

Renewal and Transformation of Our Region's Trust

A new vision for sustainable finance in coastal BC

icet ISLAND
COASTAL
ECONOMIC
TRUST



Presented to the Central-South Island Regional Advisory Committee
of Island Coastal Economic Trust—June 17, 2022

ICET History

Founded under a new Act by the Province of BC in 2006 with \$50M

Significant pre-existing infrastructure deficit in region — meeting those needs as our sister trusts in BC

Short-term extension in 2017 with \$10M

Our service region expanded in 2021



A Brief History of ICET

Trust was not capitalized with sufficient financial resources for this region, the challenges we face, or priorities we have

Needs of the region far beyond resources, only investing earnings \neq needed impact

Therefore, ICET has been a sinking fund – maximizing investment over 15 year period, and without investment it will close



Our Urgent Call to Action

ICET has **\$4.5 million remaining** to commit to new projects in the region.

Without securing a commitment by the Province in Budget 2023, the Trust board announce the shutdown of the only economic trust serving the Vancouver Island, Sunshine Coast and coastal region of BC in early 2023.



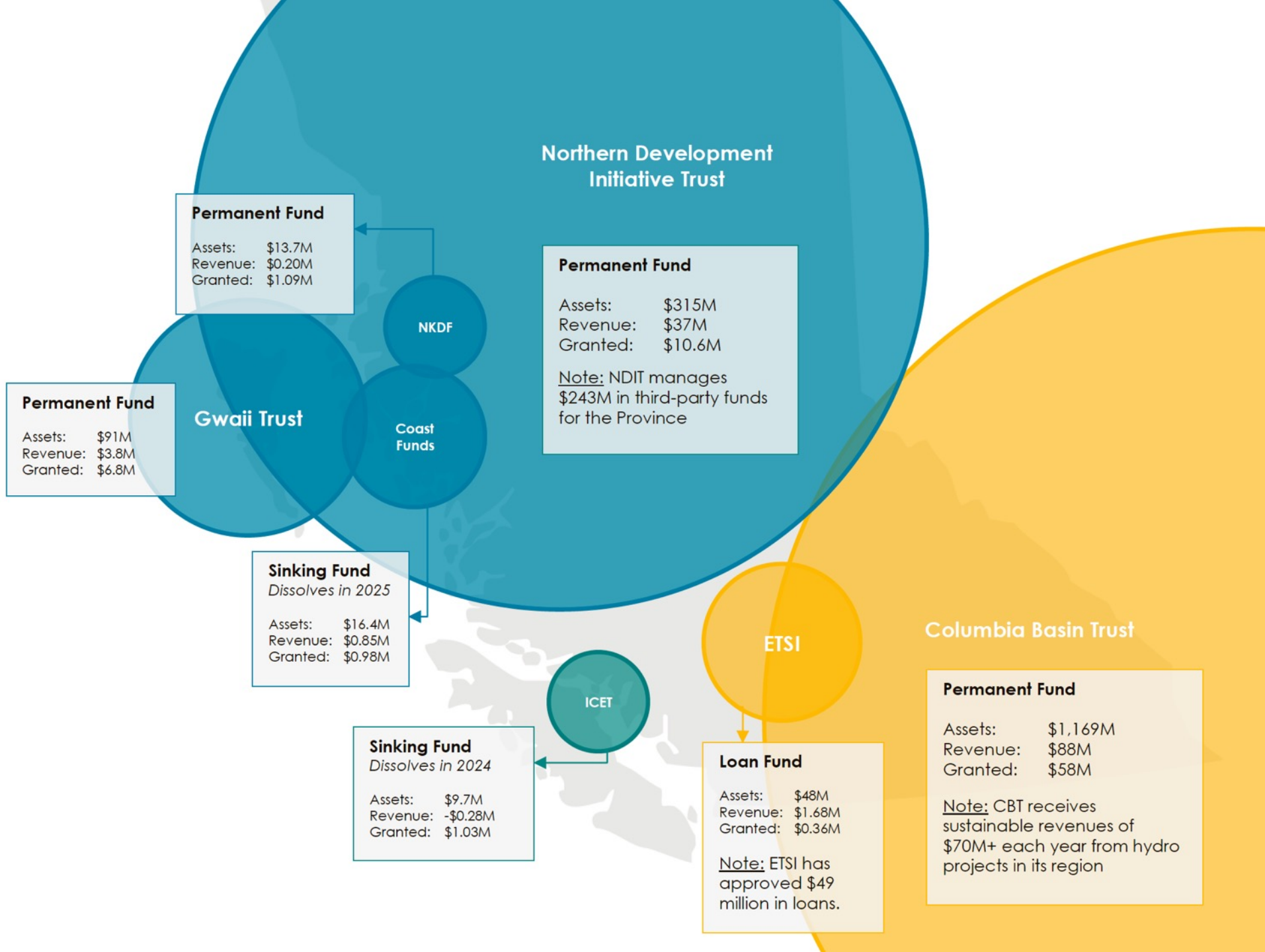


Economic Trusts in BC: Evaluating the Three Rural Regions

Regional Populations

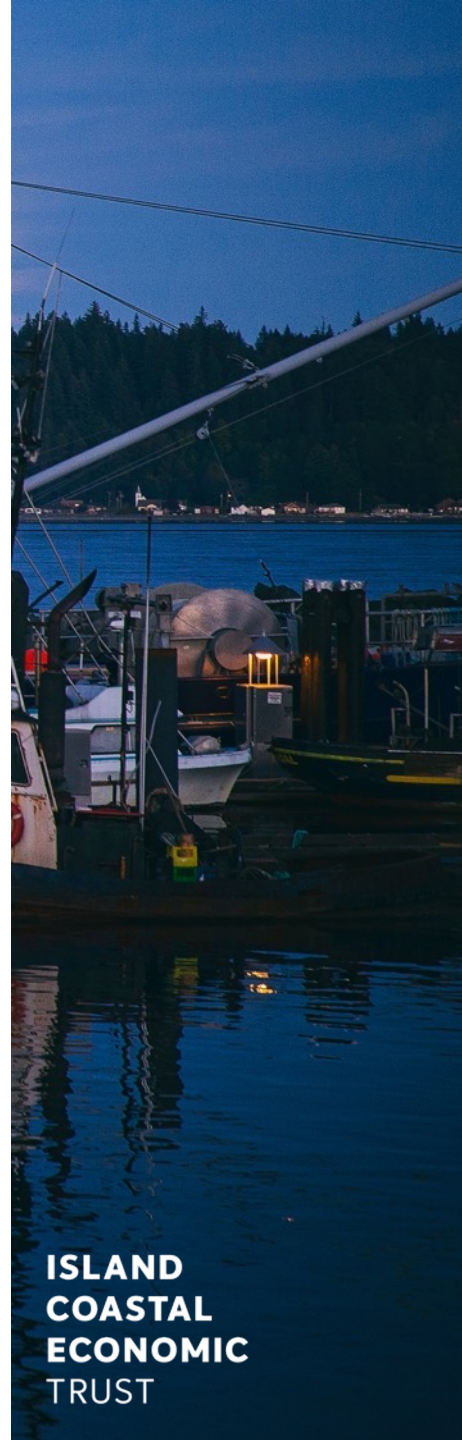
	Vancouver Island and Sunshine Coast	Southern Interior	North-Central Coast and Interior
	ICET	Columbia Basin Trust Economic Trust of the Southern Interior	Northern Development Initiative Trust Nechako-Kitamaat Dev. Fund Coast Funds Gwaii Trust
Residents	534,933	707,499	359,101
% of Rural Population	33%	44%	22%

per BC Stats, 2021



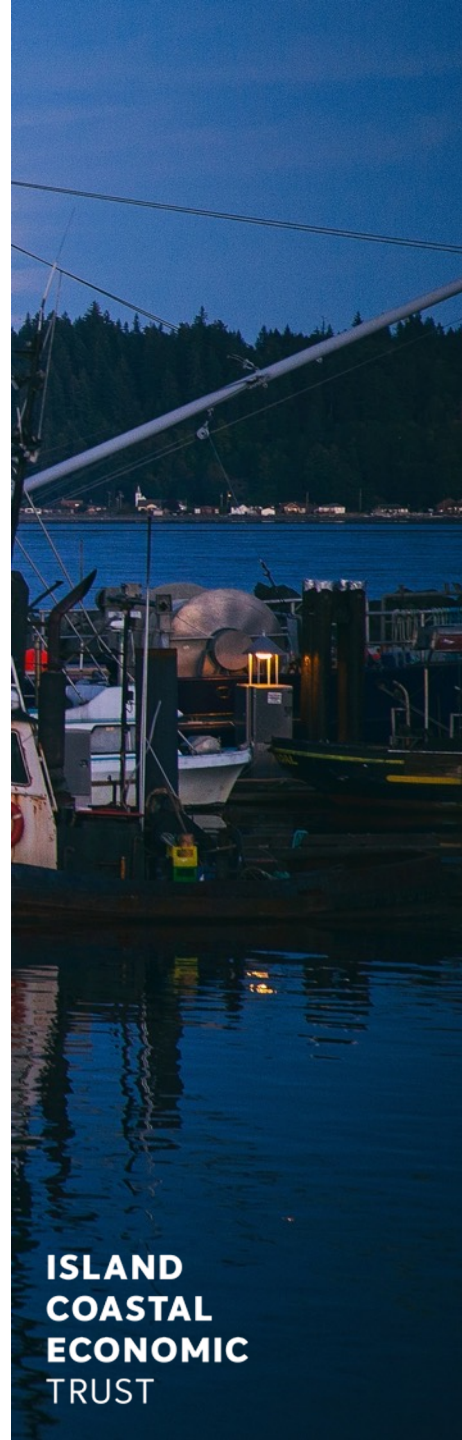
Capital in Trusts from the Province

	Vancouver Island and Sunshine Coast	Southern Interior	North-Central Coast and Interior
	ICET	Columbia Basin Trust Economic Trust of the Southern Interior	Northern Development Initiative Trust Nechako-Kitamaat Dev. Fund Coast Funds Gwaii Trust
Provincial Investment in Trusts' Capital	\$60 million <i>Less than 1/5 other regions</i>	\$401 million	\$298 million
Current Trust Assets	\$9.7 million	\$1 billion, 217 million	\$440 million <i>+\$243 million in additional Provincial funds</i>



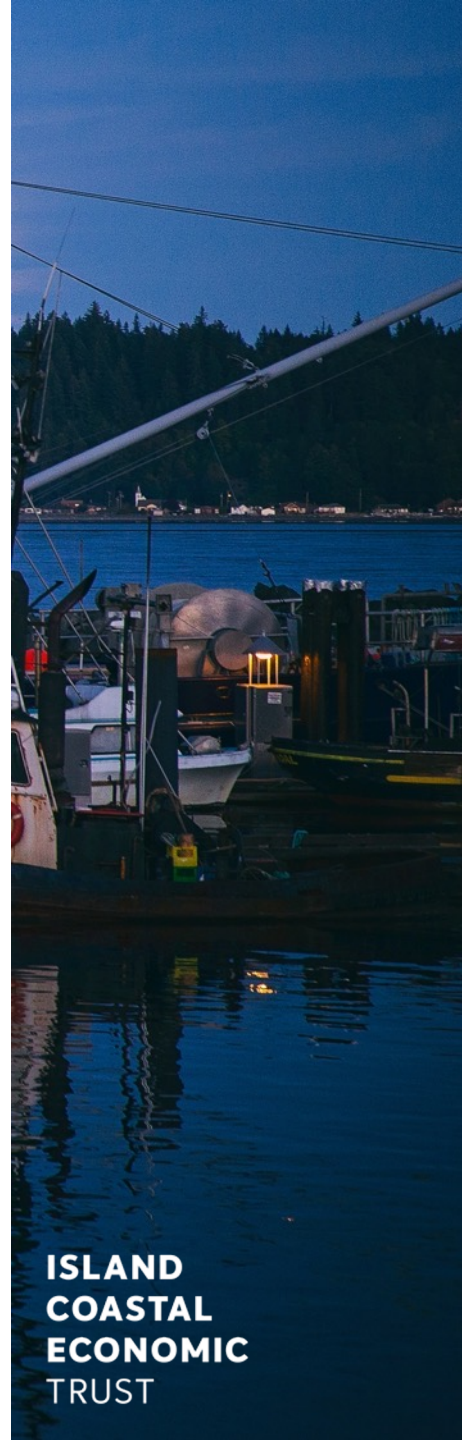
Investments in Communities

	Vancouver Island and Sunshine Coast ICET	Southern Interior Columbia Basin Trust Economic Trust of the Southern Interior	North-Central Coast and Interior Northern Development Initiative Trust Nechako-Kitamaat Dev. Fund Coast Funds Gwaii Trust
Investments in Communities since Trusts' Inception	\$55 million	Estimated over \$1 billion	Estimated over \$500 million
Investments in Communities, most recent fiscal <i>excl. 3rd party funds</i>	\$1.03 million	\$59 million	\$10.6 million



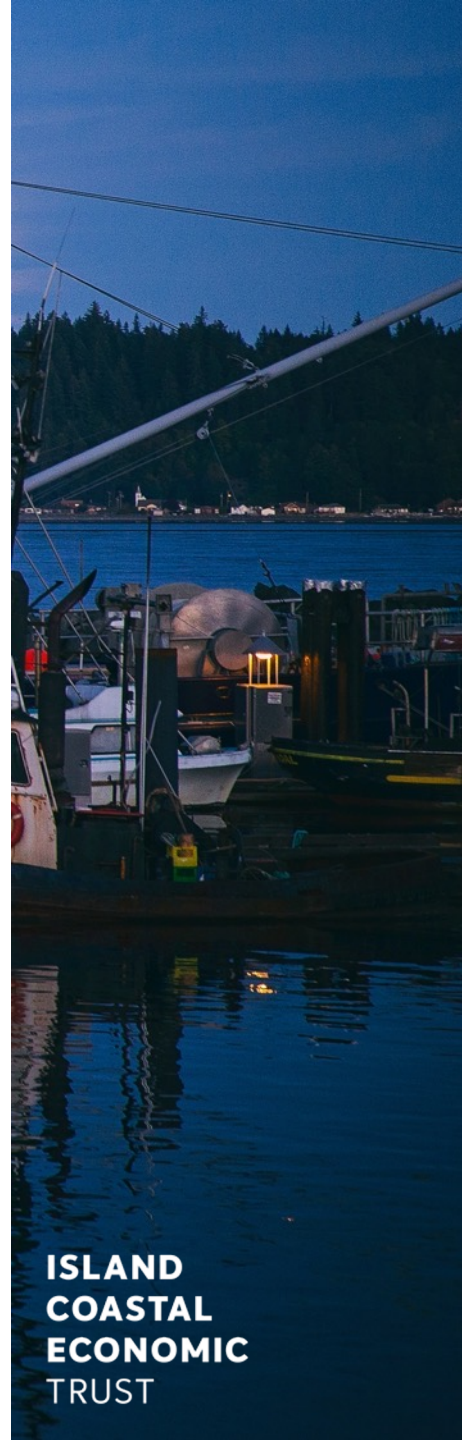
Investment Per Capita

	Vancouver Island and Sunshine Coast	Southern Interior	North-Central Coast and Interior
	ICET	Columbia Basin Trust Economic Trust of the Southern Interior	Northern Development Initiative Trust Nechako-Kitamaat Dev. Fund Coast Funds Gwaii Trust
Founding Capital Invested by the Province	\$112	\$567	\$855
Current Trust Assets <i>excl. 3rd party funds</i>	\$18	\$1,720	\$1,225
Investment in Communities <i>Most recent fiscal</i>	<\$2	\$83	\$30



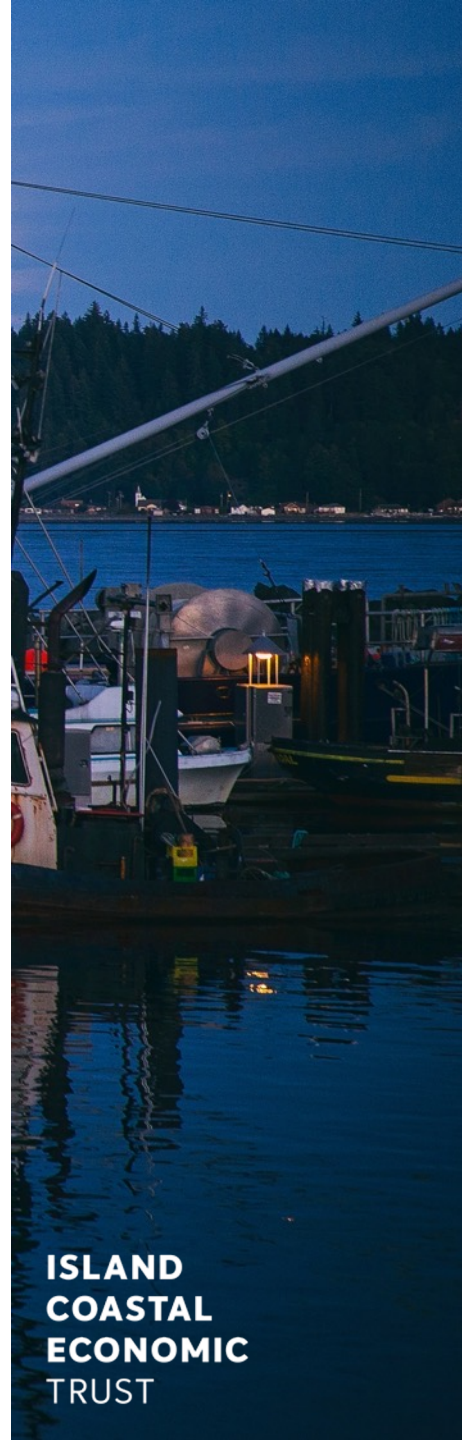
Risks — A Region with No Trust

- Funding decisions made in Victoria — no longer by locally elected leaders with knowledge, relationships, and accountability to their communities.
- No predictable, responsive funding source governed by and for communities, operating right here in our region.
- No Trust board or RAC tables to form strategy or discuss shared economic priorities.



Risks — A Region with No Trust

- No pathway for First Nations to participate in Trust governance which the Province has pledged to under its DRIPA Action Plan.
- Erosion of self-determination — communities become more dependent on short-term government funding programs.
- Communities lose access to the Trust's vital non-government funding to match provincial and federal contributions to infrastructure.



A scenic sunset over a body of water. The sky transitions from a deep blue at the top to a bright orange and yellow near the horizon. A crescent moon is visible in the upper left portion of the sky. In the foreground, the dark silhouettes of several trees and a small building are visible against the bright sunset. The water in the foreground is dark, with some white foam from waves visible.

Making the Case for a Generational Investment in our Region's Trust

Budget 2023—Recommendation 1

We recommend recapitalizing the sole economic trust serving the island-coastal region, the Island Coastal Economic Trust, with at least \$150 million to transform it as a permanent fund.

A one-time investment of \$150 million, or \$280 per resident, is still far less than the Province's trust capitalization in BC's two other rural regions.

Budget 2023—Recommendation 1

Making a generational investment to equip islands and coastal communities with an enduring, sustainable trust that evolves and empowers regional collaboration, community-led development, and locally accountable decision-making will create billions of dollars in rural and regional economic in this region for generations to come.

Budget 2023—Recommendation 2

- We recommend that the B.C. government work with First Nations in the Vancouver Island-Coast region pursuant to section 3 of the Rights of Indigenous Peoples Act to align the Island-Coastal Economic Trust legislation with UNDRIP and provide Indigenous governments with a defined role in Trust governance.

Budget 2023—Recommendation 2

- Reconciliation calls for greater engagement by Indigenous governments in regional economic decision making and in charting a sustainable economic future for their communities.
- There is an opportunity to combine recapitalization with a renewed vision for the Trust that sees it as a three-way partnership between Indigenous governments, local governments and the provincial government.

A One-Time Generational Investment

- Transforms the Trust from managing a short-term sinking fund that cannot generate sustainable returns for the 150+ communities and vast region it serves
- Into an intergenerational trust that supports and finances coastal communities to achieve their economic priorities for generations to come.

Investment in the Trust will enable:

- First Nations full, meaningful, co-governance of the Trust in an enduring three-way partnership with local gov'ts and the Province
- The Trust will serve as a permanent source of community-led finance for rural, Indigenous, and community economic development
- The Trust will have the capability to deploy its capital in social finance and impact investments

Investment in the Trust will enable:

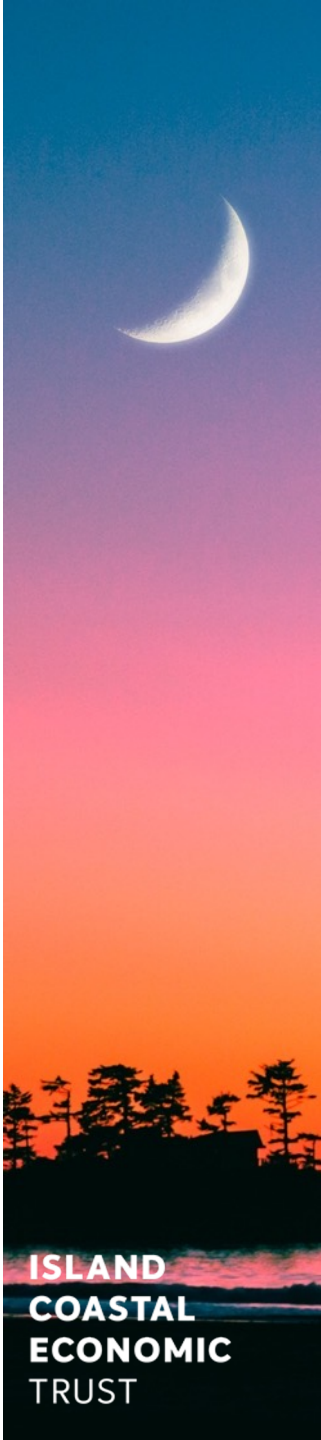
- New streamlined annual funding for economic capacity in rural and First Nations communities; a long-term, in-region approach that builds on our Rural Recovery partnership with BC
- Long-term planning and finance for coastal community climate resilient infrastructure
- ESG investment and social impact leadership: social, economic, environmental and cultural ROI for the Province and each community

Investment in the Trust will enable:

- Average \$7-10 million revenues annually — invested in coastal communities, by coastal communities.

Through its sinking fund, the Trust has invested \$3.5M annually over 16 years

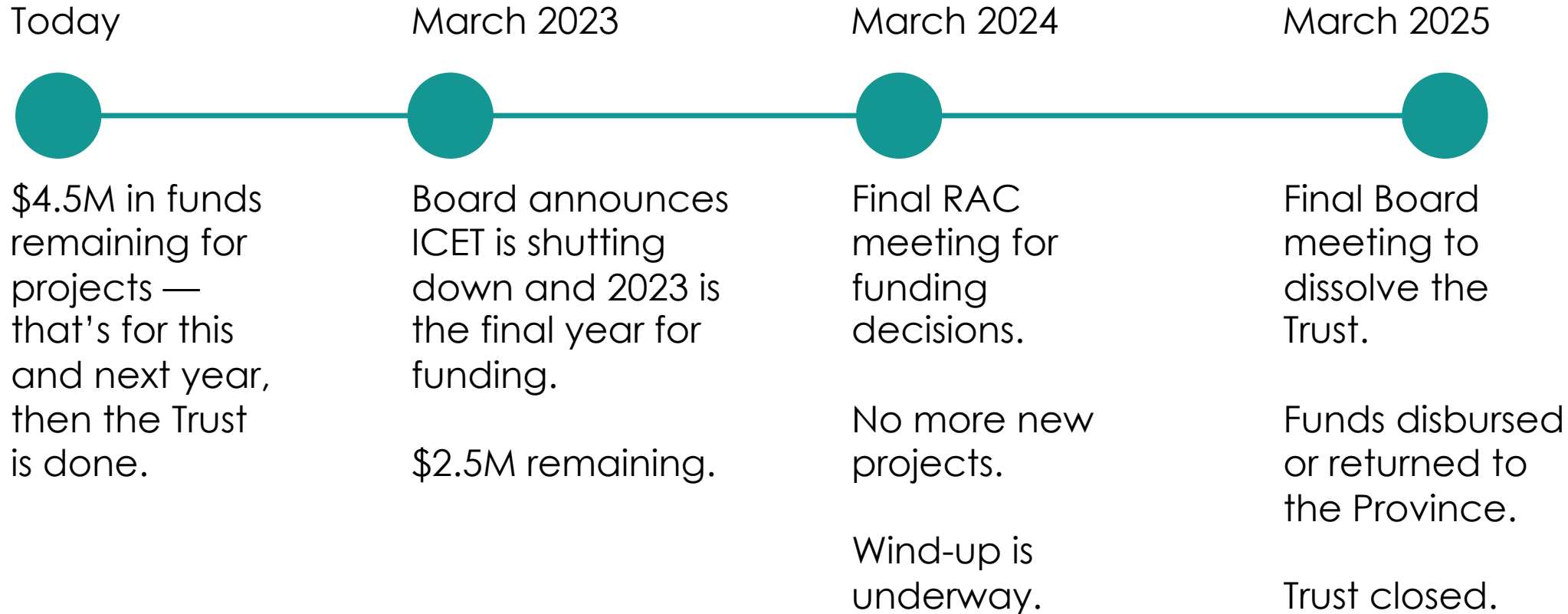
- Long-term infrastructure funding communities can count on—to transition economies and to diversify, to enable new sectors to thrive across the coast, to address rural and Indigenous poverty and to strengthen wellbeing, and to make strategic investments improving sustainability.



Investment in the Trust will enable:

- Based on the funding communities leveraged since 2006 with the Trust, **a renewed permanent Trust will enable more than \$1 Billion in regional investment every 20 years, in perpetuity.**
- Earning an average \$7-10 million/year, the Trust returns the Province's full contribution via investments in the region in less than 20 years...and that ROI continues...forever.

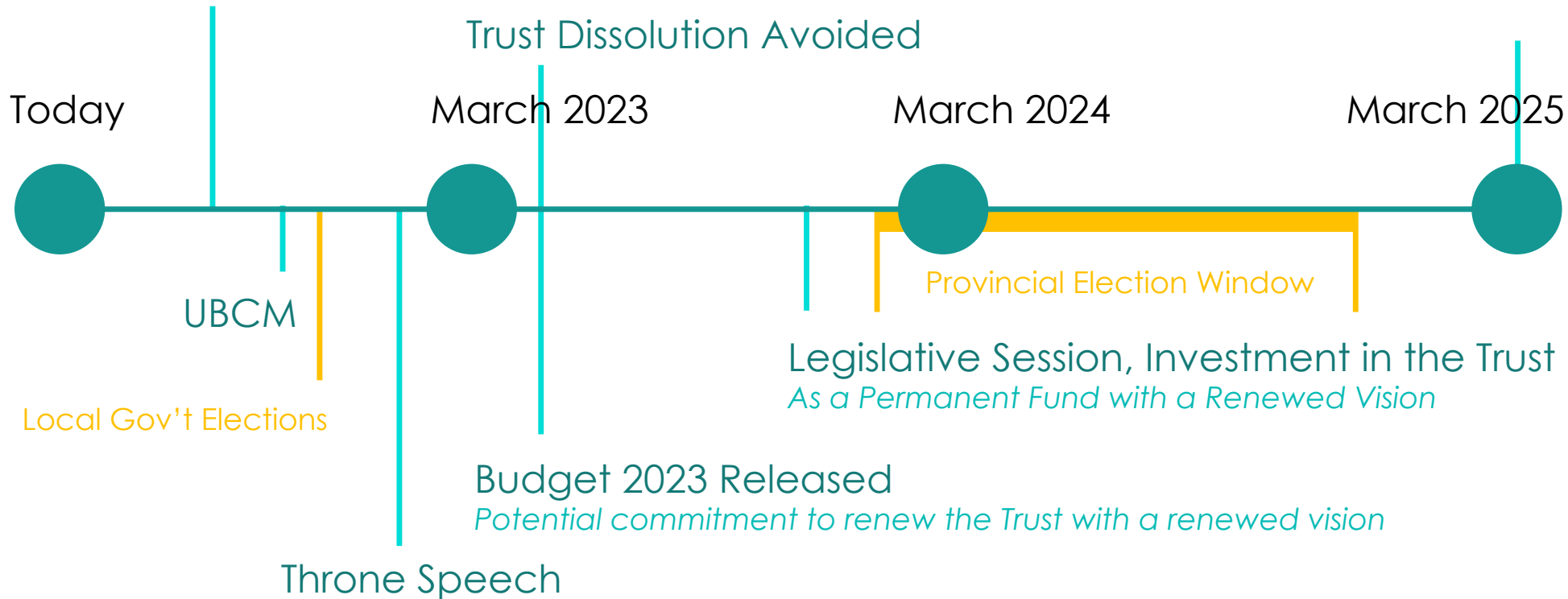
Imminent Shutdown of the Trust



Short Timeline to Renew the Trust

Treasury Board Submission by Ministry of
Jobs, Economic Recovery and Innovation
*Success Requires Active Engagement by
Regional Leaders and A Compelling Business Case*

\$7 to 10 million generated annually
*Investing in community economic priorities,
in perpetuity*

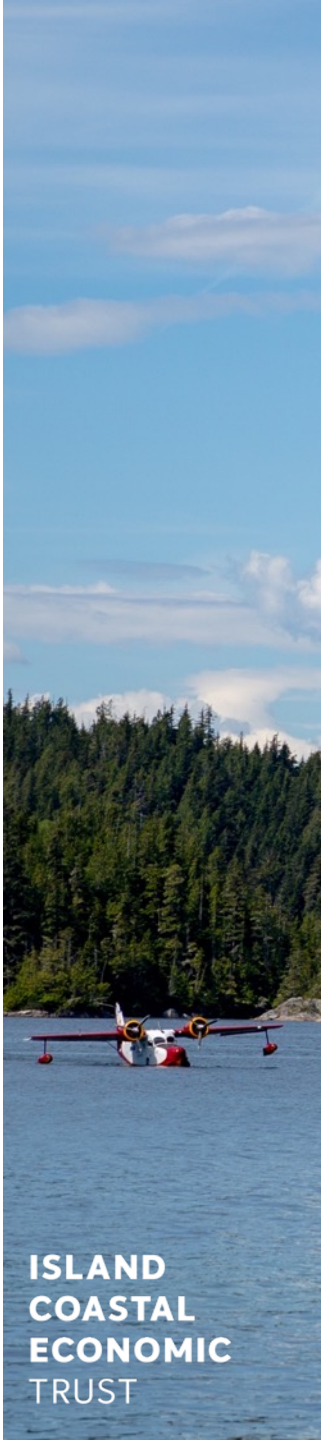


Call for Community Engagement and Regional Collaboration



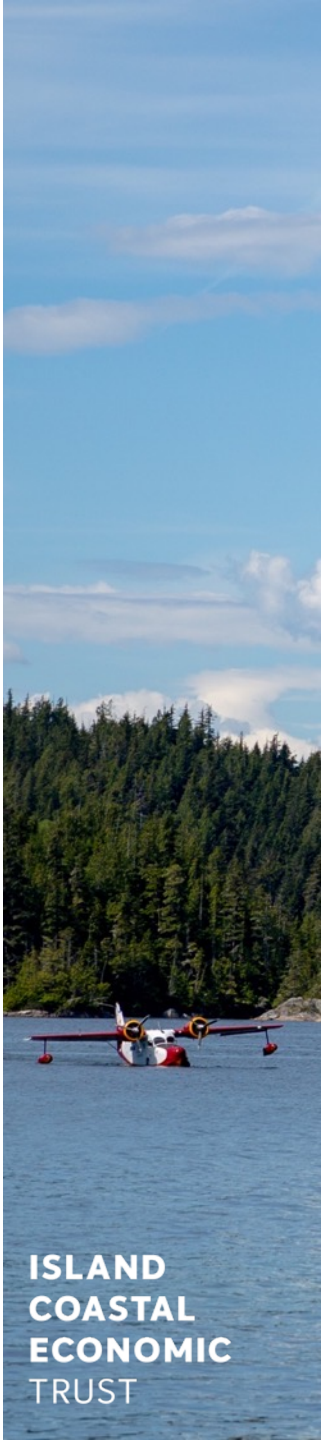
RAC Resolution 1

- *THAT, the Central-South Island Regional Advisory Committee resolves support for communities and the Trust to actively engage in partnership to seek a generational investment in the region by the Province that renews the Trust, deepens its impact for communities, and sustains the Trust for future generations.*



RAC Resolution 2

- *THAT, RAC Members commit to engaging their senior staff and councils regarding the near-term risk of the Trust imminently closing its doors and the opportunity to contribute to a new vision for ICET to become a sustainable Trust focused on building community resiliency for generations to come.*



UBCM Resolution

submitted by City of Courtenay for local gov'ts to endorse at the UBCM convention

- *Whereas the Island Coastal Economic Trust will initiate its dissolution in 2023, and that local governments, and First Nations across the Vancouver Island, Sunshine Coast, and surrounding rural, islands, and inlet communities face immeasurable economic challenges with a need for locally accountable, self-determined finance:*
- *Therefore be it resolved that UBCM formally request the provincial government to make a generational investment in the renewal and transformation of Island Coastal Economic Trust into a permanent, ESG focused, First Nations and local government led Trust focused on building sustainable, resilient communities, for generations to come.*



Working in Partnership With You

I am at your service — and committed to equipping you with briefing material and my staff support — to empower your dialogue with your MLA, council, Crown Ministers, and more.



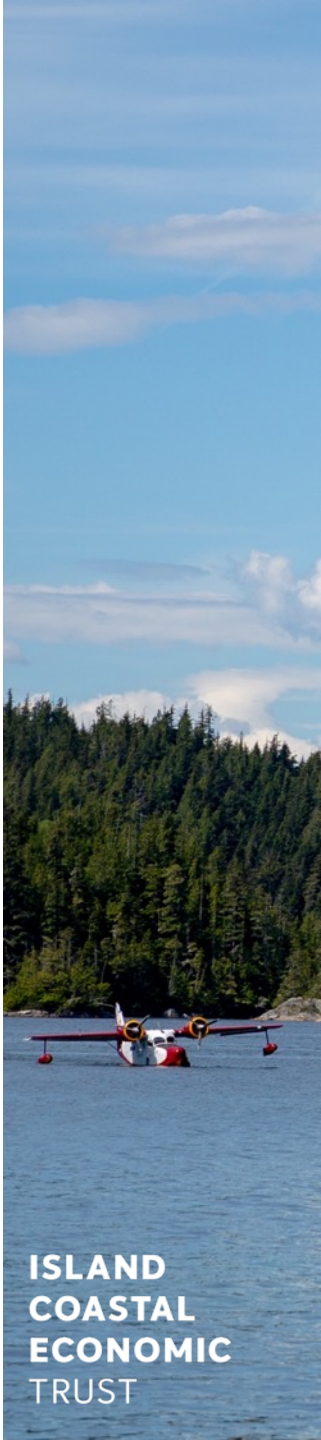
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