REVISED AGENDA - VICTORIA CITY COUNCIL

Thursday, April 26, 2018

Council Chambers, City Hall, 1 Centennial Square

Located on the traditional territory of the Esquimalt and Songhees People

To be held Immediately Following the Committee of the Whole Meeting

Pages

A. CONVENE COUNCIL MEETING

B. BYLAWS

*B.1 Bylaw for Rezoning Application for 425 Oswego Street

(Referred to the evening Council Meeting)

*B.2 Bylaw for Victoria West Neighbourhood Plan

(Referred to the evening Council Meeting)

*B.3 Bylaw for the Checkout Bag Regulation Bylaw

(Referred to the evening Council Meeting)

*B.4 Bylaw for Financial Plan

(Referred to the evening Council Meeting)

*B.5 Bylaw for 2018 Tax Rate

(Referred to the evening Council Meeting)

*B.6 Bylaw for 2018 Business Improvement Area

(Referred to the evening Council Meeting)

*B.7 Bylaw for 2018 Boulevard Tax

(Referred to the evening Council Meeting)

*B.8 Bylaw for Vehicles for Hire Amendments

(Referred to the evening Council Meeting)

*B.9 Bylaw for Mobile Bicycle Miscellaneous Amendments

(Referred to the evening Council Meeting)

*B.10 Bylaw for Animal Responsibility

(Referred to the evening Council Meeting)

C. UNFINISHED BUSINESS

C.1 South Island Prosperity Project Operational Plan 1

South Island Prosperity Project's 2018-2019 Annual Operating Plan.

C.2 Letter from the Ministry of Municipal Affairs and Housing 75

A letter dated March 7, 2018 from the Ministry of Municipal Affairs and Housing, regarding the establishment and funding of a Citizens' Assembly on amalgamation with interested municipalities.

C.3 Rise and Report from the March 8, 2018 Closed Council Meeting:

That Council:

1. *Appoint Evan Locke to the Art in Public Places Committee for a partial term ending December 31, 2018*
2. *Rescind the appointment of India Young*

D. CLOSED MEETING

MOTION TO CLOSE THE APRIL 26, 2018 COUNCIL MEETING TO THE PUBLIC

That Council convene a closed meeting that excludes the public under Section 90 of the *Community Charter* for the reason that the following agenda items deal with matters specified in Sections 90(1) and/or (2) of the *Community Charter,* namely:

Section 90(1) A part of a council meeting may be closed to the public if the subject matter being considered relates to or is one or more of the following:

Section 90(1)(c) labour relations or other employee relations;

Section 90(1)(e) the acquisition, disposition or expropriation of land or improvements, if the council considers that disclosure could reasonably be expected to harm the interests of the municipality;

Section 90(1)(i) the receipt of advice that is subject to solicitor-client privilege, including communications necessary for that purpose.

E. APPROVAL OF CLOSED AGENDA

F. READING OF CLOSED MINUTES

G. UNFINISHED BUSINESS

G.1 Legal Advice

H. CORRESPONDENCE

I. NEW BUSINESS

*I.1 Land/Legal Advice

*I.2 Employee Relations

*I.3 Employee Relations

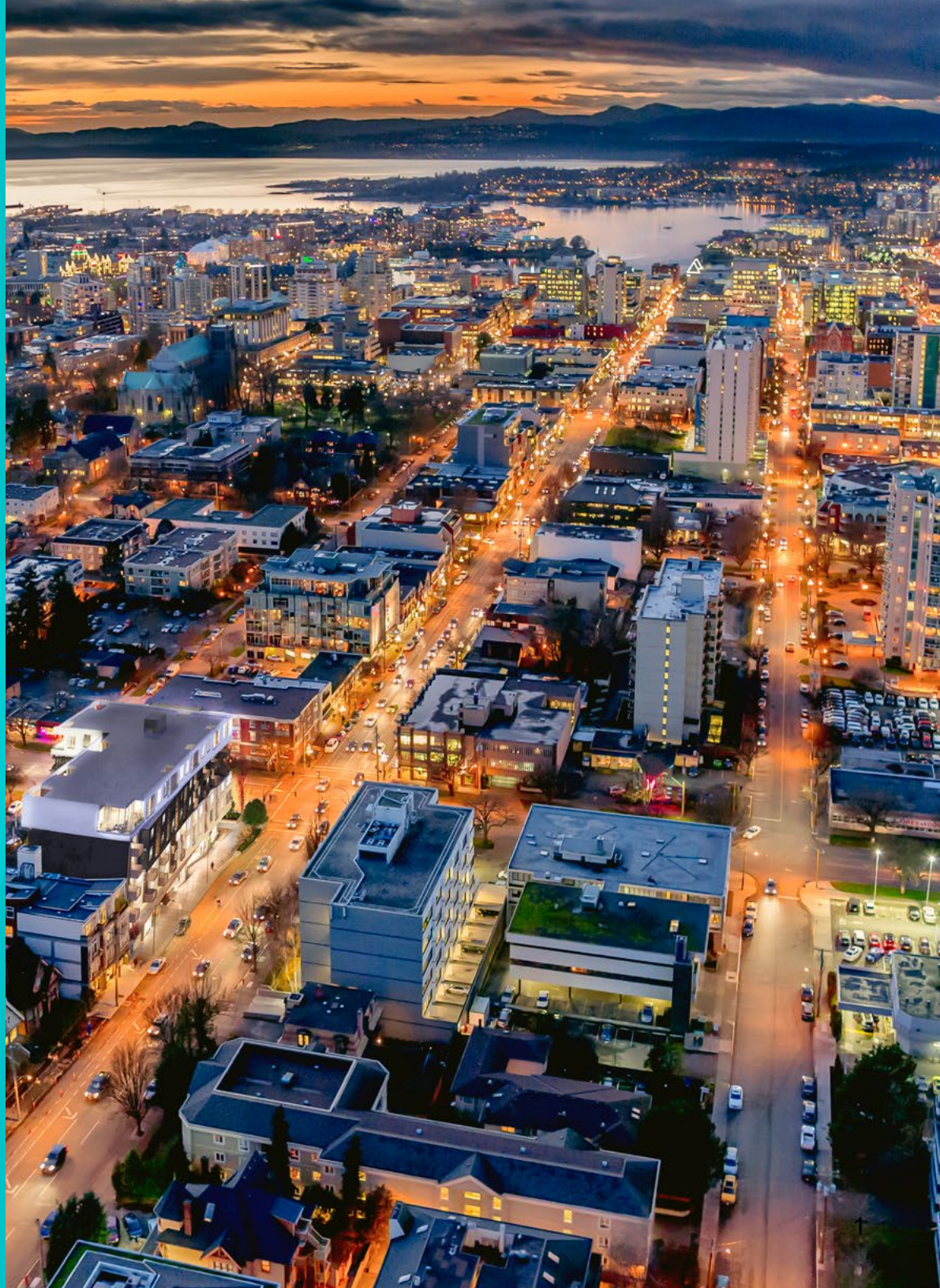
J. CONSIDERATION TO RISE & REPORT

K. ADJOURNMENT

SOUTH ISLAND

PROSPERITY PROJECT

2018 – 2019
Annual Operating Plan



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Cover Photo: Abstract Developments

Introduction

In 2016, the Prosperity Project was founded by 28 members, including representation from local governments, First Nations communities, post-secondary institutions, non-profits, industry and sector associations, and a mix of private businesses. While forming these relationships was an incredible achievement, the partnership has continued to grow, with 40 members now working together towards a common goal of achieving economic prosperity for the region just two years later.

The Prosperity Project's 2018-2019 Annual Operating Plan (April 1 – March 31) covers the second year of our five-year strategy. Working with a refined vision, strategy, targets, annual plan, and growing team, the Prosperity Project is well-positioned to deliver more member-value in 2018-2019, as we continue our collective efforts working towards creating a smarter, more sustainable, and prosperous South Island region for us all.

We are truly excited by the momentum generated by so many contributors – our members, volunteers, board, and staff - in just two short years. This year's operating budget proposes an estimated $960,047.00 (as well as a new grant of $65,000 from Western Economic Diversification toward the Songhees Innovation Centre) in value toward regional economic development and our 40 members in the South Island region.



An exciting year ahead...

In 2018-2019, the Prosperity Project's success will be driven by the continued growth and diversification of strategic partnerships with government, business leaders, First Nations, academics, industry associations, non-profits, and key stakeholders. With the support of our partners, we plan to reach new heightsa.

2018-2019 Plan Highlights:

- ✔ Launch "Future Innovator" Open Innovation Challenge to crowdsource civic innovation with post-secondary and secondary schools around Smart South Island design for sustainable implementation;
- ✔ Coordinate and manage bid for Canada's Smart Cities Challenge, RFP for $10M for South Island region;
- ✔ Partner on a research study with agriculture focused local and national commercial organizations to measure the impact of a "buy local" agrifood brand, and investigate readiness of local agrifood producers to leverage opportunities for domestic and export markets;
- ✔ The second year of our Business*Connect* Network, with advisory services and workshops co-designed by export and growth-oriented companies in the South Island, and including two opportunities to leverage SIPP contacts to develop business in the Pacific Northwest region of the USA;

2018-2019 Plan Highlights (continued):

- ✔ Host the Greater Victoria Prosperity Forum, an annual international investor summit showcasing investment and business opportunities in the South Island centered around Smart Cities and other leading industry strengths;
- ✔ Scale up the Songhees Innovation Centre, as lead partner of the social entrepreneurship and entrepreneurship hub for First Nations communities in the South Island;
- ✔ Inaugurate a monthly Indigenous*Connect* forum for First Nations in the South Island to encourage entrepreneurship, connectivity, and leadership development;
- ✔ Present second annual flagship study the Prosperity Index, sponsored by Coastal Community Credit Union, based on 140+ international standardized indicators (ISO) and other localized information.

Building on momentum...

This year we will build on the achievements and traction of our last year. Some of the highlights from 2017-2018 include:

Sector and Cluster Development

- Spearheaded the South Island bid for Canada's Smart Cities Challenge – a national competition incentivizing Canadian cities and communities to come up with innovative ways of solving real-world challenges to improve livability for residents and the chance to win $10 million.
- Welcomed over 300 attendees to the Smart South Island Symposium to provide input into how being 'smart' can help stimulate sustainable prosperity in the South Island region.
- Launched an Open Innovation Challenge, a local public competition that invites teams to submit 'smart' pilot project ideas for a chance to compete for one of three $15,000 prizes.

Business Growth and Expansion

- Connected some of the region's entrepreneurs with local business leaders at a new event series called 'Meet a Mentor Night', hosted in partnership with University of Victoria's Coast Capital Savings Innovation Centre (CCSIC), Island Women in Science and Technology (iWIST), The Greater Victoria Chamber of Commerce, Alacrity Foundation and VIATEC.
- Kicked off our Business*Connect* Network designed to assist growth-oriented companies through services and connections like executive forums; one-on-one mentorship and advisory services; workshops; and access to trade missions.

Business and Investment Attraction

- Led the economic development efforts for the South Island's business development mission to China, in collaboration with the City of Victoria, regional stakeholders, and local companies, to strengthen global business ties and increase local exports.
- Kicking off an annual investor event, the Prosperity Summit, on March 12, in partnership with GLOBE Summit in Vancouver, attracting 10,000 business, investment and project leaders from around the world.

Research, Communication and Collaboration

- Launched the first flagship South Island Prosperity Index – an annual report providing a holistic view of our region's prosperity, tracking a series of 140 indicators to benchmark and help measure our region's progress and economic health.

First Nations Economic Development

- Inaugurated the Songhees Innovation Centre – a social entrepreneurship and innovation centre designed to support and foster growth for Indigenous entrepreneurs, small business, non-profits, and creatives – in partnership with the Songhees Nation.
- Initiated a First Nations Dialogue Series, designed to engage and understand some of the strengths, challenges, and opportunities of the South Island region's First Nation communities.

Thanks to You

This is an exciting time for the South Island region and our capacity to act together and have greater impact is growing. Thanks to our members and their enthusiasm, this year's operating budget represents a 221% increase from our first operating year (2016-2017), and last year our private sector contributions increased by 192%. As we prepare to embark on an even more ambitious program than the years before, we wish to take pause and thank our members for their belief in what's possible when we work together with a single cause – sustainable prosperity for all.



Sincerely,

Emilie de Rosenroll
Chief Executive Officer

Our Members


babcock
BCFerries
Butler
CAMOSUN
CGI
Colwood
CITY OF VICTORIA
coastcapital SAVINGS
COASTAL COMMUNITY
CUBE
Central Saanich
DISTRICT OF HIGHLANDS
north saanich
DISTRICT OF OAK BAY
Saanich
DOUGLAS business magazine
esri Canada
THE CHAMBER.
GREATER VICTORIA CHAMBER OF COMMERCE
GREATER VICTORIA HARBOUR AUTHORITY
KNAPPETT PROJECTS INC
RALMAX GROUP OF COMPANIES
the ROYAL & McPHERSON theatres society
Royal Roads UNIVERSITY
TELUS
THRIFTY FOODS
TIMES COLONIST
TOURISM VICTORIA
Sidney by the sea
VIEW ROYAL
Township of ESQUIMALT
TSAWOUT FIRST NATION
University of Victoria
VIATEC
VICTORIA FOUNDATION
vreb
THE WILSON'S GROUP

How to Navigate This Document

Section 1

"Strategy" outlines the five-year strategy created by the Board of Directors. This chapter reviews the work that led up to the strategy and summarizes important components such as targets, sector priorities, and goals.

Section 2

"Operational Environment" establishes context for our operating landscape, a short analysis of our economic, political, and social environment framed by local, provincial, national, and global contexts.

Section 3

"People and Organization" explores the organization's leadership structure, including its now 40 members, and its private-sector led Board of Directors. This chapter also examines the Prosperity Project's organizational effectiveness through the lens of human resources, partnerships, and accountability.

Section 4

"Translating Strategy into Plan" is a description of the five key pillars of the strategy; explains why they are important; and links them to key activities and performance measures over the next 12 months.

Section 5

"Financial Projections" "Financial Projections" includes a budget forecast for core operations and grants for the 2018-2019 fiscal year, from April 1, 2018 to March 31, 2019.

Section 1

Strategy

1.1 Shared Mission and Vision

The Prosperity Project's mission is to facilitate and promote the development of a strong, regionally diversified economy in South Vancouver Island. Our vision is a collaborative region that is a vibrant place to live and work for everyone in the South Island region. We intend to bolster our region's economic and social prosperity by catalyzing the creation of high-quality, household-sustaining jobs so that more people can afford to live, work, and build a life, in this beautiful place we call home.



Photo: Victoria Tourism & Harbour Air

1.2 Shared Values

The Prosperity Project's Board of Directors know they have been entrusted with stewarding an organization created for public benefit on behalf of its chief funders and the greater public. To that end, the Board of Directors developed a list of 5 key values to guide its decision-making and strategic planning for Board work and management alike.

People
Fearless collaboration to empower greatness

Sustainability
Honour and respect our heritage, environment and future

Introspection/improvement
Courage to innovate, improve and do the right thing

Service
Highest standards in work, customer experience and partner interactions

Capacity
Passion for connecting economic assets (financial, human, physical, institutional, environmental, etc.) with regionally relevant business



1.3 Shared Objectives

The Prosperity Project's objectives over the next five years (2017-2021) are to work with partners to:

Household
Increase the median household income;

Jobs
Increase the number of household-sustaining jobs;

Funding
Increase amount of provincial, federal and private funding locally invested;

Initiatives
Engage First Nations in economic development initiatives.



Photo: Victoria Tourism & HikeVictoria.com

1.4 Shared Purpose and Mandate

The Prosperity Project's purpose statement is "Together, Better Jobs, Better Communities." This means that to create prosperity that can benefit all of us, we must all work together. The South Island is blessed with a rich tapestry of communities that includes 13 municipalities and 10 First Nation communities. Our lives are interconnected. We live in one municipality, work in another, shop and seek entertainment in another. By facilitating the growth of businesses that create new high-paying jobs that reflect our values, we help build a brighter economic future for everyone, so more of us can stay, shop, invest, live and work here.

The Prosperity Project's mandate, as it is written in its bylaws:

- Diversifying and strengthening the regional economy
- Promoting better employment opportunities and increased quality of life for the citizens of the region
- Providing support for entrepreneurs and business to increase their ability to prosper and create jobs
- Maximizing Federal and Provincial funding for regional economic development
- Collaborating with the initiatives and activities of regional trade associations and municipal economic development,
- Raising the profile of Southern Vancouver Island as a location of choice for new business endeavors

1.5 Customized Strategy

This plan has been developed to suit the South Island's unique assets, advantages and barriers. If there is a common pitfall to many economic development strategies, it is that they are too generic. Most people, understandably, believe that their city or town has the best to offer in respects to lifestyle, natural beauty, and experiences. Many communities also feed the temptation to promote the latest fad or most popular sector. The result is a "wouldn't it be nice" strategy that fails to take assets and competitive advantages into account.

The Prosperity Project made great efforts to understand its operating environment, explored in more detail in the next section. And, after consulting extensively with our public and industry partners, the result is a "Made in the South Island" strategy that strikes a balance between short-term and long-term objectives and focuses the organization on where it can make the most significant difference.



1.6 Impact Criteria

There is no shortage of economic development tools and strategies. A quick Google search will uncover hundreds of buzz words and bona fide strategies. The Prosperity Project first established potential "impact criteria" to screen and select our major priorities along three dimensions:

- Will it "move the needle" on income growth and create new high-paying jobs (defined as over the "living wage"), so more people can afford to live, work and build futures here?
- Will it drive economic growth that is sustainable both in the short-term and in the long-term and, critically, that is consistent with our values?
- Will it stimulate more investment in the local economy, from either private or public sources?



Photo: Victoria Tourism

1.7 Targets

The Prosperity Project set the following targets from 2016-2021:

- **At least 10 new second-stage businesses** entered into our Business Connector Program Pilot in the 2016-2017 year;
- **30% increase in investment** by corporate stakeholders by April 2017;
- **500 new direct jobs** created by 2021;
- **100 jobs created equivalent to $80,000/year and above**; 200 jobs created with salaries of $60-80,000/year; and 200 jobs created with salaries of $45-60,000 (i.e. over 'living wage')
- **At least $6 million** from private sector, provincial and federal sources invested in the South Island economy and its businesses;
- **Engage First Nation communities** in dialogue around economic development initiatives and support self-directed economic development projects and initiatives.

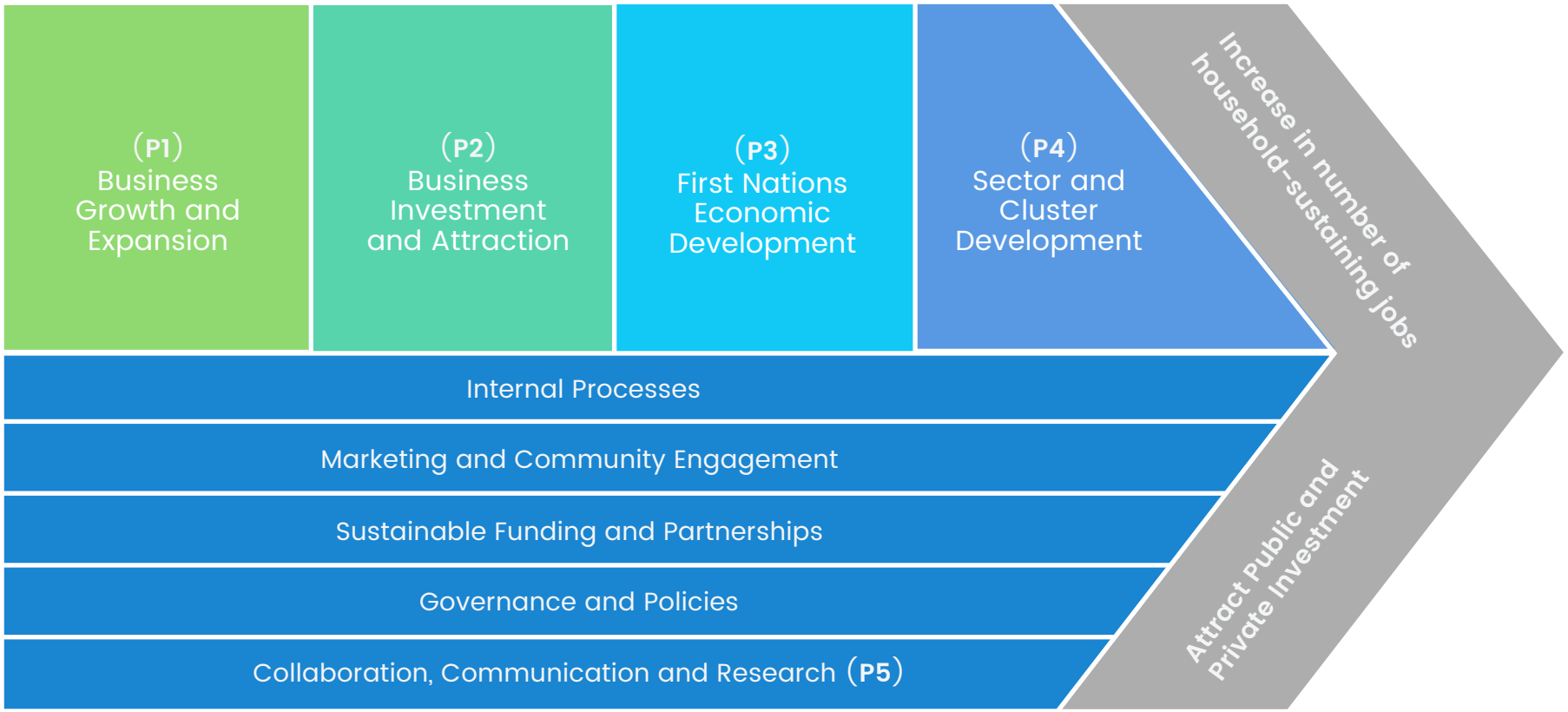


1.8 Strategic Priorities and Operating Goals

Using its impact criteria, the Prosperity Project chose five key strategic priorities and operating goals. From 2016-2021, the organization will work with key partner organizations to achieve the following:

Strategic Priorities	Operating Goals
Sector and Cluster Development	Catalyze economic growth in key sectors, industries and clusters through advocacy and strategic partnerships.
Business Growth and Expansion	Stimulate and support the growth and expansion of existing companies by providing education, support and services.
Business and Investment Attraction	Promote the South Island as a location of choice or new businesses and investors through marketing and recruitment activities
First Nation Economic Development	Engage First Nations in economic development and support First Nations-led economic development initiatives
Collaboration, Communication and Research	Work with key partners and members on collaboration, communication and research to support our mission and mandate

Our Value Chain



1.9 Sector Priorities

The Prosperity Project recognizes the following sectors as important components to our diversified regional economy. To catalyze the creation of household-sustaining jobs, the Prosperity Project will work directly with growth-oriented companies in growing sectors, such as:

- Life Sciences and health
- Ocean sciences and marine
- Aviation and aerospace
- Advanced manufacturing
- Value-added agriculture and aquaculture
- Post-secondary education
- Professional services
- Clean tech



Photo: Victoria Tourism

Section 2

Operational Environment

2.1 Regional Analysis

Location

The South Island region is the predominantly urban area of Greater Victoria, a diverse metropolitan region of 696 km² (Statistics Canada) located on the southern tip of Vancouver Island in British Columbia (BC). Vancouver Island is the largest island on the west coast of North America and is situated within the Pacific Northwest or "Cascadia" bio-region of North America. The South Island represents the second most-populated metropolitan region in BC, and is comprised of 13 municipalities and 10 First Nation governments that operate independently within the Capital Regional District (CRD) of BC.

Population

According to the 2016 Census, the South Island's population is 367,770 (Census Metropolitan Area), representing a growth rate of 6.7% since 2011. This compares to the provincial average of 5.6 % and the national average of 5 %. In 2016, there were 162,716 private dwellings occupied in the region. The percentage of the population aged 65 and over in the region is higher than the national average at 18.4 per cent in 2011 Census as compared to the national average of 14.8 per cent. According to BC Stats, this percentage could reach 25 % by 2022 (see BC 2022 Labour Market Outlook). The percentage of the working-age population aged 15 to 64 in the region was 68.5 % in 2011, equivalent to the national average.

Economy

The South Island region has a stable economy buoyed by being the seat of Provincial Government and the headquarters of Canada's Pacific Navy. Health and education round out the region's stability factors, with the tourism economy showing long-term signs of stabilization since a downturn following the 2008 Global Recession ("2017-2021 Rolling Strategic Plan," Tourism Victoria). The South Island has increasingly been diversifying its economic base over the last decade with notable gains in the advanced industries ("Economic Impact of the Greater Victoria Technology Sector," VIATEC, 2014) and agrifoods (2016 "Vital Signs Report," Victoria Foundation) over recent years.

Moderate Growth

Over the five-year period from 2011-2015, the South Island economy grew at half the average rate of other metropolitan areas across Canada with average annual GDP growth of 0.8 per cent. This compares to an annual average of 1.8 per cent over this period among 28 of Census Metropolitan Areas monitored by the Conference Board of Canada. In their Fall 2017 Metropolitan Outlook Report, the Conference Board of Canada estimates that Victoria CMA economy will end 2017 with 2.4 per cent growth over 2016. This is lower than the estimation of 3.4 per cent for Vancouver and on par with 2.4 per cent estimated for Greater Seattle.



Workforce

Labour shortages in certain industries are becoming an increasingly pressing issue throughout the province. The 2025 BC Labour Market Outlook outlines growth and vacancies due to retirement in a number of occupations across the province, estimating a total of 934,000 job openings by 2025. According to projection scenarios by Statistics Canada, BC will grow by as little at 600,000 or by as much as two million people by 2038. (Population Projections: Canada, the provinces and territories, 2013 to 2063, Statistics Canada)

At several points throughout the year, Victoria CMA had the lowest unemployment rate in Canada. It reached a low of 3.3 per cent in December 2017. Despite the region's population growth being expected to exceed 400,000 by 2020, the region will continue to face tightening labour markets, especially in the sectors of healthcare, construction, and transportation. For BC's Vancouver Island/Coast region as a whole, an estimated 147,900 job openings are expected by 2025 representing an average annual growth of 1.1 per cent, which is consistent with the provincial average (2025 Labour Market Forecast, BC Stats). The top five largest industries in terms of the number of persons employed in the region include: public administration, healthcare and social assistance, retail trade, professional, scientific & technical services, and accommodation and food services.

(Census and Household Survey, 2011, Statistics Canada).



Social Fabric

The region is known for its active and engaged population, boasting the highest household expenditures on sports and recreation in Canada (Census and Household Survey, 2011, Statistics Canada). The voter participation rate significantly exceeds the national average—77 per cent in the last federal election, compared with 68 per cent across the country (Elections Canada). However, in the face of the region's growing affordability challenges and labour market pressures, there are still 18.1 percent of households that earn less than $30,000 in household income (Census and National Household Survey, 2016, Statistics Canada), though this is down from 22.2 percent from 2011 census (Census and National Household Survey, 2011, Statistics Canada). According to a 2015 Gap Analysis by the CRD, 64 per cent of new housing built is "affordable," or within reach of a quarter of households. Finally, there were 1,725 individuals in the region who identified as homeless in 2015 (Greater Victoria Coalition to End Homelessness).

Indigenous Peoples

Across Canada, there are 618 recognized First Nations of which over 200 are in BC (32 per cent of all First Nations bands in Canada), and 50 are located on Vancouver Island. There are ten First Nations in the South Island, many of whom have a strong interest in revenue development and creating new employment opportunities. On and off-reserve, there are 17,245 people who identify as Aboriginal living in the region representing an increase of 22 per cent over the 2011 census. Of those, 57.6 per cent (or 9,940 people) identified as First Nations, 37.9 per cent (or 6,535 people) identified as Métis, and 0.8 per cent (or 130 people) identified as Inuit (2016 Household Survey, Statistics Canada). At 58 per cent, the employment rate for Aboriginal population is lower than the regional average of 61 per cent.

Municipalities

Through their Official Community Plans (OCP), the region's thirteen municipalities capture their community values and priorities. All thirteen municipalities identified common themes around: environmental sustainability; land-use development and practices; agriculture and food security; and many listed priority sectors such as oceans and marine, sports and recreation, education, tourism, arts and culture, and health and wellness. The region's long-term vision is captured through the Regional Growth Strategy (RGS) and the processes that inform it. This document and supporting bylaw guides decisions around transportation, population growth and settlement patterns. In early 2018, the CRD tabled the RGS Bylaw for consideration by the region's 13 municipalities (and other electoral districts).



Photo: Victoria Tourism

2.2 Opportunities and Barriers

Opportunities

There are a number of opportunities for progress based on the South Island's strengths and assets. Some of these include:

Regional Attractiveness. While other countries revert to protectionism, Canada is well positioned to attract diverse talent. BC attracts 16% of all newcomers to Canada, despite having only 13.2% of the country's population. Within Canada, Victoria is the favoured retirement destination in the country, chosen by 15 per cent of respondents as their top selection in a 2011 study.[1]

Enterprising Culture. The technology sector is growing faster than the overall economy. In a recent ranking of Canada's Most Creative Cities, Greater Victoria ranked second in Canada, only behind Ottawa. The region also ranks highly with regards to the number of entrepreneurs per capita.

[1]Source: 2011 study (BMO Retirement Institute, 2012).



Quality of Life. Many entrepreneurs choose to set up business operations in the region due to the quality of life. According to a mid-2017 report from Numbeo, which compares quality of life in cities across the world, the South Island region ranked eighth globally (and is the highest ranked city in Canada, the next being Ottawa, ranked 18th) when comparing factors such as purchasing power, housing affordability, pollution, safety, healthcare, climate, and commute times. A 2018 survey report by Point2Homes showed that Victoria ranks first for life satisfaction for Millennials of all cities in Canada (and second overall as a top place to settle).

Geography. Sometimes called the Cascadia Region, the Pacific Northwest represents one of the most prosperous mega-regions in the world, not to mention a market that exceeds 15 million in population. The South Island is part of this dynamic mega-region centered around an emerging common and forward-thinking vision for a Cascadia Innovation Corridor that seeks to reduce barriers and increase collaboration among the region's jurisdictions and stakeholders.

Education. The region boasts one of most educated workforces in Canada. With the University of Victoria consistently ranked in the world's top one per cent of Universities, the rapid growth of Camosun College, and the innovative business model of Royal Roads University, the South Island is well positioned to churn out talent, commercialization, and research excellence in the coming years.

Research and Innovation. The South Island has the full spectrum of research and innovation capacity from institutional research at the University of Victoria (UVic) to applied research through Camosun Innovates. It also hosts leading organizations like Ocean Networks Canada (ONC) and other assets and institutions like the Vancouver Island Technology Park and the Coast Capital Savings Innovations Centre, the Victoria Innovation, Advanced Technology and Entrepreneurship Council (VIATEC), the Alacrity Foundation, the Capital Investment Network (CIN), Victoria Makerspace and others.

Barriers

Based on secondary analysis of the region's major economic makeup, several issues were pervasive across multiple clusters, sectors, and industries. In no order of priority, they are:

Labour shortages. Compared to other CMAs, the unemployment rate for the Victoria CMA is often among the lowest in the nation. While labour shortages are already a problem in some industries, the issue will be heightened by an aging population. If businesses cannot find the talent they need to grow their companies, the region may face stagnation in certain industries.

Affordability. Housing costs are closely related to labour shortages as the high cost of housing is often a major barrier to the attraction of skilled workers. The South Island region ranks high relative to the national average in this area. The availability of workforce housing options in the region will be key to a dynamic economy.

Innovation and productivity. Canada's patents per million inhabitants—a strong indicator of investments in innovation and productivity-enhancing technology—is half the average rate of the 35 OECD countries. Though improving Canada's productivity and innovation will be best realized in city-regions where companies have access to talented workers, research institutions and like-minded firms in close proximity, the onus is still on individual firms and their willingness to invest.

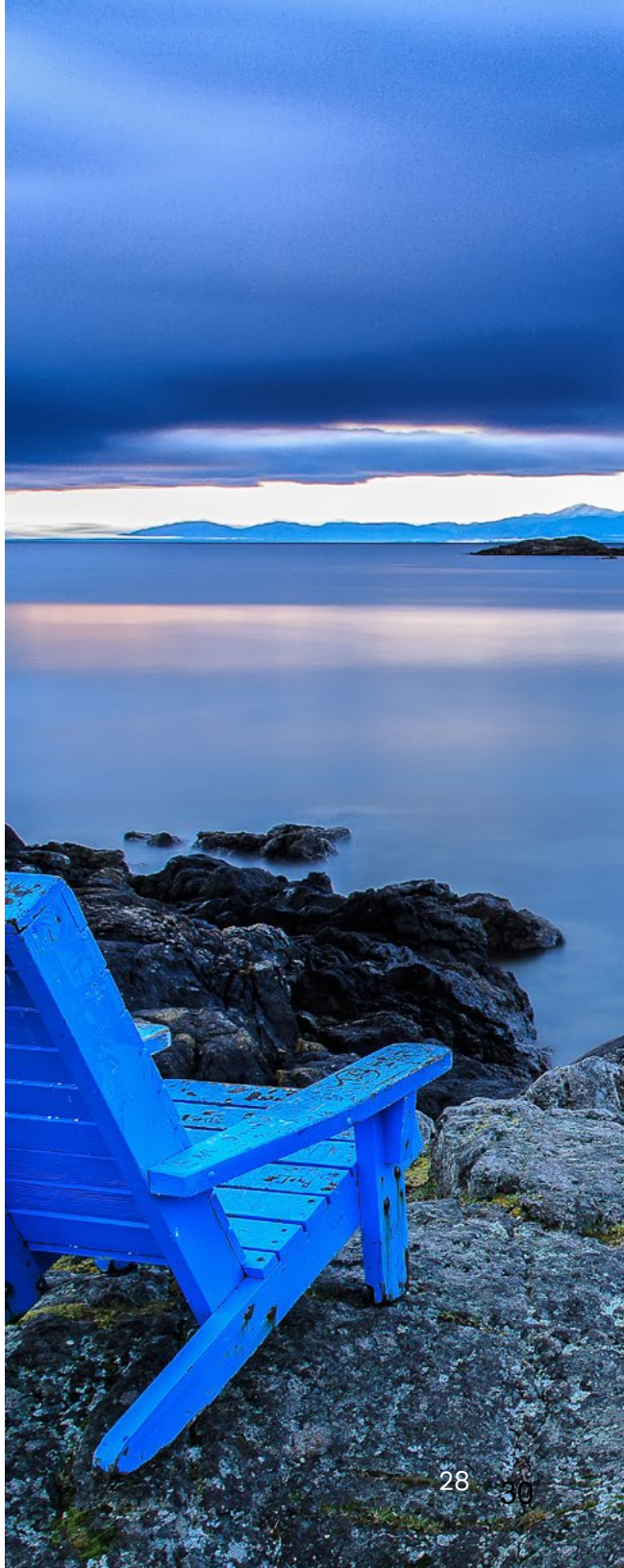


Photo: Victoria Tourism & HikeVictoria.com

Climate change. Increasing public concern about the effects of climate change is a factor driving changes in everything from demand for new consumer products to interest in locally produced food to the development of new, cleaner sources of energy.

Regional transportation. The South Island region is separated from mainland BC by water, which not only limits options for distribution of consumer goods, but it presents supply-chain issues for product-based companies. With a large percentage of growth occurring in the Westshore communities, the region faces challenges with commutes and traffic congestion, which hinders the economy and the quality of life of residents.

Scaling small and medium sized enterprises (SMEs). Consistent with British Columbia (which ranks first in Canada for number of small businesses per capita), the South Island's economy is driven by SMEs. A challenge for many of them is that they are too small to effectively grow into international markets, and have fewer resources to invest in productivity improvements that enhance their competitiveness.

First Nations economic development. Each First Nation on the South Island faces unique challenges with employment, education, and readiness for economic development. Engaging First Peoples in the region's economy is one of the challenges the region faces towards building an inclusive economy. It is also an opportunity to address future labour shortages.

2.3 Provincial and Federal Alignment

The Prosperity Project will strive to ensure that it aligns its policies and programs to provincial and federal programming to maximize the South Island's ability to take advantage of government programs and priorities.

British Columbia

Over the last two years, BC emerged as Canada's highest performing provincial economy, ranking first in GDP growth (3.3 per cent in 2015 and 2.8 per cent in 2016) and touting the lowest unemployment rate in Canada (an average of 6.1 per cent for 2015 & 2016). The Economic Forecast Council, the alliance of bank representatives and economists that advises the Provincial Government, estimates BC GDP growth for 2017 will come in at 3.0 per cent with a 2018 forecast of 2.1 per cent. The Government of British Columbia has tabled balanced and surplus budgets in recent years, which maintains BCs 'AAA' credit rating and preserves a stable business and investment environment. The BC Labour Market Outlook 2025, which outlines growth and vacancies due to retirement in a number of occupations across the province for a total of 934,000 estimated job openings by 2025.

BC is one of Canada's most trade-diversified provinces and is the only province where trade with the US accounts for less than 60% of international trade activity. British Columbia is Canada's Pacific Gateway and features the country's second busiest airport (serving 20.3 million passengers per year to 118 non-stop destinations and 278,000 take-offs and landings) and the country's largest port (and fourth largest in North America), the Port of Vancouver, which handles 140 million tonnes of cargo each year.



Provincial Government Alignment

2017 was an election year in the province which resulted in the BC NDP forming government after negotiating an agreement with the BC Green Party. Helmed by Premier John Horgan, the new government restructured Ministries and now relies primarily on the Ministry of Jobs, Trade, and Technology to deliver its mandate. This ministry collaborates with the Ministry of Finance, Ministry of Forests, Lands, Natural Resource Operations, and Rural Development and the Ministry of Advanced Education, Skills and Training to better realize government priorities related to economic development. Eight weeks after forming government, BC Finance Minister Carole James announced a revised budget estimate that put 2017/18 budget in a $246 million surplus, continuing a trend over several years of balanced or surplus budgets and reinforcing the strong and stable economic and fiscal environment within which our region does business.

The mandate letter for the Minister of Jobs, Trade and Technology reveals government priorities related to economic reconciliation with Indigenous Peoples, support for BC start-ups in new and emerging technologies including capital and attraction, retention and development of skilled workers, ensuring that rural and northern communities benefit from innovation and new technologies, fair trade deals in the forestry sector, cuts to the small business tax rate, work to ensure newcomers can enter and grow in the workforce, and a commitment to continue to develop national and international trade relations.

The Government of British Columbia delivers its economic development mandate through several Ministries:

- Ministry of Jobs, Trade and Technology
- Ministry of Forests, Lands, Natural Resource Operations, and Rural Development
- Ministry of Advanced Education, Skills and Training
- Ministry of Finance

Canada

Canada (the world's 17th largest economy) emerged from the Great Recession as one of the world's most stable economies, and led G7 countries in economic growth between 2006 and 2015 (Organization for Economic Cooperation and Development). Canada has the highest educated workforce and lowest business costs in the OECD. Forbes ranked Canada as the second-best place to do business in the G20. As a multicultural country with solid safety, health, and environmental standards, it is also very attractive to attract talent.

While Canada offers a number of benefits, we are not immune to challenges. Productivity has suffered from years of stagnation with growth that has been lower than that of global top-performing countries for many decades, hurting the country's overall international competitiveness (Conference Board of Canada). Canada has a rapidly aging population and a declining natural growth rate (births minus deaths) which means population growth could approach zero within 20 years (Statistics Canada).

Though Canada is recognized for being a competitive location for doing business, it's not as internationally oriented as many other regions of the world and has resulted in concerns of over-dependence on the US economy. Furthermore, according to a 2016 report by Deloitte, firms in Canada are less courageous that those in the US with regards to their willingness to expand internationally, and make the investments needed to keep them globally competitive. Canada's economic prospects could be further weakened if the North American Free Trade Agreement (NAFTA) is ratified in accordance with the current US administration's protectionist agenda.



Federal Government Alignment

In December 2015, the Liberal Government's throne speech emphasized the top priorities of the Government: growing our middle class; delivering open and transparent government; ensuring a clean environment and a strong economy; diversity as our strength; and security and opportunity for Canadians. The Government of Canada delivers its economic development mandate primarily through the Ministry of Science, Innovation and Economic Development. The many and varied activities of this mandate are organized around three interdependent and mutually reinforcing strategic outcomes of: 1) fostering a knowledge-based economy, 2) advancing the marketplace, and 3) supporting business. These outcomes are established to achieve wealth creation, prosperity, and increase Canada's competitiveness.

A recent development in 2017 was the release of the Innovation Superclusters Initiative. The Innovation Superclusters Initiative will invest up to $950 million between 2017–2022 to support business-led innovation superclusters with the greatest potential to energize the economy and become engines of growth. Through a small number of high-value, strategic investments this initiative will co-invest with industry in bold and ambitious proposals to strengthen Canada's most promising clusters and build superclusters at scale. The South Island Prosperity Project will seek to align to any supercluster that emerges as successful in the British Columbia or broader western Canada marketplace.



Federal Government Alignment (continued)

The Federal Government also delivers economic development in western Canada through Western Economic Diversification Canada (WD), a department of the Ministry of Science, Innovation and Economic Development. WD promotes the development and diversification of the economy of Western Canada and advances the interests of the West in national economic policy, program and project development and implementation. WD's 2017 priorities include: indigenous economic development, clean technologies, and fostering private-sector innovation and commercialization through their Western Innovation Initiative. In 2017/18, the Prosperity Project announced a successful application to WD for the development of the Songhees Innovation Centre, on which work will continue into 2018/19.

2017/18 also saw the launch of the Federal Smart Cities Challenge through Infrastructure Canada. The Smart Cities Challenge is a pan-Canadian competition open to communities of all sizes, including municipalities, regional governments and Indigenous communities (First Nations, Métis and Inuit). The Challenge encourages communities to adopt a smart cities approach to improve the lives of their residents through innovation, data and connected technology. One prize of up to $50 million open to all communities, regardless of population; two prizes of up to $10 million open to all communities with populations under 500,000 people; and one prize of up to $5 million open to all communities with populations under 30,000 people. The Prosperity Project created the Smart South Island initiative in 2017/18 to align to this initiative.

Finally, the directions that the Government of Canada is taking with regards to economic development is strongly linked to the recommendation made in 2016 when the Minister of Finance established the Advisory Council on Economic Growth. The Advisory Council released two reports containing a number of recommendations to unleash Canadian productivity, bring in investment from abroad, attract talent, unlock innovation, build a highly resilient Canadian workforce, and position Canada as a global trading hub. It is expected that these areas will continue to influence the direction in subsequent years.

Provincial and Federal Alignment

To guide Canada's future economic development agenda, the Minister of Finance established the Advisory Council on Economic Growth in March 2016. Their first report, released in October 2016, made the following three recommendations:

Unleashing productivity through infrastructure
Deliver over $200 billion worth of projects over ten years through a targeted strategy and the creation of a Canadian Infrastructure Development Bank.

Bringing foreign investment to Canada
Develop a Foreign Director Investment (FDI) strategy and a responsible agency to increase FDI and improve Canada's stature as a destination for foreign capital, skills and companies.

Attracting the talent Canada needs through immigration
Increase the annual immigration target from 300,000 to 450,000 over 5 years along with change the Express Entry points system and reform the national accreditation standards.



Provincial and Federal Alignment

The second report of the Council, released in February 2017, made the following five recommendations:

- **Unlocking innovation to drive productivity and help new companies scale up more rapidly**
  Sub-recommendations were made relating to immigration, the formation of "innovation marketplaces" where researchers and start-ups work with corporate and government customers, increasing the pool of growth capital, modifying procurement policy, and review and further refinement of Canada's innovation programs.

- **Accelerating the building of a highly skilled and resilient Canadian workforce**
  Establish a "FutureSkills Lab" that would support and co-fund innovative approaches to skill development, identify and disseminate new sources of information about required sector and industry skills and the broader labour market, and help define clear national objectives for skill-building.

- **Unleashing the growth potential of key sectors (such as the agri-food sector)**
  Remove growth obstacles in critical sectors, such as agriculture and food, energy and renewables, mining and metals, health care and life sciences, advanced manufacturing, financial services, tourism, and education.

- **Positioning Canada more effectively as a central global trading hub**
  Nurture North American trading relationships and strengthen links with three key large and/or fast-growing economies (China, Japan, and India) and upgrade our trade infrastructure (e.g., ports, airports, and highways).

- **Tapping into our economic potential through broader workforce participation**
  Focus on four such groups: women with children under 16; older Canadians; lower-income and lower-skilled Canadians; and Indigenous Canadians.

Section 3

People and Organization

3.1 Leadership

The Prosperity Project's membership is currently comprised of 40 members, including 15 Lead Investors, who represent our private sector members, and 25 Prosperity Partners, that include representation from municipal governments, First Nation communities, post-secondary institutions, non-profits, and industry associations. The Prosperity Project's members are mission-driven and hold the organization accountable. In addition to their financial support, the Prosperity Project's members are community leaders, who actively support the organization by leveraging their networks, and providing insight and expertise. Our distinguished members work quietly and tirelessly behind the scenes to develop a common platform for regional collaboration on economic development.

The Prosperity Project's "Lead Investors"

- Babcock Canada
- BC Ferries
- Butler Brothers Supplies Ltd.
- CGI
- Coast Capital Savings
- Coastal Community Credit Union
- CUBE Global Storage Ltd.
- Esri Canada
- Knappett Projects Inc.
- Page One Publishing
- Ralmax Ltd.
- TELUS
- Thrifty Foods
- Times Colonist
- Wilson's Transportation Ltd.

The Prosperity Project's "Prosperity Partners"

10 Municipalities

- City of Colwood
- City of Victoria
- District of Central Saanich
- District of Highlands
- District of North Saanich
- District of Oak Bay
- District of Saanich
- Town of Sidney
- Town of View Royal
- Township of Esquimalt

7 Industry Associations and Non-Profits

- Greater Victoria Chamber of Commerce
- Greater Victoria Harbour Authority
- Royal & McPherson Theatres Society
- Tourism Victoria
- VIATEC
- Victoria Foundation
- Victoria Real Estate Board

5 First Nations

- Pauquachin First Nation
- Songhees Nation
- Tsartlip First Nation
- Tsawout First Nation
- Tseycum First Nation

3 Post-Secondary Institutions

- Camosun College
- Royal Roads University
- University of Victoria



The Board of Directors

The Prosperity Project's 9 member Board of Directors is selected by its members to reflect the diversity of local businesses and regional leadership. Directors are selected on a competency and skill basis and the selection process is overseen by a Board Selection Committee. The inaugural Board of Directors was elected for stagnating terms of 1, 2 and 3 years. All new incoming Directors will be elected for 3 year terms.

Our **2017-2018** Board of Directors are:

- **Craig Norris**, Chair
- **Frank Bourree**, Vice Chair
- **Sean Midwood**, Secretary/Treasurer
- **Ray Brougham**
- **Christina Clarke**
- **Deirdre Campbell**
- **Jill Doucette**
- **Pedro Márquez**
- **Jacques Van Campen**



Photo: Victoria Tourism

3.2 Governance Model

The Prosperity Project adopted a modern governance model with three levels: a Funder Council, Board of Directors, and Management (i.e. Operations).

The Funder Council is represented by the 40 members and was established to select and hold the Board of Directors accountable in fulfilling the organization's mandate and mission.

The role of the Funder Council is to:

- Appoint a Board of Directors
- Provide input to the Board of Directors on organizational purpose and priorities (as set out in Strategic Plans)
- Review the performance of the organization (as set out in Annual Reports and Audited Annual Statements)
- Appoint the External Auditor
- Communicate with each other and the Board of Directors
- Approve the constitution and bylaws, as well as amend them from time to time



Governance Model

The role of the Board of Directors is to:

- Exercise fiduciary responsibility for the organization, including establishing policies and exercising oversight (as set out in the Board Manual, by-laws and constituting documents)
- With the Executive Director, set the strategic direction and approve plans and budgets for the organization (as set out in Strategic Plans, Annual Operating Plans, and Annual Budgets)
- Hire and manage the Chief Executive Officer

The role of the Chief Executive Officer is to:

- With the Board, develop the organization's strategic direction and implement the Strategic Plan into operational terms, including overseeing plans and budgets
- Manage the day-to-day operations of the organization, including the hiring and management of staff
- Deploy resources to implement strategies and plans within the clear policy boundaries set and enforced by the Board of Directors



3.3.1 Core Competencies

Key to our success is developing our organization's core competencies. The acronym, F-A-C-E, helps succinctly sum these up. It stands for:

Facilitator

The Prosperity Project facilitates creative solutions for companies by facilitating connections between people, clients, and stakeholders. This fiscal year, the Prosperity Project is helping the First Nation communities by convening numerous partners to develop a new South Island First Nations entrepreneurship and innovation centre called the Songhees Innovation Centre.

Accelerator

The Prosperity Project helps established companies grow at an ambitious pace. To this end, our Connector Program helps targeted companies accelerate their growth through various programs, people, and resources.

Connector/Catalyzer

Oftentimes, the biggest barrier between companies and rapid growth is relationships finding trusted advisors and establishing peer networks. To this end, Prosperity Project connects targeted foreign companies with local contacts they need to establish a local community network so they feel integrated faster and become more successful.

Enabler

The Prosperity Project doesn't just help individual businesses, it looks to how it can improve the business environment. To this end, we will launch our first Prosperity Forum in February/March 2018 to examine key prosperity themes and catalyze actions to improve our regional economy.

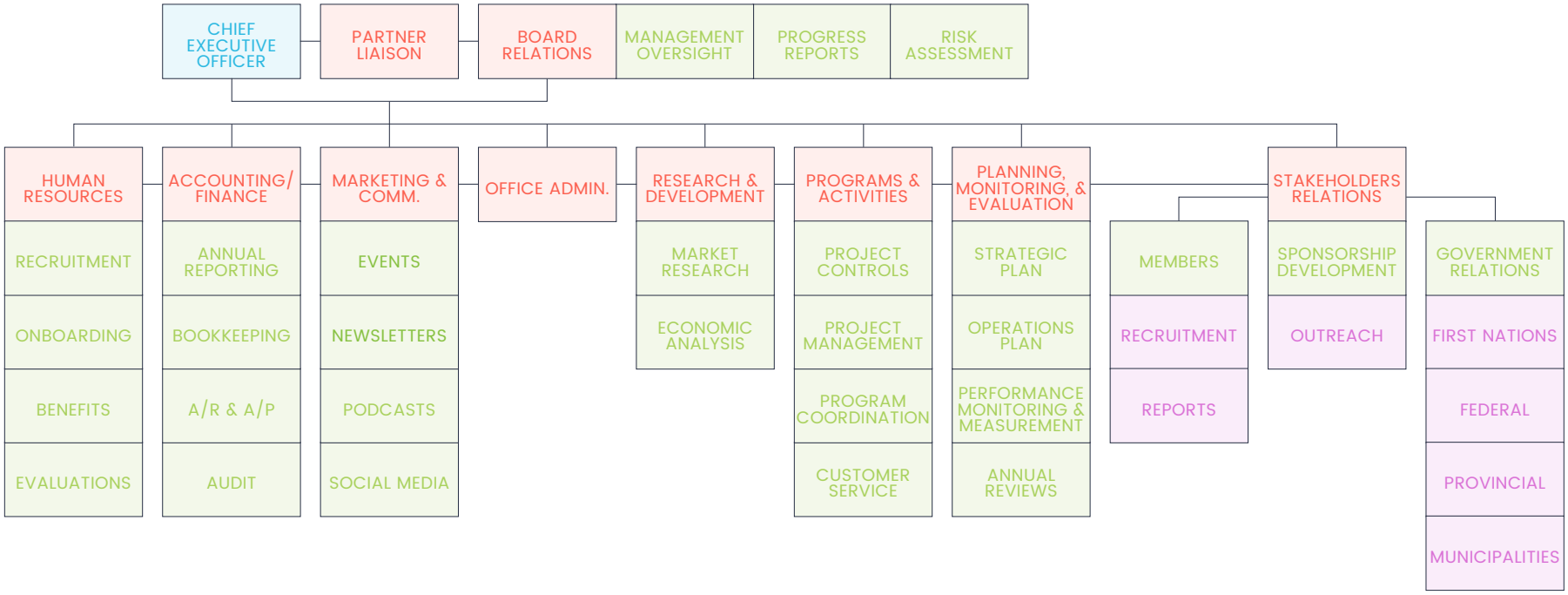
3.3.2 Human Resources and other Capacity Requirements

To implement the Five-Year Strategy, management will address the need for additional human resource skills by hiring new employees, as well as developing strategic partnerships, managing contractors, and coordinating volunteers. In 2018-2019, management will ensure that the Prosperity Project will have combined skills and capacity needed to implement this Plan in the following areas:

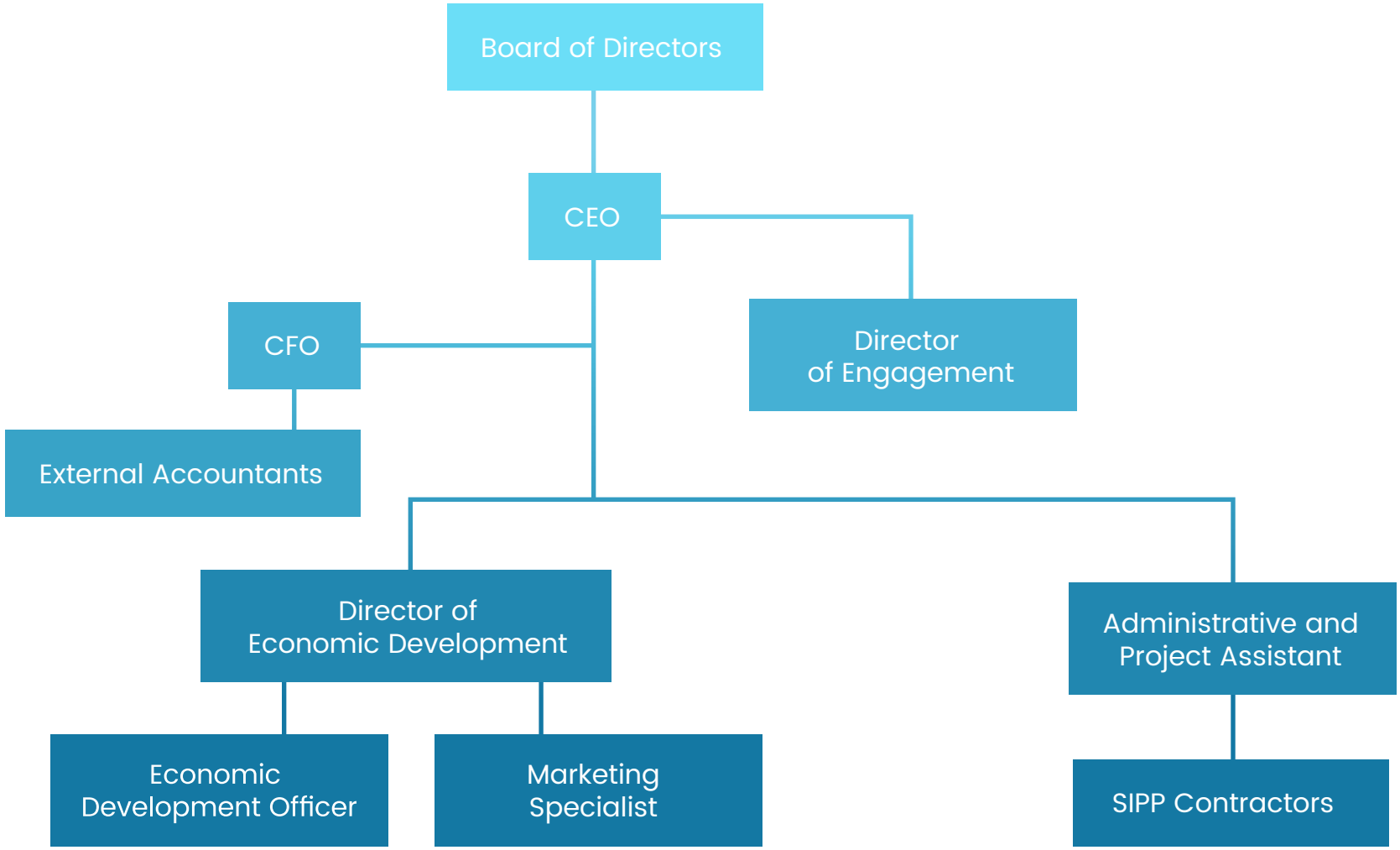
- Market research and economic analysis
- Strategic Planning and opportunity identification
- Project management
- Marketing, events and communication
- Business training, assessments and coaching
- Business and investment attraction
- Member relations and fundraising capacity
- Partnership development and governance expertise
- Government relation and alignment
- Financial and operations management
- Monitoring, reporting and evaluation

3.3 Organizational Chart - by functional area

As a new organization, team culture is critical to preserving mission and organizational focus, as well as retaining and recruiting top talent. All Prosperity Project's staff and its extended team must be one-hundred percent committed to the vision and mission of the organization and have a strong service orientation with a commitment to excellence and delivering results. As a start-up organization, all staff must flourish in an environment where initiative and adaptability is the norm. Staff must be willing to take risks; strive to break new ground; and able to build new skills quickly.



Organizational Chart - by position



3.4 Partnerships

The Prosperity Project recognizes the vital role of partnerships and collaboration in achieving sustainable prosperity for the region, and relies on strong local, provincial, federal and international partnerships to achieve its mandate. In 2017-2018, the Prosperity Project worked with 56 partners across five key priority areas, or an average of 11.2 partners per priority area. The number of partners expected in 2018-2019 will be slightly less than the previous year due to the high number of partners required to deliver the trade delegation to China effectively in 2017-2018. In 2018-2019, trade delegations will be organized in the Pacific Northwest region and thus may require less project partners to be effective.

We all have a stake in the well being of our economy. That is why the Prosperity Project puts its role as a facilitator of many partners and stakeholders above everything else. In 2017-2018, the Prosperity Project partnered on various projects and activities with:

1) Collaboration, Communication, Research

- Alacrity Foundation
- British Columbia Economic Development Association
- Coast Capital Savings Innovation Centre
- Delphi Group
- Greater Victoria Chamber of Commerce
- Island Women in Science and Technology (iWist)
- Royal Roads University
- Vancouver Island Economic Alliance
- Victoria Foundation
- Victoria Innovation, Advanced Technology and Entrepreneurship Council (VIATEC)

2) Business Growth & Expansion

- Bellrock Ltd.
- Camosun Technology Access Centre
- National Research Council of Canada – Industrial Research Assistance Program
- University of Victoria

3) Sector Development

- BC Ferries
- BC Healthy Communities Society
- BC Transit
- Camosun College
- Capital Regional District
- CGI Information Systems and Management Consultants Inc.
- CityHive (Vancouver)
- City of Victoria
- Cognitide
- Concrete Garden Magazine
- Deloitte Digital
- Delphi Group
  District of Saanich
- Dockside Green
- Esri Canada
- Frances Litman Multimedia Productions
- Generation Squeeze
- Greater Victoria Chamber of Commerce
- Greater Victoria Coalition to End Homelessness
- Happy Cities
- Island Health
- Modo Co-operative
- Passive House Canada
- Scale Collaborative
- TELUS
- Transformation International
- Trend Consulting
- University of Victoria
- VIATEC
- Victoria Foundation
- Victoria Transport Policy Institute



4) Business and Investment Attraction

- British Columbia Ministry of Jobs, Trade and Technology
- Canada China Business Council
- Canadian Chamber of Commerce in Shanghai (CanCham)
- Canadian Migration Institute
- Centre for Asia-Pacific Initiatives – University of Victoria
- City of Victoria Business Hub
- Consulate General of Canada – Guangzhou
- Consulate General of Canada – Seattle
- Consulate General of Canada – Shanghai
- Global Affairs Canada
- Invest Canada Community Initiatives (ICCI)
- Trade and Invest British Columbia
- Vancouver Island South Film & Media Commission
- WelcomeBC (Provincial Nominee Program)
- Western Economic Diversification Canada

5) First Nations Economic Development

- Animikii Inc.
- Community Micro Lending Society
- Songhees Nation
- Tsawout First Nation



Photo: Victoria Tourism & Harbour Air

3.4 Accountability and Evaluation

The Prosperity Project will:

- Track and monitor organizational performance against measurable goals and targets. To be fully accountable to our members and to ensure that the organization stays aligned to its vision and mission, the Prosperity Project will support a process to allow its members to steer an external evaluation in 2018-2019. This will include an assessment of progress against plan, organizational development, and impact to date.

- Assess performance metrics, adding or adjusting key performance indicators (KPIs) as needed; establish baseline metrics for annual comparisons; and set future targets.

In 2018-2019, the Prosperity Project will be accountable to its members by:

- Presenting an Annual Report with audited financial statements.
- Tracking and monitoring key performance indicators and reporting on these on a quarterly basis.
- Holding two meetings with its members, one in the fall (regular meeting) and spring (AGM).
- Regular communication with members, reporting on progress, priorities, and emerging issues through one-on-one meetings, newsletters, social media, letters, briefings and events.

Section 4

Translating Strategy to Plan

4.1 Sector and Cluster Development

Goal 1

Catalyze economic growth in key sectors, industries and clusters through advocacy and strategic partnerships.

Measures of Success (examples)

sector partners, advocacy initiatives, # participants at events, # grants leveraged.

Why it Matters

The regional economy is comprised of many sectors, industries, and clusters — each having their own strengths, barriers and opportunities. Sector development is a general term that refers to a range of strategies and initiatives for promoting economic growth. With a focus on long-term economic development and creating the right business conditions to allow companies to flourish, sector development increases sector capacity by improving the conditions that are enablers to prosperity, which include connectivity between businesses, and stakeholders like academia, and government.



Photo: Victoria Tourism

4.1.1 2018-2019 Key Activities

Key Activities and Targets	Timeline
Coordination and management of bid requirements for Canada's Smart Cities Challenge, RFP for $10M for South Island region	**Q4**
Create a 'Smart 2040 Vision' and SWOT analysis for Smart South Island initiative and projects	**Q1**
Deliver "Future Innovator" Open Innovation Challenge to crowdsource civic innovation with post-secondary and secondary schools around Smart South Island design for sustainable implementation	**Q2-Q3**
Continue implementing co-design model and governance by working with the public, Steering Committee, Partners Committee, "Key Challenge Theme" Subcommittees, and Members, in addition to soliciting input from key public, private, and academic stakeholders to develop and implement plans and projects within the Smart South Island initiative and 2040 Vision	**Q1-Q4**
Partner on a research study with the Vancouver Island Economic Alliance (VIEA) and commercial food partners to measure the impact of a "buy local" agrifood brand, and investigate readiness of local value-add agrifood producers to leverage opportunities for domestic and export markets	**Q1-Q2**
As a member of the Wireless Broadband Alliance (WBA), representing over 50 leading local governments and over one 100 industry partners, work with international partners on the Connected Cities Advisory Board, on key projects, public advocacy, and global best practices sharing in smart cities.	**Q1-Q4**
Work with members and partners like TELUS and CGI on managing and implementing smart cities pilot projects as part of the Smart South Island initiative	**Q1-Q4**

4.2 Business Growth and Expansion

Goal 2

Stimulate and support the growth and expansion of existing companies by providing education, support and services.

Measures of Success (examples)

clients in program, revenue growth, new investments, new high-quality jobs, average salary new jobs, exports, average client satisfaction, clients reporting a tangible impact.

Why it Matters

The Prosperity Project will catalyze and enable the growth and expansion of existing companies in targeted sectors through our Business*Connect* network, focused on export and growth-oriented companies in the South Island. In 2018-2019, we will focus on the companies that are established, growing, and seeking to scale their operations and expand internationally.

Exporting has a significant positive impact on creating household-sustaining jobs. For example, it is estimated that exports contribute an additional 18% to workers' earnings on average. In addition, export-intensive industries are relatively strong on research and development (R&D) and are more capital-intensive than non-exporters, which leads to increased productivity and higher-paying jobs on average than non-exporters.

(source: https://www.trade.gov/mas/ian/build/groups/public/@tg_ian/documents/webcontent/tg_ian_003208.pdf)



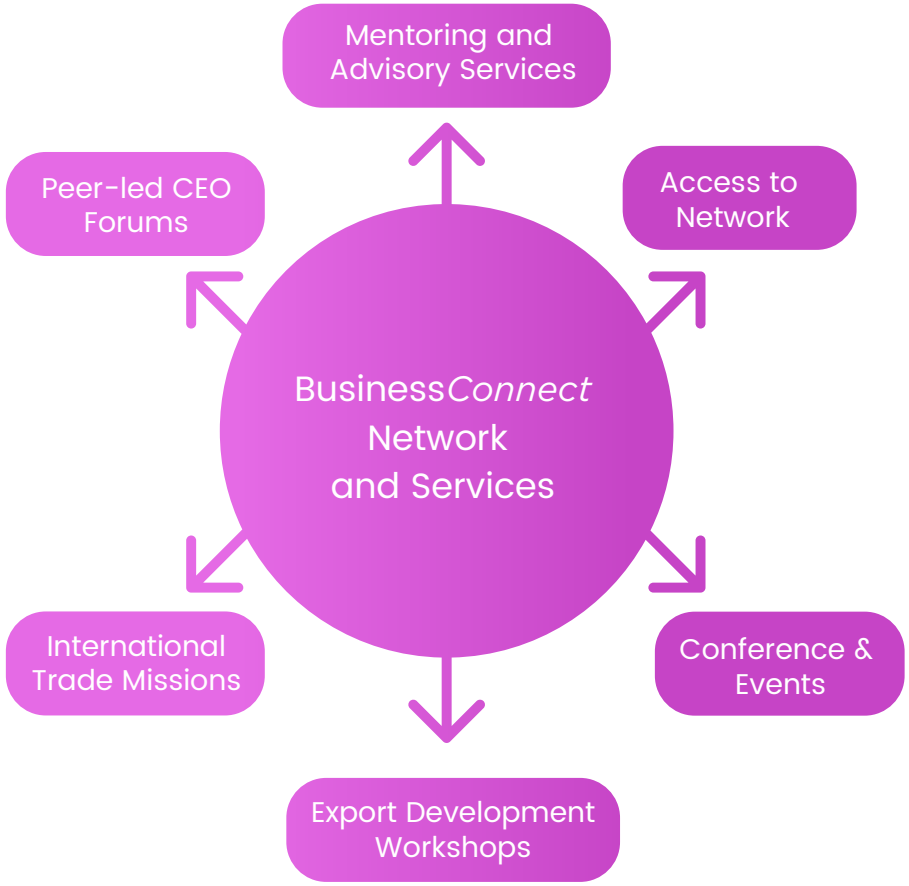
Photo: Victoria Tourism

Business Growth and Expansion

In its second year of operation (April 1 2017-March 31 2018), the Prosperity Project entered the first year of the Business*Connect* following its first pilot year to address the needs of regional growth-oriented companies. Next year, we will continue to build on these services by focusing more on export activity and global business development.

Business*Connect* is specifically designed to support second-stage companies, defined as having been in business 3-5 years, with approximately 10 employees and 1 million plus in annual revenue. Further to this criteria, preference is to support businesses with the additional ability to expand into broader markets and within our identified priority sectors. Next year we will work with no more than 15 qualified exporting companies.

In addition, SIPP will also continue to work with its partners – VIATEC, Coast Capital Savings Innovation Centre at UVic, Island Women in Science and Technology, the Greater Victoria Chamber of Commerce, and the Alacrity Foundation – on an event series called Meet a Mentor Night, to encourage inter-sectoral partnerships and help build the entrepreneurial eco-system on the South Island.



4.2.1 2018-2019 Key Activities

Key Activities and Targets	Timeline
Peer-led CEO forums and access to network (on demand)	**Q1-Q4**
Mentoring and business advisory services (max 15 companies)	**Q1-Q4**
Hold two export & scale-up workshops for targeted companies	**Q1-Q3**
Host 2-3 'Meet a Mentor Night' ("pitch it" style events with partners)	**Q2-Q3**
Engage in two Pacific Northwest business development missions (Seattle or Bay Area)	**Q1-Q3**
Explore the possibility of a third mission in China as opportunities arise, building on 2017-2018 trade mission to Shanghai	**Q1-Q4**

4.3 Business and Investment Attraction

Goal 3

Promote the South Island as a location of choice for new businesses and investors through marketing and recruitment activities.

Measures of Success (examples)

new companies, # of inquiries, # website traffic, # investment, # partners, and # referrals.

Why it Matters

As a trade-dependent nation, Canada requires inbound and outbound trade and investment to maintain its quality of living. Sixty-five percent of Canada's GDP is derived from international trade. Attracting new companies and investment to the region is an important compliment to nurturing the growth of existing companies because it (1) expands the local tax base, (2) creates new employment, and (3) builds a bigger body of companies needed to attract talent and develop other industry benefits.

Today, as more countries around the world turn toward protectionism, the South Island, and Canada at large, are becoming well-positioned to attract key investments, companies, and the talent that drive them. The South Island can increase the dynamism and resiliency of the local marketplace by encouraging more companies and entrepreneurs to locate here

4.3.1 2018-2019 Key Activities

Key Activities and Targets	Timeline
Develop network of supply chain and government partners. Work with Canada's Trade Commissioner Service, BC's Trade Offices, and other partners	**Q1-Q4**
Support inbound trade and manage a responsive lead generation process for inbound inquiries (companies and investors)	**Q1-Q4**
Advise and support companies seeking international investment and partnerships in key target markets, and those considering relocating and investing in South Island (in coordination with Business*Connect*)	**Q1-Q4**
Engage in two Pacific Northwest business development missions (Seattle or Bay Area)	**Q1-Q3**
Explore the possibility of a third mission in China as opportunities arise, building on 2017-2018 trade mission to Shanghai	**Q1-Q4**
Work with the Shanghai Commission on Economy and Information to implement and build on the international trade and smart cities MOU	**Q1-Q4**
Host the second annual Prosperity Forum, an international investor summit	**Q4**

4.4 First Nations Economic Development

Goal 4

Engage First Nations in Economic Development and support First Nations-led economic development initiatives.

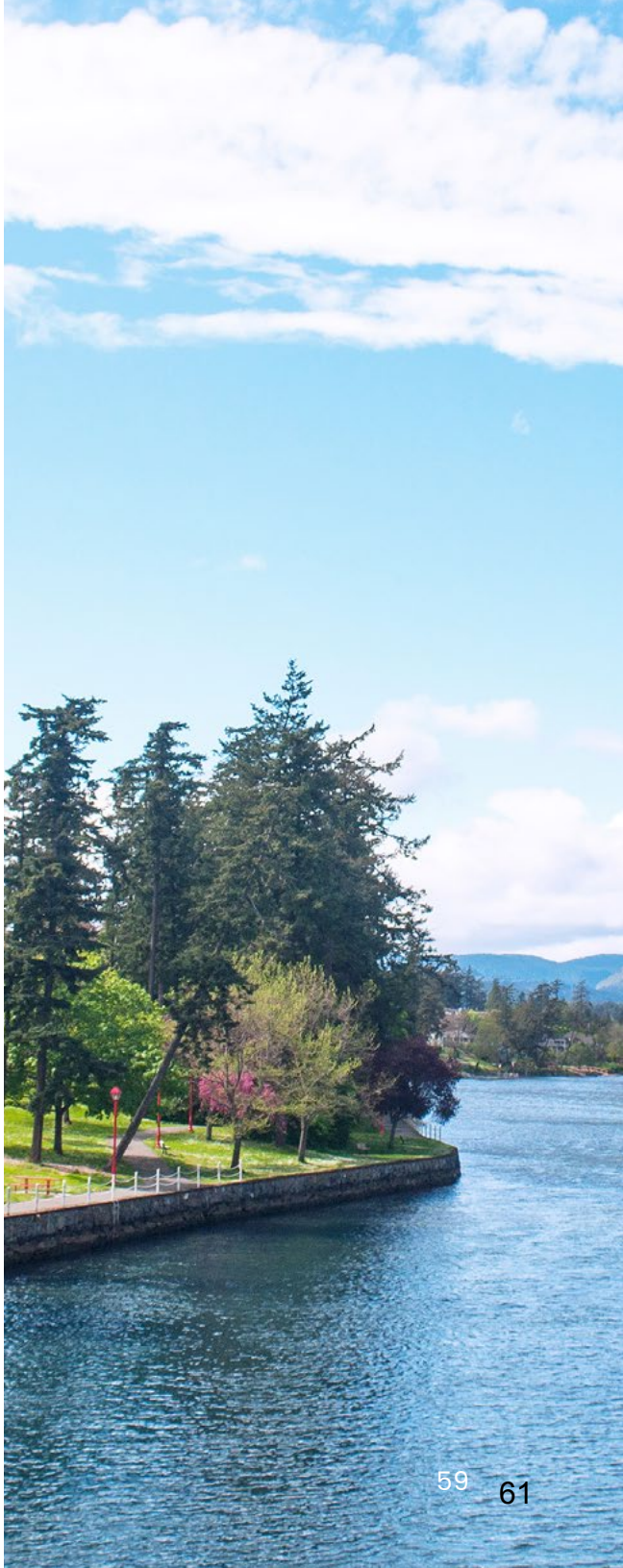
Measures of Success (examples)

First Nation communities, entrepreneurs, individuals and organizations involved in activities, # First Nations members, # partners engaged in activities, # First Nation-led activities

Why it Matters

The South Island is home to 10 First Nation communities and over 5,000 First Nations people, a rapidly growing segment of our population when compared to the national average. Historically speaking, First Nations populations have often been underrepresented among the workforce. This has been particularly true for those who live on reserve. The Prosperity Project recognizes the distortions to access and opportunity to participate in the workforce in a meaningful way is a direct consequence of colonization.

The Prosperity Project will support First Nation-driven economic development activities by collaborating with communities, sharing leading practices, and creating a platform for broader collaboration. A key metric of our success is that First Nation communities direct and drive their own economic development initiatives.



4.4.1 2018-2019 Key Activities

Key Activities and Targets	Timeline
Continue to develop the Songhees Innovation Centre, as lead partner of the social entrepreneurship and entrepreneurship hub for First Nations communities	**Q1-Q4**
Co-host a monthly Indigenous*Connect* Forum for First Nations in the South Island to encourage entrepreneurship, connectivity and leadership development	**Q1-Q4**
Co-host a one-day conference on First Nations Economic Development	**Q1 or Q2**
Develop a revised communications engagement approach based on first year findings and engage post-secondary institutions in increasing engagement and participation	**Q1-Q4**

4.5 Collaboration, Communication and Research

Goal 5

Work with key partners and members on collaboration, communication, and research.

Measures of Success (examples)

partners on projects, feedback on quality of economic research, newsletter subscribers and open rates, website traffic.

Why it Matters

Collaboration can be described as pooling talents, interests, and resources together for bigger impact. Big impact is required to address the big challenges in an interconnected, fast-moving economy that is not only complex, but faces many looming challenges ahead. Fast-growing companies thrive in an environment where there is a concentration of talent and knowledge - where companies can connect with partners, customers, universities and colleges and even with competitors. Companies benefit when services providers and governments are well coordinated with meeting their needs. As the economic development agency that brings together local governments with dozens of other key stakeholders, collaboration is at our core.

The Prosperity Project will serve as a platform for integrating the efforts and energies of multiple partners to achieve positive change within our region's economy. To achieve this, we will bring partners into projects and initiatives through shared governance; conduct public outreach; conduct economic research; and advocate for regionally-significant initiatives that create more sustainable prosperity in the South Island.

4.5.1 2018-2019 Key Activities

Key Activities and Targets	Timeline
Produce and present an annual Prosperity Index sponsored by Coastal Community Credit Union based on 140 international standardized indicators (ISO) and other localized information	**TBD**
Prepare the Vision 2040 report including a framework for measuring progress of the Smart South Island initiative, including a competitiveness research for a Smart South Island business environment	**Q2**
Research and planning in support of Federal Smart City Challenge RFP for $10M prize, other grants and project planning	**Q1-Q4**
Monthly newsletters and other content marketing like blogs, videos and podcasts and Quarterly SIPP update to members	**Q1-Q4**
Quarterly Board meetings, Standing and Ad Hoc Committee meetings and reports, and Quarterly CEO reports	**Q1-Q4**
Annual Impact Report for 2017-2018 and audited statements	**Q1**
Four Lead Investor Workshops and Meetings	**Q1-Q4**

Section 5

Financial Projections

Budget

South Island Prosperity Project

Total Income	
MEMBERSHIP DUES	
Municipal Memberships	605,279
First Nations Memberships	3 ,423
Private Memberships	115,000
Industry Associations Memberships	60,000
NFP Memberships	5,000
Post Secondary Memberships	30,000
Media Memberships	-
Totals	**818,702**
GRANTS AND CONTRIBUTIONS	
WD Grant	108,345
Sponsorship Grant- Coastal Community Credit Union	20,000
ICCI Grant	10,000
Totals	**138,345**
OTHER REVENUE	
Iterest Income and Miscellaneous	3 ,000
Total Income	**$ 960,047**
Expenses	
Bank Fees and Charges	750
Board Training and Development	8,000
Annual General Meeting	15,000
Capital Equipment Purchases	10,000
Finance, HR & Audit	45,000
Legal Expenses	10,000
Office Supplies	12,000
Licenses, Dues and Subscriptions	4,650
Insurance	5,500
Salaries, Benefits and Personnel Costs	530,557
Rent, Utilities and Parking	30,435
Telephone and Internet	7,500
Travel, Mileage and Accommodations	35,000
Conferences and Professional Development	13,125
Technology, Website Development and Maintenance	16,000
Marketing, Publicity, & Research	5,000
Prosperity Index	27,500
Events and Conferences	30,000
Client Development and Meeting Costs	30,000
Employee Engagement and Miscellaneous	2,500
Totals	**878,517**
WD Project Expenses	
International Development	-
Contracted Professional Services	8 ,530
Marketing	-
Totals	**81,530**
Total Expenses	**$960,047**
Surplus (Deficit)	**(0)**

Revenue Budget

South Island Prosperity Project

MEMBERSHIP DUES	
Corporation of the District of Central Saanich	25,484
City of Colwood	31,318
Corporation of the Township of Esquimalt	34,621
District of Highlands	3,111
District of North Saanich	17,351
Corporation of the District of Oak Bay	44,331
Corporation of the District of Saanich	184,462
Town of Sidney	26,722
City of Victoria	218,916
Town of View Royal	18,963
FIRST NATIONS	
Songhees Nation	1,037
Tsawout First Nation	789
Tseycum First Nation	194
Pauqachin First Nation	406
Tsartlip First Nation	997
PRIVATE	
Ralmax	10,000
Knappett Projects	10,000
Cube Global Storage	10,000
Coast Capital Savings	10,000
Coastal Community Credit Union	10,000
Butler Brothers	10,000
CGI Information Systems and Management Consultants Inc	10,000
Telus	10,000
Thrifty Foods	10,000
Babcock Canada	10,000
BC Ferries	10,000
ESRI Canada	5,000
NOT FOR PROFIT	
Victoria Foundation	2,500
Royal McPherson Theatre Societ	2,500
INDUSTRY ASSOCIATIONS	
Greater Victoria Harbour Authority	20,000
VIATEC	-
Tourism Victoria	20,000
Victoria Real Estate Board	20,000
Greater Victoria Chamber	-
POST_SECONDARY	
Camosun College	10,000
University of Victoria	10,000
Royal Roads University	10,000
MEDIA	
Times Colonist (In-Kind Contribution)	-
Douglas Magazine (In-Kind Contribution)	-
TOTALS	**$ 818,702**

Conclusion

We are very proud to be celebrating our second anniversary, and we're excited about the possibilities that lie ahead in 2018-2019. The Prosperity Project experienced tremendous growth in its first two years of operation, and we are inspired to build upon those early successes as we enter our second year of operations. Our team has laid the groundwork for a number of new initiatives, so it promises to be a busy year bustling with activity.

Working with a refined vision, strategy, targets, annual plan, and growing team, the Prosperity Project is well-positioned to deliver more member-value in 2018-2019, as we continue our collective efforts working towards creating a smarter, more sustainable, and prosperous South Island region for us all.



SOUTH ISLAND
PROSPERITY PROJECT

Constitutional mandate

To promote and facilitate regional sustainable economic development in South Vancouver Island, British Columbia, including:

(i) diversifying and strengthening the regional economy;
(ii) promoting better employment opportunities and increased quality of life for the citizens of the region;
(iii) providing support for entrepreneurs and business to increase their ability to prosper and create jobs;
(iv) maximizing federal and provincial funding for regional economic development;
(v) collaborating with the initiatives and activities of regional trade associations and municipal economic development officers; and
(vi) raising the profile of Southern Vancouver Island as a location of choice for new business endeavors.

2021 Targets

Jobs: 500 new direct jobs
Household Income: 100 jobs created equivalent to $80,000/year and above; 200 jobs created with salaries of $60-80,000/year; and 200 jobs created with salaries of $45-60,000 (i.e. over 'living wage')
Funding: At least $6 million from private sector, provincial and federal sources invested in the South Island economy and its businesses
Initiatives: Engage First Nation communities in dialogue around economic development initiatives and support self-directed economic development projects and initiatives.

2018-2019

At a Glance

MISSION
Facilitate and promote development of a strong diversified economy in South Vancouver Island.

VISION
A collaborative region that is a vibrant place to work through the creation of household- sustaining jobs

PURPOSE STATEMENT
Together, better jobs, better communities

Core Activity Areas	Sector and Cluster Development	Business Growth and Expansion	Business and Investment Attraction	First Nations conomic Development	Research, Collaboration and Communication
Operating Goals	**Catalyze economic growth in key sectors, industries and clusters through advocacy and strategic partnerships**	**Stimulate and support growth and expansion of existing companies by providing education, support and services.**	**Promote the South Island as a location of choice for new business and investors through marketing and recruitment activities**	**Engage First Nations in economic development and support First Nations-led economic development initiatives**	**Work with key partners and members on collaboration, communication and research to support our mission and mandate**
Q1	• Smart South Island Vision 2040	• Export / Scale-Up Workshop	• In-market business development mission	• IndigenousConnect forum (x3)	• Annual Impact Report • Lead Investor Roundtable • Presentation on Pacific NorthWest Strategy for private stakeholders
Q2	• Future Innovator Challenge / Agri-food Project	• Meet a Mentor Night		• IndigenousConnect forum (x2) • South Island First Nations Economic Development Conference and Roundtable	• Lead Investor workshop
Q3	• Future Innovator Challenge and Symposium (con'd)	• Export / Scale-Up Workshop	• In-Market business development mission	• IndigenousConnect forum (3)	• Lead Investor Roundtable
Q4	• Submission of Smart Cities RFP	• Meet a Mentor Night	• Annual Prosperity Forum	• IndigenousConnect forum (x2)	• Annual Prosperity Index release • Lead Investor Roundtable

Engagement and Communications Plan

Goals: Develop materials and conduct outreach activities that promote the Prosperity Project's mission, activities, and services; foster partnerships; and demonstrate accountability and transparency to our stakeholders.

Target Groups

- Lead Investors
- Prosperity Partners
- Special Project Partners
- Government (municipal, provincial, federal)
- First Nations
- Industry & Sector Associations
- Post-Secondary Institutions
- Media
- General Public



Photo: Victoria Tourism & HikeVictoria

Engagement and Communications Plan

Outputs and Targets

- Hold at least two formal meetings with the membership each year;
- Deliver monthly newsletter updates providing information on SIPP initiatives, events, feature indicators, and success stories;
- Develop original content such as podcasts, member interviews, and blogs;
- Annual one-on-one meetings with each member;
- Roundtable meetings with members held at minimum twice per year;
- Host 2-3 workshops per year for Business*Connect* clients;
- Publish annual South Island Prosperity Index;
- Develop marketing materials that emphasize the regions' investment opportunities for external investors;
- Manage and maintain South Island Prosperity Project website with regular updates;
- Build and maintain event micro-sites for projects such as the Smart South Island initiative and Greater Victoria Prosperity Summit;
- Continue to grow audience on social media platforms (Facebook, Twitter, LinkedIn) month-over-month using a mix of targeted engagement tactics;
- Monitor social media channels seeking opportunities to engage, connect, and share noteworthy industry news;
- Hold annual Prosperity Summit convening international investors;
- Publish and present an annual Impact Report, along with audited financial statements;
- Raise profile with local media, and strategically leverage advertising opportunities with our media partners to maximize the organization's regional exposure;
- Strengthen relationships with media and become the "go-to" experts on regional, collaborative economic development.

A warm thank you to our members, for making it all possible

A warm thank you to our members, for making it all possible

SOUTH ISLAND
PROSPERITY
PROJECT

Contact

240-730 View Street
Victoria BC, V8W 3Y7

1-778-265-8128
southislandprosperity.ca

BRITISH COLUMBIA

MAYOR'S OFFICE
MAR 09 2018
VICTORIA, B.C.

March 7, 2018

Ref: 233232

His Worship Mayor Richard Atwell
District of Saanich
770 Vernon Ave
Victoria BC V8X 2W7

Her Worship Mayor Lisa Helps
City of Victoria
1 Centennial Sq
Victoria BC V8W 1P6

Dear Mayor Atwell and Mayor Helps:

Thank you for your letter requesting a meeting to discuss the establishment and funding of a Citizens' Assembly on amalgamation with interested municipalities. I am also in receipt of His Worship Mayor Richard Atwell's letter to the Honourable John Horgan, Premier, which conveyed the Saanich Council resolution on the establishment of a Citizens' Assembly. As Minister responsible for the local government system, I am pleased to respond.

I appreciate learning of shared interests and joint initiatives among local governments. Particularly, I was interested to learn that the City of Victoria and the District of Saanich are discussing issues as broad as governance and as specific as police services.

The Province of British Columbia has a tradition of self-determination and elector choice in local governance matters. The Capital Region reflects the cumulative effect of choices by local voters and elected officials over time. The Province is always open to discussing specific, practical proposals further if local governments can provide plans for how they would proceed in the best interests of their residents.

Amalgamation studies by their nature are collaborative endeavours among municipalities. Should you be ready to advance a joint, specific study proposal – as the City of Duncan and District of North Cowichan did in 2016 – it would be considered in the same way.

As you may be aware, the Citizens' Assembly process that examined amalgamation of Duncan and North Cowichan was created by those municipalities. I understand that it was a positive experience for the participants and provided a diverse range of perspectives to inform the technical study undertaken jointly by the municipalities. At its conclusion, the Duncan-North Cowichan Citizens' Assembly on Municipal Amalgamation made a recommendation to the Councils on proceeding further.

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Ministry of Municipal Affairs and Housing

Office of the Minister

Mailing Address:
PO Box 9056 Stn Prov Govt
Victoria BC V8W 9E2
Phone: 250 387-2283
Fax: 250 387-4312

Location:
Room 310
Parliament Buildings
Victoria BC V8V 1X4

http://www.gov.bc.ca/mah

If the Duncan-North Cowichan proposal is a template that Victoria and Saanich would like to follow, it may be useful to consider its key elements, which included:

- A defined scope/geography for a specific study question (amalgamation of those two municipalities);
- A structure established by municipalities for directing the study (Citizens' Assembly, steering committee, consultants);
- Resources required (estimated $145,000 plus staff time, with each municipality and the Province to contribute one-third of costs);
- A timeline for study process (sequence and approximate end date); and
- The role of the municipal councils after completion of the study (e.g. creating the study process; arm's length during study; decision-makers on requesting a vote if recommended by Citizens' Assembly).

The Province is integrally involved in local government restructuring and does provide financial support to some processes. However, the process of governance review and change is locally driven. Under the *Local Government Act*, decision-making rests with local citizens through the requirement for an approved vote of electors prior to Cabinet approval of municipal incorporation (which includes amalgamation).

If you have a more specific proposal for a joint study in mind, please keep me informed. Information would be needed on the specific nature of the proposal, as well as confirmation of the interests of all local governments involved. In addition, I would suggest that the request also identify any specific benefits to be gained for residents from such an exercise. Marijke Edmondson, Director, Governance and Structure Branch, Local Government Division, and her staff can provide you with further details regarding the principles, processes and other requirements for such a study. Ms. Edmondson can be reached by email at: Marijke.Edmondson@gov.bc.ca, or by telephone at: 778 698-3227.

If you have any questions or would like to discuss the matter further, I would be happy to meet with you. My office will be in touch to confirm whether a meeting at this time is still preferred.

Thank you again for writing.

Sincerely,

Selina Robinson
Minister

.../3

MAYOR'S OFFICE
MAR 09 2018
VICTORIA, B.C.

pc: Honourable John Horgan
Premier

Honourable Lana Popham, MLA
Saanich South

Honourable Carole James, MLA
Victoria-Beacon Hill

Honourable Rob Fleming, MLA
Victoria-Swan Lake

Dr. Andrew Weaver, MLA
Oak Bay-Gordon Head

Marijke Edmondson, Director
Governance and Structure Branch
Local Government Division
Ministry of Municipal Affairs and Housing