three gaps:

1. Financial resources at the local level to provide opportunities for matching or leveraging funds for projects to be financed by the federal initiative;
2. The need for a regional strategy to address the spectrum of housing needs; and
3. Access to data, such as GIS data, that local governments could provide in support of community-based planning efforts, and other ways that local governments could lend their capacity to community-based efforts.

The attached document presents a proposal that the CVRD participate in addressing these three gaps, by:

1. Establishing a CVRD Affordable Housing Contribution Service, to be managed (via contribution agreement) by the Cowichan Housing Association, in the amount of \$750,000 per year to be allocated to community-based investment in affordable housing (67%), community planning services such as partnership development, research and education (18%), and administration of the funds and overhead costs (15%);
2. Supporting the development of a Regional Attainable Housing Strategy and Action Plan by the Cowichan Housing Association and community partners. This could be through grant-in-aid funding or some other mechanism; and
3. Permitting CVRD staff members (as appropriate) to work in partnership with community-based organizations, and provide in-kind support to community projects as appropriate and as negotiated on a case-by-case basis respecting workloads, privacy regulations, etc., including:
 - providing GIS and other data as required for community-based plans and project development;
 - participating in planning processes;
 - partnering on grant applications (particularly in those cases where the funding source requires that the local government submits the grant applications); and
 - other related activities.

Prior to moving ahead with the proposal for an Affordable Housing Contribution Service, the Board may wish to have an evaluation of the relative costs and benefits of having the CVRD operate such a service, in contrast with contracting with the CHA as a community-based organization to operate such a service.

FINANCIAL CONSIDERATIONS

The establishment of a CVRD Affordable Housing Contribution Service is, essentially, the establishment of a new tax. This will require that a referendum be held.

Given the procedures as laid out in the *Local Government Act* regarding the establishment of new services, and given the community engagement commitments laid out in CVRD policy, there will be costs associated with these processes. A rough estimate of these costs is \$100,000. This cost estimate includes hiring a consultant to develop the community engagement/communications plan and execute the plan.

Should the CVRD Board decide to proceed with this investigating this initiative further funding for referendum costs will need to be addressed in the 2018 budget, although should the service be established, *Local Government Act* Section 379 (5) directs that "the costs of the referendum are

deemed to be costs of the service." Actual implications for the 2018 budget need to be determined by the Finance Division.

COMMUNICATION CONSIDERATIONS

Should the CVRD Board decide to proceed with this initiative, which will require a referendum, community education and engagement on the proposal will be required. The nature of the required communications are laid out in the CVRD's Alternative Approval Process Policy, adopted by the Board in 2016. The CVRD may consider working collaboratively with member municipalities and community-based organizations in undertaking the necessary community education and engagement initiatives. Financial implications are considered above. This cost estimate addresses advertising in newspapers and other media, venue rentals for meetings to be held, and other related costs.

STRATEGIC/BUSINESS PLAN CONSIDERATIONS

The CVRD's vision is that "Cowichan communities will be the most livable and healthy in Canada." Its mission is that "We serve the public interest through leadership, cooperation and a focus on community priorities and strengths."

Referred to (upon completion):

- Community Services (*Island Savings Centre, Cowichan Lake Recreation, South Cowichan Recreation, Arts & Culture, Public Safety, Facilities & Transit*)
- Corporate Services (*Finance, Human Resources, Legislative Services, Information Technology, Procurement*)
- Engineering Services (*Environmental Services, Recycling & Waste Management, Water Management*)
- Land Use Services (*Community Planning, Development Services, Inspection & Enforcement, Economic Development, Parks & Trails*)
- Strategic Services

Prepared by:

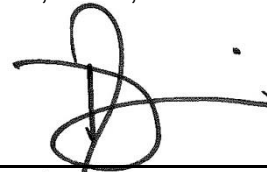


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General Manager

ATTACHMENTS:

Attachment A – Proposal for a CVRD Affordable Housing Contribution Service

Attachment B – Letter dated January 15, 2018, from Cowichan Housing Association to Chair Lefebure

Attachment C – January 15, 2018, PowerPoint Presentation Affordable Housing In the Cowichan Region



**Proposal for a
CVRD Affordable Housing
Contribution Service**

Cowichan Housing Association

January 15, 2018

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1. Background and Purpose

The issue of affordable housing has been of concern in the Cowichan region for the past decade or more. Appendix B provides a detailed background on the issues and actions undertaken to address them.

The last four years has seen increasing homelessness in our region; more people are precariously housed or couch surfing and due to the rising cost of rents and shrinking affordable housing supply, there are more people at risk of becoming homeless. Young people entering the job market, anyone on a fixed income, and many others, are struggling to find and maintain affordable housing.

There is compelling evidence from around the country that providing housing has long-term benefits to communities in lowering costs for a wide range of health, police and other services and in supporting community well-being and economic development. The Cowichan community has mobilized to develop capacity and partnerships to address homelessness and affordable housing. Federal and provincial funding strategies have existed in the past and are being revised and up-dated now.

Three key gaps have been identified:

- 1) Lack of financial resources at the local level to enable the breadth of partnerships and funding resources required to address needs for affordable housing and homelessness prevention.
- 2) Lack of a Regional Attainable Housing Strategy to provide clear direction and aims for addressing the spectrum of housing needs.
- 3) Access to data (for example, GIS services) that local governments could provide in support of community-based planning efforts, and staff assistance in planning and partnership initiatives.

The purpose of this report is to provide a proposal and rationale for the involvement and support of the Cowichan Valley Regional District in directly addressing affordable housing need for the Region.

2. Summary of Recommendations

It is recommended that:

- I. The Cowichan Valley Regional District (CVRD) establish a CVRD Affordable Housing Contribution Service to address issues related to Affordable Housing and Homelessness Prevention (see Section 3)
- II. The CVRD enter into a working agreement with Cowichan Housing Association (CHA) to manage the funding on behalf of the community and provide community coordination and development services related to affordable housing and homelessness prevention (Section 4)
- III. The CVRD support the development of a Regional Attainable Housing Strategy and Action Plan that will assist in guiding implementation of the Service objectives (Section 5)
- IV. The CVRD strengthen community partnerships through allocating staff time to support and participate in community planning processes (Section 6).

Each of these recommendations will be discussed in turn.

3. Proposed Cowichan Valley Regional District Affordable Housing Service

Cowichan Housing Association (CHA), together with members of the newly formed Cowichan Coalition to Address Homelessness and Affordable Housing, proposes that the CVRD establish a Regional Affordable Housing Contribution Service. This Service would provide flow-through funding to the Cowichan Housing Association to address issues related to Affordable Housing and Homelessness Prevention.

The benefits of this Service would be to provide and leverage funds to invest in Affordable Housing and Homelessness Prevention. Moreover, it would position Cowichan as a region that is engaged in investing, funding and partnerships for Affordable Housing and Prevention of Homelessness and is therefore ready for investment from other levels of government and funding agencies. To access additional funds from provincial and federal sources requires commitments from local municipal levels as evidenced by the success of other municipalities across the country.

3.1 Objectives of the Service

The specific objectives of a Regional Affordable Housing Contribution Service would be to:

- i. Increase the supply of affordable housing
- ii. Prevent housing loss and homelessness
- iii. Facilitate community planning and partnerships
- iv. Conduct research and analysis to inform and guide planning and decisions
- v. Engage, educate and inform the broader community around issues and solutions
- vi. Ensure efficient management, oversight, monitoring and accountability

The following table lays out these objectives in detail.

3.2 Detailed Aims of an Affordable Housing Contribution Service

Objective		Details
I.	Increase supply of affordable housing	<ul style="list-style-type: none"> i. Assist in the acquisition, development and retention of housing that is affordable for those households in the region with low or moderate household incomes ii. Facilitate economic and social investment in affordable housing iii. Provide partnership funding to assist in development of affordable housing and particularly to leverage the funding resources of non-profit private, municipal, provincial and federal sources iv. Facilitate partnerships with other levels of government and foundations to garner funding for affordable housing
II.	Prevent housing loss and homelessness	<ul style="list-style-type: none"> i. Provide partnership funding to assist community-based initiatives to leverage funds and to deliver housing loss and homelessness prevention services ii. Facilitate partnerships with other levels of government and foundations to garner funding for homelessness prevention
III.	Facilitate community planning and partnerships	<ul style="list-style-type: none"> i. Provide coordination to the Cowichan Coalition and be the first point of contact for the Coalition in the community ii. Establish linkages with regional, provincial and national agencies and networks
IV.	Conduct research necessary to inform and guide planning and decisions for the Contribution Service	<ul style="list-style-type: none"> i. Conduct research, data gathering and policy analysis to ensure there is a current body of information, evidence and best practices necessary to inform strategies, planning and actions
V.	Engage, educate and inform the broader community on issues and solutions	<ul style="list-style-type: none"> i. Develop a Communications Plan and communications tools for effective information sharing and consultation ii. Provide education and information on housing and homelessness issues and solutions geared to all sectors of the community iii. Conduct broader community engagement and networking to share information and to engage and consult with relevant agencies and organizations regionally, provincially and nationally
VI.	Ensure efficient management, oversight, monitoring and accountability of Contribution Service funds	<ul style="list-style-type: none"> i. Develop, implement and maintain a sound and efficient process for financial and decision making processes related to the Service, as well as monitoring, performance analysis, reporting and financial accounting ii. Establish and maintain thorough and sound policies, criteria and processes for soliciting, reviewing and awarding of project funding

3.3 Costs of A CVRD Affordable Housing Contribution Service

In consideration of the level of need for affordable housing in the Cowichan Region and of the capital requirements for developing housing, the recommended annual amount for the Contribution Service is \$765,000.

The annual allocation of funds would be as follows:

\$500,000 (67%) Directly for affordable housing and homelessness prevention projects

\$138,000 (18%) Research, data, coordination, communications and education activities

\$112,500 (15%) devoted to administration of the Service
(Management, overhead, professional development, accounting)

\$15,000 (2%) CVRD Administration Fee

4. Working Agreement with Cowichan Housing Association

4.1 Fund Administration and Accountability

CHA will steward funds provided by the CVRD on behalf of the community, and be responsible for implementation of Service objectives and fund administration.

Decisions relating to direct fund investments and allocations will be made in close consultation with the Cowichan Coalition and CVRD and will be based on relevant community plans and strategies, research, data and needs analysis. Principles, policies and processes will be developed to manage and guide fund expenditures and measure impact based on maximum benefit, positive outcomes, community priorities and leveraging potential. CHA will provide an annual budget and work plan outlining current year priorities.

CHA is a registered non-profit society governed by a Board of Directors. The Society was formed in 2015, building upon ten years of work and development by Social Planning Cowichan and the Regional Affordable Housing Directorate. Since 2015, CHA has developed a number of initiatives, including most recently, a Housing First For Youth initiative. We have successfully leveraged over \$270,000 in support of affordable housing and homelessness prevention (see Appendix B for background). CHA is part of the Collective Backbone 'Home Team' and will serve as the coordinator/facilitator for the Cowichan Coalition (see Appendix C) in planning and decisions.

The newly formed Cowichan Coalition made up of agencies and funders is under development, and considerable work has already been completed in 2017 to create a new multi-year strategy to address homelessness and affordable housing. The new plan will be completed by March 2018.

5. Development of an Attainable Housing Strategy and Action Plan

Evidence suggests that in addition to lack of supply and variable conditions of existing affordable and supported rental units, that home ownership is not attainable for many working people. As house prices rise, fewer young households and households with low to moderate incomes are able to purchase a home. This lack of housing impacts employee recruitment and retention and has broader economic development implications.

Appendix B lists several studies that have been undertaken with regard to affordable housing needs and strategies including a 2010 CVRD Affordable Housing Strategy (Regional Affordable Housing Directorate (RHAD) and a 2014 Regional Affordable Housing Needs Assessment (CVRD). A Community Plan to address homelessness is under development.

An updated Strategy is needed to support the Community Plan with current statistical data, strategies and an action plan that reflects the current situation and information. A Regional Attainable Housing Strategy would identify in more detail, ownership and rental housing needs in communities around the region, and to develop strategies, actions and an implementation plan that will support decisions for allocation of a Contribution Service. As such this would be developed during 2018 for completion by January 2019.

The support and participation of the CVRD in the development of this Strategy will be important in both its elaboration and implementation. CHA requests that the CVRD support its development through participation of staff and in-kind resources, and commit to adopting the plan upon completion.

6. CVRD Partnership

A partnership with the CVRD is needed to provide assistance to community efforts and where possible, to align our activities. In our efforts to plan, develop partnerships, funding applications, and to build and maintain a body of data, it is helpful to identify areas where we can work together, share information, leverage impact and avoid duplication.

We request that the CVRD allocate staff time to support and participate in community planning processes including:

- Providing data in support of community-based planning and project development.
- Participating in planning and committee processes to ensure the voice of the CVRD in decisions.
- Partnering in and assisting with grant applications where funding sources require that the local governments, in partnership with community, submit the grant applications.

7. Conclusion

The Cowichan community has mobilized to develop capacity and partnerships to address affordable housing and prevention of homelessness. Three key needs have been identified:

- 1) Financial resources at the local level to enable the breadth of partnerships and resources required to address needs for affordable housing and homelessness prevention.
- 2) A Regional Attainable Housing Strategy to provide clear direction and aims for addressing the

spectrum of housing needs.

3) Partnering in and assisting with grant applications where funding sources require that the local governments, in partnership with community, submit the grant applications.

Through providing financial resources, local government can assist both directly to increase housing services, and to leverage funding from other levels of government. A Regional Attainable Housing Strategy will establish direction toward achieving a broad spectrum of housing needs. Through strengthening the partnership between the CVRD and the community, we can achieve greater alignment, benefit from in kind support and participation in planning processes.

APPENDIX A: COWICHAN HOUSING ASSOCIATION BACKGROUND

Incorporated: January 14, 2015

S-0063519

Our Vision

Our vision is that everyone in the Cowichan Region has the opportunity to live in safe, affordable, culturally appropriate housing as a foundation for a healthy community.

Our Mission

Cowichan Housing Association (CHA) works to improve affordable housing at all levels of the housing continuum with a focus on prevention of homelessness. CHA is a regional organization that coordinates community initiatives and provides a host of services, programs, and projects that are best provided through a central organization.

Our Purposes

- 1) Addressing the need for housing for low income individuals and families and all vulnerable populations living in the Cowichan region by undertaking development and operation of affordable housing units and to also support development of new affordable housing units by other parties;
- 2) Addressing the need for housing for low income individuals and families and all vulnerable populations living in the Cowichan region by facilitating the establishment of and operating an affordable housing trust fund;
- 3) Addressing the need for secure, stable and adequate rental accommodation for individuals and families and all vulnerable populations living in the Cowichan region by providing educational programs and workshops on tenants and landlords rights and responsibilities;
- 4) Addressing the need to maintain rental accommodation of low-income individuals and families living in the Cowichan region by offering various forms of assistance.

Our History

From 2007 to 2014 the Regional Affordable Housing Directorate (RAHD) under Social Planning Cowichan brought together a diverse group of stakeholders who were concerned about homelessness and housing needs. Over the years, their work and accomplishments included:

- Report on Inadequate Shelter in the Cowichan Region
- An Affordable Housing Strategy for the Cowichan Region
- Community consultations on Strategy Implementation resulting in recommendation to develop a new housing association with a two year plan
- A Regional Homeless Count (February 2014)
- Aboriginal Off-Reserve Housing Needs study (2014)
- Ready to Rent Programming and Aboriginal Housing Outreach Worker
- Community information and education
- Incorporation of Cowichan Housing Association in 2015

From 2015 to 2017 Cowichan Housing Association has:

- Developed a four year Strategic Plan
- Leveraged approximately \$270,000 in grants from the Homelessness Prevention Strategy for

provision of Tenant and Landlord Education, Community Information and Education, Tenant Information and Referrals, Rental Subsidies for emergency assistance

- Conducted community consultations into youth homelessness and produced a partnership proposal that leveraged \$154,000 from the Homelessness Partnering Strategy to address youth homelessness through the Close to Home: Housing First for Youth Project
- Conducted a region-wide Youth Homelessness Needs Assessment
- Conducted comprehensive research and data gathering to produce a series of Snapshots on Affordable Housing and Homelessness and is in the process of establishing a regional database
- Worked with key community partners (Social Planning Cowichan, Our Cowichan Communities Health Network, United Way and Cowichan Division of Family Practice) to host three community forums, and plan a Cowichan Coalition to Address Affordable Housing and Homelessness Prevention
- Facilitated partnerships toward development of Affordable Housing and currently working to foster two key youth housing projects

Our Board and Staff

CHA's Board holds skills in a number of fields including those who are or were directly involved in the following: law, city and regional planning, senior government housing programs, homelessness support, chartered accountant/business development and community activism.

Board Chair: Chris Hall - Consultant; Board - Social Planning Cowichan

Chris is a long time Vancouver Island resident, having spent time exploring as much of the Island as possible. Most of his career years have been involved with local governments, notably Campbell River and North Cowichan where he provided oversight to the respective Planning and Development Departments. More recently, he works part time as a consultant on land use and development projects. Housing needs in our communities remains one of his interests.

Vice Chair: Craig Marchinko - Semi- Retired - Extensive Background in Social Housing

Craig spent the past 30 plus years in the social housing sector. He is a Chartered Member of the Chartered Institute of Housing and a founding member of the CIH Canada chapter. [CIH is a UK based royal chartered entity established 100 years ago to ensure professionalism and continuing education for public housing entities in the UK]. Craig recently retired from the position of Deputy Minister, Housing and Community Development for the Government of Manitoba and as Chairman of the Manitoba Housing and Renewal Corporation. He is former President of Saskatchewan Housing Corporation and ADM within Social Services. Craig recently retired and now lives in the Cowichan Valley

Treasurer: Gail Calderwood – M.Sc. (Oceanography), LLB.

Gail studied and worked in the field of biological oceanography and served on the board and worked with the Cowichan Community Land Trust before becoming a lawyer. She has now retired from her law practice which had a substantial focus on real estate. Gail remains involved in various community groups in the Cowichan region that are working to sustain and build resilience in our natural and social environments.

Secretary: Monica Finn - Vancouver Island Regional Library

Monica is a librarian at the Vancouver Island Regional Library system. She has lived on Vancouver Island since 2002 and now lives in Duncan where she is actively involved in community events. She has been contributing to RAHD since attending the first Day of Direct Services event during Homelessness Action

Week in 2013.

Morgan McLeod – Development Planner, Municipality of North Cowichan

Morgan originally grew up in the Cowichan Valley but left to pursue education and careers in real estate assessment and urban planning. After 19 years away, Morgan has returned to the Cowichan Valley as a Development Planner for the Municipality of North Cowichan. Her specialties include policy writing, land development of both urban and rural communities and public engagement. She has a passion for minimalism, affordable housing, community resiliency and sustainable development. She is an avid hot yogi, foodie, runner and hiker.

Debbie Williams - Executive Director - Hiiye'yu Lelum – House of Friendship

As Executive Director of Hiiye'yu Lelum (House of Friendship), Debbie Williams oversees a broad and effective range of programs of cross-cultural awareness, parenting and social skills development. Debbie has served as Secretary of the Cowichan Foundation. She has also served as the Representative to the National Association of Friendship Centres Board of Directors, an ex-officio position to the B.C. Association of Aboriginal Friendship Centres Executive Committee and is currently on the Minister's Advisory Council on Aboriginal Women.

James (Jim) Cosh - Retired Accountant

James is a retired Fellow of the BC Institute of Chartered Accountants. He spent his career in public practice serving local government, small business and government enterprises. Much of his career was involved in the management of KPMG, one of the major accounting firms, based in Victoria, Vancouver, Calgary, Ottawa, China and Korea. James and his wife Lois retired to the Cowichan Valley in 2003 to take time for gardening and enjoying the family dog Harley. He is currently active in Rotary, Community Planning and Quamichan Stewards.

Georgina (Georgie) Jackson

Key Staff: Terri Mattin Dame MA, Executive Director

Terri has an undergraduate degree in Urban and Regional Geography, and an MA in Community Safety & Crime Prevention emphasizing local and neighbourhood planning, social development and inclusion. Terri has over twenty years of experience in project and performance management, community-based research and social development, working with complex community issues, engaging communities and developing and maintaining collaborative relationships.

APPENDIX B: BACKGROUND ON AFFORDABLE HOUSING AND HOMELESSNESS ISSUES

Affordable Housing and Homelessness

The issue of affordable housing has been of concern in the Cowichan region for the past decade or more. Several reports have outlined issues and needs including:

1. SPC/RAHD (2007) Inadequate Shelter in the Cowichan Valley
2. SPC/RAHD (2010) Cowichan Region Affordable Housing Strategy
3. SPC/RAHD (2010) Affordable Housing in the Cowichan Valley, A Discussion Paper
4. RAHD/SPC (2014) Aboriginal Off-Reserve Housing Needs in the Cowichan Region
5. RAHD/SPC (2014) Cowichan Region Homelessness Report
6. CVRD (2013) Cobble Hill Age-Friendly Community Report
7. CVRD (2014) Regional Affordable Housing Needs Assessment
8. CVRD (2014) Housing Indicators Report
9. CVRD (2017) Mill Bay Age-Friendly community Report
10. BC Non Profit Housing Association (2012) Our Home, Our Future: Projections of Rental Housing Demand and Core Housing Need – Cowichan Valley Regional District to 2036
11. Cowichan Housing Association (2016) Youth Homelessness and Housing Challenges Community Meetings
12. Emmanuel, Joy (2017) Duncan Winter and Summer Point in Time Homeless Counts
13. Cowichan Housing Association (2017) Affordable Housing Snapshot
14. Cowichan Housing Association (2017) Rental Housing Snapshot
15. Cowichan Housing Association (2017) Cost of Homelessness

In 2015, the Regional Affordable Housing Directorate developed a Business Case for a Cowichan Valley Regional Affordable Housing Trust Fund which outlined the implications of establishing a Housing Trust Fund, essentially a way to assist non-profit housing providers with capital costs related to new affordable housing projects, or renovations to existing affordable housing.

In addition to local studies that have highlighted issues of homelessness and affordable housing, these issues have been discussed at numerous community tables including the Tze Tza Community Advisory Board, CVRD Community Safety Advisory Commission, Cowichan Harm Reduction Roundtable, Our Cowichan Communities Health Network, Social Planning Cowichan, the Cowichan Safe Needle Disposal Committee, the Mental Health and Substance Use Collective Impact table, and Safer Pregnancies Collaborative.

Key challenges in the region include: increasing costs to own, increasing demand and cost for rental housing, declining rental supply plus adequacy issues, and increasing homelessness.

- In 2011, 8,325 or 25% of CVRD households did not meet one or more standards for housing adequacy, suitability or affordability. This number represents an increase of over 100 households since 2006.
- The 2014 Cowichan Regional Affordable Housing Needs Assessment characterized a range of housing needs for both affordable home ownership and affordable rentals.
- 1 in 5 families in the CVRD are renter households.
- In 2011, 3,195 (1 in 2) Renter households in the CVRD were spending more than 30% of their

income on housing.

- The 2017 Point in Time Counts indicate an increase of approximately 26% of absolutely homeless people in the Cowichan Region since 2014.

Costs Associated with Homelessness and Lack of Affordable Housing

Homelessness and inadequate housing are correlated with increased incidence of illness and injury, and incarceration. The annual economic costs of responding to homelessness in Canada through emergency responses such as shelters, policing, and emergency medical services is estimated to be as high as \$7.05 billion, annually.

Our Cowichan Communities Health Network is gathering research to provide a comprehensive estimate of the range of local costs borne by services in relation to homelessness, mental health and substance use. At present we have two indicators that illustrate this aspect: 1) Justice: In January 2017 Duncan/North Cowichan RCMP utilized the equivalent of two full time officers on issues related to homelessness. A total weekly cost for policing homelessness by the Detachment would be \$8,190 and over one month, \$32,760. 2) Health Care: On the night of the February 2017 Count, 29 people were being kept at the local hospital who no longer needed the acute care services of a hospital because they do not have adequate housing to be released to.

Current Programming and Initiatives

There are many organizations in the region providing a wide range of services to support the well being of individuals. A number of organizations provide homelessness supports and shelter services, including the local branch of the Canadian Mental Health Association that operates Warmland Shelter (30 plus 10 extreme weather beds). Ladysmith Resource Centre operates 5-10 emergency shelter beds. CMHA also operates scattered site housing and Tenant Support, as well as a Sobering and Detox program. Cowichan Women Against Violence Society Transition House operates 10 shelter beds for women and children. A comprehensive inventory of existing community resources is being prepared through the Regional Community Plan process.

The Cowichan Region has nineteen Non Profit Housing buildings, with approximately 540 units (110 of which are for First Nations families living off-reserve). As at March 2017 there were 154 individuals on wait lists.

The Cowichan Region currently has insufficient supply of housing that is affordable for many people. Statistics indicate 750 renter households in the region are currently in need of a new unit, and rental housing demand in Cowichan Valley is projected to increase by 30% to 34% over the next 25 years. Within five years alone, we will need an additional 1092 units to accommodate the need.

Currently, federal and provincial levels of government are funding housing projects and services to address homelessness in our region. These include:

- Homeless Partnering Strategy Aboriginal Funding (United Way Community Entity) is investing over \$150,000 annually into Aboriginal Homelessness in Duncan. The Tze Tza Watul Community Advisory Board supports investment decisions and currently, HPS is funding a youth outreach program and a breakfast program at Hiiye'yu Lelum - House of Friendship. HPS is also currently funding a regional Community Plan to Address Homelessness and Affordable Housing, and

funded the 2 Point-in-Time counts that took place in 2017. HPS is also supporting the Extreme Weather Shelter for women.

- The Homeless Partnering Strategy Innovative Solutions Program is currently funding CHA to work with the Mental Health and Substance Use Collective Impact Team in the development of a Youth Housing First initiative including a comprehensive Needs Assessment, Housing First Plan and Housing Plan.
- Homelessness Partnering Strategy Rural and Remote Funding through CHA supports Tenant and Landlord education, information and referrals and Emergency Housing Assistance.

The work to address affordable housing needs and homelessness prevention in the Cowichan Region is complex and will potentially require substantial investments. In “BC’s Affordable Housing Plan” the BC Non Profit Housing Association estimates that a \$28.39 million average annual investment is needed to support current and future affordability and supply needs in the Cowichan Valley. The report suggests that to meet these needs, resources should come from all levels of government and the community. While this overall level of funding may not be realistically achievable, key to this message is the importance of broad partnerships, collaboratively planning and prioritizing actions, and increasing available resources.

Evidence on Homelessness and Affordable Housing Solutions

The current situation with regard to homelessness and affordable housing in the Cowichan Region mirrors that of many communities across Canada and in depth research into evidence and Best Practices has been done to provide a foundation for action. Responses and solutions that have been successful in other communities indicate the importance of taking a Housing First approach, increasing affordable housing stock, and creating partnerships at local, provincial and federal levels to garner resources and the necessary collaboration to address the complexities of the problem.

- *The At Home Chez Soi Project funded by the Mental Health Commission of Canada estimated that for every \$10 invested in affordable housing, a cost savings of almost \$22 was the economic result.*
- *The BC Housing (2016) Social Return on Investment report noted that for every dollar invested in supporting affordable housing, between two and three dollars in direct social and economic value is created for individuals, governments, and communities.*

Key Actions on Homelessness and Affordable Housing During 2017

In recognition of the links between housing and the social determinants of health, and the need for working together, five key organizations (Cowichan Housing Association, Social Planning Cowichan, Our Cowichan Communities Health Network, United Way, Cowichan Division of Family Practice) are working collaboratively to build capacity and coordination, foster affordable housing development and enhance prevention and response to issues of homelessness and affordable housing.

This year, a number of initiatives have been launched in the community toward fostering awareness of the issues, development of community plans and development of partnerships needed for affordable housing development and homelessness prevention.

During 2017, three community forums were held that brought together community members to develop an overarching coordinating structure that would bring the necessary partnerships together to address

this complex issue. These efforts were coordinated by Social Planning Cowichan, Our Cowichan Communities Health Network, Cowichan Housing Association and the United Way, with funding from the federal Homelessness Partnership Strategy (Duncan Aboriginal and Rural/Remote HPS), and the in-kind efforts of all the organizations involved in the planning. The Community Plan Steering Committee evolved into the Cowichan Coalition to Address Homelessness and Housing was formed in October 2017 with the Vision that: All citizens in the Cowichan Region have a safe, affordable home and adequate supports for well-being.

The Cowichan Coalition (see Appendices C and D) will house four streams of work – Homelessness Prevention and Response, Affordable Housing, Communications/Education/Advocacy and Funding. Key highlights of work to date include:

- The Coalition has been working over the past year with a consultant (funded by HPS through the Tze Tza Watul Community Advisory Board and United Way) to prepare a comprehensive plan to address homelessness and affordable housing for the region. This plan will be complete by March 2018. Included in the plan will be a service gap analysis, map of what funding currently comes into the community, and recommendations on solutions that are tailored for the Cowichan region and grounded in experience learned from other communities on the Island and in BC. The Coalition is currently undertaking actions to address an extreme weather response for the winter months.
- Also under the Coalition umbrella, Cowichan Housing Association in partnership with the Mental Health and Substance Use Collective Impact Team is working on a Housing First for Youth Initiative and Youth Housing Plan (also funded by HPS) that will be completed in May of 2018.
- The Ad Hoc Affordable Housing Committee under the Coalition is working to identify potential properties, community and funding partnerships for the creation of Youth Transitional and Supported Housing and Affordable Housing units.
- The Home Team (Cowichan Housing Association, Social Planning Cowichan, Our Cowichan Community Health Network and United Way) designed and delivered a workshop for CVRD Elected Officials and Staff in November 2017 to provide information on local government options for affordable housing.

National and Provincial Context

Recently, senior levels of government have resumed engagement with housing matters. The federal government, in its 2017 budget, announced \$11.2 billion over 11 years allocated for the implementation of an inclusive National Housing Strategy.

The new National Housing Strategy was released in November 2017 lays out a framework of investments that will be implemented in partnership with local and provincial levels of government.

- The National Housing Strategy is a 10-year, \$40-billion plan with the goal of a 50% reduction in chronic homelessness, 100,000 units of new housing and 300,000 units repaired or renewed.
- It will include a National Housing Co-Investment Fund that will provide \$15.9 billion – including \$4.7 billion in contributions and \$11.2 billion in low interest loans – to repair existing rental housing and

develop new affordable housing. The Fund is expected to create up to 60,000 new homes and repair up to 240,000 existing community homes.

- The federal government will invite provinces and territories to partner on a jointly funded \$4-billion Canada Housing Benefit. To be launched in 2020, the Canada Housing Benefit will provide affordability support directly to families and individuals in housing need, including those currently living in social housing, those on a social housing wait-list and those housed in the private market but struggling to make ends meet.

At the Provincial level the mandate letter for the Minister of Municipal Affairs and Housing indicates the intention that through partnerships with local governments, the federal government, and the private and not-for-profit sectors, the Province will begin to build 114,000 units of affordable market rental, non-profit, co-op, supported social housing and owner-purchase housing. In both the provincial and federal cases, there is an expectation that matching funds will be raised by the community.

With the return of senior levels of government to the funding table for affordable housing, there are opportunities for the CVRD to assist non-profit organizations and others in addressing the issues.

Examples of Regional District Homelessness and Affordable Housing Services

Nearby examples of local government-community partnerships include the Capital Regional District (CRD), and the Comox Valley Regional District.

Comox Valley Regional District

The Comox Valley Regional District has established a financial service related to homelessness as an “arm’s length” model, in that the board will approve annual funding contributions to non-governmental organizations (NGOs) to deliver the services. Bylaw Number 389 was adopted in 2015, and is “A bylaw to establish the Comox Valley homelessness supports service to provide funds to non-governmental organizations to address homelessness in the Comox Valley”. Funding is provided to one or more local non-governmental organizations based on a board-approved, and community developed, five-year action plan to address homelessness in the Comox Valley, with annual recommendations from the Coalition to End Homelessness.

In this case, with the support of the local community, as determined through a specific survey in advance of the referendum, a level of taxation was established specifically to support the provision of resources to the community to address the issues. The northern CVRD can be characterized as facilitating the work of community. There is no overhead burden within the regional district to support their Housing Service. The funds are passed straight through to the community.

Capital Regional District

The CRD has established a two-part housing function: 1) the Capital Region Housing Corporation (CRHC), and 2) a division called Housing Planning and Programs (HPP). HPP has a mandate to develop a coordinated approach within the Region to increase the supply of affordable housing by identifying how municipalities, funding agencies and the non-profit sector can work together to meet the housing needs of the most vulnerable citizens. The CRD provides funding to the Victoria Coalition and also manages a Housing Trust Fund.

The Regional Housing Trust Fund is a key implementation initiative of the Regional Housing Affordability Strategy. The Fund was established by the CRD Board in 2005, in recognition that housing affordability is a regional priority and key issue in the Capital Region. The Fund provides capital grants for “bricks and mortar” in the acquisition, development and retention of housing that is affordable to households with low or moderate incomes in the Capital Region. The Regional Housing Trust Fund has significantly increased the Capital Region’s ability to raise funds for affordable housing, by raising an ongoing equity stake that can be used to leverage additional funds, primarily from senior levels of government and the private sector. Between 2005-2016 \$9.6 million was granted toward capital assets valued at more than \$114 million.

In 2016 the CRD Board approved the Regional Housing First Program (RHFP) Implementation Plan that will create at least 268 supported and affordable housing units at provincial shelter rates and at least 175 housing units affordable to low and moderate income households in the region. Island Health has agreed to align its existing mental health and substance services with new affordable housing opportunities developed through the RHFP.

Observations

These two examples from neighbouring regional districts showcase the power of community and local government partnerships. Such partnerships leverage the strengths of community groups to maximize the financial investments that are required, which are within the purview of local governments. They also position a community or region to best compete for funding from senior levels of government to address the issues.

Neither of these examples can be transferred directly to the Cowichan Region. We need a “made in Cowichan” response to the issues we have here, that reflects the community resources and energy on these issues. However, these examples can serve as inspirations and case studies, allowing the Cowichan Region to learn from the initiatives of others.

APPENDIX C: COWICHAN COALITION DRAFT GUIDING PRINCIPLES

(NOVEMBER 2017)

1. Overarching Aims

- To connect, coordinate, collaborate, and communicate around issues of homelessness and affordable housing needs in the Cowichan Valley Regional District, and to promote, support and facilitate the development of affordable housing.
- To foster and support policy to promote the development of affordable housing.

2. Functions of the Coalition

The Cowichan Coalition will undertake four inter-related streams of work that will be outlined in a Strategic Plan.

i. Affordable Housing

- Assesses, evaluates, and monitors the need for affordable housing
- Plans, sets targets
- Links with other streams to identify projects, research and facilitate funding, leverage resources, service provision, education and advocacy

ii. Homelessness Response and Prevention

- Coordinates the continuum of services to facilitate a holistic response for supporting individuals to get and maintain housing
- Assists with navigation
- Includes Housing First

iii. Communications/Education/Advocacy

- Ensures communications between the Coalition work streams
- Provides continuous communication with the larger community
- Provides, supports and facilitates community dialogue and education needed to promote support for affordable housing and reduce stigma
- Is guided by a Communications Strategy
- Provides a table for issues relating to systemic challenges

iv. Funding and Resource Procurement

- Researches, networks and fosters development of a range of resources including funding from government, foundations, private sector, as well as in kind resources and lands
- Works to align funding

3. Representation

- Representation on the Cowichan Coalition will be comprehensive and diverse. The Coalition will include people with lived experience, community agencies from pre-natal to end of life, faith-based organizations, the business, construction and economic development sectors, and municipal, regional, provincial, federal levels of government ensuring adequate representation from Cowichan Tribes and other First Nation bands.
- The Coalition will work to have strong links with local governments, including staff and/or political representation from the CVRD and all member municipalities.
- The Cowichan Coalition will provide the community 'space' for dialogue and action on homelessness and

affordable housing. As such it must be inclusive and provide a trusted and culturally safe environment.

- To ensure that it is properly linked and informed, it will establish a Social Inclusion Advisory Committee/function.
- To ensure focussed and specific attention to Aboriginal and Youth homelessness and housing issues, the Coalition will have Aboriginal and Youth Task Forces.

4. Structure and Process

- The Cowichan Coalition will be guided by a Coalition Charter, Terms of Reference, Vision and Mission Statements. These documents will provide for transparency and accountability, and will have a process built in for self-assessment.
- The Cowichan Coalition will be guided by a Strategic Plan with clear and achievable goals that highlight **“Every citizen in the Cowichan Region has access to safe, affordable and supported housing”**. The Strategic Plan will include an evaluation and monitoring plan and be re-visited annually to allow for changing needs.
- To ensure sustainability, Coalition members may choose to form a registered Society, and seek ongoing funding that will contribute to the activities as well as coordination and administration.
- The Coalition will either be supported by a “backbone”, or through the formation of a Society, will provide a backbone function for the community (similar to the Victoria model).
- The Cowichan Coalition is regional in scope to acknowledge that issues and needs cross municipal, electoral and health jurisdictions, and are not limited to urban areas.
- The Coalition will need a strong and efficient Administrative structure to support the range of work.
- The Cowichan Coalition will liaise and network with other Coalitions, and seek mentorship of the Victoria Coalition.

APPENDIX D: COWICHAN COALITION INITIAL STRUCTURE

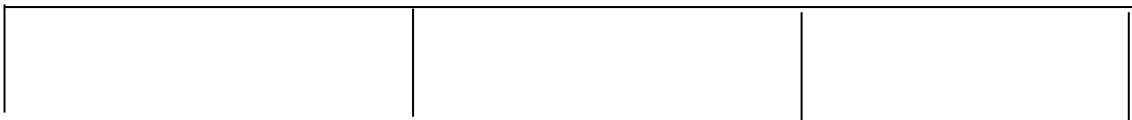
Vision:
All citizens in the Cowichan Region have a safe, affordable home and adequate supports for well-being

COWICHAN COALITION TO ADDRESS HOMELESSNESS AND HOUSING

Leadership, strategic planning, collaboration, coordination, capacity building

Community Plans

**Home Team
Facilitating
Coalition
Development**



Homeless Prevention and Response

Affordable Housing

Advocacy and Education

Funding

Housing First
Emergency Response

- Women's Winter Shelter
- Warming Station
- Housing Subsidies

Affordable Housing Strategy
Housing Projects and Partnerships

Communications
Community Education and Awareness
Advocacy

Allocations
Funding Partnerships
Fundraising

RESEARCH, DATA COLLECTION AND ANALYSIS
DATABASE OF INFORMATION, STATISTICS, FUNDING, PARTNERSHIPS AND RESOURCES

Collective Impact Framework
Common agenda, Shared measures across initiatives, Continuous communication across initiatives, Mutually reinforcing activities,



January 15, 2018

Chair Jon Lefebure
Members of the CVRD Board of Directors
Cowichan Valley Regional District
175 Ingram Street, Duncan BC V9L 1N8

Dear Chair Lefebure and Members of the Board,

Re: Affordable Housing and Homelessness in the Cowichan Region

Cowichan Housing Association (CHA), together with members of the newly formed Cowichan Coalition to Address Homelessness and Affordable Housing, have worked over the past year to build capacity and collaboration toward addressing issues of homelessness and lack of affordable housing in the Cowichan Region.

We request that the CVRD Board take action on Affordable Housing and the rising number of homeless in our region. The attached report provides further background on the current situation with regard to Affordable Housing, steps the community is taking to address this issue, and the gaps that have been identified. These gaps include lack of funding to support affordable housing initiatives, lack of comprehensive strategy for attainable housing and CVRD assistance in planning and partnership initiatives.

Therefore we are making the recommendation that:

- I. The Cowichan Valley Regional District (CVRD) establish a CVRD Affordable Housing Contribution Service to address issues related to Affordable Housing and Homelessness Prevention
- II. The CVRD enter into a working agreement with Cowichan Housing Association (CHA) to manage the funding on behalf of the community and provide community coordination and development services related to affordable housing and homelessness prevention
- III. The CVRD support the development of a Regional Attainable Housing Strategy and Action Plan that will assist in guiding implementation of the Service objectives
- IV. The CVRD strengthen community partnerships through allocating staff time to support and participate in community planning processes.

Attached please find our proposal and case for the recommendations that we have made.

Sincerely,

A handwritten signature in cursive script that reads "Terri Dame".

Terri Mattin Dame
Executive Director, Cowichan Housing Association

Affordable Housing In the Cowichan Region

Cowichan Housing Association
January 2018



A Decade of Work and Success

- RAHD (2007-2014)
- Cowichan Housing Association (2015)
- Solid base of research and data (2015-2017)
- Homelessness Prevention projects (2013-now)
- Cowichan Coalition formed (2017)
- National Strategy announced stressing Partnerships at all levels



Increasing Housing Need



What Has Been Learned

- This is an issue that spans many sectors
- Housing First is key
- Housing is a long term investment with economic, social and health benefits
- Partnerships are essential: collaboration and working regionally



What is needed to move forward

- Financial resources at the local level to support partnership funding and collaboration
- Regional picture and action plan for Attainable Housing
- Local government partnerships for planning and data



Why It's So Hard to Build Affordable Housing: It's Not Affordable

Developers struggle to break even on rental projects for the poorest Americans.

By **Patrick Clark**

July 26, 2016, 3:00 AM PDT

A real estate developer wanted to increase affordable housing in Denver, trying to make fiscal sense out of a plan to build rental apartments for people making only 30 percent of the area's median income—the kind of housing America desperately needs. He discovered that, no matter what lever he moved or compromise he made, he was going to need some money from the government to make it work. Then he was going to need some more.



A CVRD Affordable Housing Contribution Service

- I. Assist in the acquisition, development and retention of affordable housing
- II. Prevent housing loss and homelessness
- III. Facilitate community planning and partnerships
- IV. Research and analysis to inform and guide planning and decisions
- V. Engage, educate and inform the broader community
 - I. Ensure efficient management, oversight, monitoring and accountability



- Flow through funding
- Administered under Service Agreement by Cowichan Housing Association
- Management, Monitoring and Accountability
- Consultation, planning with the Cowichan Coalition and CVRD
- Recommendations for allocations based on solid principles, criteria and priorities



Recommended Annual CVRD Affordable Housing Contribution Service

- \$500,000 (67%) directly for affordable housing and homelessness prevention.
- \$137,500 (18%) devoted to implementation of Service objectives
- \$112,500 (15%) devoted to administration of the Service
- \$15,000 (2%) CVRD Administrative fee



Cost Areas

Implementation and Administration

- Community planning services
- Research, data, policy analysis
- Coordination, communications and education activities
- Management
- Overhead
- Professional development
- Accounting and financial processes



Next Steps: 2018



- **Finalize Community Plans**
- **Undertake region-wide community engagement and education**
- **Continue to update knowledge, research and best practices**
- **Coalition development and key implementation plans**
- **Systems planning - financial accountability, monitoring and performance, policies and linkages**



Desired Outcomes



- **By spring 2019, Service established with a solid administrative / financial structure and guiding partnerships, policies and processes**
- **Established community and government / funding partnerships**
- **Community plans and strategies in place to guide investment**
- **A new era for collaboration and investment begins**





STAFF REPORT TO COMMITTEE

DATE OF REPORT March 2, 2018
MEETING TYPE & DATE Regional Services Committee Meeting of March 28, 2018
FROM: Economic Development Division
Land Use Services Department
SUBJECT: Cowichan Tech Strategy
FILE:

PURPOSE/INTRODUCTION

The purpose of this report is to provide information on the Cowichan Tech Strategy.

RECOMMENDED RESOLUTION

For information.

BACKGROUND

The Cowichan Tech Strategy was launched in 2017 as a key sector development initiative for Economic Development Cowichan. The consulting firm for the strategy, Goss Gilroy Inc., worked closely with the Project Steering Committee for the initiative to develop a range of recommendations to strengthen and grow the tech sector in Cowichan. In the course of the project, more than 50 industry stakeholders were consulted or directly involved in face-to-face meetings.

The Project Steering Committee facilitated by Economic Development Cowichan included industry representation from Damir Wallerin (President, EIO Diagnostics) and Graham Truax (Business Advisor, Innovation Island); and municipal representation from Mayor Aaron Stone, CAO Guillermo Ferrero (Town of Ladysmith) and Mayor Phil Kent (City of Duncan); and Cathy Robertson (Manager, Community Futures Cowichan) has also been involved as a committee member.

Over the course of developing the study, the Project Steering Committee has brought a series of insights and resources that are bringing the work of the study to life. These insights are captured in the attached *Executive Summary of the Project Steering Committee*.

Leveraged financial support for the development of the Cowichan Tech Strategy has been provided by Island Coastal Economic Trust.

ANALYSIS

The Cowichan Tech Study has focused on two primary goals:

1. To create an environment in Cowichan that will support growth of the tech sector.
2. To achieve incremental growth by supporting existing tech businesses and by attracting tech investments and businesses from outside the region.

Growing and strengthening the tech sector in the Cowichan region will require building on five priorities:

1. Access to Skilled Workers: increasing the access to tech workers for businesses located in the region.
2. Networking: facilitating links between tech companies and available programs and services and with other sectors and resources.

3. Business Attraction: creating communication tools, incentives and programs that will attract investment from businesses located outside of the region.
4. Business Development: increasing access to business support services for start-ups and improving the local climate for business establishment and expansion.
5. Access to Capital: increasing access to capital in the region, particularly angel investment.

Economic Development Cowichan remains committed to working with its project steering committee members to advance these priorities. Discussions are currently underway to create partnerships in skills development, and to create networking opportunities that illustrate the influence of technology companies across a range of sectors.

New communication tools are being developed both through the Economic Development Cowichan website, and through a foreign investment strategy that is being conducted with the Vancouver Island Coast Economic Development Association (VICEDA). As these initiatives advance, there will be opportunities to leverage federal and provincial resources for new industry partnerships and to heighten community awareness and involvement in the tech sector.

FINANCIAL CONSIDERATIONS

The tech sector is one of the fastest growing industries in British Columbia and is responsible for more than 100,000 jobs. As Economic Development Cowichan continues to evolve the strategy, there will be opportunities for leveraged investment that will create further job growth and sector diversity.

COMMUNICATION CONSIDERATIONS

A media release on the Cowichan Tech Strategy is in development.

STRATEGIC/BUSINESS PLAN CONSIDERATIONS

Completion of the tech strategy and the presentation of the strategy to the CVRD Board is listed as an activity within the sector development goals of Economic Development Cowichan. The four-year strategic plan also calls for implementation of key recommendations stemming from the document.

Referred to (upon completion):

- Community Services (*Island Savings Centre, Cowichan Lake Recreation, South Cowichan Recreation, Arts & Culture, Public Safety, Facilities & Transit*)
- Corporate Services (*Finance, Human Resources, Legislative Services, Information Technology, Procurement*)
- Engineering Services (*Environmental Services, Recycling & Waste Management, Water Management*)
- Land Use Services (*Community Planning, Development Services, Inspection & Enforcement, Economic Development, Parks & Trails*)
- Strategic Services

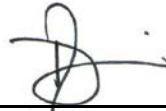
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ATTACHMENTS:

Attachment A – Cowichan Tech Strategy–Goss Gilroy–8Dec2017

Attachment B – Executive Summary–Tech Steering Committee

Attachment C – RSC Presentation–Cowichan Tech Strategy–28Mar2018

Cowichan Valley Regional District
Economic Development Cowichan

A Development Strategy
For the Tech Sector
in the Cowichan

December 8, 2017



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1. INTRODUCTION

1.1 The Cowichan Valley Regional District

The CVRD is bordered by the Nanaimo and Alberni-Clayoquot Regional Districts to the north and northwest, and by the Capital Regional District to the south and east. As of the 2016 Census, the Regional District had a population of 83,739, which represents an increase of 4% since 2011. The region includes nine electoral areas and four municipalities, including the City of Duncan (4,944 residents), the Towns of Ladysmith (8,537) and Lake Cowichan (3,226), and the District Municipality of North Cowichan (29,676).

The leading economic sectors in terms of employment include tourism, agriculture, forestry, and value-added manufacturing.



1.2 Why Development of the Tech Sector is a Priority

There is an emerging tech sector in the Cowichan. The Cowichan Valley is home to several acclaimed digital animation companies, software developers, and respected thought leaders within the tech industry. Characteristics such as a well-educated population, its strategic location in close proximity to Victoria, Nanaimo and Vancouver and their universities, connectivity, relative affordability, climate and high quality of life provide locational advantages that can help to drive further growth of the tech sector in the region.

Advancement of the tech sector has been identified as a potential priority for Economic Development Cowichan. The tech sector features many key characteristics which makes it a desirable target for development. These include:

- The **high rate of growth**. Tech sector revenues in BC have been growing at the rate of 6% per year, much higher than the overall average rate of growth in the provincial GDP.
- The sector is associated with **high paying, high skilled jobs**. In 2015, the average weekly earnings of high tech employees were \$1,590 per week, compared to \$910 for the average B.C. worker.
- Further development of a region's tech sector generates **spillover benefits** for other parts of the economy and the communities (e.g. through facilitating access to and adoption of new technologies). As technology becomes an integral part of other industries, the presence of a strong local tech sector can help contribute to the competitiveness of companion sectors in the region.

- The tech sector consists largely of small businesses which can in principle **locate almost anywhere** and move easily. Eighty-one percent of BC tech companies have fewer than 10 employees.
- Further development of the sector offers the potential to **diversify the region's traditional economic** and bring new business activity to village centers throughout the region.

Simply put, tech is big in BC and getting bigger. Encompassing a wide range of activities from interactive and digital media (IDM), clean tech, life sciences and information and communications technology (ICT), the tech industry consists of over 9,500 companies, generates \$26 billion in revenues (\$15 billion in GDP) and employs more than 90,000 people.

According a recent estimate from Collier's International, the tech sector now accounts for 14% of all office space in the Lower Mainland and 40% of the demand for new office space. The sector accounts for 17% of office space in Victoria and 10% in Kelowna.

1.3 The Tech Sector Strategy

This document presents a strategy for further developing the tech sector in the Cowichan Valley Regional District. This strategy is based on an analysis of the characteristics of the existing sector including its strengths and weaknesses and well as an assessment of the opportunities for development and the threats facing the sector. The strategy outlines key strategic directions and defines the actions that can be taken in the short-term and medium-term to promote further development of the sector. It identifies collaborative partnerships that will be required to create a robust technology sector throughout the region.

1.4 How It Was Developed

A Project Steering Committee was established to oversee development of the tech strategy. Members of the Task Force included Aaron Stone (Uforik Computers and Mayor of Ladysmith), Guillermo Ferrero (City Manager of Ladysmith), Phil Kent (Mayor of Duncan), Damir Wallener (EIO Diagnostics), Graham Truax (Executive in Residence/Business Advisor with Innovation Island), Cathy Robertson (Manager, Community Futures Cowichan), and Amy Melmock (Manager, Economic Development Cowichan).

Prior to the development of strategy, little was known about the characteristics of the tech sector in the region. The first step, therefore, was to identify tech companies in the Cowichan based on referrals from members of the Task Force, industry, government and economic development representatives and others associated with the tech sector. A review of business directories (e.g., the Canadian Company Capabilities database) and an internet search was also conducted and 25 companies were identified as priority research targets. Project research also included a literature review on the characteristics of the region and factors influencing the development of the regional tech in Cowichan.

A broad consultation process was then undertaken that included interviews with 19 representatives from the Cowichan Valley tech sector, 13 representatives from related organizations (telecommunication companies, educators, transportation and health agencies), 9 representatives from government, and 15 representatives from organizations outside the region. In October 2017, an industry roundtable involving 30 tech stakeholders was conducted to discuss the opportunities and constraints to development, as well as strategies and actions that could be implemented to promote further development of the local tech sector. A list of 63 representatives who contributed to the development of the strategy is provided in Appendix I.

2. The Tech Sector in the Cowichan

2.1 Size and Characteristics

BC Stats estimates that there were 108 technology companies in the CVRD in 2015 including 98 service companies and 10 manufacturers. Because there is no specific North American Industry Classification System (NAICS) code for the tech sector, BC Stats estimates the size of the sector by making assumptions regarding the percentage of firms within specific NAICS codes that could be considered high tech. The BC Stats figures include firms such as manufacturers of basic products, traditional media companies and offices of telecommunications firms, engineering companies, local labs, and environmental and other consultants that may not normally be defined as high tech firms.

Using a more restrictive definition, we estimate there are likely 35 to 45 tech businesses currently operating in the Cowichan region, most of which are small businesses. The following table describes 20 businesses in the region that could be considered tech companies.

Examples of Tech Businesses Operating in the Region

Business	Overview
Aquatech Environmental Systems (Duncan)	Formed in 1996, Aquatech Environmental Systems Ltd. develops services and innovative products to meet environmental challenges. It facilitates solutions to water quality issues by generating engineering data used to compute oxygen transfer rates. Products include fine bubble aeration, aeration tubing and waste retrieval systems.
Biomedica Labs (Duncan)	Biomedica Labs (Purica) researches, develops and manufactures food-based non-drug medicine and nutritional products.
Biopreme Medical Technologies (Chemainus)	Established in 2013, Biopreme is developing a novel syringe technology that will provide homecare patients with the versatility of a universal hypodermic syringe without the standard needle. It will be a fully disposable device that offers a safer and more user-friendly solution.
Boydell Wastewater Technologies (Chemainus)	Boydell is a British Columbia, Canada, based wastewater treatment technology development and licensing Company. BOYDELL has engineering, lab testing and demo facilities in Chemainus. The company was started with a mission of developing a better, more controllable and reliable sewage treatment technology.
BRON Studios (Duncan)	Established in 2010, BRON is an integrated media and entertainment company focused on the creation, production, and financing of motion picture, television, and digital media content. BRON develops, acquires, finances, produces, and arranges distribution through the company's various divisions: BRON Studios, BRON Animation, BRON Creative, BRON Life, The Realm, and BRON Digital. In 2013, BRON Animation set up a satellite office in Duncan, focused on digital animation.
Data Stream Networks (Cowichan Bay)	DataStream Networks provides a range of services including Fully-Managed IT solutions (i.e., managing, operating and optimizing a company's IT infrastructure), help desk support, backup Disaster Recovery and website development.
EIO Diagnostics (North Cowichan)	EIO Diagnostics pioneers new technology for the global dairy industry, Each year, the industry loses more than \$10 billion in production because of undetected udder infections. Using a technique known as multispectral imaging, EIO detects these infections dramatically sooner and cheaper than any other approach currently on the

Business	Overview
	market. This gives farmers an effective tool for increasing herd health and minimizing production losses.
eOmni Solutions (Duncan)	eOmni provides accounting software for property management and real estate, integrating systems not previously compatible. They are in the process of introducing AI into their products and have created a system that utilizes advanced automation to unify and simplify all aspects of the real estate business.
G3 Mechatronics (Chemainus)	G3 Mechatronics Inc. is a small, multifaceted technology firm providing engineering support to industry on Vancouver Island and the Lower Mainland. The company offers a range of services including prototyping support services, automation & robotics support, integrated solutions, and small-scale contract assembly & fabrication services.
Giles Environmental Engineering (Shawnigan)	Giles provides engineering services for sewage treatment and disposal for small communities; onsite sewage treatment for residences, municipalities, schools, and other institutions; municipal management of onsite systems; water treatment systems; environmental site assessments; and environmental science and technology.
Group Technologies (Ladysmith)	Group Technologies has two main products: an advanced whiteboard with features such as object select/cut/paste/move/delete, pan/zoom, undo/redo, user-defined icons, DXF import, and the ability to upload Office documents to the whiteboard and an advanced HTML5 web conferencing software.
Knowledge Computers (Duncan)	Knowledge Computers obtains networking equipment through overstock or surplus equipment reductions, asset recovery, closeouts, wholesaler and factory liquidations, and customer trade-ins. The company refurbishes the equipment, and markets both refurbished and new equipment to customers in North America and Asia.
Lockhart Industries (Cobble Hill)	Established in 1981, the company's main business is heating and refrigeration sales and service. Innovative developments have resulted in the granting of a number of patents for geothermal, energy generation and heat pump technologies.
Midgar Environmental Testing & Research (Duncan)	Midgar Environmental Testing and Research Ltd provides environmental consulting, and is currently working on opening an environmental testing lab in Duncan. The company is involved in testing water, air and soil quality for numerous parameters and chemicals in addition to consulting.
MRKS Media (Shawnigan)	MRKS Media is a digital design, development and marketing agency, specializing in user experience design, responsive websites and mobile applications for businesses.
Mustimuhw Information Solutions Ltd. (Duncan)	Mustimuhw Information Solutions Ltd. is owned by the Cowichan Tribes. For the past 22 years, they have developed and refined unique solutions designed specifically for First Nations Health Centres and Child & Family Service Agencies. Mustimuhw Solutions reflects an intimate working knowledge of the requirements of First Nation Health Centers and C&F Service Agencies with respect to information management systems, and the key supporting services that are essential to ensure their continued success.
RBS Managed Services (Duncan)	RBS Managed Services provides a range of managed services including IT outsourcing (a virtual IT department), managed disaster recovery, security and IT consulting.
Taiji Brand Group (Maple Bay)	Taiji Brand Group is a branding, communication and digital design firm with a unique approach to helping clients achieve clarity and focus. This approach includes technology-based solutions including internet presences and social media.

Business	Overview
Tracker Software Products (Chemainus)	Incorporated in 1997 in the UK to develop imaging and PDF format related software, Tracker Software Products has offices in Canada and the UK, with additional development offices in the USA and Ukraine. The corporate headquarters were relocated to Vancouver Island in 2008. The main thrust of their products is still PDF Document / Imaging related applications and developer toolkits.
Uforik Computers (Ladysmith)	Uforik is a computer retailer that has branched out to provide a range of IT services to companies and others.

In addition to these companies, there are various other small tech companies located in communities throughout the region. There are also tech workers located in the Cowichan who work remotely for businesses located outside the region.

Key characteristics of the companies listed above include:

- The companies employ approximately 250 people in total and two-thirds of these employees are based in the region.
- The companies are active in a range of sub-sectors of which the most common are software (6 companies), environmental, clean tech and alternative energy (5 companies), digital media (3 companies), and IT services (3 companies). The remainder are involved in hardware, medical devices and nutraceuticals.
- On average, the companies have been in operation for 12 years, with the length ranging from less than 3 years to 35 years.
- Most tech businesses in the region started here. Of the companies interviewed, only three started elsewhere and relocated to the Island. Companies are located here because of a personal connection between a principal in the business and the community or as a result of the owner or lead manager having grown up here or having a family relationship with someone from the Island.
- The larger companies tend to be more bullish about the potential for growth, with most of that growth projected to occur in markets beyond Vancouver Island and in most cases, outside of BC.
- Most companies have received little or no support from business development or support programs in the region.
- Two companies reported receiving assistance from Innovation Island, two reported some assistance from VIATEC, two received loans from CFDCs (one of which received the loan prior to relocating to the region), two reported receiving an IRAP grant, and one hired a University of Victoria student on a contract basis.

2.2 Our Strengths, Weaknesses, Opportunities and Threats

During the process of developing the strategy, interviews and a roundtable were conducted with a cross-section of tech companies and members of the sector ecosystem to identify the strengths, weaknesses, opportunities and threats facing the tech sector in the Cowichan.¹ The key issues and themes are summarized in the chart on the following page and discussed on the pages following.

¹ Appendix II summarizes the number of people who were interviewed and number of participants in the roundtables who identified particular advantages or disadvantages associated with the region.

Summary of Strengths, Weakness, Opportunities and Threats Associated With the Tech Sector in the Cowichan

<ul style="list-style-type: none"> ▪ High quality of life (slower pace of life, family friendly, short commutes, and recreational opportunities) ▪ Lower costs (affordable housing and lower cost of offices and business operations) ▪ Access to schools and health care options ▪ Extensive ecosystem supporting the development of the tech sector in BC overall with some of that support delivered directly in the region ▪ Well-established (albeit narrow) and growing base of tech companies in the region on which to build ▪ Strong regional interest in further developing the sector ▪ Available and attractive space for operations (availability of land, new developments, industrial parks, and tax incentives for investment) <p>Strengths</p>	<ul style="list-style-type: none"> ▪ Shortage of skilled tech workers in the region and more generally in BC overall ▪ Lack of local education and training programs related to tech ▪ Difficulties in attracting workers from outside of the region ▪ Low profile of the region and the sector ▪ Very limited networking between the tech companies in the region ▪ Little interaction between industry and educators in the broader region and local industry ▪ Limited access to capital ▪ Travelling times to the Lower Mainland and beyond ▪ Lack of local government support for development ▪ Connectivity issues, particularly outside of Duncan ▪ Low levels of entrepreneurship/limited access to business support <p>Weaknesses</p>
<p>Opportunities</p> <ul style="list-style-type: none"> ▪ Footloose nature of the tech industry creates opportunities to attract investment and tech workers combined with a trend towards locating tech companies in smaller communities ▪ Potential to build on resources within and adjacent to the region including the available ecosystem existing businesses, the sector in Victoria, Vancouver and Nanaimo, and other industry sectors in the Cowichan (e.g. film, agri-food) ▪ Priority placed on innovation and further development of the tech sector by the federal and provincial governments as well as local stakeholders 	<p>Threats</p> <ul style="list-style-type: none"> ▪ Strong competition from other regions for investment and workers ▪ Challenges regarding business retention (some dissatisfaction amongst existing businesses) ▪ Succession issues facing some of the businesses

Strengths:

Some of the strengths on which the tech sector in the Cowichan can build include:

- The **high quality of life**, which is the advantage of being located in the region most commonly identified by tech sector representatives. Key dimensions incorporated into the perceived quality of life include the pace and feel of a smaller town or community, short commutes, the climate, air and water quality, the natural setting, ready access to mountains, wilderness, lakes, rivers and the ocean for recreation activities and culinary experiences. In a 2016 Island Innovation survey of 50 tech companies located in the mid Island, all companies identified the lifestyle as a primary advantage of being located in the region².
- **Affordability (cost of living)** is another major advantage, particularly with respect to housing costs relative to those in surrounding communities such as Victoria, Nanaimo and Vancouver. In a 2016 VIATEC study of 250 businesses, 60% listed the lack of housing options as the top reason they have trouble recruiting talent.³ The cost of buying a home is more affordable in Cowichan and housing rental prices in Duncan are about 63% lower than in Vancouver and about 48% lower than in Victoria.

Median House Prices as of August 2016⁴

	Duncan	Ladysmith	Nanaimo	Victoria	Vancouver
House	\$391,200	\$424,950	\$419,99	\$699,900	\$2,255,000
Apartment	\$284,500	\$229,900	\$299,000	\$337,900	\$698,000

The lower prices are a competitive advantage for companies in recruitment and allows companies to provide a lifestyle comparable to other centres. The Victoria technology sector is being affected by rising house prices. Representatives also noted that office rents and business taxes can be lower in the Cowichan.

- **Educational offerings** are diverse and well regarded in Cowichan. The region is home to a wide variety of private, alternative and public schools that appeal to young professional families.
- **Health care** access in the region will be bolstered in the coming decade by the creation of a new Cowichan Valley Regional Hospital.
- The **climate of growth and collaboration in the region** as exemplified by partnered economic development strategies in Ladysmith and Lake Cowichan and the Western Region, along with new zoning bylaws in North Cowichan and Duncan to accommodate and plan for residential and commercial growth may further define opportunities for tech growth.
- There is a **strong ecosystem in BC** supporting the development of the tech sector. The federal and provincial governments have made significant investments in tech research, development and commercialization as well as education and training programs. In recent years, there has been a significant increase in access to capital, particularly early-stage financing with the introduction of

² <https://discovercomoxvalley.com/wp-content/uploads/2016/12/2016-VIEA-Economic-Report-Web.pdf>

³ <http://www.timescolonist.com/business/lack-of-affordable-housing-in-greater-victoria-stymies-economic-growth-study-1.21910874>

⁴ <http://www.canadianrealestatemagazine.ca/top-neighbourhoods-victoria-bc-27843.aspx>

programs such as the \$400 million federal government venture capital action plan and the BC government's \$100 million technology innovation venture and further development of angel investor networks, venture capital and private equity funds. An overview of programs and resources available to support development in BC and more specifically the Cowichan is provided in Appendix III.

While businesses in the region tend to have less access to on-the-ground resources than firms in larger tech regions, support is available from some regionally delivered programs including programs offered by Innovation Island, the NRC IRP program, the CFDC, and others.

- **Base of growing companies in the region.** As highlighted in the previous section, there are an estimated 35 of 45 tech companies based in the region, the largest of which are projecting significant growth over the next few years.
- **Strong regional interest in further developing the sector.** This interest is exemplified by the will to create a regional tech strategy, the strong turnout for the industry roundtable and the number of people who participated in the strategy interviews.
- **Attractive space for operations** (availability of new developments, industrial parks, and tax incentives for investment). New commercial developments and industrial parks have been created in various communities. Shared office spaces that are specifically designed for the start-up sector are being opened in Duncan and are being contemplated in other parts of the region.

Weaknesses:

Some of the weaknesses that slow or constrain further development of the sector include:

- **A shortage of skilled tech workers** in the region and more generally in BC. The shortage of tech workers available locally was the competitive disadvantage or constraint to development identified most frequently in both the interviews and roundtables. The 2016 Tech Talent BC study noted an overall shortage of talent in BC, particularly with respect to IT occupations such as systems engineers, programmers, and software developers. As the sector further develops, shortages are also increasing in terms of experienced management, business development, and sales and marketing professionals.
- **Lack of local education and training programs** related to tech. While Vancouver Island University (VIU) offers both degree and diploma programs in computer sciences at its campus in Nanaimo, none of the companies indicated that they employed a program graduate. Between the degree and diploma programs, there are fewer than 20 graduates per year. While VIU has a campus in Duncan, it does not offer IT related programs at the Cowichan campus.
- **Difficulties in attracting workers** from outside of the region. Some of the recruitment constraints include a lack of familiarity with the region, strong demand for workers from other regions, the perception of limited amenities available in the Cowichan for younger workers and the small size of the industry. This creates concerns that the worker will have to move back if the first job does not work out and concerns about the availability of employment in the region for spouses or partners.
- There is **not a critical mass of tech companies** and no anchor companies in the region. The rate of sectoral growth tends to be higher when there is a cluster of businesses sharing technologies, markets, workers and other assets. A recent article in the Atlantic maintains that a cluster of companies is still needed for sustained growth. "We know that it's a virtual world, and in theory you

can do high-value work anywhere. But in practice most of today's highest-value collaborative work takes place in clusters ... where communities evolve to provide the services, comforts, and daily experiences each group values." The development of one significant company can often greatly accelerate the development of the tech sector in a region (such as Club Penguin in Kelowna.)

- **Low profile of the sector and region.** Awareness of the tech sector is relatively low even amongst companies and members of the ecosystem based in the region. Most tech companies based in other parts of BC and beyond tend not to be very familiar with the region.
- **Very limited networking** between tech companies in the region. There are few connections between the tech businesses in the area (in interviews, most company representatives were able to provide few if any referrals to other tech companies in the region) or between those businesses and local customers, suppliers or other economic sectors in the region. The tech sector in the CVRD consists mostly of small companies operating in distinct markets and located in different communities through the region. There is no central hub of companies. A possible constraint to increasing the level of networking is the physical distance that exists between some of the companies as well as the wide differences in technology focus and markets.
- **Little interaction between industry and educators** in the broader region and local industry. According to the interviews, local companies interact very rarely with educators or trainers in the Cowichan or neighboring regions. Very few representatives have served on program advisory committees or hosted coop students.
- **Limited access to capital.** Many of the companies indicated that there is very limited access to capital in the region, although there are a few angel investors. Community Futures Cowichan provides loans to businesses in the region but does not have a distinct focus in the tech sector.
- **Travelling times (and costs)** of going to the Lower Mainland and beyond for business purposes. Business relationships tend to be with customers, suppliers, and sources of capital located in other regions. Some businesses reported a regular need to travel to meet with business associates, current and prospective customers, financiers and others. While there are a variety of transportation links urban markets, travel times can still be significant.
- **Perceived lack of government support** for development. Several of the businesses identified local regulatory, licensing and zoning issues as well as the lack of coordination across government jurisdictions in the region as slowing the growth of their business. Some of the businesses attributed this to a perceived resistance to growth in the region.
- **Connectivity issues.** While some significant recent new investments have been made in fiber optics, there are connectivity issues outside of urban areas in Duncan (largely because the low population density does not support enhanced investment).
- **Few connections to the local marketplace.** Most of the larger companies in the region generate the majority of their revenues through sales to customers off Vancouver Island.
- **Low level of entrepreneurship.** The rate of new business development has been declining across Canada as the population ages. Over half of the interviewed tech businesses currently operating in the region were established more than 10 years ago. The low rate of tech business start-up reflects a lack of recent tech graduates in the region who are looking to create their own jobs and businesses.

- **Centralized services.** Participants in the roundtables specifically highlighted the lack of business start-up services, incubators, and accelerators in the region as well as shared office spaces.

Other issues that were raised in the roundtable and by those interviewed included housing shortages and shortages in appropriate shared office space in some regions and some “small town” resistance to adapting newest technologies. In addition, a number of the businesses located in Duncan commented on the crime rate, which is higher on a per capita basis than in other regions of British Columbia.

Opportunities

Some of the opportunities identified for further development of the sector include:

- The **footloose nature of the tech industry**, particularly IT, creates opportunities to attract investment and tech workers. Two areas where the region may be most competitive with respect to attracting investment are:
 - **Where the investment involves a relocation or expansion from a neighbouring region** (e.g., from Victoria or, to a lesser degree, Vancouver). Given the lack of tech workers available locally, a new operation would typically bring staff with them or recruit from outside of the region. The closer the operation is to the previous or base location, the more likely this is to happen.
 - **When the management has a personal connection to the Cowichan Valley.** An emerging trend is people returning to the small town they grew up to relocate or expand their tech company. For example, in Redlands California (population 70,000), Esri (a GIS mapping software, spatial data analytics & location platform) transformed the local economy after the local air base closed. It was started by an entrepreneur who had grown up in the town.”⁵
- **A trend towards locating tech businesses in smaller communities.** A January 20, 2017 Forbes article contends that, at least for startups, the trend is away from large metropolitan areas to smaller towns. The article noted that high taxes and strict regulations associated with larger urban locations can hinder start-up growth. Communities that have been most successful in developing and attracting new tech companies tend to be those located close to universities and existing pools of tech talent.

A recent article in the Financial Post noted another potential advantage in small cities. “Smaller governments often mean that decision-makers are easier to find and speak with one on one. Towns often work harder to find new businesses the right location, smooth the startup process and help access incentive programs.”⁶

- **The potential to build on resources within and adjacent to the region** including the available ecosystem of existing businesses, the sector in Victoria, Vancouver and Nanaimo, and other industry sectors in the Cowichan (e.g., film, agri-food, etc.). In principle, the region could benefit from being

⁵ <https://www.theatlantic.com/national/archive/2014/01/luck-planning-karma-the-elements-of-a-small-towns-high-tech-success/282824/>

⁶ <http://business.financialpost.com/entrepreneur/fp-innovators/0227-biz-bc-croxon>

adjacent to the second (Capital Regional District) and fourth (Nanaimo) largest tech regions in BC and in close proximity to the largest tech region (the GVRD).

In the CRD, there are about 900 tech companies generating more than \$3 billion in revenues with 20,000 employees and contractors. In Nanaimo, there are 350 companies employing over 3,000 people. At present, the Cowichan companies interviewed have few links with the adjacent regions.

- **The priority placed on innovation and further development of the tech sector** by government. The tech sector has been **identified as a key priority by the Government of Canada**, through its innovation agenda. **The Province of British Columbia** plans to establish an innovation commission to support innovation and business development in the technology sector and is placing a high priority on rural development. There are also opportunities to build on various government initiatives, such as attracting investment through the BC PNP Entrepreneur Immigration Program and tech workers through the BC PNP Tech Pilot.

Threats

- **Strong competition from other regions for investment and workers.** Many other communities and regions have identified further development of the tech sector as a priority, which reinforces the importance of defining a clear niche and set of strategies for targeting specific segments of the industry where the region may have comparative advantages.
- **Challenges regarding business retention.** Several companies expressed dissatisfaction with the local business environment. One company indicated that they have already relocated part of their operation outside of the region because of the local building requirements.
- **Succession issues.** Several of the longer-established businesses reported facing succession issues. It can be much more difficult for businesses in smaller communities to attract buyers, which increases the likelihood that a tech business will simply be shut down once the founder decides to retire or to move on to other activities.

3. THE PLAN FOR DEVELOPMENT

3.1 Goals

The goals for the strategy are two-fold:

- To create an environment that will support growth of the tech sector over the medium to longer-term, recognizing that sector development is a longer-term process; and
- To achieve incremental growth in the short to medium term through supporting further development of existing tech businesses in the tech sector, the establishment of new businesses, and the attraction of tech investments and businesses from outside region.

The Cowichan Tech Strategy is designed to contribute to the region's broader objectives by helping to maintain and enhance the high quality of life and by providing business opportunities and long-term quality opportunities that will benefit residents and help retain youth in the community.

3.2 Positioning

The Cowichan is an attractive place for tech businesses to locate and develop. It is an affordable place to live and operate a business that offers a quality of life that is not available in larger centres. Yet, it is located close to those major centres, enabling businesses to readily access markets, skilled workers, capital and specialized expertise.

3.3 Our Pathways to Further Development

There are two pathways to further development of the tech sector in the Cowichan:

- Accelerate the rate of tech business formation and growth of existing businesses (build from within)
- Attract investment from outside of the region (relocation of businesses or establishment of satellite operations)

3.3.1 Building From Within

The rate of tech business formation and growth of existing businesses within the CVRD is a function of a variety of different factors or *economic drivers*. The rate of development in any given region tends to be higher when the tech sector has ready access to skilled tech workers, capital, markets, and other key inputs, as well as capabilities related to research, technology development and commercialization. Those resources do not necessarily need to be located in a region for the tech sector to grow; however, they need to be readily accessible to the businesses in the region.

The relative importance of the drivers varies depending on the sector and characteristics of the businesses. For example, the growth of companies involved in software development may be impacted primarily by access to skilled tech workers while organizations involved in the development of products, such as medical

devices, may be impacted more by access to capital and the resources available to support technology development and commercialization.

The challenge to the CVRD is to help create the conditions for growth from within by promoting a positive business climate, increasing local access to business support services, and facilitating greater access to the needed resources including tech workers, networks, markets and capital.

3.3.2 Attracting Tech Businesses to the Region

There are two forms of business attraction:

- **Investments by businesses that are relocating operations to the CVRD.** Research indicates that relocation decisions are most often driven by dissatisfaction with the existing location. The most common reasons given by site sectors for their clients relocating are proximity to suppliers or markets, amenable labor costs and lower taxes.
- **Businesses that will be expanding by opening a new operation in the CVRD to complement to add or complement their other locations.** The decision to open an additional operation is most often driven by the opportunity to access new markets or needed resources (e.g., tech workers, capital, or other key inputs). In some segments of the tech sector, there are also opportunities to attract one or a small group of tech workers who would work remotely for a tech business located in another region.

Regions that have greater access to markets, capital, highly qualified personnel, infrastructure and other key inputs are those that tend to be most successful in attracting tech businesses. Any steps taken to facilitate the establishment and growth of businesses within the CVRD will also serve to increase the attractiveness of the region for investment from outside.

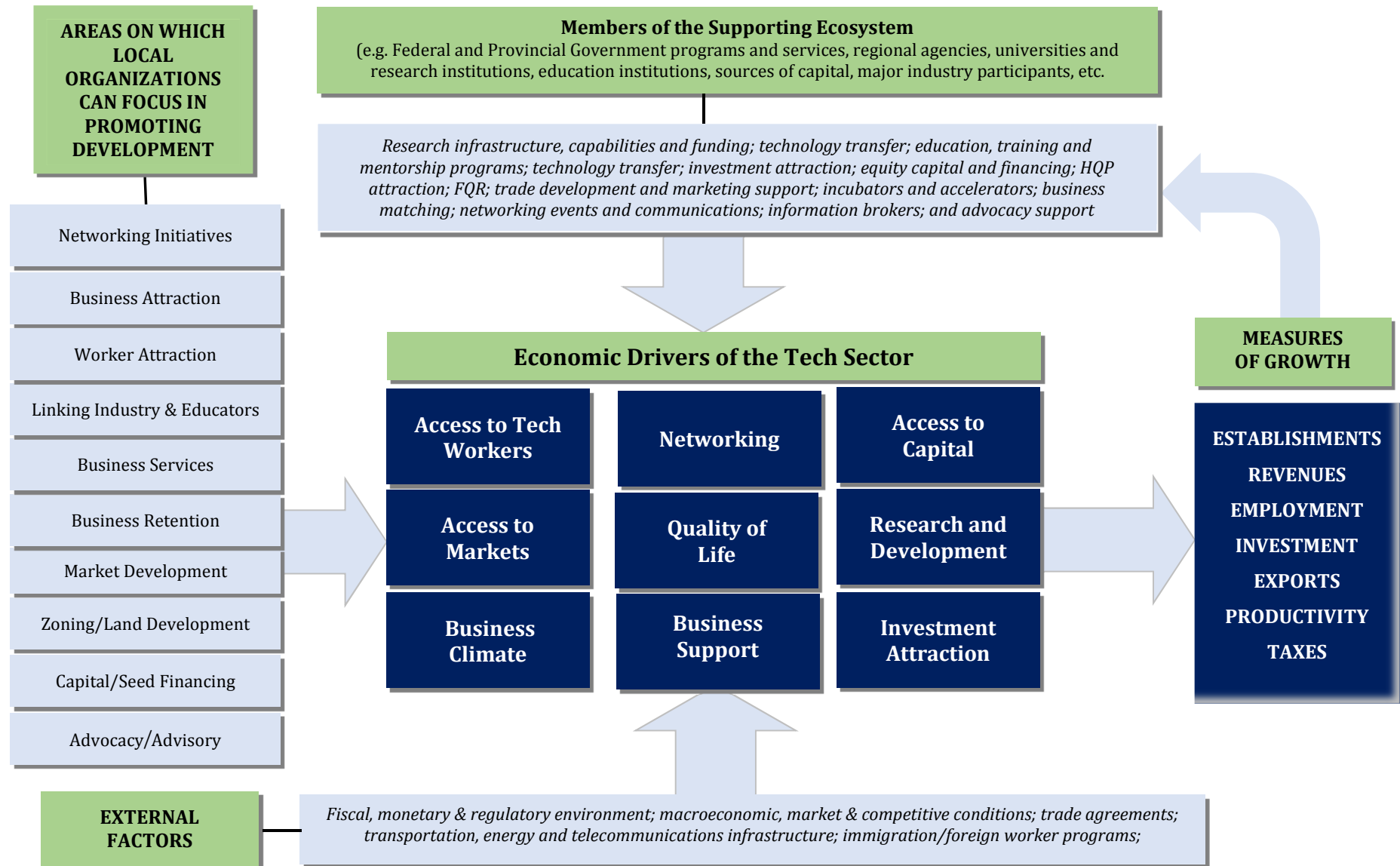
In addition to those steps, the CVRD can increase the profile of the region and create a positive image amongst potential investors to trigger interest and ensure that the Cowichan is on the initial consideration list. New investment tools, such as the revamped Economic Development Cowichan website and the partnered tech attraction strategy being developed through the Vancouver Island Community Economic Development Association (VICEDA) can assist in generating leads and should be accompanied by hands-on support to site selectors and potential investors.

3.3.3 Summary of Factors Influencing the Rate of Development

The chart on the following page summarizes the key factors or economic drivers, specifically relevant to the Cowichan, that influence the rate of development of the tech sector. The factors include quality of life (including cost of living), access to tech workers, the level of networking, access to capital, access to markets, research and development, the business climate, access to business support, and investment attraction.

The chart also illustrates that various members of the *supporting ecosystem* (e.g., government, education and research institutions, and capital suppliers) seek to influence these economic drivers by providing resources, programs and services. A description of some of these programs and services is provided in Appendix III. The rate of development is also affected by *external factors* that are typically beyond the control of the supporting ecosystem (e.g., fiscal, monetary and regulatory environment, macroeconomic conditions, etc.).

Factors Influencing the Rate of Development of the Tech Sector in the Cowichan



The chart also lists areas or types of initiatives on which regional stakeholders such as industry, educators, government and local development organizations could work together to strengthen the economic drivers and promote further development of the sector.

As indicated, organizations can work together in promoting industry networking, business and worker attraction, strengthening linkages between industry and educators, delivering business services, implementing business retention initiatives, assisting with market development, adjusting regulations and policies and facilitating access to capital or seed financing, and providing advice and advocating for the sector.

3.4 Strategic Priorities

Further developing the tech sector in the CVRD will require building on the five pillars or priorities defined under the strategy:

- **Access to Skilled Workers:** increasing the access to tech workers for the businesses located in the region.
- **Networking:** facilitating greater interaction and linkages within the tech sector and between tech companies and available programs and services, other sectors, and other resources.
- **Business Attraction:** attracting investment from businesses located outside of the region.
- **Business Development:** increasing access to business support services for start-up and expanding businesses and improving the local climate for business establishment, expansion and attraction.
- **Access to Capital:** increasing access to capital in the region, particularly angel investment.

In pursuing these priorities, **Economic Development Cowichan** will:

- **Not limit its focus to a narrow definition of the tech sector.** The tech strategy is only one part of an overall strategy to promote economic development in the Cowichan. Many of the initiatives undertaken as part of the tech strategy can also target other sectors.
- **Work in collaboration with entities located outside of the region in implementing elements of the strategy.** While there is inevitably some competition between closely located regions, further development of the tech sector on Vancouver Island can be implemented much more cost effectively in association with other regions than independently.
- **Leverage available resources including government programs and other support.** It will be important for the Project Task Force not only to be aware of existing programs, but also to monitor the introduction of new programming that will be forthcoming from both the provincial government and the federal government.

3.5 Tactics and Actions

This section proposes the tactics and action for pursuing each of the strategic priorities.

3.5.1 Increasing Access to Skilled Workers

The shortage of tech workers available locally was the competitive disadvantage or constraint to development identified most frequently in both the interviews and roundtables. To ease this constraint, steps can be taken to:

- **Strengthen linkages between local industry and educators as a means to increase the flow of graduates into the tech sector in Cowichan.** Responsibility for training the next generation of tech workers or providing technical upgrading is not solely the responsibility of educators. Ultimately, it is the responsibility of the industry in association with the educators.

With facilitation assistance from Economic Development Cowichan and other partners like Community Futures, local companies need to take a more active role in working with educators in the design of programs and curriculum (as part of industry advisory committees) as well as in helping the programs develop the business case for expanding programs by demonstrating the demand for graduates in the region.

Local companies also need to get more involved in hiring co-op students and those participating in other forms of experiential learning. This will help to strengthen linkages, improve the programs and enable employers to test out prospective workers whom they may hire upon graduation. Provincial government funding is available to partially offset the cost of hiring co-op students

In the short-term, these activities could focus on getting companies more involved with the VIU programs in Nanaimo as well as with programs at Camosun College in Victoria. However, the eventual goal will be to establish tech education programs at the VIU Cowichan Campus in Duncan. A first step towards local education programs may be to focus on the needs of the First Nations communities in the region. Mustimuhw Information Solutions Ltd., owned by the Cowichan Tribes, is a leading employer in the tech sector.

- **Attract workers from outside the region.** Similar to the investment attraction strategy, this involves creating awareness of the opportunities in the Cowichan. Awareness can be generated through web sites and promotional programs, by participating in job fairs and other events focused on the tech sector, and by focusing on both business and employee attraction as part of investment attraction efforts.

Posting opportunities on the co-op board of degree programs at UBC, SFU and the University of Victoria and facilitating joint recruitment efforts involving multiple employers are also means of attracting skilled workers. The region can also attract new hires by making use of the Tech Pilot established under the BC PNP, as well as the Federal Skilled Worker Program and the Temporary Foreign Worker Program.

3.5.2 Networking

Strategy research indicates there is little interaction between the members of the Cowichan tech sector, which contributes to the low profile of the sector and the lack of shared resources available to assist sector growth. To help address this issue, steps can be taken to:

- **Stage periodic networking events involving members of the tech sector.** The results of the roundtable indicate that there is considerable interest in a forum through which

technology people can meet regularly and exchange ideas. However, these networking sessions must serve a clear purpose. Following best practices that have been employed elsewhere, networking events could be scheduled quarterly and feature guest speakers who can discuss key issues and opportunities. The Northern BC Tech Growth Program, for example, is a CEO-level, peer-to-peer facilitated quarterly discussion forum featuring a series of five seminars.

- **Stage a discovery day** that would bring local tech companies together with potential investors, representatives from government and other sectors in the region (e.g., value-added agriculture and forestry, wine, and finance). The event would encourage participants to find out more about products and services within the tech sector in the Cowichan and the associated market opportunities.
- **Promote development of a hub** around which segments of the sector can further develop. There are currently no tech hubs within the Cowichan formed around major anchor companies, resource or innovation centres, an aggregation of companies, or tech incubators that provide shared office space and other resources. Establishment of a tech resource centre in the region is a longer-term goal. In the short-term, there may be opportunities to promote shared office space developments that are emerging in the region. The development of an agriculture innovation and research centre in the Cowichan, or the growth of the local film and digital animation sector could also bring associated benefits to the local tech sector.

3.5.3 Business Attraction

Attracting investment from businesses located outside of the region has the potential to increase the critical mass of tech companies in the region and their ability to influence the development of education programs and other resources. Efforts to attract investment to the region will target a range of economic sectors, one of which is the tech sector.

Investment attraction will require:

- **Clearly defining the targets for investment attraction.** Investment attraction activities can be targeted at both Canadian investors and international investors. The advantage of targeting international investors is that funding support is available for the attraction of foreign direct investment (through Invest Canada – Community Initiatives). Opportunities to link promotional efforts to the Entrepreneur Immigration Stream of the BC Provincial Nominee Program also exist.
- **Generating awareness and image building.** This can involve activities and events such as attending conferences and trade shows, email and social media campaigns, advertising, public relations, investment missions, investment seminars, and the generation of favourable news stories by cultivating journalists (earned media). The fundamental objectives of image building are to raise awareness amongst potential investors about the advantages of locating in the Cowichan region.
- **Providing information and investor services in response to leads.** The region needs to be able to provide timely information in response to enquiries for support. These services, which are already in development at Economic Development Cowichan, can range from providing information on commercial real estate to presenting the full business case for investing in the local tech sector.

Economic Development Cowichan can work with the local tech sector to identify potential attraction targets (i.e., companies with whom they work, companies led by managers with a connection to the region, etc.) and recruit ambassadors, tech sector leaders, recent investors and other private sector champions into investment promotion activities.

As part of this process, communities, property owners and developers can also help to strengthen the business climate, develop investment incentives, and implement coordinated attraction strategies. A nearby example of the private sector working together on this type of initiative is the Mid Island Business Initiative in Nanaimo.

3.5.4 Business Development

In order to increase to business development services to the Cowichan tech sector, Economic Development Cowichan can:

- **Work with Innovation Island to establish a regular presence in the region.** Having a Business Advisor in the community twice per month would help to accelerate the start-up and development of tech businesses in the region and would likely lead to more Cowichan tech businesses participating in the *Venture Acceleration Program*. Innovation Island can also be engaged to deliver the RETHINK Series, a workshop program targeted at tech start-ups. The series focuses on product and customer development, financing, team building, and scaling.
- **Create connections between the tech sector and local government** to ensure that municipal and CVRD planning staff and government decision makers have a well-rounded understanding of the development needs within the sector.
- **Adapt existing business development services to the tech sector.** Business development services are currently offered in the region by Community Futures, the provincial Venture Connect Program, and through other federally and provincially funded partners. These regional programs could develop a more specific focus on tech sector development.

3.5.5 Increase Access to Capital

Many of the companies in the region identified access to capital as a constraint. To improve access to capital, Economic Development Cowichan can:

- **Support the development of an angel investor network for the region.** As an option to increase access to capital, an angel investor network can be formed to serve the broader region. Angel investor networks have proven very effective in both increasing the level of angel of investment and the improving the returns for angel investors. Once formed, Western Economic Diversification could be approached for funding.

FedDev Ontario, WD's counterpart in southern Ontario, has provided significant funding to angel investor networks to support efforts to attract members/angel investors and qualified applicant companies, undertake outreach, education, mentoring and engagement for investors and entrepreneurs, provide investor accreditation, facilitate co-investment/investor syndication, and improve reporting.

- **Work with Community Futures Cowichan** to identify and pursue opportunities to increase the access of tech companies to capital.

3.6 Roles of the Key Stakeholders

The roles of various parties in implementing the strategy are outlined in the table below.

Organization or Groups	Roles
Economic Development Cowichan	<ul style="list-style-type: none"> • Provide leadership in the implementation of the strategy • Develop funding proposals and secure funding for various aspects of the strategy • Increase awareness within the region of the importance of the size and significance of the tech sector • Create connections between local government and the sector • Participate in investor and worker attraction programs and promote use of federal and provincial programs as appropriate • Provide information and investor services in response to leads • Organize quarterly networking events involving members of the tech sector and a discovery day • Explore the development of a tech hub or hubs • Support the development of an angel investor network for the region
Project Task Force	<ul style="list-style-type: none"> • Provide guidance and assist in the implementation of the strategy • Monitor the results
Innovation Island	<ul style="list-style-type: none"> • Establish a regular presence in the region (e.g., bi-weekly) • Deliver the RETHINK Series in the region • Work to increase local participation in the Venture Acceleration Program • Support the development of an angel investor network for the region
Community Futures Cowichan	<ul style="list-style-type: none"> • Identify constraints and pursue opportunities to increase the access of tech companies to loan funding • Support the development of an angel investor network for the region • Help organize quarterly networking events involving members of the tech sector and a discovery day
Vancouver Island University	<ul style="list-style-type: none"> • Work with industry to refine and expand the education programs • Get into the communities to better promote education and co-op programs to employers and potential studies • Examine opportunities to establish tech programs at the Cowichan Campus
Industry	<ul style="list-style-type: none"> • Participate in industry advisory committees for the education programs and help develop the business case for expanding programs • Hire co-op students on an on-going basis • Participate in networking events • Support investment and worker attraction initiatives

4. Measuring Success

The Cowichan Tech Strategy is a sector development initiative that will depend on the continued collaboration of project partners and stakeholders. In discussions with the Project Task Force, it was agreed that the short to medium range success measurements for the project should include:

1) Benchmarking the Growth of the Sector

Economic Development Cowichan should work with the Project Task Force to set up a series of benchmarks to track the growth of the existing tech sector in Cowichan and its success in attracting new companies to the region. Innovation Island currently uses measurements that track the growth rate of jobs, investment and revenue that accrue as a direct result of their service provision. Over the coming three years, these metrics could be aligned with the work of Economic Development Cowichan, particularly if Innovation Island is sub-contracted to provide regular business services to companies in the region.

2) Focus on Skills Development for the Tech Sector

In order to achieve measurable success, the tech sector in Cowichan requires a focused approach to skills development and attracting skilled workers. Components of a skills development strategy could include the formation of new and appropriate skills development programs and attraction partnerships for the region, the establishment of shared maker spaces that will spurn networking and mentoring at the high school and post-secondary level, and sector driven skills attraction strategies that would be implemented in collaboration all industry partners. To fuel these activities, ICET could be approached for incremental funding. Success would be measured in this area by the number of new hires that are achieved as a direct result of the skills development initiatives.

3) Sector Attraction

Attracting new tech sector activity to Cowichan will have a better opportunity for success if this is tied to a specific objective or initiative that is a priority for the Province. At present, the BC Ministry of Agriculture is examining the feasibility of setting up a “hub and spoke” model of five innovation centres throughout the province. Given the strong agricultural and agri-innovation footprint that exists in Cowichan, EDC should be resourced to develop an agri-innovation attraction strategy. Success measurements would include the documented attraction of agri-tech companies to the region. Downstream, other tech innovation partnerships could be linked to the development of the new Cowichan Hospital or the further growth of value-added forestry in Cowichan.

Appendices

Appendix I: Participants in the Interviews and Roundtables

Contact	Organization
Industry Representatives	
Damir Wallener	EIO Diagnostics
Allan Tweten	Aquatech Environmental Systems Ltd
Mark Syme	Biopreme Medical Technologies Inc
Randy De Luca	Boydell Wastewater Technologies Inc
Luke Carroll	Bron Studios
Darcy Gibbons	Cowichan Tribes
Lucius Craig	Data Stream Networks
Dan Cvitanovich	eOmni Solutions
David Jameson	Group Technologies Inc
Don Hatton	Hatton Insurance
Andrew MacLaren	Hud Studios / Brilliant Data
Kuljit Parmar	Knowledge Computers
Doug Lockhart	Lockhart Industries Ltd.
Phil Leedham CPA, CMA	Metropolitan Capital Partners
Marsha Stanley	MNP
Muhammad Hassaan Rahim	MRKS Media
Mark Sommerfeld	Mustimuhw Information Solutions Inc.
Filip Rezler	Shaw
Wayne Taiji	Taiji Brand Group
Lisa Ballinger	Telus
John Verbeeten	Tracker Software
Eric Quackenbush	Trigonetics
Aaron Stone	Uforik Computers
Tom O'Flaherty	Retired tech developer
Ron Bogdonov	Former tech developer
Members of the Ecosystem (Government, Educators, Development Organizations and Others)	
Ragwa Gopal	Accelerate Okanagan
James Street	BC Ministry of Agriculture
Paul Kan	BC Ministry of International Trade
Kevin Butterworth	BC Ministry of Jobs, Trade and Technology
Christine Fast	BC Ministry of Jobs, Trade and Technology
Andrew Brook	BC Ministry of Jobs, Trade and Technology
Martin Monkman	BC STATS
David Collier	BC Technology & Innovation Branch
Allan Stroet	Bulkley Valley Economic Development Officer
Rose Klukas	Campbell River Economic Development
Phil Kent	City of Duncan
Cathy Robertson	Community Futures Cowichan Manager
Ian Morrison	Cowichan Valley Regional District, Director
Kerry Davis	Cowichan Valley Regional District, Director
Lori Iannidinardo	Cowichan Valley Regional District, Director
Sharon Heppner	Cowichan Valley Regional District, Manager IT
Janae Enns	CVRD – EDC
Judy Mills	CVRD – EDC

Contact	Organization
Amy Melmock	Economic Development Cowichan
Allen Stroet	EDO Bulkley Valley
Mathew Brown	Government of BC Venture Capital Programs
Matt Hutcheon	Innovation Central Society
Graham Traux	Innovation Island
Line Robert	Island Coastal Economic Trust
Lincoln Smith	Kamloops Innovation
Aaron Hamilton	Lake Cowichan First Nations
John Hankin	Mid Island Business Initiative
Cheryl McLay	Ministry of Forests, Lands, Natural Resource Operations and Rural Development, Regional Manager, South Vancouver Island/Coast
Mike Hooper	Nanaimo Airport
Bernie Dumas	Nanaimo Port Authority
Warren Nagata	National Research Council IRAP ITA
Natasha Horsman	North Cowichan
Joyce Behnsen	North Cowichan Councilor
Guillermo Ferrero	Town of Ladysmith
Felicity Adams	Town of Ladysmith
Gara Pruess	Vancouver Island University Computer Science Chair
Warren Weir	Vancouver Island University Cowichan Campus Academic Administrator
Keith Chicquen	Vancouver Island University Instructional Director

Appendix II: Advantages and Disadvantages of Locating in the Cowichan

Results of the Roundtable: Regional Opportunities/Advantages and Constraints to Development (n=25)				
Category	Opportunities/Advantages	#	Constraints	#
Natural Environment, Location, and Lifestyle	Quality of life (e.g., family friendly, cost of living, pace)	13	Competition from other areas (Victoria, Nanaimo, Kelowna, Lower Main Land)	3
	Housing affordability	5	Transportation times off the Island	3
	Proximity to Victoria, Nanaimo & Vancouver	4	Availability of rental housing	2
	Low transportation costs/short commutes	3	Primarily rural region (fewer amenities)	1
	Outdoor recreational opportunities	2	Transit connection to Victoria and Nanaimo	2
			Work/life balance	1
			Longer shipping and receiving time lines	1
Business Environment and Education	Support is available from local government and programs	6	Lack of tech educated/experienced population	8
	Traditional sectors need to develop the tech side of operations (e.g., food production, wine & spirits)	4	Lack of networking opportunity (limited interaction within the tech sector in the region and with government and other sectors)	7
	Opportunities to tap into the VIU alumni network	3	No promotion of the sector locally or to draw new companies/attract investment	5
	Partnerships and programs with VIU	2	Small local markets/limited population to draw from	5
	High school and VIU tech education programs	2	Lack of angel network/access to capital to foster entrepreneurs	2
	CVRD company directory	1	Lack of tech industry in the area	2
	Attracting spin off offices of established tech companies	1	Lack of zoning to accommodate “home” based businesses	1

Results of the Roundtable: Regional Opportunities/Advantages and Constraints to Development (n=25)				
Category	Opportunities/Advantages	#	Constraints	#
	Existing base of companies	1	Lack of suppliers and manufacturing reps	1
	Low cost of operations	1	Inability to retain educated young adults	1
			No coordinating body	1
			Limited benefit for companies looking to relocate vs other regions	1
Infrastructure	Low cost office rent space	1	No tech hub	6
	Land is available to develop	1	No entrepreneurial incubator	6
			Availability of appropriate office space for start-ups and business expansion	6
			Suitable space for hive programming	5
			High speed large bandwidth data connectivity	4
			Availability of training	2

Results of the Interviews: Advantages and Disadvantages of Being Located in the Cowichan (n=32)	
Advantage	Number Identifying
Quality of life	17
Affordable housing	8
Proximity of Vancouver and Victoria	7
Low costs (office space and land)	5
Building on family connections	4
Access to development programs and services (e.g., IRAP and Innovation Island)	4
Communications/available connectivity	4
Potential linkages to other sectors (e.g. agri-food, wine and finance)	3
Availability of land	3
Local markets for some services	2
Local campus/potential access to education	2
Cost of living	1
Tech, particularly rural tech, is a provincial priority	1
Local government is supportive of development	1
Access to retired executives	1
Disadvantages	Number Identifying
Access to skilled tech workers (few locally available/difficult to recruit)	12
Limited access to capital	11
Logistical issues (travel times/shipping time and cost to and from the region)	11
Limited local/regional education programs for tech (few graduates/limited fit with needs)	8
Issues with the local government (e.g. zoning, coordination across government, attitude towards development)	7
Small local markets	6
Transportation access	6
Low profile of the sector and the region	6
Limited networking between tech companies	7
Lack of a technology hub	5
Connectivity	4
Availability of housing	4
Access to research capabilities/limited focus of VIU on research	3
Crime or drug issues in Duncan	3
Availability of office space/shard space	2
Access to markets	2

Limited emphasis on/investment in economic development in the region	2
High costs because of the more isolated location	1
Lack of employment opportunities for spouses of workers drawn to the Island	1
Lack of local amenities	1
Access to professional services (e.g. legal for IP issues)	1
Awareness of government programs and services available to businesses	1
Access to health infrastructure	1

Appendix III: Programs and Resources Available to Support Development in BC

Organization	Relevant Focus	Description
Organizations Delivering Services Locally		
Economic Development Cowichan	Economic development	The Economic Development Division provides economic development and business retention, expansion and attraction services for the Cowichan Valley Regional District across a range of sectors and communities.
Community Futures Cowichan	Small business loans	Community Futures Cowichan offers entrepreneur & small business loans, training, planning, and advisory services in Duncan BC & the Cowichan Valley.
Innovation Island	Assistance for tech businesses	Innovation Island serves as a regional driver for accelerating business success through scientific innovation and technology. As part of the BC Innovation Council network, Innovation Island delivers the Accelerator Program that offers a structured approach to growing a company, the Venture Growth Model. The model involves ongoing coaching from experienced Executives in Residence (EIRs), access to knowledgeable mentors and their networks, and valuable opportunities for networking. Other services include training and business counselling.
Vancouver Island University	Education	Vancouver Island University (VIU) operates a regional campus in Duncan. The campus has two locations, a main teaching centre and a trades facility. The main campus operates an Innovation lab where students are encouraged to use 3D printers and try other technical projects. They have recently built a robot and an underwater drone. At the Nanaimo campus, VIU offers a four-year Bachelor of Science (Major in Computing Science) as well as a two-year diploma program to prepare students for a career as a computer programmer/programmer analyst. The Bachelor degree program offers a co-op option for students.
NRC IRAP	Support for innovation and technology	NRC IRAP works to accelerate business growth through innovation and technology. IRAP provides advisory services and technical expertise delivered by Industrial Technology Advisors (ITAs); financial support to qualified small and medium-sized enterprises in Canada to help them undertake technology innovation; linkages to sources of financing, research and development institutions, technology brokers and technology transfer centres; and financial assistance for hiring youth (15-30). An ITA located on the VIU campus has responsibility for the Cowichan region. While there has been some use of the program in the region, the support has been more in the area of introducing innovation into traditional industries rather than supporting high technology companies.
Government of BC		
BC Ministry of International Trade	Market development and investment attraction	The Ministry of International Trade and Responsible for Asia Pacific Strategy and Multiculturalism pursues strategic opportunities to promote British Columbia internationally as a preferred place to invest and do business. This is done by delivering services that accelerate British Columbia's exports, attract strategic investments including international offices, develop international partnerships, increase awareness of B.C.'s competitive advantages, and by negotiating agreements that eliminate barriers to trade. Within the Ministry, the Technology and Innovation Branch of this ministry is actively seeking regional technology companies to participate in provincial trade shows and missions.
BC Innovation Council	Business development	The BC Innovation Council (BCIC) is a Crown Agency that encourages the development and application of advanced or innovative technologies to meet the needs of industry in BC. The agency accelerates technology

Organization	Relevant Focus	Description
	/promotion of innovation	<p>commercialization by supporting startups and developing entrepreneurs through a number of programs including the Venture Acceleration Program</p> <p>Other programs include:</p> <ul style="list-style-type: none"> • The BCIC Ignite Awards honors BC research projects in natural resources and applied sciences. • The New Ventures Competition, a 10-week business seminar and networking series within a competition. • The BC Tech Co-op Grants Program that encourages student training and job readiness through work terms with small firms in tech or any companies hiring for tech roles. Employers in the technology sector may receive 25% of a student's salary, up to a maximum of \$2,700 if the business is for-profit, established in BC, and has less than 50 employees. • The BC Innovator Skills Initiative employs students with BC-based technology companies. • ACETECH: a non-profit training and mentoring organization for CEOs of technology, life sciences and innovative companies looking to grow their revenue faster with less risk. • Launch Academy is a non-profit organization that helps entrepreneurs and startups learn how to build tech companies faster and more efficiently through programs, events and networking opportunities. • The Industry & Innovation Group connects technology entrepreneurs, researchers and industry leaders in BC. The current focus is cleantech and the natural resource industry in BC, including agri-foods, energy, forestry, mining and oceans.
BC Provincial Nominee Program	Investment and worker attraction	<p>The BC Provincial Nominee Program includes two streams, both of which could be relevant to the Cowichan region. The Entrepreneur Immigration Stream attracts immigrants willing to invest in BC through the expansion of an existing business or establishment of a new business. The Skills Immigration Stream is an economic immigration option intended for people with the skills, experience and qualifications needed by BC employers.</p> <p>A Tech Pilot has been developed under the Skills Immigration Stream that provides a fast-track, permanent immigration pathway for in-demand foreign tech workers and international students. The BC PNP Tech Pilot features:</p> <ul style="list-style-type: none"> • A dedicated concierge service so tech employers understand the immigration process with timely and relevant information about the application process. • Weekly invitations for tech registrants to apply so employers have timely access to qualified individuals in the 32 key technology occupations. • Priority processing. • Focused outreach and engagement with the technology sector and industry partners with tailored presentations, networking opportunities and one-on-one employer support.
Canada BC Job Grants	Training	<p>Grants are available to cover up to two-thirds the costs of training employees to a maximum of \$10,000 per grant. Examples of eligible costs include tuition and examination fees, as well as textbooks, software, and other required materials. Employers need to pay 1/3 of the costs and use a third-party trainer. Those with 50 or fewer employees can benefit from flexible arrangements, such as the potential to count wages as part of the employer contribution.</p>
BC Ministry of Agriculture	Resource Centres	<p>Under its new mandate letter, the Minister of Agriculture is expected to work with growers, processors, colleges and universities, as well as the Minister of Advanced Education and the Minister of State for Trade, to develop a B.C. Food Innovation Centre model. Five "hub and spoke" centres throughout BC will help to innovate in the processing, packaging and marketing of B.C. food products, linking local food producers with new technology, and expanding exports and access to world markets.</p>

Organization	Relevant Focus	Description
BC Rural Dividend	Community funding	The BC Rural Dividend program has assisted rural communities with a population of 25,000 or less in strengthening their community resilience, and supporting their social, cultural and economic viability.
Other		
Discovery Foundation	Tech education	The Discovery Foundation is a registered charity with a mandate to promote and facilitate innovation and the development of the technology sector in British Columbia. Its principal role is the delivery of the Technology Education Program (TEP) through selected Agents who educate technology entrepreneurs in British Columbia. Each year, industry organizations and educational institutions apply to be TEP Agents through a competitive process. The Foundation is currently a partner of the Innovation Central Society in Prince George and the Kootenay Association for Science and Technology.
Island Coastal Economic Trust	Economic development funding	The Island Coastal Economic Trust (ICET) was created to support economic development initiatives on central and northern Vancouver Island and the Sunshine Coast. ICET funds community-driven economic development initiatives in targeted sectors to spark new and sustainable regional economic growth and diversification. These key sectors include forestry, transportation, tourism, mining, small business, energy, agriculture and aquaculture, and economic development. The Trust provides: <ul style="list-style-type: none"> • Up to \$400,000 in grant funding available for Economic Diversification Infrastructure Projects. • Up to \$30,000 in grant funding available for Investment Readiness and Regional Collaboration. • Bursaries for select economic development training courses and networking events. • Limited sponsorships available for regionally significant economic development or sectoral events. • Economic Development Internships or recent graduates.
Federal Government		
Western Economic Diversification	Economic development funding	The Western Diversification Program (WDP) is the main program through which WD makes strategic investments in initiatives that enhance and strengthen the economy of Western Canada. Funding is available to not-for-profit organizations (e.g., universities and other post-secondary institutions, research institutes, industry associations, Indigenous organizations) for projects that support innovation, business development and/or community economic growth. More recently, WD has introduced the Western Innovation Initiative (WINN). It is a \$100 million five-year federal Initiative that offers repayable contributions for small- and medium-sized enterprises (SMEs) with operations in Western Canada to move their new and innovative technologies from the later stages of research and development to the marketplace.
Invest Canada – Community Initiatives		Invest Canada – Community Initiatives (ICCI) provides financial support to communities seeking to improve their capacity to attract, retain and expand FDI in order to create jobs for Canadians, support innovation and increase exports. For the purposes of the ICCI program, FDI refers to international businesses establishing or expanding operations in Canada. The initiatives supported by the program must focus on supporting the attraction, retention, and expansion of foreign direct investment through specific types of activities. Non-repayable contributions range from \$3,000 to \$300,000, and agreements can be made for a one-year period, from January 1 to December 31. ICCI provides reimbursement of up to 50 percent of eligible expenses. If an applicant accesses other federal government support, the total federal support cannot exceed 50 percent.
Agri Innovation Program (Agriculture and Agri-Food Canada)		Funding is available pre-commercialization R&D and knowledge transfer as well as to get agri-based products or services ready for the market. There are two streams within this program:

Organization	Relevant Focus	Description
		<ul style="list-style-type: none"> Industry-led Research and Development Stream — you may receive a non-repayable contribution of up to \$5 million; and Enabling Commercialization and Adoption Stream — you may receive a repayable contribution of up to \$10 million
Applied Research and Development Grants (NSERC)		Businesses partnering with an eligible Canadian college to develop clean technologies can receive funding of up to \$150,000 when the business covers 50% or more of the project cost or \$75,000 when the business covers 50% or less of the project cost.
Business Development Bank of Canada		BDC provides loans to start or buy businesses depending on the market and sales potential, competence in the management team, level of investment, and expertise in the chosen field. Venture capital or growth equity may be available for business start-up or purchase and business development.
ICE		The Government of Canada and the Province of British Columbia have teamed up to support the development of pre-commercial clean energy projects and technologies. A \$20-million provincial contribution from the Province of British Columbia's Innovative Clean Energy (ICE) Fund was matched the federal government's SD Tech Fund.
IFIT (Natural Resources Canada)		The Investments in Forest Industry Transformation (IFIT) program offers non-repayable contributions to successful applicants in the Canadian forestry industry to implement innovative, first-in-kind technologies in their facilities. The goal of the program is to provide funding for projects at the pilot to commercialization phase, with the intent of helping these technologies get to market.

Appendix IV: Examples of Initiatives in Other Jurisdictions

This section provides a brief overview of initiatives or approaches that have been implemented in other regions that are relevant to aspects of the strategy outlined in the main report.

Examples of Tech Initiatives	
Networking opportunities (meetings, speaker series and discussion groups)	
	<ul style="list-style-type: none"> The Northern BC Tech Growth Program in Prince George (Innovation Central) has implemented two types of networking events targeted at bringing together representatives from industry. <ul style="list-style-type: none"> A CEO-level, peer-to-peer facilitated quarterly discussion forum. This program is new this year, and was made available by funding from the Discovery Foundation. It is facilitated by their Executive in Residence. The group consists of CEO's of either more established companies or newer high-growth companies, so there is a commonality between them in terms of mindset and scale of challenges in their businesses. To date, it has been by invitation only. Seven CEO's have taken part. It is intended to be a local opportunity, similar to the peer groups that Acetech and others operate in Vancouver. The participants have dictated the content, and to date it has focused on company culture and tools that maximize efficiency in the business. A series of five seminars open to any participants. To date, the seminars have been on emerging technologies, and are intended to be introductory-level to help people understand how these technologies may affect their business and where some opportunities may lie. Examples of some of the subjects include Virtual Reality & 360 Video, block chain, and macro-trends in digital technology. These sessions are promoted through the client network of Innovation Central, partners such as the Chamber of Commerce, and their referral network (bankers, lawyers, accountants, etc.). The Kootenay Association for Science and Technology (KAST) stages monthly meetings, arranges crowd-sourced tech advice, and promotes work opportunities. This is mainly done

Examples of Tech Initiatives	
	<p>through a collaborative group of local technology workers who meet regularly to support each other's innovation work.</p> <ul style="list-style-type: none"> The City of Nelson (through the Nelson and Area Economic Development Partnership - NAEDP) co-funded a coordinator position with KAST. The Coordinator created the Nelson Tech & Knowledge Workers group (550 members), launched monthly tech meetups of 50-80 attendees, initiated an innovation centre feasibility study, and launched chapters of both Startup Nelson and Ladies Learning Code.
Mentorships and Targeted Support	
	<ul style="list-style-type: none"> KAST delivers the High Value Expertise in a Rural Environment (HERE) program that is a demand-driven subject matter mentorship for rural tech companies: HERE features 1 to 1 expertise in legal, accounting, engineering, leadership, online marketing & 3D Printing. The HERE program helps clients access crucial professional services in legal, online marketing, sales, HR, leadership, engineering and digital fabrication. Funded by the Discovery Foundation, in 2016, the HERE program supported 10 clients with 128 hours of free advice. Twenty-one Mentor/Company matches were made. Kamloops Innovation has set up a program, Manufacturing Innovation, targeted at manufacturers, designed to provide local SMEs with business and mentorship support in order to increase efficiencies, stimulate innovation, become more profitable and improve management skills. They have also delivered a series of workshops and seminars on topics of interest to manufacturers. It is funded by NRC-IRAP.
Hubs/Research or Resource Centres	
	<p>There are many examples of government investment in regional hubs, research centres or resource centres ranging from incubators, to industry services organization, to research centres. The centres are most commonly attached to universities or linked to major companies or clusters of companies and are more likely to be located in major centres. A few examples includes:</p> <ul style="list-style-type: none"> The BC Ministry is considering establishment of an agriculture innovation hub and spoke mode and Duncan could potentially be a spoke with the Lower Mainland serving as the hub. The eventual model may be based on an Ontario model built on the Agri-Tech Commercialization Centre (Guelph) and funded by Agriculture and Agri-Food Canada and the Ontario Ministry of Agriculture, Food and Rural Affairs. The ATCC is an internationally recognized cluster of agricultural innovation resources intended to enhance the research, development and commercialization of technologies and create and attract profitable businesses that advance Canada's leadership position in global markets. The three founding organizations — Bioenterprise Corporation, Soy 20/20 and Ontario Agri-Food Technologies form a hub of specialized industry knowledge and market expertise. The group now also includes the Livestock Research Innovation Corporation. Services are intended to help start-ups, grow companies and provide a competitive edge. Access to capital is facilitated. Metal Tech Alley (MTA) is a virtual cluster based in the Kootenays, consisting of a corridor of ventures focused on industrial innovation. Led by the Lower Columbia Initiatives Corporation (LCIC), the objective of MTA is to develop a global centre for digital fabrication and advanced materials/metallurgy. It is undertaking a marketing campaign focused on the availability of affordable local land and buildings that can support technology companies. The Innovation Centre at Bayview Yards, funded by FedDev Ontario in Ottawa, provides industry with access to an Advanced Digital Media Lab (which provides entrepreneurs, start-ups and SMEs with the technical capabilities required to develop, prototype and validate advanced digital media concepts), the Global Cybersecurity Resource Program (which provides access to cybersecurity expertise, resources and support) and a Maker Space (which provides access to leading-edge maker space infrastructure and capabilities including tools, technology and equipment).

Examples of Tech Initiatives	
Investment Attraction	
	<ul style="list-style-type: none"> • A wide variety of communities and regions in BC have received funding to develop and implement investment attraction strategies, which focus largely the provision of information, awareness generation and image building. There are many examples of these strategies online. • The Mid Island Business Initiative is a privately funded business attraction organization. Its main focus is to fill vacancies in the Nanaimo commercial property sector. The main selling points for the organization are cost living, life style and proximity to major centres. They are hoping to counter the myth that if you come to work at a tech company in the mid island and it doesn't work out there are no other opportunities.
Access to Tech Workers	
	<ul style="list-style-type: none"> • The Government of BC has recognized the importance of preparing youth to enter the tech sector and is taking some major steps beginning with the K-12 education system. The Province is investing \$6 million to support coding and the new curriculum, to training teachers and purchase additional computers. • Government is working with the First Nations Technology Council to continue their Bridging to Technology program, a comprehensive skills-development program that includes the professional development training stream. • The portion of funding under the Canada-BC Job Grant directed towards the tech sector has been increased, which should increase access to funding for employers in the region to provide skills training to their employees. • The post-secondary system is placing a priority on strengthening links between academia and industry. For example, UBC president, Professor Santa Ono has been appointed chief advisor of a new Innovation Network to foster greater collaboration between public post-secondary institutions and innovation-driven industries. • Different sectors and regions are coming together to develop worker attraction initiatives, some of which are aligned with new BC PNP Tech Pilot. For example, KAST has identified a worker attraction initiative in its priorities for the current year. The Ministry is interesting with local industry to promote use of the Pilot.
Worker Attraction	
	<p>Examples of worker attraction programs include:</p> <ul style="list-style-type: none"> • To assist local businesses with their business support and expansion efforts and help deal with the immediate labour shortage, the City of Kamloops has developed a streamlined, web-based, customized client information response package titled MovetoKamloops.com. Advertising of this new information vehicle is supplemented with supporting radio advertising; printed marketing material and direct trade show marketing. The purpose of these promotional activities is to drive potential residents to the web information portal. • A similar program, Move Up Prince George, was launched in 2014. Move Up Prince George is a national marketing initiative that has been running since August 2014. It includes a cross-Canada advertising campaign that drives people to the associated website and social media. The dual purpose of the campaign is to assist local employers in attracting skilled workers to the city by providing them with tools for marketing the city and to overcome misperceptions of Prince George that are creating a barrier to workforce attraction. • Accelerate Okanagan is pursuing a program to attract expats, aged 23-50, living in California (with a particularly focus on the San Francisco Bay Area) and Asia-Pacific (Hong Kong) to the Central Okanagan region. The program targets Canadians skilled workers and entrepreneurs who can bring expertise and investment resources to the region. The program involves the creation of an Expat database of individuals interested in relocation or investment in the Central

Examples of Tech Initiatives	
	<p>Okanagan, a website, digital marketing program, and in market activities. The program is cost-shared with Global Affairs Canada.</p> <ul style="list-style-type: none"> The Government of BC is supporting the Federal Government's Global Skills Strategy that is designed to attract and expedite the entry of global, highly skilled and qualified talent to support Canadian companies to grow and scale-up. The BC Tech Association is the BC designated referral partner for the program and screens companies to ensure they qualify for the program. There are four "pillars" to the program.
Promoting Tech To Other Sectors	
	<ul style="list-style-type: none"> Various programs have been established to create awareness of the potential application of technology in existing businesses (e.g. the Manufacturing Innovation program outlined above). Other programs hold discovery days or other special event designed to introduce people to technology developments as well as prospective suppliers of products and services. For example, the BC Cattlemen's Association has received funding from Growing Forward 2, a federal-provincial-territorial initiative, to provide a series of research extension events, as well as pilot and evaluate a number of technology transfer delivery mechanisms for producers.
Access to Capital	
	<ul style="list-style-type: none"> Access to Capital, delivered by Accelerate Okanagan, is one of a number of programs designed to facilitate access to capital. The program delivers a mixture of education events on topics such as the capital raise process, valuation, due diligence, pitching, common documents, deal structure, and after the investment. The Fast Track Training Program is a 12 week on demand program which pairs 10 qualified start-ups with an Executive in Residences who will provide pitch training, due diligence education, and valuation support and investor/entrepreneur matching. The counterpart of Western Economic Diversification in southern Ontario, FedDev Ontario, has placed priority on expanding regional angel investor networks that have been successful in promoting regional development. Each network can receive up to \$500,000 in non-repayable contributions for projects to strengthen angel networks through improved standards and better investments (up to 100% of direct eligible project costs). The contributions support <p>The contributions support a variety of activities including the attraction of members/angel investors, growing the pipeline of qualified applicant companies, implementing outreach, education, mentoring and engagement activities for investors (e.g. education on best practices in angel investing) and entrepreneurs. The program also assists in establishing an investor accreditation process, facilitating co-investment, investor syndication and improved access to capital for Ontario companies, and improving reporting and monitoring tools. The angel investment networks match potential investors with those looking for funding. Tech businesses benefit by having greater access to capital and guidance from experienced business minds.</p> In addition, FedDev Ontario program also provides matching VC or angel funding. Early stage SMEs (less than 50 employees) can receive up to \$1 million in repayable funding to be leveraged with \$2 in angel or VC funds for every \$1 in FedDev Ontario funding. The specific terms of repayment, including date of commencement and length of repayment term are determined on a case-by-case basis during the development of the contribution agreement with repayments begin no later than one year following the completion of the project.

Shared Work Spaces / Support for Tech Workers Employed Remotely

- The **Qualicum Beach Digital Media Studio** is a shared workspace located in an old train station building. It is billed as “A workspace for developers and digital creatives. A hub for events and ideas.” It has a drop in space as well as permanent offices. Currently operating as a one-year pilot project by the Town of Qualicum Beach, the studio serves as an attraction asset for the growing base of creative industry talent already in the area. There are workshops, talks and meetings of the tenants.
- The **Bulkley Valley Economic Development Association (SMITHERS)** operates an incubator with shared workspace. The Association focuses on attracting tech workers from large centres who can work remotely in the facility. There is a system of mentoring using BCIC funded mentors accessed from Prince George. Most of the clients are from Vancouver or Toronto who vacationed in the area and were attracted by the centre’s services and the local lifestyle.

Cowichan Tech Sector Strategy Executive Summary of the Project Steering Committee

Over the course of eight months in 2017, the Project Steering Committee for the Cowichan Tech Sector Strategy met continuously to help shape the context for the strategy, select and oversee the work of the project consultants and to share expertise and enthusiasm for the tech sector in our region.

The committee learned that the tech companies, start-ups, and associated tech industries (like digital animation) that have gravitated to Cowichan over the past decade have established themselves here for a host of accidental reasons. Not surprisingly, many of these reasons are related to the lifestyle advantages of living in Cowichan or to family ties.

Despite the attractiveness of our region and its close proximity to emerging tech centers in Victoria, Vancouver and Nanaimo, barriers exist for the growth of the sector here. The Cowichan Tech Strategy has articulated these challenges and mapped out the practical activities that can occur to tackle skills development, investment and business development hurdles.

Importantly, the committee has concluded that while the growth of the tech sector in the Cowichan region has been accidental, our commitment to supporting its future can be intentional. In the wake of the strategy's completion, the Project Steering Committee for the Cowichan Tech Strategy is excited about continuing to meet, network, and expand its ranks to include growing industry, local government and community participation.

Listed below is a brief summary of the Project Steering Committee's insights for local government and its suggestions for how to approach industry growth:

Insights for Local Government

- Implementing a tech strategy is not a quick fix. This is a multi-year strategy that will ask local government to reflect on how it can provide meaningful incentives and leadership.
- Local governments can ask how their internal and external practices and policies reflect a tech savvy community. We can stimulate conditions for growth by establishing tech friendly downtowns, live-work spaces and opportunities for networking.

Approaching Industry Growth

- Tie the growth of tech to other emerging sectors in the region and recognize the value of creating opportunities for industry leaders across all sectors to collaborate.
- Promote the value of entrepreneurship alongside skills development within the industry.
- Think locally and act regionally. Leverage opportunities coming out of Victoria, Nanaimo, Vancouver Island and the Lower Mainland and ensure these communities are part of our network.

Cowichan Tech Sector Strategy Executive Summary of the Project Steering Committee

- Draw on the retired CEO's in the Cowichan region for their investment and mentorship expertise.

As Cowichan embarks on its tech strategy, federal and provincial governments are announcing initiatives like Smart Communities and the BC Innovation Fund. On a regional level, Economic Development Cowichan is partnering with the Vancouver Island Coastal Economic Association to attract foreign investment and skilled workers to our region. Vancouver Island University and School District 79 are exploring their ability to create industry-lead skills development programs.

Through shared effort, we can be nimble, adaptive and open to these opportunities and to creating partnerships that will allow the tech sector in our region to grow and flourish.

Project Steering Committee Members: **Municipal:** Duncan Mayor Phil Kent, Ladysmith Mayor Aaron Stone, Ladysmith CAO Guillermo Ferrero **Industry:** Damir Wallener, President, EIO Diagnostics, Graham Truax, Business Advisor, Innovation Island **Economic Development:** Amy Melmock, Economic Development Cowichan, Cathy Robertson, Community Futures

Cowichan Tech Strategy

**Presentation to Regional Services Committee
March 28, 2018**

**Ted Weicker, Goss Gilroy Inc.
Amy Melmock, Economic Development Cowichan**



CVRD

Economic Development Cowichan

Today's Agenda:

- **STRATEGY OVERVIEW**

Ted Weicker, Goss Gilroy

- **NEXT STEPS**

Amy Melmock, EDC



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Economic Development Cowichan

STRATEGY OVERVIEW Ted Weicker

- Process began in Spring 2017
- In-depth consultations with more than 40 stakeholders
- Stakeholder meeting in Fall 2017 attracted more than 50 regional participants



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Economic Development Cowichan

Strategy Goals

- To create an environment that supports tech sector growth
- To achieve growth by further developing existing tech businesses and attracting tech investments and businesses from outside region.



CVRD

Economic Development Cowichan

Strategic Priorities: Five pillars

1. **Access to Skilled Workers:** Increase local access to tech workers
2. **Networking:** Encourage interaction within the tech sector and with the community
3. **Business Attraction:** Attract businesses from outside of the region.
4. **Business Development:** Provide access to business support services for start-ups and expanding businesses
5. **Access to Capital:** Increase access to capital in the region, particularly angel investment.



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Economic Development Cowichan

Tactics: Skilled Workers

- Link local industry with educators
- Attract workers from outside the region



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Economic Development Cowichan

Tactics: Networking

- Stage networking events
- Host a Discovery Day
- Promote tech hub development
- Link tech with other sectors



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Economic Development Cowichan

Tactics: Business Attraction

- Clearly define targets
- Build our image as a tech region
- Provide timely response to leads



CVRD

Economic Development Cowichan

Tactics: Business Development

- Work with Innovation Island to strengthen existing tech businesses
- Create connections between tech and local government



CVRD

Economic Development Cowichan

Tactics: Access to Capital

- Support development of regional angel investor network
- Work with funding agencies to increase access to capital



CVRD

Economic Development Cowichan

NEXT STEPS Amy Melmock, EDC

“While the growth of the tech sector has been accidental to date, our efforts to support it going forward can be intentional through advocacy and by creating new resources and relationships.”

Cowichan Tech Strategy
Project Steering Committee



CVRD

economic development cowichan

NEXT STEPS Amy Melmock, EDC

- *As we developed the strategy, EIO Diagnostics provided a case study of the work that is needed in accessing skilled workers, networking, business attraction, business development and investment.*



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- The **EIO handheld device** is about the size and shape of a small tablet.
- EIO provides a cheap and effective solution to detecting infections in dairy animals – a problem that results in \$10B in lost production a year globally.
- This start-up device was created locally, and angel investors are stepping up to invest in the US and New Zealand.
- Fast-tracking of visas and residencies are on offer in New York, a hub of networking opportunities and skilled workers.
- **In a global industry, this is the new reality**

Photo: Co-founder Cory Spencer



NEXT STEPS Amy Melmock, EDC

Accessing Skilled Workers: Discussions underway with VIU and the Province regarding the kind of training and access programs that are needed to support the sector.



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NEXT STEPS Amy Melmock, EDC

*Networking and Community Engagement:
Hosting tech sector meet-ups, preparing for
a Smart City ask in 2019, developing hub
concepts*



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Tech Sector Meets-Ups

Creating **meaningful opportunities** for tech companies to share information and expertise and cross reference with other sectors

First Mixer: Bring together tech and industry leaders in other emerging sectors in Cowichan (food processing, wood design and manufacturing) to compare notes and needs



Smart Cities

Communities linked to an Intelligent Communities Framework:

- Provide **Broadband Access**
- Demonstrate support for **Innovation**
- Focus on **Digital Equality**
- Are keyed to **Environmental Sustainability**
- **Empower Citizens** to participate through engagement and advocacy

Victoria used the ICF as a tool for community engagement with facilitation by **Charles Montgomery**. **Significant incentives** are on offer to join the **Smart Cities** initiative .

Nelson, BC

Named one of the World's Top 21 Smart Cities in 2017

Population: 10,000

- **Nelson Tech Club** is the largest Hackerspace in Canada. Founded in 2010, the club has over 350 members and is a center for peer learning and knowledge sharing.
- **Nelson Innovation Centre** positions the community as a leader in digital innovation and attracts and retain technology workers. It's a physical hub with an anchor tenant and co-working space.

Not Your Average Ag Hub

The REDD, Portland, Oregon

- Located in **Portland's Central Eastside**, the **Redd** is among the 1,200 businesses that employ 17,000 people in diverse occupations ranging from traditional manufacturing to distilleries and design firms.
- In **British Columbia**, funding will flow to communities that demonstrate an innovative approach to creating agricultural hubs.



NEXT STEPS Amy Melmock, EDC

***Business Attraction:** New foreign investment attraction strategy with VICEDA, new EDC website profiles for tech, creating new information links for start-ups*



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NEXT STEPS Amy Melmock, EDC

Business Development: Providing ongoing advice, support and resources by strengthening ties with Innovation Island, Community Futures, other Provincial partners



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NEXT STEPS Amy Melmock, EDC

Challenge for Local Government:

- *Keep building on our ability to provide resources*
- *Lead by example internally with tech innovation*
- *Inventory buildings with tech hub potential*
- *Create tech friendly downtowns, live work spaces*



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NEXT STEPS Amy Melmock, EDC

Conclusion: The Cowichan Tech Strategy is a fundamental part of sector development, youth retention, community engagement and the growth of an innovative, forward thinking region.



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Thank you!

Questions?

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economic development cowichan



STAFF REPORT TO COMMITTEE

DATE OF REPORT March 15, 2018
MEETING TYPE & DATE Regional Services Committee Meeting of March 28, 2018
FROM: Economic Development Division
Land Use Services Department
SUBJECT: Cowichan Agricultural Equipment Library Study
FILE:

PURPOSE/INTRODUCTION

The purpose of this report is to provide background on the Cowichan Agricultural Equipment Library study that was completed for Economic Development Cowichan by Cowichan Green Community.

RECOMMENDED RESOLUTION

For information.

BACKGROUND

Economic Development Cowichan commissioned the Cowichan Agricultural Equipment Library study in the fall of 2017. The study responds to several agricultural plans that have been produced in the Cowichan region during the past decade that acknowledge the potential for increasing local food production through the establishment of an equipment library.

The study examines existing models for equipment libraries that have been established by the Comox Valley Farmers' Institute and the Kootenay Agricultural Society. Drawing on the experiences of these organizations and data collected from an online survey, agricultural organizations in Cowichan were then approached for their feedback.

This study determined there was a strong interest among many producers in an equipment library and subsequently a series of recommendations were developed. Agricultural equipment libraries have been effective in enhancing the local agricultural economy and overall, it was determined that the Cowichan region is well suited to the establishment of a project of this nature.

ANALYSIS

The Cowichan Green Community's key recommendations for the implementation of an Agricultural Equipment Library in the Cowichan region are as follows:

1. Determine who the equipment library will serve: focus on an equipment library that serves small and emerging producers (both farmers and processors).
2. Determine the scale of equipment that will serve this group best: offer equipment that is relatively low maintenance, but may be cost prohibitive to small and emerging farmers and producers. Walk-behind tractors and implements are the optimal scale to target.
3. Consider the impact of subsidised rental equipment on local businesses: an equipment library should focus its efforts on tools and implements that are specialised for agriculture and not currently available for rent through other outlets.

4. Utilise existing capacity in region: working directly with a non-profit that is established in the community and well respected within the agriculture sector.
5. Start small and expand over time: start the program with a small investment, grow the number of members, work out initial growing pains, and then expand over time.
6. Charge rental fees adequate to cover maintenance, repairs, and paid administration: outline the purchasing price of equipment, estimates of maintenance costs, administration and overhead and ensure that all fees, including membership can cover the costs of the program, ensuring long-term sustainability.
7. Locate the equipment library as centrally as possible: Duncan is currently considered by Cowichan Green Community to be the most central location.

Based on the outcomes of the study, Cowichan Green Community is approaching the Municipality of North Cowichan to fund preliminary equipment purchases and to establish the administrative framework for an equipment library. As this initiative progresses, there may be opportunities to leverage additional resources for the project.

FINANCIAL CONSIDERATIONS

Economic Development Cowichan funded the Cowichan Agricultural Equipment Library study through a \$10,000 contribution in 2017.

COMMUNICATION CONSIDERATIONS

Not applicable.

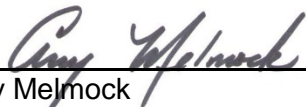
STRATEGIC/BUSINESS PLAN CONSIDERATIONS

Not applicable.

Referred to (upon completion):

- Community Services (*Island Savings Centre, Cowichan Lake Recreation, South Cowichan Recreation, Arts & Culture, Public Safety, Facilities & Transit*)
- Corporate Services (*Finance, Human Resources, Legislative Services, Information Technology, Procurement*)
- Engineering Services (*Environmental Services, Recycling & Waste Management, Water Management*)
- Land Use Services (*Community Planning, Development Services, Inspection & Enforcement, Economic Development, Parks & Trails*)
- Strategic Services


Prepared by:



Amy Melmock
Manager

Reviewed by:

Not Applicable
Not Applicable



Ross Blackwell, MCIP, RPP, A.Ag.
General Manager

ATTACHMENTS:

Attachment A – Cowichan Agricultural Equipment Library Study



COWICHAN REGION AGRICULTURAL EQUIPMENT LIBRARY

Prepared in collaboration with the CVRD's, Economic Development Division, the Agriculture Equipment Library Research Project outlines, opportunities, challenges, and recommendations.

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EXECUTIVE SUMMARY

Increasing local food production and improving the viability of agricultural activities in the Cowichan Region is key goal within the Area Agriculture Plan and several other local reports. Many challenges have been identified that impede the growth and success of agricultural enterprises, one of which is the lack of access to appropriate equipment. One method of addressing this challenge is the establishment of an agricultural equipment share. This report examines the other existing models of equipment share and discusses the option with the context of the Cowichan Region.

The research looked at various models, but focused on two active equipment shares in British Columbia: the Comox Valley Farmers' Institute Equipment Co-op, and the Kootenay Local Agricultural Society's Tool Library. Drawing on the successes and challenges that these organisations faced, and from data collected from an online survey, a preliminary proposal was presented to local agricultural organisations for feedback. The Cowichan Agricultural Society and the Shawnigan Cobble Hill Farmers Institute and Agricultural Society provided input and discussed concerns and opportunities. This research determined that there was a strong interest among many producers in an equipment library, while some skepticism and concern was present among other groups.

Based on the information collected and the conversation held, the following recommendations for the implementation of an equipment library in Cowichan were developed:

1. Determine with clarity what demographic the equipment library will aim to serve – there is a wide range of interested groups present in the Cowichan Region.
2. Determine the scale of equipment that will serve this group best.
3. Consider any negative impacts on existing private enterprise of such a project.
4. Utilise existing non-profits whose mandate and capacity aligns with the project's goals.
5. Start small and grow as demand is demonstrated.
6. Charge fees sufficient to cover all operating costs, including paid administration.
7. Locate the equipment as centrally as possible.

Agricultural Equipment libraries have been shown to work and enhance the local agricultural economy in numerous locations, including some quite close to home. The Cowichan Region is well suited to the establishment of a project of this nature.

INTRODUCTION

The Cowichan Region is known as an agricultural area on Vancouver Island, boasting over 700 diverse farming operations and maintaining a rural character appreciated by residents and visitors alike. The region's relatively warm summers and mild winters, combined with over 30,000ha of farmland, nearly 10,000ha of which is considered prime agricultural land, provide immense productive potential. The most recent data (2006) suggests that only 11,600ha of land is actively farmed in the region.

Farms in the Cowichan Region have been changing in recent years as the total number of farms increases and the average farm size decreases. The largest farms (>\$100,000 gross sales), however, represent 83% of total farm sales. These farms are often commodity producers involved in supply management or other marketing systems.

There remains much room for growth of agriculture in the Cowichan Region. Historically producing 85% of its agricultural needs, it is estimated that only 18% is produced now. The Cowichan Region Area Agriculture Plan¹ sets a target of producing 45% of our needs. In order to achieve this it is estimated that 17,977ha of production would be required.

Current production of fodder crops, primarily for dairy production, exceeds the needs of the region. Production of meat, vegetables, and fruits would need to increase substantially to meet the 45% target. This production is often represented by smaller farms with gross sales <\$100,000.

A number of key challenges to farm expansion and financial viability have been identified in previous agricultural reports, and numerous possible solutions have been suggested. This report will focus on a single challenge mentioned in these reports: access to appropriate equipment. A summary of these mentions follows:

Cowichan Region Area Agriculture Plan (2009):

Objective 3a: To attract and develop new farmers

- 3) *Develop programs to assist young people who are interested in farming. This could include development or promotion of farm cooperatives, leasing, information exchange, **equipment co-ops and sharing**, mentoring, or any combination of these.*

Objective 3d: to increase revenues and/or reduce costs

- 2) *Consider **joint purchase of equipment**, or **equipment pooling**, to allow farmers to access better or more efficient equipment.*

¹ <https://www.cvrld.bc.ca/DocumentCenter/View/6265>

AGRICULTURAL EQUIPMENT LIBRARY OVERVIEW

Although the terminology varies as much as the mechanism employed to share equipment, the basic principle is the use of equipment by more than one producer. Sharing of equipment between neighbours and friends is already present in the agricultural community, and likely contributes to the region's productivity. Further, custom contractors offer many services – particularly to commercial farms – that the farms cannot do for themselves.

An equipment library is simply a formalised system of sharing agricultural tools and equipment. This can range from hand tools, to tractor-drawn implements, to food processing equipment. It can be owned collectively by a group of farmers – as in a cooperative – owned by a non-profit and loaned out for just a membership (like a true library), or rented for a fee. It could also take the form of enabling rentals of privately owned equipment between farms.

The methods of equipment sharing are as numerous as the equipment they can offer. The right method for any given area will simply allow farms to access equipment that will improve their productive capacity at a price that is cost effective to their operation.



EXAMPLES OF EXISTING EQUIPMENT SHARES

Kootenay Local Agricultural Society Tool Library

The Kootenay Local Agricultural Society²(KLAS) is non-profit volunteer organisation dedicated to strengthening sustainable agriculture in the Kootenay Region of British Columbia. A cornerstone of their organisation is the agricultural tool library that they operate.

Initiated in 2010 with a series of round tables with local groups, individuals, farmers and processors, the tool library launched with an initial grant of \$100,000. The centre piece of their tool collection is four 'walk-behind' tractors with 14 unique implements; these tractors and their implements are manufactured made by the Italian company BCS – the leader in this technology. Additional tools include root washers, fruit presses, dehydrators, hoop benders, and trailers to facilitate the transport of the larger equipment.

Initially rentals were restricted to members, but this requirement has been rescinded – although members do receive a reduced rental rate. With no additional funding being directed into the library, all equipment is maintained and repaired with revenues from rental fees.

The tool library relies heavily on 'tool guardians' – members who volunteer their time as a guardian of specific tools. These guardians are responsible for the basic maintenance of the equipment, managing the rentals, providing training to new renters, and inspecting the equipment before and after usage. In return for their work the guardians' own rental fee is waived for the equipment use.

KLAS noted that they have benefitted greatly from some dedicated tool guardians, without whom the library would have difficulty operating. It was recommended that any similar projects investigate the plausibility of a paid position to coordinate equipment rentals in order to lighten the demand on volunteers.

Additionally, KLAS noted that although they consulted before deciding on their equipment for purchase, some of the items in the Comox library have been underutilised. They recommend, if possible, purchasing equipment incrementally and as demand is demonstrated to avoid any underutilised items.



² <http://www.klasociety.org/>

Comox Valley Equipment Co-op³

Initiated in the 1990's by the Comox Valley Farmers' Institute (CVFI) and with support from Ducks Unlimited and funding through the Investment Agriculture Foundation, the institute's Equipment Co-op has managed a handful of regularly used implements.



Currently a new no-till drill and a lime spreader are the main implements in their collection, but over the years they have offered mowers, a laser guided drain layer, and other equipment.

The Institute entertains purchasing new equipment when members can gather commitment of funds constituting 50% of the initial investment. Typically this entails several members contributing \$500 to \$1000; the institute then seeks grants to cover the remainder, or pays the cost itself. The initial contribution by the members is retained by the institute as a credit towards the use of that implement for the contributing member.

Historically, the equipment was maintained and managed by a 'guardian' of that implement. For a time, a third party was paid \$50 to administer each new rental and 'training' of the equipment's use. At present, with only a handful of items in the co-op, a volunteer from the Institute manages the rentals.

The equipment currently in the Co-op is mainly rented by medium-scaled livestock producers, although there is a diversity of members from smaller vegetable farms up to large dairy farms. This is representative of the Institute's membership.

The main recommendations from the CVFI Equipment Co-op is keep it simple, both in the variety of equipment possessed, and, most importantly, with the complexity of the equipment itself. Simple tools that are difficult to break and do not require skill or specialised equipment to operate are best.

³ <https://discovercomoxvalley.com/agriculture/farmers-institute/equipment-co-op/>

CUMA⁴

CUMA (la cooperative d'utilisation de materiel agricole), or 'the cooperative for agricultural equipment use', is an agricultural equipment co-op established in Quebec. The system, modeled on one existing in France since the 1940s, established regional organisations that are true co-ops bound by cooperative law.

Each CAMU requires at least five founding members, from which an elected board of directors is drawn. Members pay a nominal share, refundable upon withdrawal. Memberships can be divided into three categories: active members, auxiliary members, and associated members, to account for different levels of involvement and use of the equipment.

In order to purchase a piece of equipment for the co-op, a minimum of 20% of purchase price of the item must be raised by at least three members. This affords the member rights of usage to the equipment. The cooperative can determine if this share should be greater. The remainder of the cost is covered by loans. As the CAMU is a legal cooperative, the members do not hold any personal liability for the loans contracted.

Each item owned by the cooperative is managed independently by a 'branch' of the CAMU. This consists of at least three members, one of whom takes care of the implement itself, and another who manages and schedules its use. The amount of use, the expected operating costs, and the share of which each member pays are estimated prior to the beginning of each farming season.

US Conservation Districts⁵

Over 3,000 Conservation Districts exist in the United States. They are government entities whose mandate general revolves around soil and water conservation. Many Conservation Districts are therefore tightly linked with the agricultural community, providing extension services and other support, including equipment rental in some cases. Common equipment available for rent from western Washington Conservation Districts includes:

- Manure Spreaders
- No Till Drills
- Lime Spreaders
- Seeder/fertiliser spreader
- Poultry processing equipment

⁴ <http://www.mapaq.gouv.qc.ca/fr/Regions/estrie/CUMACUMO/CUMA/Pages/CUMA.aspx>

⁵ <http://www.nacdnet.org/>

COWICHAN REGION AGRICULTURAL ASSETS

Shawnigan Cobble Hill Farmers Institute and Agricultural Society (SCHFIAS) ⁶

The Shawnigan Cobble Hill Farmers Institute was founded in 1914 and has worked to support and promote agriculture and rural living in South Cowichan ever since. This volunteer-run organisation manages the iconic Cobble Hill Hall and the surrounding 5.5 grounds that include the Stu Armour 4-H Building, Youth Hall, livestock barns and paddocks. The Institute supports local organisations such as the Women’s Institute, 4-H Clubs, and Rotary Club of South Cowichan. In addition to being home of the Cobble Hill Fall Fair – South Cowichan’s largest agricultural event – the hall and grounds host Cobble Hill Seedy Saturday, the Vancouver Island Homesteading Fair, South Cowichan Seniors Luncheons, Evergreen Independent School’s ‘Children and Apple Pie’, and numerous other community groups and private events.



Among its wide ranging objectives, the institute endeavours:

- To promote rural life and the theories and practices of agriculture;
- To promote public awareness of the role of agriculture in today’s society;
- To promote and celebrate the legacy of agriculture;
- To promote and support the education and participation of youth in agriculture;
- To celebrate South Cowichan’s agricultural roots;
- To showcase the agricultural bounty of the South Cowichan area

Presently, SCHFIAS does not have the capacity to support the initiation of an Agricultural Equipment Library, and there are concerns regarding the need, organisation, and potential negative impacts on private business of such a resource. If established, SCHFIAS would consider partnering if it is shown to operate successfully and issues of liability and community impact are resolved.

Cowichan Agricultural Society (CAS)⁷

Founded in 1868, the Cowichan Agricultural Society (CAS) is one of the oldest agricultural societies in British Columbia. CAS owns and operates a hall in the heart of Duncan and contributes to the local agricultural community through advocacy, promotion, and education for both members and the public.

The members of the Cowichan Agricultural Society are excited at the potential benefits of an agricultural equipment library, although concerns were expressed should the library compete with existing businesses or services. Currently CAS does not have any organisational capacity to contribute to an equipment library, but is generally supportive of this proposal.

⁶ <http://farmersinstitute.ca/>

⁷ <http://www.cowichanfarmers.org/>

Cowichan Exhibition Society ⁸

The Cowichan Exhibition has been running since 1867 and is the largest agricultural fair in Cowichan. The exhibition is now located on the 65 acre grounds managed by the Cowichan Exhibition Society located in North Cowichan.

The organisation's mission is to:

'encourage the cultivation of the soil, the breeding and the finishing of better livestock, the general development of all agriculture resources, and to foster every branch of industrial, commercial, mechanical, and household art.'

In addition to the Cowichan Exhibition, the exhibition grounds biannually host the Islands Agriculture Show⁹, provide a diverse venue for Cowichan 4-H clubs, and host many more agricultural and private events. The grounds consist of numerous barns, halls, meeting rooms, and outdoor areas for rent.

The Cowichan Exhibition Society supports the establishment of an agricultural equipment library in Cowichan as it aligns with their goals of promoting and improving agriculture. The society does not currently have organisational capacity to contribute. The grounds have many facilities that may prove useful to an equipment library, but would need to be an income-generating endeavour for the society.



⁸ <http://www.cowex.ca/>

⁹ <http://www.iashow.ca/>

Cowichan Station Area Association ¹⁰

The Cowichan Station Area Association owns and operates The Hub – an old school house, grounds and facilities – as the centerpiece of their community building goals. Multiple programs operate and are located at the building and there are plans to expand many of them. Most notably, the Cowichan Elder Care Co-op runs the Cowichan Community Workshop at The Hub. Their work involves seniors and community members in repairing and making a wide range of things. There are plans to construct a purpose built workshop that would have the capacity to maintain and repair simpler tools.

The organisation is very community-minded and keen to collaborate where appropriate. Additionally, The Hub is interested in utilising equipment from a library for grounds maintenance and for possible agricultural endeavours in the future.

Cowichan Green Community Society¹¹

The Cowichan Green Community Society (CGC) is a non-profit organisation based in Duncan that has focused on environmental sustainability, with a focus on food security, since 2004. Since 2007, CGC's mandate has been to improve food security by developing strong relationships with local food producers and increasing urban and rural food production.

CGC's mission is to cultivate food, community and resilience.

Their food security projects include the creation of food policy documents such as the Cowichan Food Charter and the Cowichan Food Security Plan, projects like Kin Park Youth Urban Farm, FruitSave – a fruit gleaning project- the Buy Local! Buy Fresh! Farm Food Map, the Incubator Seed Farm. They also offer educational workshops, events and organize Duncan's annual Seedy Saturday/Sunday to promote the role of rural and urban agriculture in the community's resilience and sustainability.

CGC is the community partner for the BC Farmers' Markets Nutritional Coupon program. In 2017, this program, provided over \$18,000 directly toward local farmers who sell their produce, meat, and eggs at the Duncan Farmer's Market in downtown Duncan.

CGC works closely with a variety of agriculture groups, and is a member of the Cowichan Agriculture Society. The Executive Director, Judy Stafford, is a past member of the CVRD's Environment Commission and the CVRD's Regional Area Agriculture Committee. CGC has been instrumental in providing information and guidance to a variety of research projects including the CVRD's Area Agriculture Plan, the State of Economy, and Enhancing Food Processing in the CVRD.

¹⁰ <http://cowichanstation.org/>

¹¹ <https://cowichangreencommunity.org/>

CGC also operates the Cowichan Incubator Seed Farm – an emerging seed production and organic farming training farm – on land provided in partnership from the Municipality of North Cowichan. This 1.25ha site has ample space for infrastructure that could contribute to an equipment library, but does not have the storage facilities at present. As the farm grows there is opportunity for collaboration.

Due to CGC’s long-standing commitment to local agriculture in the Cowichan Region, they are very supportive of setting up an equipment library in this region. They are open to assisting in ensuring the program’s success and have offered to continue with research and implementation.

Cowichan Valley Regional District ¹²

The Cowichan Valley Regional District is one of 27 regional districts in British Columbia. It is comprised of nine electoral areas and four municipalities in the southern part of Vancouver Island. With a population of over 80,000 residents it covers a land area of 3,473.12 km².

Regional Governments provide services to both electoral areas and municipalities in the region. This includes solid waste management, emergency planning, economic development and regional parks. Services are also provided exclusively at an electoral level - land use planning, bylaw enforcement, fire protection as well as water and waste water systems.

A Regional Agriculture Advisory Committee (RAAC) was formed as a spin-off of the CVRD Environment Commission. The role of the RAAC was to oversee and implement recommendations and actions outlined in the Cowichan Valley Area Agriculture Plan. Both of these groups have disbanded however, in 2017 a recommendation was made to implement an Agricultural Select Committee, under the guidance of the Economic Development Division.



Two preliminary meetings to start the process of setting up the Agriculture Advisory committee have been held and the plan for 2018 is to set up the committee and continue the process. This research project has been conducted under the direction of the Manager of Economic Development Division, Amy Melmock.

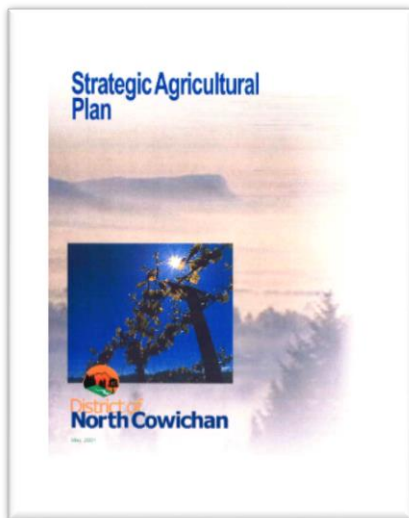
¹² <https://www.cvrld.bc.ca/>

Municipality of North Cowichan ¹³

Located on Vancouver Island, the Municipality of North Cowichan is the largest municipality in the Cowichan Valley Regional District (CVRD). It is situated immediately north of and adjacent to the City of Duncan, south of Ladysmith, and extends east to North Cowichan's extensive coastline. Incorporated in 1873, North Cowichan residents enjoy a relaxed, active lifestyle in a mostly rural setting which also affords many of the amenities of city life.

The community centres of North Cowichan are Chemainus, Crofton, Maple Bay and the South End inclusive of University Village.

North Cowichan's Agricultural Advisory Committee advises Council on ways to oversee and implement North Cowichan's Strategic Agricultural Plan¹⁴, as well as review and consider land uses on or abutting agricultural land, as referred by Council. This Committee typically meets Tuesdays quarterly.



The Strategic Agricultural Plan, developed in 2001, shares a vision for agriculture as:

“The Agriculture Sector in the Cowichan Valley will be healthy economically, socially, and environmentally. It will consist of a medium-scale farm component that market through traditional commodity systems, and a small-scale farm component that markets both basic production and value-added products to local and regional markets. The industry will be noted for its quality, diversity, and its support for, and from, the community.”

Unfortunately, due to the timing of this research and the timing of the Agriculture meetings, additional information was not able to be obtained. Although implementing an agricultural equipment library is not specifically outlined in the Agriculture Plan, the vision of support small scale farming lends itself to draw conclusions that an equipment library would help to meet that goal.

Preliminary discussions have been held with North Cowichan staff regarding the possibility of funding support for this initiative through the Climate Action & Energy Plan (CAEP) granting process. The CAEP Implementation and Monitoring Framework (2014) identifies several agricultural goals that an equipment library would contribute towards, including facilitating increased agricultural production and supporting new farmers.

¹³ <http://www.northcowichan.ca/>

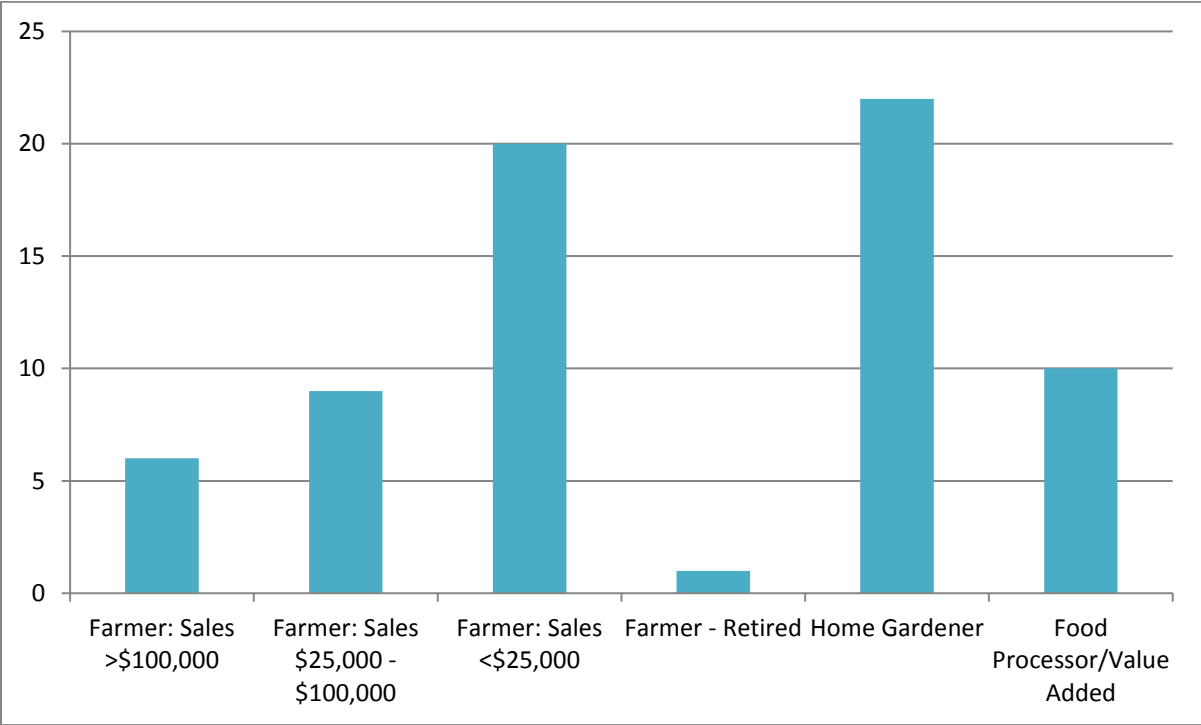
¹⁴ <http://www.northcowichan.ca/assets/Departments/Planning~and~Land~Use/docs/Strategic-Agricultural-Plan-200105.pdf>

EQUIPMENT LIBRARY SURVEY & RESULTS

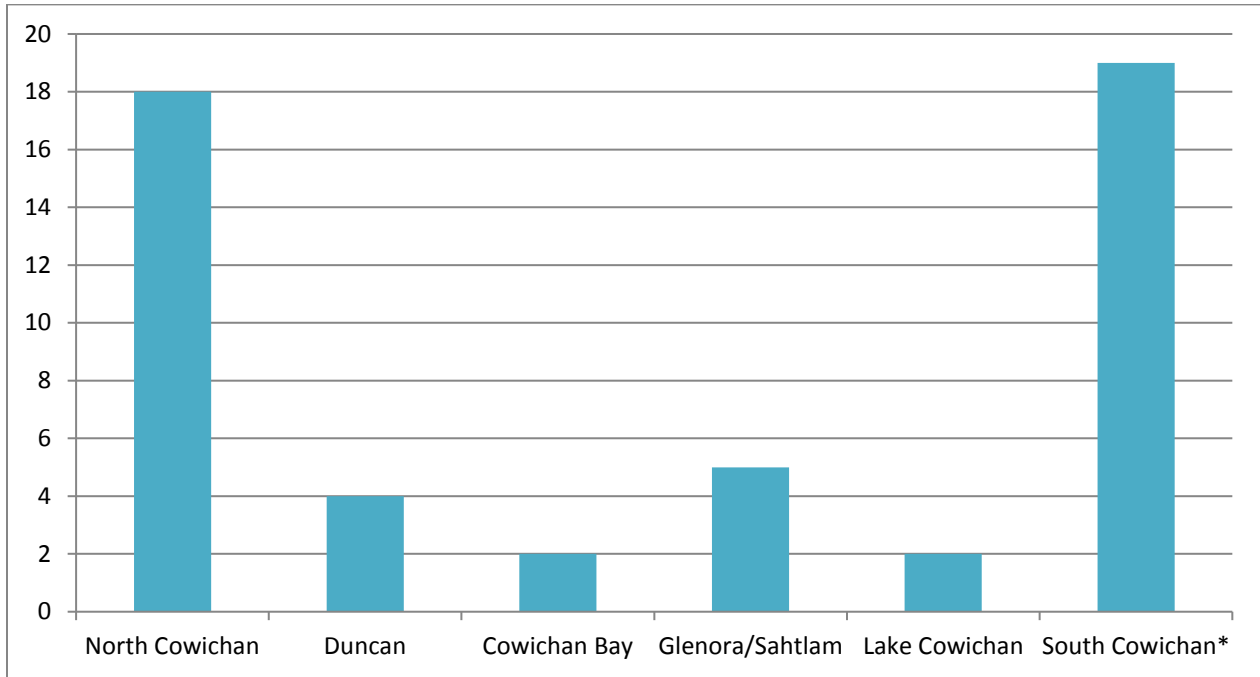
In November 2017, CGC produced an online survey in order to assess the interest among the Cowichan agricultural community for an equipment library. The survey was distributed through email to more than 200 local farmers and producers; additionally the survey reached over 3600 on the Cowichan Green Community’s Facebook page. Recommendations were sought for the specific tools and equipment that respondents would like to see available from an equipment library. In the end, 63 responses were received to the survey and a wide range of contributions were collected from a diverse range of people involved in agriculture.

Full results of the survey are contained within in the appendices; a summary of the questions and key themes to the responses follows:

Q1: What is your involvement in agriculture?



Q2: Where do you live?



*For the purposes of this report, 'South Cowichan' refers to Areas A, B, and C: Mill Bay, Shawnigan Lake, and Cobble Hill.

Q3: If established would you utilize an agricultural equipment library?

Q5: What processing equipment (i.e. livestock slaughter, fruit/veg processing) would you want to see available from an equipment library? Please be specific about the item and include what season you would use it, and for how many days in a year.

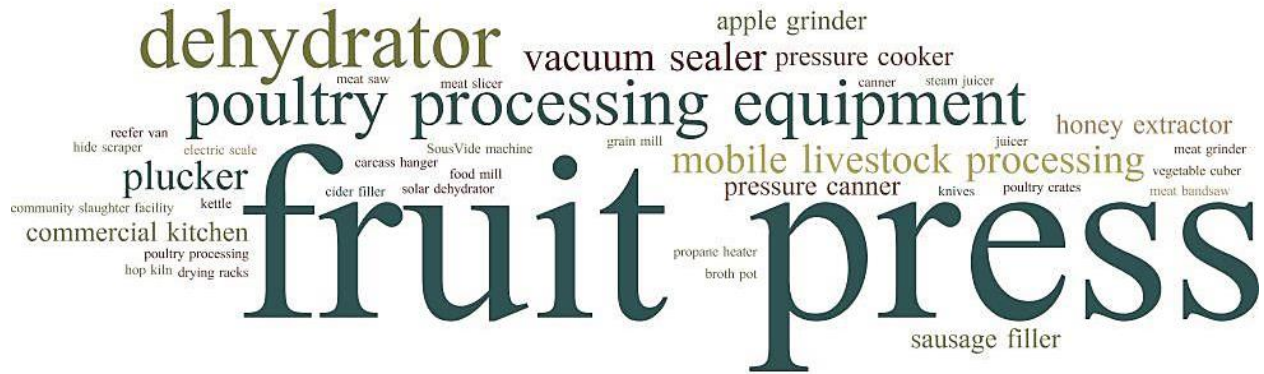
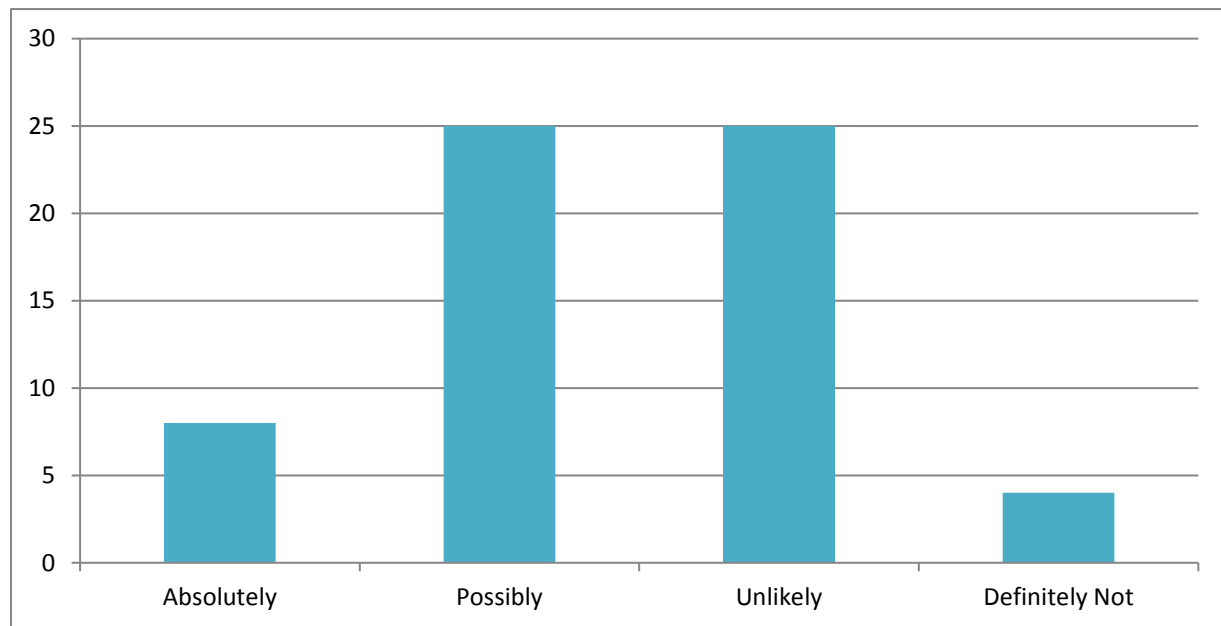


Figure 2 - A word cloud derived from question 5 responses.

Q6: If available, would you make use of shared cold storage?



Q7: Do you own any pieces of equipment that you would be willing to contribute to an equipment library? Would you be willing to serve as a caretaker of this, or any other, equipment?

Question 7 is difficult to summarise succinctly; the responses were varied and generally hedged their bets. Many respondents indicated a willingness to either serve as caretakers or contribute equipment to library, but not until the library is established and its form of organisation solidified. Many more respondents clearly stated that they were not interested in contributing equipment or serving as caretakers.

Q8: If equipment were held in a single location, please rank the locations by convenience for you.

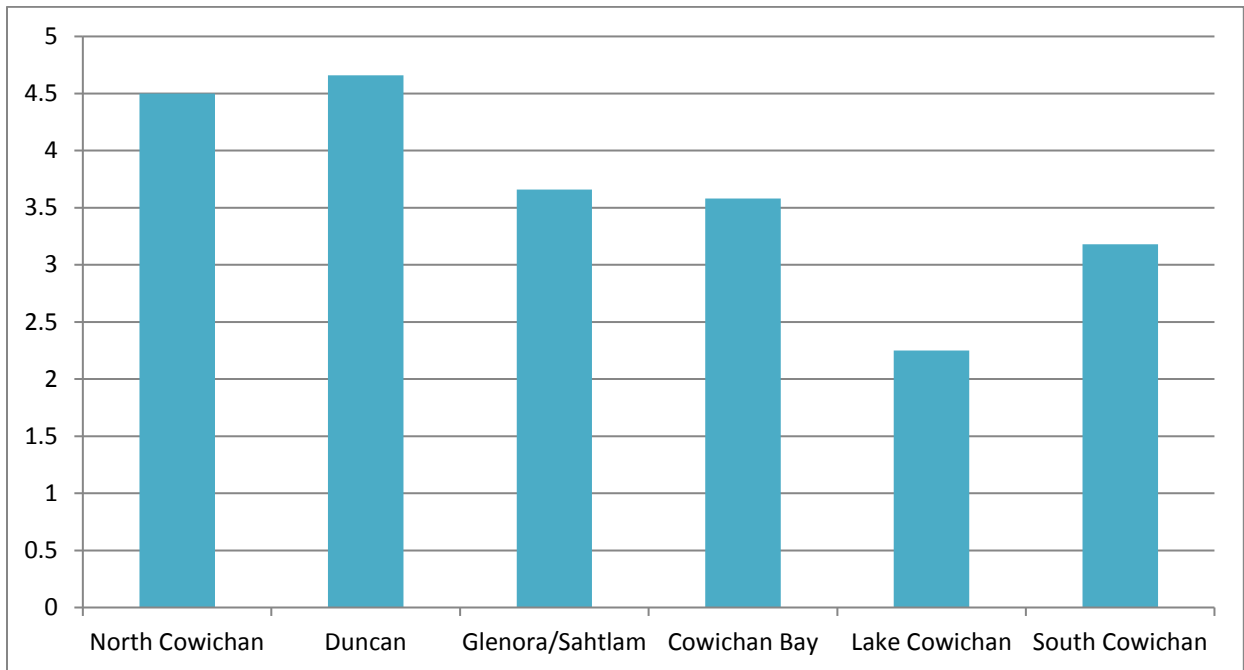


Figure 3 - Respondent's ranked their preference for an accessible location. A score for each option was generated based on this scoring.

Q9: Are there any other resources or infrastructures that would support your agricultural enterprise that you'd like to see available in the Cowichan Region?

A wide range of comments were made with different suggestions for strengthening agriculture in our region. The suggestions that received multiple notes included:

- Increased capacity for animal processing
- Agricultural extension services
- A skill/labour share, or database of skilled and knowledgeable people
- Assistance with government applications (grants, well permits, etc.)
- Need for increase in agricultural labour supply through labour shares or training
- An agricultural equipment and livestock auction
- Database of existing agricultural services available
- Land access program for new farmers

ADDITIONAL DISCUSSION

Opportunities

Previous work done in the Cowichan Region to assess the needs of farmers and agricultural producers has indicated that access to equipment is a limitation to many businesses. Through the survey and meetings with local agricultural groups, research showed there to be a strong interest in an equipment library, although it did not include all agricultural stakeholders in the region.

There is more demand for this service among smaller and emerging farmers than there is among the larger, established farms. Dairy farms represent a significant portion of the established larger farms in the region; these farms are typically well equipped and either own the tools they need, can hire contractors, or share with their neighbours.

Other established farms in the region do not feel that access to equipment is a limitation to their success, however, some would consider using equipment if the right tools were available at the right time.

The greatest interest for an equipment library is among smaller and emerging farmers. These operations tend to be capital-constrained and unable to purchase equipment that would be beneficial to their businesses. Among this interested group was a large contingent who identified as 'home gardeners' on the survey.

Challenges

The prevalence of home gardeners among the respondents was a cause for concern in the more established agriculture community. The question of who such an equipment library would be targeted to support, and whether those producing solely for their own use should be included. There was support for limiting rentals to members of the library and for not including easily obtained 'small tools' such as shovels, hoes, etc. in the library.

A second concern expressed was that such a resource would hurt local businesses that currently offer rentals. At present, tools such as walk-behind rototillers, chippers, wood-splitters, post hole diggers (augers), and many other small tools are readily available from several rental locations in the Cowichan Region. There was strong opposition to any activity that would threaten these existing businesses.

Equipment Selection

Deciding the scale of equipment to offer is critical to the success of an equipment library. The KLAS Library focused specifically on equipment below the tractor scale, with the BCS walk-behind tractors as their central offering.

The CVFI Equipment Co-op offers tools for their members – these primarily being mid-scale livestock producers. Their criteria were to provide equipment that was easy to move, easy to maintain, easy to use, and not needed with frequency by any one operation.

Maintenance, Repairs, Insurance, and Administration

The maintenance of the equipment is an important consideration. Without dedicated or employed skilled persons, much of the work falls on volunteers, or entails costly shop servicing. For this reason, equipment that is more complicated, or prone to breakdown, was warned against by the CVFI representative. These concerns were echoed by CAS and SCHFIAS members. KLAS addresses this partly with an additional annual fee for the rental of the BCS tractors and their implements.

In addition to the work required for maintenance and repairs of equipment, an equipment library requires administrative and operational tasks. The work to organise rentals, collect fees, review the use of equipment, and inspect before and after, often falls onto volunteers. This has contributed to the CVFI's reduction in available equipment, while KLAS, who rely on 'tool guardians', states this as their biggest challenge. The incentive of free use of the equipment may only be sufficient for simpler or less frequently rented equipment. Both CVFI and KLAS suggested that, if possible, a paid position to fulfill these roles is optimal.

Insurance is a critical component of a successful equipment library. Due diligence has to be considered to mitigate risk for both the organization supplying the equipment as well as the members who will be renting any implements. Preliminary discussions with Harbord Insurance indicate that the approximate cost for insurance and liability would be \$800/\$100,000, and \$500/\$100,000. Both KLAS and CVFI have had no issues with insurance or liability.

Location

Predictably, respondents to the survey preferred a location closer to their home. Within Cowichan, agricultural producers are concentrated in North Cowichan and South Cowichan. The survey indicated that Duncan would be the most convenient location in the region for an equipment library.

How and where equipment is stored would depend principally on the type and size of equipment available. An equipment library with small tools could be contained within a shed. Larger equipment would require larger sheds or barns for storage. Some equipment may require trailers for transport or a loader to lift into trucks or on to trailers. The larger a piece of the equipment, the more challenging this becomes.

The CVFI equipment is stored at existing farms and transported down the road by tractor or truck (requiring appropriate licensing). For the KLAS Library, each BCS Rental includes a trailer for transportation.

Smaller tools would best be stored at a central location with the only requirement being a secure covered space. Food processing equipment will require a secure indoor location, ideally centrally located.

Organisational Structure

An equipment library requires an identified organisation to handle the financial management, insurance & liability, and other administrative tasks. Non-profit organisations are well suited to fulfill this role; however, the operation of an equipment library can be a significant addition of work to an organisation as well as a source of liability. Further, any existing organisation would need to be closely aligned with the goals of an equipment library and committed to its long-term operation.

Within the Cowichan Region there are several non-profit organisations who work in the agricultural sector. Of the organisations that were engaged with, only Cowichan Green Community offered direct involvement in the implementation of an equipment library. CGC has the administrative capacity to take on the varied roles, has access to land and facilities to host the equipment, and has the expertise to ensure the library's success.

Finances

The establishment of an equipment library requires an initial source of funds for the purchase of equipment. The other organisations that were engaged with acquired their equipment through various means, with funding coming through government or foundation grants, local government contributions, private donations, and member contributions. Grant funding is often tied to specific equipment with a predetermined goal, for example the no-till drill supported by Ducks Unlimited for wildlife enhancement purposes in the Comox Valley.

Once equipment has been purchased, rental fees should be levied that cover the operating costs of the library. Both CVFI and KLAS are able to cover the cost of repairs, maintenance, and insurance with their rentals fees. For certain equipment, the CVFI reported collecting more in rental fees than the initial purchase cost. This demonstrates that the right equipment can generate sufficient income to cover the costs of operation.

RECOMMENDATIONS

The key recommendations for the implementation of an Agricultural Equipment Library in the Cowichan Region are as follows:

1. Determine who the equipment library will serve. There is a wide range of producers in the Cowichan Region, from home gardeners to large commercial farms. Providing a service to the full range of operations would be extremely difficult and too ambitious for a newly established equipment library. Based on the survey feedback and consultations with regional stakeholders, the suggestion is to focus the library on serving *small and emerging* producers of both farmers and processors.
2. Determine the scale of equipment that will serve this group best. Small tools like hand tools should be avoided due to affordability and high administrative cost. Large equipment is likely too expensive for an emerging library and requires additional infrastructure to store and transport. The recommendation is to offer equipment that is relatively small, but still may be cost prohibitive to small and emerging farmers and producers. Walk-behind tractors and implements are the optimal scale to target. Category 0 & 1 three-point hitch tractor implements would also be appropriately scaled.
3. Consider the impact of subsidised rental equipment on local businesses. Many items requested in the survey are already available for rent in the region. An equipment library should focus its efforts on tools and implements that are specialised for agriculture and not currently available for rent through other outlets.
4. Utilise existing capacity in region. Working directly with a non-profit that is established in the community and well-respected within the agriculture sector would have an increased chance of success. Cowichan Green Community is recognized as the most logical organization to assume the role of managing the program.
5. Start small, expand over time. Several other organizations who operate similar programs, suggest purchasing a small number of items initially. Start the program with a small investment, grow the number of members, work out initial growing pains, and then expand over time.
6. Charge fees adequate to cover maintenance, repairs, and *paid* administration – all operating costs. Complete a detailed budget, outlining purchasing price of equipment, estimates of maintenance costs, administration and overhead and ensure that all fees, including membership can cover the costs of the program, ensuring longer-term sustainability.
7. Locate the equipment library as centrally as possible; Duncan is the ideal location. Where facilities and infrastructure allow, concentrate equipment in as few locations as possible. Smaller equipment is more easily stored in one location; larger equipment may require multiple caretakers and locations.

SAMPLE BUDGETS

Sample Budget #1 - \$50,000 Initial Expenditure	
Item	Cost
BCS & Implements	
BCS 852 Walk-behind Tractor	\$6,000.00
BCS 739 Walk-behind Tractor	\$4,500.00
Rotary Plow (for BCS)	\$2,000.00
Power Harrow (for BCS)	\$3,000.00
Cultivator (for BCS)	\$600.00
Tiller (for BCS)	\$900.00
Flail Mower (for BCS)	\$3,000.00
Brush Mower (for BCS)	\$2,000.00
6 Row Jang Seeder (for BCS)	\$4,000.00
Bed-shaper (for BCS)	\$350.00
Mouldboard Plough (for BCS)	\$400.00
Drop Seeder/spreader (for BCS)	\$2,500.00
Other Farm Equipment	
1 Row janger Seeder - push	\$600.00
Utility trailer x 2	\$4,000.00
Pressure washer x 2	\$1,000.00
Soil Probe	\$250.00
Post Pounder (t-posts)	\$50.00
Post Pounder (wooden posts)	\$50.00
Seed Screens	\$250.00
Total	\$35,450.00
Processing Equipment	
Root Washer	\$4,000.00
Dehydrator, Small	\$300.00
Dehydrator, Large	\$900.00
Fruit Press, Small	\$400.00
Fruit Press, Large	\$800.00
Fruit Crusher, Manual	\$300.00
Fruit Crusher, Electric	\$1,200.00
Poultry Plucker	\$500.00
Poultry Scalding	\$500.00
Poultry Cones x 5	\$200.00

Poultry Kill Stand	\$400.00
Vacuum Sealer, Small	\$300.00
Vacuum Sealer, Large	\$1,000.00
Pressure Canner x 2	\$250.00
Total	\$11,050.00
Contingency	\$3,000.00
Maintenance Supplies	\$500.00
Total	\$3,500.00
	\$50,000.00

Sample Budget #1 - Operating Costs & Revenues				
Expenses				
Item		Year 1	Year 2	Year 3
Repairs and Maintenance	Increase with use and age of equipment	\$1,000.00	\$1,500.00	\$2,000.00
Insurance & Liability	Fixed to value of equipment	\$650.00	\$650.00	\$650.00
Administration	4 hrs/week @ \$25/hr	\$5,000.00	\$5,000.00	\$5,000.00
Total		\$6,650.00	\$7,150.00	\$7,650.00
Revenues				
Rental Fees	Expect to increase over time.	\$4,000.00	\$6,000.00	\$8,000.00
Net		\$2,650.00	\$1,150.00	\$350.00

Sample Budget #2 - \$100,000 Initial Expenditure	
Item	Cost
Tractor, New	20,000
Tractor, Used	10,000
Rototiller	3000
Manure Spreader	3500
Seed/fertiliser Spreader	750
Mower - Brush Hog	1500
Plough, two bottom	1500
Disc Harrow	1750
Flat-deck trailer	5000
Total	47,000

BCS & Implements	
BCS 852 Walk-behind Tractor	\$6,000.00
BCS 739 Walk-behind Tractor	\$4,500.00
Rotary Plow (for BCS)	\$2,000.00
Power Harrow (for BCS)	\$3,000.00
Cultivator (for BCS)	\$600.00
Tiller (for BCS)	\$900.00
Flail Mower (for BCS)	\$3,000.00
Brush Mower (for BCS)	\$2,000.00
6 Row Jang Seeder (for BCS)	\$4,000.00
Bed-shaper (for BCS)	\$350.00
Mouldboard Plough (for BCS)	\$400.00
Drop Seeder/spreader (for BCS)	\$2,500.00
Total	\$29,250.00
Other Farm Equipment	
1 Row janger Seeder - push	\$600.00
Utility trailer x 2	\$4,000.00
Pressure washer x 2	\$1,000.00
Soil Probe	\$250.00
Post Pounder (t-posts)	\$50.00
Post Pounder (wooden posts)	\$50.00
Seed Screens	\$250.00
Total	\$6,200.00
Processing Equipment	
Root Washer	\$4,000.00
Dehydrator, Small	\$300.00
Dehydrator, Large	\$900.00
Fruit Press, Small	\$400.00
Fruit Press, Large	\$800.00
Fruit Crusher, Manual	\$300.00
Fruit Crusher, Electric	\$1,200.00
Poultry Plucker	\$500.00
Poultry Scalding	\$500.00
Poultry Cones x 5	\$200.00
Poultry Kill Stand	\$400.00
Vacuum Sealer, Small	\$300.00
Vacuum Sealer, Large	\$1,000.00
Pressure Canner x 2	\$250.00
Total	\$11,050.00

Contingency	\$6,000.00
Maintenance Supplies	\$500.00
Total	\$6,500.00
	\$100,000.00

Sample Budget #2 - Operating Costs & Revenues				
Expenses				
Item		Year 1	Year 2	Year 3
Repairs and Maintenance	Increase with use and age of equipment	\$2,000.00	\$3,000.00	\$4,000.00
Insurance & Liability	Fixed to value of equipment	\$1,300.00	\$1,300.00	\$1,300.00
Administration	6 hrs/week @ \$25/hr	\$7,500.00	\$7,500.00	\$7,500.00
Total		\$10,800.00	\$11,800.00	\$12,800.00
Revenues				
Rental Fees	Expect to increase over time.	\$6,000.00	\$10,000.00	\$14,000.00
Net		-\$4,800.00	-\$1,800.00	\$1,200.00

APPENDICES

Appendix 1

Interviews

Conversation with Marvin Work

Re: Kootenay Local Agricultural Society Tool Library

Notes:

- KLAS received first grant of \$100,00 in 2010 to initiate the tool library
- Round tables held with local groups/individuals/farmer/processors to determine what equipment was needed in the region
- Goal was to meet the needs of small producers/home producers
- Decision was made to not provide equipment for tractors (3-point implements)
- 4 BCS walk behind tractors and their implements form the centrepiece of the Tool Library's offerings
- Equipment is split between 3 different locations, servicing an area ~3 hours ends to end
- All equipment is housed, maintained, and administered by 'tool guardians', Marvin had previously served as one
 - Tool guardians and volunteers and require knowledge of the equipment, and the ability to manage rentals and provide training
 - It is a lot of work for volunteers and one that Marvin recommends be at least partially done by a paid employee
 - KLAS has been lucky to have a few reliable long term guardians without which the library would have been challenged
 - Retention of guardians is poor
 - This has been the library's biggest challenge
- Marvin recommends purchasing equipment over time if possible, many of the items in the library are well used, but a few purchases have been rented very infrequently
- Originally only members were allowed to rent from the library, complaints resulted in non-members renting too. Cost is greater for non-members, most opt to become members.
- KLAS carries directors liability insurance and renters liability insurance
 - To date have had no issues with liability
- Rental fees cover all the costs of repair and maintenance of the equipment. An additional annual fee (\$30) is required to rent the BCS tractors
 - Rental revenues in 2015 and 2016 were \$2,834 & \$3,936
 - Repair expenses in 2015 and 2016 were \$1,476 & \$1,574
 - Major repairs can be very expensive and loaded into single years (no major repairs last 2 years)

Conversation with Island Milk Producers President - Chris Groenendijk

Re: Dairy Farmers interest in an equipment library

Notes

- Dairy Farmers in Cowichan a very independent
- Farms tend to be large and have all the equipment necessary for day to day operations
- Often share between neighbours
 - Still sufficient farm numbers
- Where equipment cost prohibitive there are custom ag contractors
 - Round baling, etc.
- Access to equipment is not high on the list of challenges faced by Dairy Farmers in Cowichan
- Some equipment that is typically unavailable the could be useful
 - Relay drill
 - Someone in Cowichan has one?
 - Laser drain tile layer
 - Someone in Courtenay has one

Conversation with Brian Geiger

Re: Comox Valley Farmers' Institute Equipment Co-op

Notes:

- started 20+ years ago – first purchase was a no-till drill
 - funding support Ducks Unlimited & Investment Ag
- Over the years have purchased other equipment
 - Lime spreader
 - Second no-till drill
 - Laser level for excavator (for drainage install)
 - Laser-guided drain till layer
 - Brush mowers
- Rental limited to membership
 - Required in order for institute liability to cover
 - Membership increase 50% after AGM to account for late joiners (just to use equipment)
- Equipment purchases made by contribution from members up 50%, institute pays for or finds grant for the remainder
 - Member contribution goes towards future rentals
 - Ex. 10 members contribute \$1000/each for \$20,000 tool
- Equipment maintained with rentals costs
 - 'you break it you fix it' policy for obvious operator error
 - Difficult sometimes to discern between 'wear and tear' and misuse
 - Only kind of works for this reason
 - Better for simple machinery
- Currently only has 4 pieces of equipment
 - No-till drill and lime spreader are main two items
 - \$15/ac drill, \$5/ton lime spreader
- Main users of equipment are medium size farmers, mainly animal producers
 - Avoiding hand tools and small equipment that is hard to keep track and requires more management
 - Avoiding equipment that is too large for easy transport
 - Avoiding equipment that is complicated and requires too much skill/knowledge to operate and maintain
- Drain tile layer was sold to member who had equipment to operate and was skilled with the use
 - Now does custom work for other farms
- Institute holds \$5 million liability
- Equipment itself is insured
- Keep it simple! Research to ensure demand/appropriate equipment

January 3rd, 2018

Meeting with Cowichan Agricultural Society

Re: Review of Survey Results

Discussion Notes

- Concern expressed by the number of 'Home Gardener' respondents to the survey
 - There is a difference between home gardeners & 'Home Gardeners'
 - The opinion that an equipment library funded with public money should target farm businesses was expressed and supported by many
 - Survey results should show the votes of gardeners vs. farmers
- An equipment library should be careful not to provide equipment that is already available from rental companies
 - A publicly funded project should not compete with existing businesses
 - Rototillers, weed-eaters, etc.
 - Cowichan Beekeepers have a honey extractor available for rent already
 - Ensure all currently available equipment is inventoried!
- Membership should be required for rental
 - Ensures familiarity with those renting
 - Ensures they are invested in the library
- Avoid complicated pieces of machinery
 - Focus in equipment that is useful addition to farms, not necessarily the essential components
 - Farms should purchase their own 'essential' equipment

January 15th, 2018

Meeting with Shawnigan Cobble Hill Farmer's Institute Board of Directors

Re: Review of Survey Results

Discussion Notes

- Near unanimous concern that this is a solution looking for a problem
 - There is lots of equipment available for rent
 - Would harm existing rental business
 - Most neighbours/other farmers are willing to loan equipment
 - Many farmers with equipment will do custom work
 - A viable farm business should be able to afford equipment
 - Buying equipment is a business reality
- Some support for the idea but concerns over the practicality of actually implementing
 - Good idea in theory, but many foreseeable challenges
 - What about insurance/liability etc.?
- Government should stay out of farming activities
 - Farmers are adequately served by private business
- Realities for new and aspiring farmers may be different than established farms
 - Young and first generation farmers might use such a program
- Any organisation providing farm equipment should be an autonomous organisation
 - Concern that existing organisations are already busy
 - Present organisational mandates may not foster a library to grow
 - Complexities around liability, insurance, etc.
- SCHFIAS does not see itself being involved organisationally with an equipment library
- SCHFIAS would like to see how a library developed and unfolds before committing any in kind support or contribution.

Appendix 2

Rental Pricing

Kootenay Local Agricultural Society Equipment Library Fees			
Item	Quantity	Members \$/day	Public \$/day
4' Bender	1	10	15
6' Bender	1	10	15
12' Bender	1	10	15
Set of Seed Screens	1	8	12
Essential Oil Still	1	25	37.50
Dehydrator, Small	4	10	15
Dehydrator, Large	1	15	22.50
Fruit Press	1	12	18
Root Washer	2	30	45
Pressure Washer	1	15	22.50
BCS Tractor*	4	25	37.50
Rotary Plow*	3	25	37.50
Double Ridger*	1	25	37.50
Power Harrow*	1	25	37.50
Seed-Spreader*	1	25	37.50
Flail Mower*	2	25	37.50
Chipper-Shredder*	1	25	37.50
Brush Mower*	1	25	37.50
Lawn Mower*	1	25	37.50
Disc Mower*	1	25	37.50
Hay Tedder*	1	25	37.50
Hay Bale*	1	25	37.50
Silage Wrapper*	1	25	37.50

*A \$50 annual 'Tractor Maintenance Fee' must be paid to rent these items.

Comox Valley Farmers' Institute Equipment Co-op Fees	
Item	Cost
Lime Spreader	\$5/tonne of lime or chicken manure
Laser Level	\$40/day
Relay Crop Seeder	\$100/day
Measuring Wheel	No Charge
Soil Probe	No Charge



STAFF REPORT TO COMMITTEE

DATE OF REPORT March 1, 2018

MEETING TYPE & DATE Regional Services Committee Meeting of March 28, 2018

FROM: Environmental Services Division
Engineering Services Department

SUBJECT: 2018 Environmental Services Budget Amendments – Functions 131
Environmental Initiatives and 540 Liquid Waste Plan – South Sector

FILE:

PURPOSE/INTRODUCTION

The purpose of this report is to request amendments to the 2018 budget for functions 131 Environmental Initiatives and 540 Liquid Waste Plan – South Sector.

RECOMMENDED RESOLUTION

That it be recommended to the Board:

1. That the 2018 Budget for Function 131 Environmental Initiatives be amended to:
 1. Increase Federal Conditional Grants revenue by \$46,934;
 2. Increase Provincial Conditional Grants revenue by \$42,494;
 3. Decrease Transfer from Gas Tax revenue by \$3,148;
 4. Increase Surplus revenue by \$35,000;
 5. Decrease Regional Sustainability Plan / Climate expense by \$3,148;
 6. Increase Contract for Services expense by \$21,678;
 7. Increase Flood Plain Management expense \$67,750; and
 8. Increase Project Expenditures expense by \$35,000.
2. That the 2018 Budget for Function 540 Liquid Waste Plan – South Sector be amended to:
 1. Increase Transfer from Gas Tax revenue by \$18,353; and
 2. Increase Contract for Services expense by \$18,353.
3. That Function 131 – Environmental Initiatives requested Contract for Services expenditures be authorized to proceed prior to approval of the 2018 Budget amendment.

BACKGROUND

The Environmental Services Division is responsible for preparing budgets for Functions 131, 530, 531, 535, and 540. Due largely to delays in receiving Contribution Agreements for various grants, budget amendments are required to transfer unspent grant funds from 2017 to the 2018 budget for Function 131. In addition, due to difficulties in identifying a suitable contractor for project work, it is necessary to amend the 2018 budget for Function 540 to transfer unspent gas tax funding from 2017 to the 2018 budget.

ANALYSIS

Function 131

In 2017, the CVRD was successful in a number of grant applications to the National Disaster Mitigation Program. Revenue and expenses related to these projects was included in the 2018 budget for Function 131. Due to delays in receiving the Contribution Agreements from the province for these projects, work on the Lake Cowichan / Youbou Torrent Flow Assessment and the CVRD Regional Dam Safety Analysis and Risk Assessment projects is beginning later than anticipated. A portion of the federal and provincial funding for these projects will now be recognized in the

2018 budget instead of the 2017 budget. It is recommended that the Federal Conditional Grants revenue and Provincial Conditional Grants revenue each be increased by \$33,875 and the Flood Plain Management expense be increased by \$67,750.

Another project under the Function 131 budget, Sustainable Watershed Systems Through Asset Management is being conducted by the Partnership for Water Sustainability in BC. Refinement of the schedule for this project lead to a completion date of March 31, 2018, again leading to the requirement to shift recognition of a small portion of the federal and provincial grant funding for this project to the 2018 budget. It is recommended that the Federal Conditional Grants revenue be increased by a further \$13,059, the Provincial Conditional Grants revenue be increased by a further \$8,619, and the Contract for Services expenses be increased by \$21,678.

Expenses for the CVRD's climate change adaptation work came in slightly higher than anticipated in 2017. As this project is funded through gas tax, the amount of gas tax recognized for the project in 2018 needs to be reduced. It is recommended that the Transfer from Gas Tax revenue be decreased by \$3,148 and the Regional Sustainability Plan / Climate expense be decreased by \$3,148.

Finally, work on the watersheds analysis and environmentally sensitive areas strategy is carrying over to 2018, with lower than anticipated expenditures in 2017 due to division workloads. It is requested that the surplus funds previously approved for these projects be carried over to allow completion of the work in 2018. It is recommended that Surplus revenue be increased by \$35,000 and Project Expenditures expense be increased by \$35,000.

Function 540

Project work in Function 540 includes work on the South Sector Liquid Waste Management Plan Amendment. Due to difficulties in identifying a suitable contractor to carry out this work, it was necessary to release the Request for Proposals multiple times. The delayed start to the project means that more work than anticipated will carry over to 2018, necessitating an amendment to the 2018 budget for Function 540 to recognize additional gas tax funds in 2018 instead of in 2017. It is recommended that the Transfer from Gas Tax revenue be increased by \$18,353 to allow an increase in Contract for Services expenses by the same amount.

FINANCIAL CONSIDERATIONS

The recommendations contained in this report will have no impact on the requisition as they involve external funding or transfers of surplus.

COMMUNICATION CONSIDERATIONS

N/A

STRATEGIC/BUSINESS PLAN CONSIDERATIONS

Addresses the Regional Strategic Focus Area #3 Sound Fiscal Management

Referred to (upon completion):

- Community Services (*Island Savings Centre, Cowichan Lake Recreation, South Cowichan Recreation, Arts & Culture, Public Safety, Facilities & Transit*)
- Corporate Services (*Finance, Human Resources, Legislative Services, Information Technology, Procurement*)
- Engineering Services (*Environmental Services, Recycling & Waste Management, Water Management*)
- Land Use Services (*Community Planning, Development Services, Inspection & Enforcement, Economic Development, Parks & Trails*)
- Strategic Services

Prepared by:



Jeff Moore
Environmental Analyst / Technician

Reviewed by:



Kate Miller, MCIP, RPP. LEED AP
Manager



Hamid Hatami, P. Eng.
General Manager



STAFF REPORT TO COMMITTEE

DATE OF REPORT March 19, 2018
MEETING TYPE & DATE Regional Services Committee Meeting of March 28, 2018
FROM: Recycling & Waste Management Division
Engineering Services Department
SUBJECT: Solid Waste Management Plan Amendment No. 4 Project Update
FILE: 0540-20-RS/05

PURPOSE/INTRODUCTION

The purpose of this report is to provide status of the Solid Waste Management Plan Amendment No. 4 project.

RECOMMENDED RESOLUTION

For information.

BACKGROUND

The Cowichan Valley Regional District (CVRD) is responsible for regional solid waste management including solid waste management planning and operation of the regional municipal solid waste disposal system. All regional districts must have a solid waste management plan (SWMP) in place, which provides a blueprint for the management of municipal solid waste in the region. The plan identifies regional issues for the next 20 to 25 years while planning for the next 10 years. The BC Ministry of Environment and Climate Change Strategy recommends that regional districts amend their solid waste management plans every 10 years. The CVRD SWMP was last amended in 2006.

ANALYSIS

The fourth amendment to the region's solid waste plan was formally initiated in January 2018. Several tasks related to the solid waste management plan amendment have already been completed, including:

- Board approval of budget to complete this project
- Hiring of a consulting team (Tetra Tech)
- Formal launch of the amendment process including notification letters sent to the Ministry and more than 115 interested parties, with supporting notices placed in local newspapers and amplified through social media
- Preparation of a waste management status report
- Preparation of a draft public consultation plan and public survey
- Formation of an internal project Steering Committee and an Oversight Committee consisting of Directors Day, Morrison, Acton and Stone.
- Formation of a Plan Advisory Committee (PAC) consisting of members of the public and representatives from the waste management industry (both private and non-profit), business community, local organizations and institutions, member municipalities, and CVRD staff
- Preparation of a technical memo outlining current level of solid waste services available in the region and gap analysis

Next steps include holding the first PAC meeting, scheduled for Thursday, March 29, and updating the public consultation plan with input from the PAC and Oversight Committees. On the Oversight

Committee's recommendation, a further update will be provided to the Regional Services Committee in June or July, once the PAC has reviewed and recommended waste management options and strategies.

FINANCIAL CONSIDERATIONS

Up to \$125,000 has been earmarked within the 2018 solid waste management budget Function 520 for the solid waste management plan amendment.

COMMUNICATION CONSIDERATIONS

Not applicable.

STRATEGIC/BUSINESS PLAN CONSIDERATIONS

Not applicable.

Referred to (upon completion):

- Community Services (*Island Savings Centre, Cowichan Lake Recreation, South Cowichan Recreation, Arts & Culture, Public Safety, Facilities & Transit*)
- Corporate Services (*Finance, Human Resources, Legislative Services, Information Technology, Procurement*)
- Engineering Services (*Environmental Services, Recycling & Waste Management, Water Management*)
- Land Use Services (*Community Planning, Development Services, Inspection & Enforcement, Economic Development, Parks & Trails*)
- Strategic Services

Prepared by:

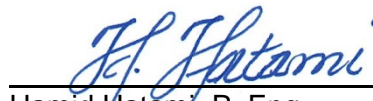


Harmony Huffman
Senior Environmental Technologist

Reviewed by:



Tauseef Waraich
Manager



Hamid Hatami, P. Eng.
General Manager

ATTACHMENTS:

Attachment A – SWMP Amendment No. 4 Project Update Presentation



CVRD

Solid Waste Management Plan Amendment 4 Project Update

Background

Tasks Completed

Committees & Public Consultation

Next Steps

Background

- SWPM - blueprint for managing waste in the region
- Regional issues - short term and long term
- The CVRD's solid waste plan was last updated in 2006
- No major changes anticipated, but, need to make sure plan continues to reflect region's goals and objectives
- Focus on [5 R pollution prevention hierarchy](#) (Reduce, Reuse, Recycle, Recover, Residuals Management)

The *Environmental Management Act* requires that all regional districts prepare and submit a solid waste management plan to the provincial government.

SWMP Amendment #4

Tasks Completed To-Date

Action	Completed In
Consulting team hired	Oct. 2017
Steering Committee formed	Oct. 2017
Waste management status report completed in-house	Dec. 2017
Oversight Committee formed	Jan. 2017
Draft public consultation plan prepared	Jan. 2017, currently under review
Initiation letter sent to Ministry and more than 100 stakeholders	Feb. 2017
Public notification launched (newspaper ads, Facebook, Twitter)	Feb. 2017
Project web page launched	Feb. 2017
Oversight Committee Meeting 1 held	Mar. 2017
Tech Memo 1 prepared	Currently under review
Public survey prepared	Currently under review
Plan Advisory Committee formed	Mar. 2017

SWMP Amendment #4

Committees

Oversight Committee	Area
Director Sierra Acton	Area B Shawnigan Lake
Director Morrison	Area F Cowichan Lake South / Skutz Falls
Director Day	Town of Lake Cowichan
Director Stone	Town of Ladysmith

Plan Advisory Committee (PAC)	Category	Area / Business
Sandy McPherson	Public	North Cowichan
Kim Barnard	Public	Shawnigan Lake
Dennis Jess Dennis	Public	Duncan
Dan Lazaro	Business Community	Vancouver Island Recycling & Waste Industry Coalition
	Organizations & Institutions	School District #79
Andrea Davis	Waste Management, Private Sector	Pan Disposal
Will Burrows	Waste Management, Non-Profit Sector	Coast Waste Management Association
Melissa Kriegerfox	Island Health	Island Health, Central Island
Clay Reitsma	Member municipality	District of North Cowichan
Emmet McCusker	Member municipality	City of Duncan
Nagi Rizk	Member municipality	Town of Lake Cowichan
Geoff Goodall	Member municipality	Town of Ladysmith
Tauseef Waraich	Staff	CVRD
Harmony Huffman	Staff	CVRD
Luc Lachance	Provincial Government	Ministry of Environment and Climate Change Strategy
	Federal Government	Environment Canada

Oversight committee
and PAC meetings
almost every 6 weeks

CVRD Board
information report –
June or July 2018

SWMP Amendment #4

Public Consultation

Action	Status
Stage 1 Initiation	
Letters sent to Ministry and stakeholders	Complete
Ads placed in newspapers for two consecutive weeks	Complete
Social media promotion for three consecutive weeks	Complete
Launch project web page with 'Notify Me' sign up	Complete
Meet with First Nations to discuss engagement opportunities	Ongoing
Regional Services Committee Update #1	Planned for March 28 th
PAC Meeting #1 (Current Reality and Gaps)	Planned for March 29 th
Tech Memo #1 and minutes of PAC Meeting #1 posted to project web page	Pending
Open House	Details to follow
Stage 2 Set the Plan Direction	
Public survey will be issued to 'take the pulse' of the community	Under review
PAC Meeting #2 (Context Setting and Options Development)	
Tech Memo #2 and minutes of PAC Meeting #2 posted to project web page	
Public Consultation	
Stage 3 Evaluate the Options	
PAC Meeting #3 (Options Selection, Finance)	
Tech Memo #3 and minutes of PAC Meeting #3 posted to project web page	
Regional Services Committee Update #2	
Open Houses #2-4 (north, south, west)	Details to follow

The public consultation plan will be further developed with input from the Oversight Committee and the Plan Advisory Committee

The public will have an opportunity to comment on the draft solid waste management plan at all stages of its development

Next Steps

- Hold first PAC meeting, March 29th
- Launch public consultation
- Report back to Board (Regional Services Committee) in Stage 3

Amendment Timeline

Stage 1 Initiate & Notify,
January to February, 2018

Stage 2 Set the Plan Direction,
March to April, 2018

Stage 3 Evaluate the Options,
May to July, 2018

Step 4 Final Report,
August to October, 2018

Questions?



STAFF REPORT TO COMMITTEE

DATE OF REPORT March 21, 2018
MEETING TYPE & DATE Regional Services Committee Meeting of March 28, 2018
FROM: Public Safety Division
Community Services Department
SUBJECT: Agreement – Woodley Range 911 Repeater Site
FILE:

PURPOSE/INTRODUCTION

The purpose of this report is to request approval to renew a co-location agreement for the Woodley Range 911 Repeater Site.

RECOMMENDED RESOLUTION

That it be recommended to the Board that the 10-year co-location renewal agreement between Rogers Communications Incorporated and the Cowichan Valley Regional District be approved.

BACKGROUND

The CVRD agreement with Rogers Communications Inc. to use the Woodley Range site for a 911 repeater lapsed December 31, 2017. In March 2018 the company forwarded a renewal agreement that will be valid until December 31, 2027 (10 years).

ANALYSIS

The renewal agreement has an extension option to have one additional term of five years after the initial five year term providing the Licensee (CVRD) has paid the license fees when due and has timely performed the covenants, provisions and condition on the Licensee's part.

This repeater tower services the North Oyster, Ladysmith and Thetis Island Volunteer Fire Departments paging and communications system. Without the use of this tower, fire department paging will cease to exist as there is currently no other appropriate option to consider.

FINANCIAL CONSIDERATIONS

Fee structure:

- 2018 Monthly Fee \$410.07
- 2019 Monthly Fee \$422.38
- 2020 Monthly Fee \$435.05
- 2021 Monthly Fee \$448.10
- 2022 Monthly Fee \$461.54

Total fee is subject to an annual 3% escalation on the anniversary date of the fee start date.

COMMUNICATION CONSIDERATIONS

N/A

STRATEGIC/BUSINESS PLAN CONSIDERATIONS

N/A

Referred to (upon completion):

- Community Services (*Island Savings Centre, Cowichan Lake Recreation, South Cowichan Recreation, Arts & Culture, Public Safety, Facilities & Transit*)
- Corporate Services (*Finance, Human Resources, Legislative Services, Information Technology, Procurement*)
- Engineering Services (*Environmental Services, Recycling & Waste Management, Water Management*)
- Land Use Services (*Community Planning, Development Services, Inspection & Enforcement, Economic Development, Parks & Trails*)
- Strategic Services

Prepared by:



Jason deJong, CFO
A/Manager

Reviewed by:

Not Applicable
Not Applicable



John Elzinga
General Manager

ATTACHMENTS:

Attachment A – First Amending & Renewal License Agreement

Licensee Site Name: Ladysmith
Licensee Location Code: N/A

Licensor Site Name: Ladysmith
Licensor Location Code: W0311

FIRST AMENDING & RENEWAL LICENSE AGREEMENT

Dated: January 24, 2018

WHEREAS:

A. The Licensor and the Licensee entered into a Co-Location Agreement dated the 5th day of April, 2013 (the "Co-Location Agreement"); and

B. The Licensor and the Licensee are desirous of amending the Co-Location Agreement.

THEREFORE IN CONSIDERATION OF the covenants, terms, conditions and agreements contained herein, the Licensor and the Licensee agree to enter into this First Amending and Renewal License Agreement and hereby incorporate by reference the Co-Location Agreement for such purpose subject only to the following modifications:

1. The Basic Terms of the Co-Location Agreement are hereby amended by deleting the wording with respect to the Initial Term and substituting the following in its place:

Initial Term: January 1, 2018 - December 31, 2022

2. The Basic Terms of the Co-Location Agreement are hereby amended by deleting the wording with respect to the Commencement Date and substituting the following in its place:

Commencement Date: January 1, 2018

2. The Basic Terms of the Co-Location Agreement are hereby amended by deleting the wording with respect to Extension(s) and substituting the following in its place:

Extension(s): 1 x 5 Years

2. The Schedule "1" existing wording for Section 6 shall be deleted and replaced with the following:

TERM shall be reduced if Licensor's Head Agreement expires or is terminated for any reason during the term of this agreement, in which event this agreement shall be deemed to expire on the same date. **This agreement shall commence January 1, 2018 and expire December 31, 2022 or the date of any earlier termination as provided in this Agreement (herein after referred to as the "Termination Date") (hereinafter referred to as the "Initial Term").**

3. The Schedule "1" existing wording for Section 8 shall be deleted and replaced with the following:

Provided the Licensee has paid the License Fees when due and has timely performed the covenants, provisions and condition on the Licensee's part contained herein, the Licensor hereby grants to the Licensee the option to renew this Agreement for **One (1) additional term of five (5) years beginning January 1, 2023 and ending December 31, 2027** upon the same terms and conditions as herein contained. In order to exercise any renewal option, the Licensee shall provide the Licensor One (1) year prior written notice of its intention to exercise the aforesaid option and provided always that the site owned and/or occupied by the Licensor is, at the time of such renewal and in the Licensor's sole opinion legally, technically and/or structurally acceptable for continued use by the Licensee.

3. Schedule "2" of the Site Sharing License is hereby deleted and replaced with the Schedule "2" attached to this First Amending and Renewal License Agreement.

4. The parties to this First Amending and Renewal License Agreement acknowledge that all of the foregoing recitals are true and correct both in form and in substance.

5. The parties hereto agree and acknowledge that all other terms and conditions contained in the Site Sharing License remain in full force and effect and that the Site Sharing License is valid and subsisting and has not been modified in any way except as provided for herein.

6. All capitalized terms herein shall have the same meaning ascribed to them in the Site Sharing License.

7. This First Amending and Renewal License Agreement shall be binding upon and shall enure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and assigns.

8. The parties acknowledge having specifically requested that this agreement as well as other documents relating thereto be drawn up in the English language only. Les parties reconnaissent avoir spécifiquement exigé que ce contrat de même que tous les documents s'y rattachant soient rédigés uniquement en langue anglaise.

LICENSEE: Cowichan Valley Regional District

Per:
Name:
Title:

I have authority to bind the Corporation.

Per:
Name:
Title:

I have authority to bind the Corporation.

LICENSOR: Rogers Communications Inc.

Per:
Name: Ajana Marinhas
Title: Manager, Real Estate

I have authority to bind the Corporation.

Licensee Site Name: Ladysmith
 Licensee Location Code: N/A

Licensor Site Name: Ladysmith
 Licensor Location Code: W0311

Schedule "2"

Equipment List, Licensee Fees and Additional Costs

Date: January 24, 2018

Licensee: Cowichan Valley Regional District

Licensor: Rogers Communications Inc.

1. RF Antenna:

Item No.	Antenna Make & Model	Antenna Dimensions (size)	Elevation	Fee Start Date (d-mmm-yy)	Number of Antennas	Comments
RF1	Sinclair SRL210C-4		48.80 m	2018-01-01	1	Existing
RF2						
RF3						
RF4						
RF5						
RF6						

2. Microwave Antenna:

Item No.	Antenna Make & Model	Dish Diameter (size)	Elevation	Fee Start Date (d-mmm-yy)	Number of Antennas	Comments
MW1						
MW2						
MW3						
MW4						

3. Feeder Line:

Item No.	Feeder Line Type	Connecting to (Antenna Item #)	Length	Fee Start Date (d-mmm-yy)	Number of Additional Lines	Comments
F1						
F2						
F3						
F4						

4. Other:

Item No.	Antenna Make & Model	Voltage	Amps Per Circuit	Fee Start Date (d-mmm-yy)	Number of Circuits	Comments
Oth1	Generator	120	15	2018-01-01	1	Existing
Oth2						

5. Land/Access

Item No.	Description	Dimensions (size)	Fee Start Date (d-mmm-yy)	Number of Cabinets	Comments
LA					

Monthly Licensee Fee:	January 1, 2018 - December 31, 2018	\$ 410.07
Monthly Licensee Fee:	January 1, 2019 - December 31, 2019	\$ 422.38
Monthly Licensee Fee:	January 1, 2020 - December 31, 2020	\$ 435.05
Monthly Licensee Fee:	January 1, 2021 - December 31, 2021	\$ 448.10
Monthly Licensee Fee:	January 1, 2022 - December 31, 2022	\$ 461.54

Total fee is subject to an annual 3% escalation on the anniversary date of the fee Start Date

Monthly Head Agreement Fee:

Additional Costs:
Documentation Preparation Charge: (One time charge)

Notes:

1. Fee excludes any structural reinforcement and/or reconstruction costs.
2. Fee excludes any costs for realignment/optimization/relocation costs for existing occupants antennas and lines.
3. Fee excludes any applicable Property Tax or other Provincial and Federal taxes.
4. Fee excludes any utility charges
5. Fee excludes any indirect land charge not stated above
6. Fee excludes any Site Operating costs and non-recurring capital costs and repairs