

Rationale #1

We need a regional model

- The economy is global and more interdependent than ever, and we need a bigger role in that
- We are not a major centre, therefore need to collaborate and advocate to attract investors, new business and trade. We also need to erase municipal border optics in order to support our regional entrepreneurs and start-ups

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Rationale #2

Doing nothing is not an option

- In 5 years we dropped from 4th to 27th in GDP Growth compared to Canada's other large city-regions (CMAs)
- Successful models in Kitchener-Waterloo and Halifax regions are funded by municipalities equivalent of \$3-4 per capita
- Nanaimo and Vancouver, our nearest "competitors", invest over \$4 per capita
- In our region, municipalities currently invest less than \$1 per capita in regional economic development

Canada's 28 CMA's by 2014 GDP Growth

1. Edmonton	5.6
2. Saskatoon	5.3
3. Calgary	4.5
4. Regina	4.4
5. Kitchener-Cambridge-Waterloo	3.1
6. Vancouver	2.9
7. Abbotsford Mission	2.6
8. Halifax	2.6
9. Oshawa	2.5
10. Toronto	2.4
11. Winnipeg	2.3
12. Sudbury	2.1
13. Montreal	2.1
14. Moncton	2.1
15. Quebec City	1.8
16. Thunder Bay	1.7
17. Windsor	1.7
18. Hamilton	1.3
19. St. Catharines-Niagara	1.1
20. Saguenay	1.1
21. Kingston	1.0
22. Sherbrooke	0.9
23. Saint John	0.8
24. Ottawa-Gatineau	0.5
25. London	0.4
26. St. John's	0.0
27. Victoria	0.0
28. Trois-Rivieres	-1.6

Victoria's
2008 Rank

Victoria's
2012 Rank

Victoria's
2013 Rank

*Statistics from Conference Board of Canada

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Rationale #3

There is a Proven ROI

- Halifax is an excellent case study in good regional economic development
- Since the creation of the Halifax partnership they have risen in GDP growth
 - 15th out of 28 in 2005
 - 10th out of 28 in 2008
 - 8th out of 28 in 2014
 - Projected to be first out of 28 in 2015
- Reduction in unemployment from 11% to 5.9%

Canada's 28 CMA's by 2014 GDP Growth

1. Edmonton	5.6	Halifax's 2015 Rank (Projected)
2. Saskatoon	5.3	
3. Calgary	4.5	
4. Regina	4.4	
5. Kitchener-Cambridge-Waterloo	3.1	
6. Vancouver	2.9	
7. Abbotsford Mission	2.6	
8. Halifax	2.6	Halifax's 2014 Rank
9. Oshawa	2.5	Halifax's 2008 Rank
10. Toronto	2.4	
11. Winnipeg	2.3	
12. Sudbury	2.1	
13. Montreal	2.1	
14. Moncton	2.1	
15. Quebec City	1.8	Halifax's 2005 Rank
16. Thunder Bay	1.7	
17. Windsor	1.7	
18. Hamilton	1.3	
19. St. Catharines-Niagara	1.1	
20. Saguenay	1.1	
21. Kingston	1.0	
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27. Victoria	0.0	
28. Trois-Rivières	-1.6	

*Statistics from Conference Board of Canada

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Rationale #4

We are losing "genuine well-being"

- Meanwhile, living costs are going up at a greater rate than household incomes, which makes it hard to attract young workers with families
- 1 in 5 children within our region live on or below the poverty line

Top 3 Economic Concerns of Citizens Within Our Region*

- Diversifying the economy
- Increasing job opportunities for new graduates
- Improving supports for entrepreneurs and small business

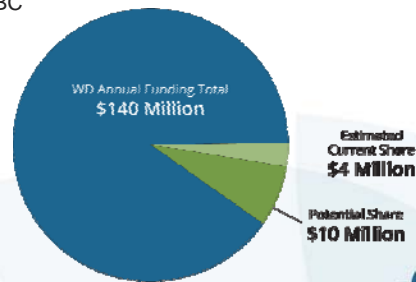
*Statistics from Vital Signs 2015

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Rationale #5

by working together We can do better at obtaining available funding

- Western Diversification (WD) forecasts \$140m/year in program funding available for economic development in Western Canada
- Other potential project funding and resources:
 - Investment Agriculture Foundation of BC
 - BC Knowledge Development Fund
 - Canada Foundation for Innovation
 - Sustainable Development Technology Canada
 - Invest Canada Community Initiatives (DFATD)



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How do we
propose
to move
forward?



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A New Organization for a Prosperous Future

- Create a new, non-profit society funded by public and private participants.
- The mandate is to diversify and strengthen the economy of our region
- The scope is all businesses, employees and municipalities south of the Malahat on Vancouver Island
- The initial timeframe is five years from 2016-17 to 2020-21

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Principles

The new regional model will be designed for the greater good!

1. Collaborative
2. Industry-led (Board of Directors)
3. Not for profit
4. Effective (inclusive, sustainable, affordable)
5. Equitable (funding model)
6. Aligned (with municipal EcDev initiatives/OCPs)
7. Accountable (to its funding partners)

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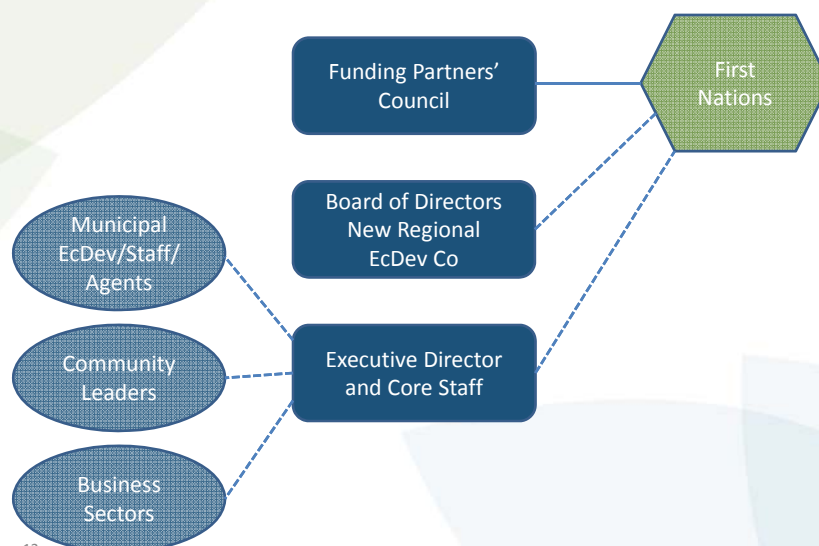


Success Measures

1. Number of new jobs in targeted sectors (household sustaining).
2. Median household income
3. Amount of project funding raised



Governance - Accountability and Planning Model



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Governance – Funding Partners' Council

- Participating Core Funders:
 - Municipalities
 - Businesses
 - Industry Associations
 - Post-Secondary Institutions
- One representative, per municipality (at agreed upon formula-based funding levels)
- One representative from each private funder (with a minimum contribution of \$20,000/year)
- Target 20-30 funders/members
- Decisions by majority vote
- Chair will be elected by the members (two-year term)

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Governance – Roles and Authorities

Funding Partners' Council (meet annually - quarterly in Start-up/Year 1):

- Approve creation of a new society (with funding partners as “members”), by-laws and the trade name
- Approval and renewal of 5 Year Contribution Agreement (year 3-5)
- Appointment of Board of Directors (staggered 2 & 3 year terms, with provisions for renewal)
 - Approval of selection criteria
- Acceptance of 5 Year Strategic Plan, Business Plan, Communications Plan
- Advice to the Board of Directors and Executive Director

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Funding Target 2015-2020

- TOTAL 5 Year Target from all funders - \$9m
- TOTAL 5 YEAR MUNICIPAL FUNDING = \$3m
 - \$100,000 for start-up (2015-16)
 - \$300,000 in Year One (2016-17)
 - \$650,000/year for Years Two to Five, contingent on funding from other parties



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Private Sector Funding Target

(Includes Post-Secondary Institutions)

- \$100,000 (2015-16)
- \$200,000 for Year One (2016-17)
- \$200,000/year for Years Two to Five, contingent on funding from other parties

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Private Funding Status

- \$100,000+ in Private Sector Startup Funds have been pledged
- \$200,000 in Private Sector Year One Funding will be secured by December 31st

ALL CONTINGENT ON MUNICIPAL PARTICIPATION

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Proposed Municipal Funding Formula

- A fair equitable model that's affordable and weighted towards those with the greatest potential to benefit
- A 50/50 blend using \$1.00 per capita plus 0.07 percent of total tax collected is recommended as the most equitable approach given the diverse range of populations and tax bases in the region

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Proposed Municipal Allocation

Funding Formula - 50/50 blend of per capita (2011 census) and a % of total tax collected

Municipality	Start-up (next 5-6 months)	Year 1 (2016-17)	Years 2 – 5 (to 2020-21)
Central Saanich	\$3,770	\$11,310	\$25,484
Colwood	\$4,633	\$13,899	\$31,318
Esquimalt	\$5,122	\$15,365	\$34,621
Highlands	\$460	\$1,381	\$3,111
Langford	\$6,755	\$20,266	\$45,662
Metchosin	\$1,271	\$3,812	\$8,590
North Saanich	\$2,567	\$7,701	\$17,351
Oak Bay	\$6,558	\$19,675	\$44,331
Saanich	\$27,289	\$81,868	\$184,462
Sidney	\$3,953	\$11,860	\$26,722
Sooke	\$2,429	\$7,288	\$16,422
Victoria	\$32,386	\$97,159	\$218,916
View Royal	\$2,805	\$8,416	\$18,963
Total	\$100,000	\$300,000	\$675,953

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Next Steps - Fall 2015

1. Respective Councils are presented with motions to approve
2. Participating municipalities and private partners (Funding Partners' Council) provide startup funds
3. GVDA Executive Committee (plus 1-2 additional) offer to serve as Interim Board of Directors of new organization
4. Interim Board of Directors will register a new Society and create Constitution and Bylaws based on this Report
5. Interim Board of Directors will initiate collaborative planning process to create 5 Year Strategy
6. Funding Partners' Council meet to approve Constitution and Bylaws

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Next Steps - Winter 2015/16

1. Participating municipalities include provision in their 2016/17 budgets to provide Year One funding to the new Society
2. Funding Partners' Council accepts 5 Year Strategy, approves Contribution Agreement and selects a Board of Directors
3. Board of Directors select an Executive Director
4. Organization launches on 1 April 2016

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