

**SOUTHERN GULF ISLANDS ELECTORAL AREA
COMMUNITY ECONOMIC SUSTAINABILITY COMMISSION**

Notice of a Meeting to be held

Tuesday, September 17, 2019 at 9:30am

Mary Winspear Centre

2243 Beacon Ave., Sidney, BC

SGI CESC Commissioners: Deb Goldman, Chair (Mayne) Ian Elliott, Treasurer (Pender) Mike Hoebel (Galiano), Priscilla Zimmerman (Saturna), David Howe (SGI Director), Justine Starke (CRD Staff) Community Liaisons: Emma Davis (Galiano), Jean-Daniel Cusin (Mayne), Katie Dentry (Saturna), Melody Pender - Recorder

Guests: Ed Andrusiak, Andrea Mills, Brian Smith, Rhiza Capital Impact Investing (via zoom)

Introductions

1. Approval of the Agenda

Amendment to Agenda to add an in camera session

MOTION: Mike Hoebel moved to adopt Agenda as amended, Ian Elliott seconded

MOTION CARRIED

2. Adoption of the Minutes August 20th, 2019

MOTION: Ian Elliott moved to adopt, Dave Howe seconded

MOTION CARRIED

3. Brian Smith – Rhiza Capital – 9:30am by zoom video conference

- How to connect economic development to social development and ecological well-being of our communities
- Brian gave a brief intro to Rhiza Capital.
- There are 2 gaps to fill: Gap 1 - there are lots of community initiatives or small business venture but they don't have access to the right sources of financing whether it's for start-up or growth, due to unique geographical locations or the lack of presence of financial institutions; Gap 2 – investors that want to invest locally but don't know how or where to start. Rhiza Capital formed to meet these needs and keep local investment capital in our local economies, providing return not only economically but also in the world around us and the well-being of the community. They have several investment vehicles for doing this.
- For the SGI's it is still in the development stages with questions who are the potential funders, partners on the ground, who are the financial intermediaries who are already, pipeline of social or traditional business ventures etc.,
- Discussion of various investment co-ops. As a member of a co-op, you buy a share of a co-op, that share capital becomes investible capital that the co-op then can loans it out or invests in local ventures.
- None of the co-ops in BC are very well developed or mature. They are young and relatively small in scale.
- Co-op's compared to other investment vehicles
 - Investment co-ops have regulatory constraints around size, max investment per member is \$5,000 and restricted to 150 members, max

fund is \$750,000. May not be a good fit for larger project strategies.

- Co-ops are one model that can work for smaller scales
- Other models or structures to look at would be venture capital or community investment corporations.
- Scales are important as there needs to be enough scale to sustain internal operations. Eco Trust Canada has a fund of \$10 mil and said it was not enough to maintain internal operations.
- Further discussion on investment vehicles and what would work on the SGI's
- Could Rhiza help develop a fund for the SGI's?
 - In principal they could design a fund that says any capital funds that come in are for the islands – like restricted funds for the SGI's. You will need to develop a healthy portfolio of investments so the investor capital is protected. Over a patient amount of time you could develop a decent portfolio however there's no a great deal of venture-capital investing on the islands. What are the community-based investments that could drive a solid financial return on investments.
- Discussed various other options, ie. Community Foundations, BC Centre of Social Enterprise and New Marketfunds with Dion Whyte.
- It was mentioned that Pender has a winery, hops farm and cidery. All of these are eligible for the venture capital tax credit where individual investors would be entitled to a 30% tax credit.
- New Marketfunds is expressly for Affordable Housing – they will help guide you to the right place to look for development funding.
- What would make the SGI's a strategic area for your business model be maximized by coming into the region – a) how big is the investor market and b) what is the pipeline of good investments.
- Are there any funds that would support transportation systems for the SGI's?
 - He has no answer for it as it's a tough territory due to the costs being difficult to sustain.

4. 2019 Budget / 5 Year Plan – Ian discussed

- 7 initiatives – revisit each one,
 - What, how, who and pay for it
 - Each initiative will be tested against the commission vision forward for 5 years. Are some completed, almost completed or taken over?
 - Draft budget discussions should start in May, budget in June
 - Review Matrix for each initiative
 - Keep in alignment with commissioner handbook

Action items: review initiatives, consulting reports- SGI2020 and SGI Guidebook,
- affordable housing be added as an initiative priority

MOTION:

To add Affordable Housing to the SGI CESC initiatives.

Dave Howe moved

Mike Hoebel seconded

MOTION CARRIED

5. CESC -CEDC Motion to move ICET Inclusion Gov't Decision Forward (attached)
- **THEREFORE, BE IT RESOLVED** that the Salt Spring Island and Southern Gulf Islands Electoral Area Directors forward a letter, **as soon as possible**, requesting Premier Horgan for a timely decision regarding the Order in Council Regulation Change to include the Unincorporated Electoral Areas of Salt Spring Island, Southern Gulf Islands and Juan de Fuca – CRD-Capital Regional District, in the Islands Coastal Economic Trust Territory. Dave Howe moved; Ian Elliott seconded

MOTION CARRIED

6. Report on CRC/Non-profit contract for service eligibility – moved to end of agenda
7. SSI Joint Venture – SGI Shared Business Services Association
- Where are the funds sitting? RDF funds specific for SSI?
 - CESC has already invested in a SGI/SSI joint venture in SGITPS and would like to see how it works for SGI?

IN CAMERA

Motion to go in Camera at 12:02pm

Moved: Deb Goldman

Seconded: David Howe

Carried

Motion to go out of Camera at 12:23pm

Moved: David Howe

Seconded: Mike Hoebel

Carried

8. Connectivity Update
- Ian gave an update on the first meeting with S. Pender Trustees
 - Requested permission for Liaison's to use the Sustainable islands website and SGI CESC Facebook page was confirmed.
 - Discussion on commissioner involvement
 - It was decided that Justine be the spokesperson as she is the one with the most knowledge on the project
 - Look at calendars for what is going on the islands to schedule an appropriate community engagement meeting and work it out with the liaison's
 - RDF for \$50,000 to hire a consultant to do the digital design options. It may require a \$10-\$25,000 contribution.

MOTION: the feasibility of creating a reserve fund for the SGI CESC

Moved: Ian Elliott

Seconded: Dave Howe

MOTION CARRIED

9. Affordable Housing
- New market funds – Dion Whyte is the contact for funding of affordable housing. A zoom meeting will be set up.

10. Island Economic reports – Commissioners- deferred
11. Rural Islands Economic Forum update – registration is a 2 stage process, stage 1 is asking for interest in attending and stage 2 is the actual invitation to attend. The rationale is to have representation from each of the islands and avoid being over represented by government delegates.
12. New Business - none
13. Next meeting – end of October. Melody to send out a doodle invite
14. Meeting adjourned 1:25pm