

Hornby Island Economic Action Plan: Steering Group Recommendations to HICEEC



December 2015



**Hornby Island Community
Economic Enhancement Corporation**

ACKNOWLEDGEMENTS

The Hornby Island Community Economic Enhancement Corporation (HICEEC) would like to thank the many individuals, organizations, and funders who have contributed to the development of our 2015-2020 Economic Action Plan. Our island community is always in a delicate state as we attempt to balance our quality of life, economic well-being, and resilience as a community.

Over the past year, the Economic Action Plan Steering Group has held numerous engagement sessions; spearheaded the development and delivery of a comprehensive community survey; and directed research and analysis so as to produce a common set of priorities to work on for islanders, HICEEC, and related organizations. At the start of the process, the promise was to deliver “excellent information”, and the stretch goal to produce recommendations that would help focus energy and resources in key areas. In late December 2015, the Board of HICEEC accepted the recommendations of the Steering Group in full, and would like to congratulate the team for a job well done. The Board would also like to acknowledge our funding partners – Hornby Island taxpayers through the Comox Valley Regional District, and the Island Coastal Economic Trust, without whom this project would have not happened.

As the organization charged with providing economic development coordination on the island, HICEEC will be thrilled to adjust our programs, provide leadership to implementation of the plan, and help Hornby Island’s economy grow while protecting core island values.

John Heinegg, HICEEC Chair

December 31st, 2015

Hornby Island Economic Action Plan Steering Group

- Dale Armstrong
- Darren Bond (Steering Group Chair)
- Lori Nawrot
- Mary Mackenzie
- Braea Walmsley
- Daniel Arbour (staff)
- Karen Ross (staff)
- Coral Candlish-Rutherford (contract)

Funding Organizations



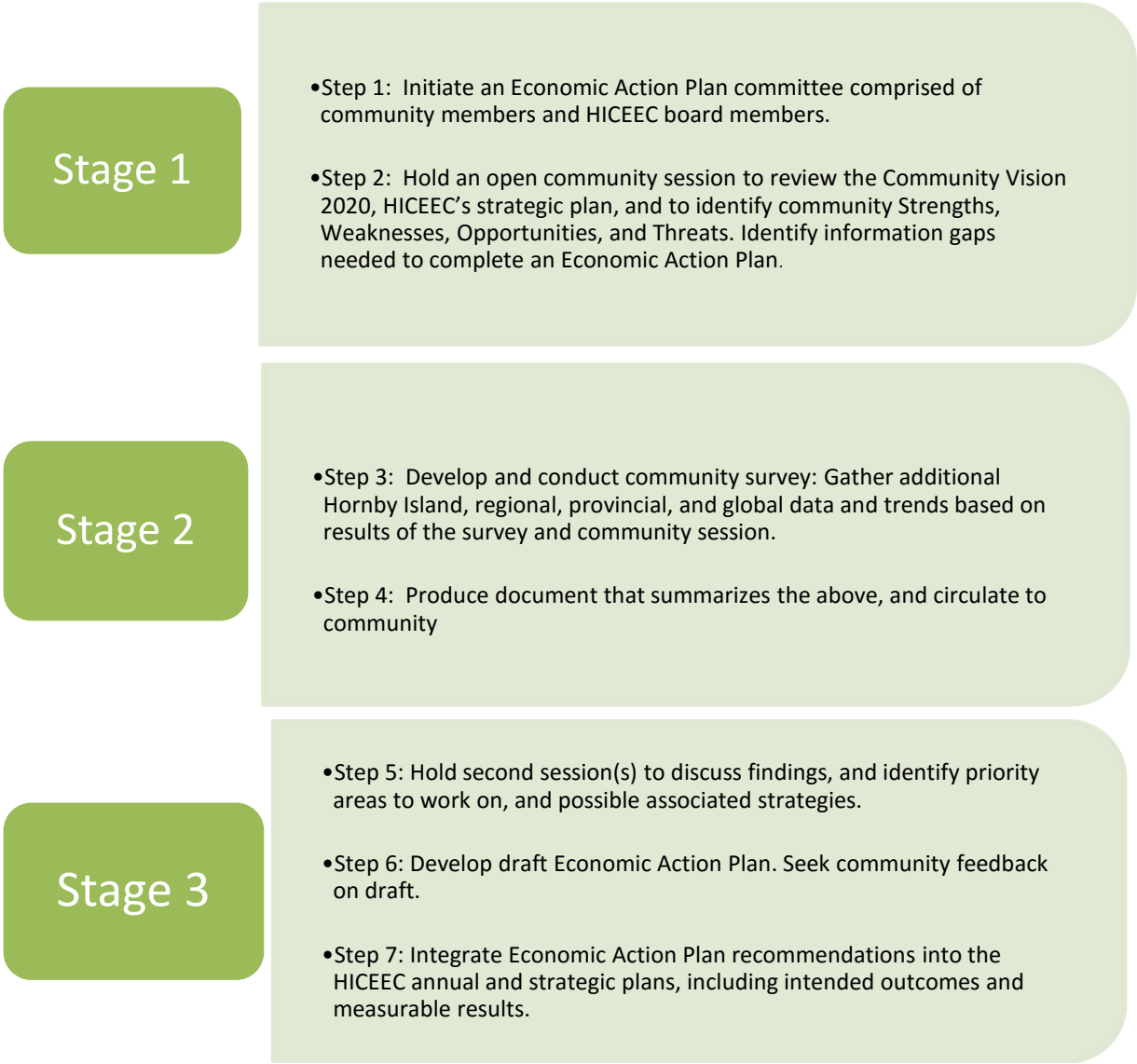
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1. BACKGROUND

The Hornby Island Community Economic Enhancement Corporation (HICEEC) is a publicly-funded organization that works to develop and implement solutions to the development and economic needs and issues facing the citizens of Hornby Island. In 2002, HICEEC was responsible for crafting the Community Vision to 2020, and conducting a Quality of Life survey to understand resident priorities, challenges, and opportunities at the time.

The purpose of the Hornby Island 2015 Economic Action Plan (EAP) is to update information about Hornby’s economy and to recommend focus areas for future efforts. As a foundational piece to this work, the current document presents results of the 2015 Economic Survey, which polled 323 respondents on their household and employment situation, and opinions on a variety of economically-related topics.



2. PROCESS FOR BUILDING THE RECOMMENDATIONS

The set of recommendations, based on the community survey, research, and input was created by the Economic Action Plan steering group, whose membership is comprised of:

- Dale Armstrong
- Darren Bond (Steering Group Chair)
- Lori Nawrot
- Mary Mackenzie
- Braea Walmsley
- Daniel Arbour (staff)
- Karen Ross (staff)
- Coral Candlish-Rutherford (contract)

The process for building the recommendations was as follows:

1. The steering group hosted a public forum to discuss general community thoughts on the vision, strengths, weaknesses, opportunities and threats.
2. Each steering group member reviewed the result of the survey, and considered actionable items put forward by the community, both from the survey itself as well as conversations with individuals and organizations.
3. The steering group met face-to-face and via email threads to discuss findings and initial recommendations
4. Following this, the Steering Group Chair asked each member to send their top 10 actions or programs that HICEEC may want to consider.
5. Based on this input, possible initiatives were ranked as “Priority I” if at least three steering group members voted for the particular item, or “Priority II” if two vote for the particular item.
6. Additional population and economic information was gathered to support baseline conditions, trending and possible target-setting.
7. The Steering Group chair and staff detailed how the general areas of work could be integrated with HICEEC’s programs in terms of staff time, operating expenses and capital reserve allocations.
8. A Survey Summary document was created and published to the community for feedback, including analysis of the quantitative results as well as over 1,400 verbatim comments to provide the “colour” behind the raw numbers.
9. An initial draft Recommendations document was published for community feedback
10. The steering group hosted a second public forum to review, discuss and consider modifications to the draft set of recommendations.
11. The Steering Group reviewed the proposed options, and made its final recommendations for the HICEEC board to consider.

3. TRENDS AND OPPORTUNITIES IN HORNBY ISLAND'S ECONOMY

The purpose of developing an Economic Action Plan is to ensure that HICEEC's program of work, including operating and capital budgets, reflects economic needs and opportunities identified by the community, and analyses of other variables and island trends. The 2015 survey provides useful insights. However, because raw input from citizens can range from suggestions on detailed projects to high-level outcomes, there is an implicit cause-and-effect chain. Some statements speak more about objectives, and the committee focused on how those could be achieved.

3.1. Guiding Principles

- Conservation-oriented economy; we have no economy without the environment
- Grow the economy (and the population)
- Sustain island culture – creative, entrepreneurial, and artistic spirit

3.2. Key Messages

Note: in the points below, it's worth noting that not all survey respondents answered all questions, resulting in different response rates.

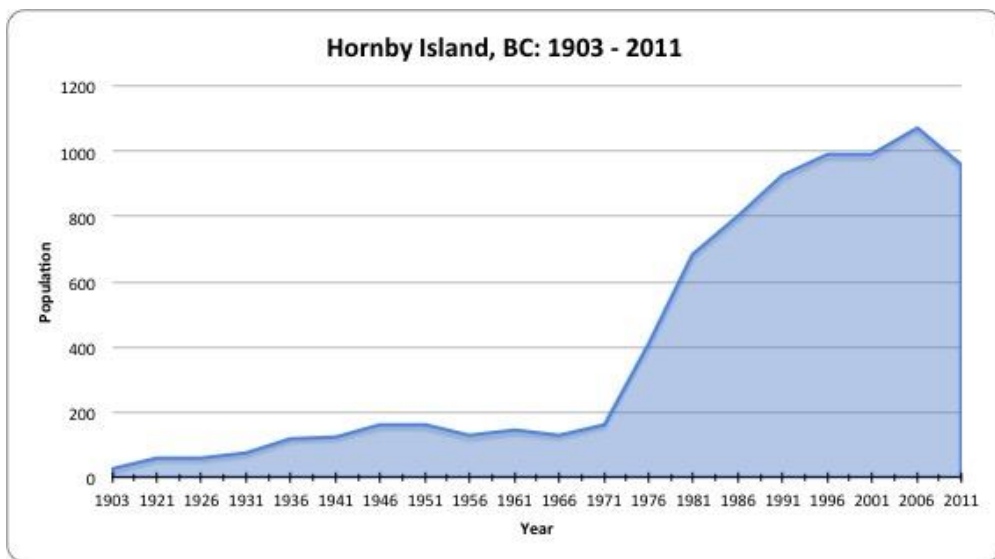
1. Most people want population growth (259 responses)
 - a. 1,001 to 1,500 residents (46%)
 - b. 1,501 to 2,000 (25%)
 - c. 501 to 1,000 (21%)
 - d. 2,001+ (7%)
 - e. <500 (1%)
2. People think the economy needs to grow (262 responses):
 - a. *A little anemic* (59%)
 - b. *About right, all things considered* (30%)
 - c. *Dismal; on death's doorstep* (9%)
 - d. *A tad overheated for my taste* (1%)
 - e. *Way too busy* (1%)
3. Stable intentions for staying on Hornby (82% of 244 responses)
4. Some visitors or secondary residents would move to Hornby (50% of 65 responses) – employment opportunities listed as the major obstacle.
5. The professional group is perhaps not well known (work-at-home people with IT infrastructure) but a small group thrives on the island
6. People are largely satisfied with their employment and income situation (77% of 252 responses)
7. On the housing front, 89% feel that basic costs are manageable; yet, 11% feel that these costs are *not* manageable (extrapolating, this could equate to a figure that's pretty frightening: approximately 100 people)
8. Most people are satisfied with their level of education (80% of 264 responses)
9. Most people are satisfied with the level of on-island healthcare (63% yes, 30% somewhat)
10. Current transportation modes are not satisfactory according to 59% – much of that linked to the ferry service but also a desire for new, shared public transportation options
11. The top "votes" for elements to improve income and employment (of 245 responses):
 - a. Affordability (57%)
 - b. Increased size of the economy (32%)
 - c. Making bylaws and policies more friendly to business and investment (27%)

- d. Improved job stability (24%)
 - e. Having more financing options for business start-ups and expansion (20%)
12. A significant number of people indicate that they produce, grow, or source their food locally (approximately 80% sourcing at least 11% of their food).
13. A significant number of people are not satisfied with the tax rate and delivery of public services (264 responses):
- a. Not satisfied (35%)
 - b. Neutral (29%)
 - c. Satisfied (21%)
 - d. Don't know enough about the services (15%)
14. The top trends of concern over Hornby's future (241 responses)
- a. Not enough young people (21%)
 - b. Housing problems (19%)
 - c. Aging population (17%)
 - d. Broken ferry system (15%)
 - e. Low school enrollment (11%)
 - f. Eroding alternative culture (8%)
 - g. Negative community dialogue (5%)
 - h. Gap between rich and poor (5%)
 - i. Tourism dependence (5%)
 - j. Negativity towards tourism (2%)
15. The main things, broad or narrow, that could be done to ensure people can live on Hornby:
- a. Housing solutions (38%)
 - b. Fix ferries (25%)
 - c. Attracting/retaining young people and families (14%)
 - d. Grow year-round economy (9%)
 - e. Support business growth (8%)
 - f. Invest in transportation (7%)
 - g. Invest in education (7%)
 - h. Support tourism (6%)
 - i. Invest in food/farms (6%)
 - j. Invest in senior services (6%)
 - k. Nothing, all is well (6%)
 - l. Invest in health care (5%)
 - m. Protect environment (2%)
 - n. Promote local services (2%)
 - o. Create a commercial zone (2%)
 - p. Invest in Internet infrastructure (2%)
 - q. Invest in water supply (2%)
 - r. Low regulations (2%)
 - s. Low taxes (2%)
 - t. Invest in island energy (2%)
 - u. Engage politically (2%)
 - v. Promote sharing economy (1%)
 - w. Invest in public amenity (1%)
 - x. Offer business financing (1%)

3.3. Macro-economic trends

Aside from local findings in the Economic Action Plan, a number of primarily regional and provincial trends influence Hornby's economy. As the island is highly dependent on tourism and retiree income, the following macro-economic trends are worth highlighting, including some from Vancouver Island Economic Alliance 2015 State of the Island Report.

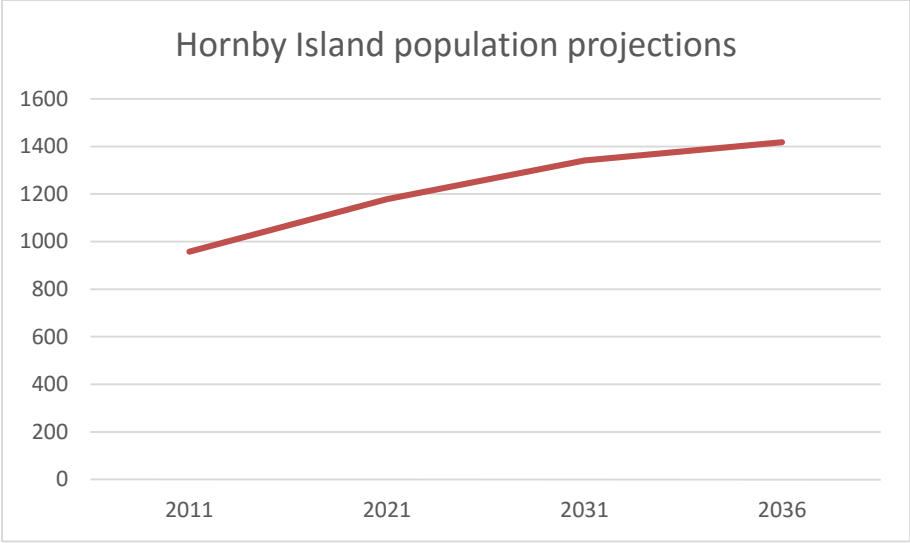
- 1) Very mild regional population growth and aging: At the Vancouver Island level, the region is experiencing an average population growth of 0.5%, while the population aged 65 years and older has increased by 4% over the past 5 years. There is still very little international migration to the Vancouver Island region in comparison with the Lower Mainland. The graph below shows the resident population of Hornby over the past 100 years (Stats Canada and BC Archives). It is hard to tell from the graph if we are in a short term decline before going up again, have stabilized, or are heading into a long term decline!



One source suggests that the population is set to rise about 43% based on 2011 levels over twenty-five years (994 to 1,418) on an assumption that Hornby maintains its current share of the Local Health Area (LHA) of 1.5%. The greatest growth is expected in the older age groups: Hornby's population 55 and older would grow by 48 percent, going from 555 residents to 822 by 2036, while the under-55 population would see below-average growth, growing by 36 percent, from 439 residents to 596.

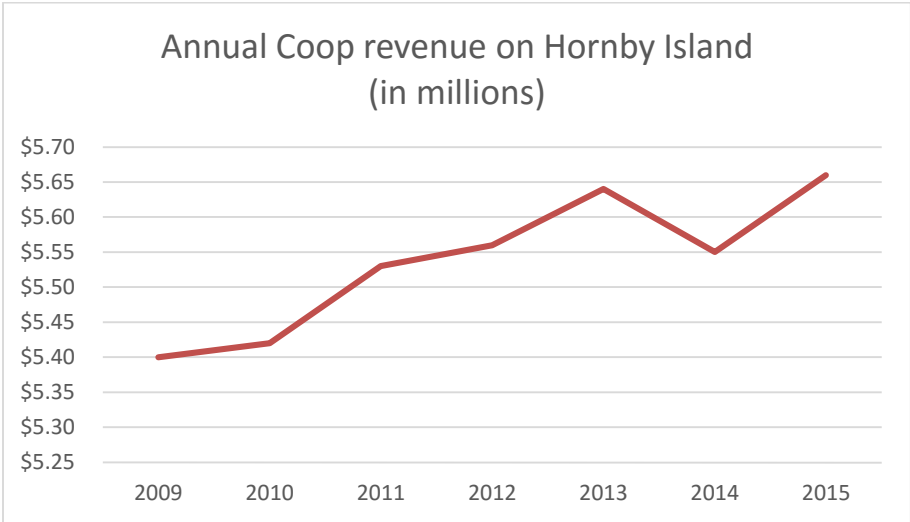
(BC Ferries, Urban Futures, 2012, p. 67

(foi.bcferreries.com/bcf_cable-ferry_application_to_the_bc_ferries_commissioner.pdf)



As part of the demographic shift, there is a trend towards increased home support hours by Island Health. This is being advocated for provincially particularly by the BC Seniors Advocate, and there is a shift taking place by the Ministry of Health to focus more dollars on these services that keep seniors at home and out of hospital and extended care. The result on Hornby is pressure to increase the pool of registered staff to deliver this service. Hornby & Denman Community Health Care Society sees this as a big issue and will be looking at ways to help encourage locals to get the necessary training, and/or get registered individuals to move to the island.

Another data point proxy for gauging the economy and trend line for Hornby overall relates to the health of the local Co-op using annual report figures (in millions of dollars). Current results indicate a flattening (after a one-year dip) but there could be a number of factors involved based on population, winter travel of residents, and individual buying behaviours (e.g., alternative sources).



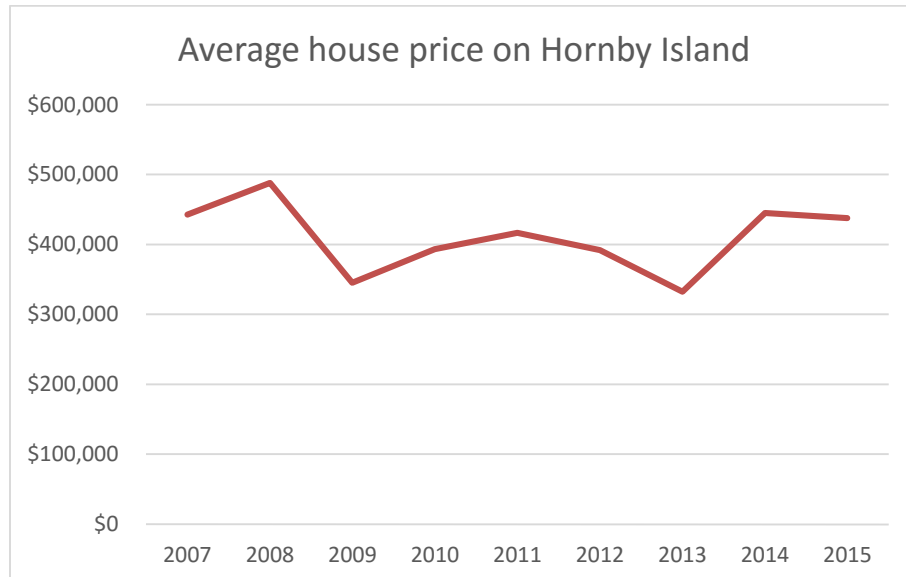
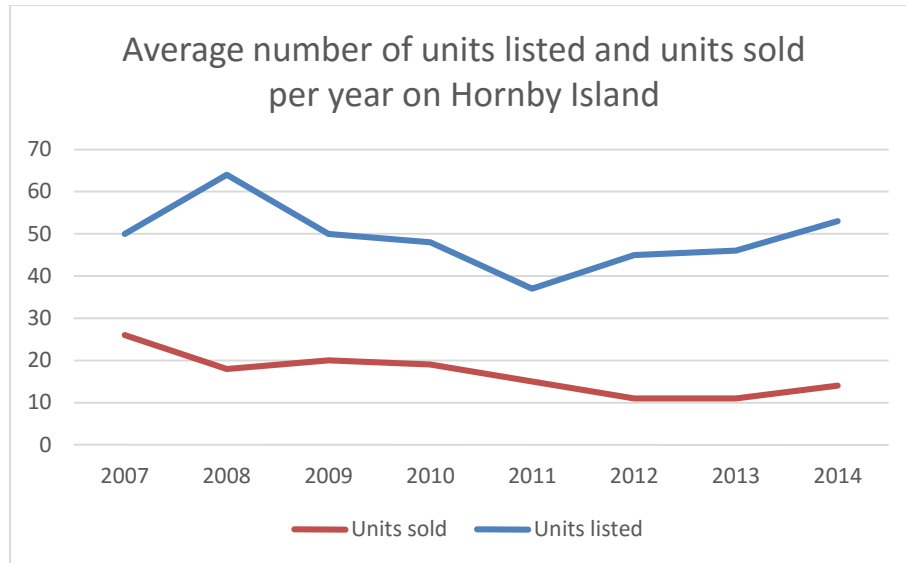
Concern over climate change and its possible impacts on Hornby have raised the issue of water supply. Not just counting the existing population, if it increases, will there be enough? Some

have suggested that we don't have a water issue, per se, but a water storage issue. Currently, water sources come from wells, rainwater collection and public systems for fire protection. There is much to learn in this area. According to the Hornby Island Fire Department (hifd.org), our public systems provide the following, but only for fire protection – not drinking supply.

Tank	Gallons	Loads
Carmichael	16,000	10
Sandpiper	16,000	10
Whaling Station	16,000	10
Firehall	10,000	6
Co-op	26,000	17
Mount Road	26,000	17
School	10,000	6
Recycling Depot	6,000	4
Joe King Ballpark	6,000	4
Bond Road	21,350	16
DePape	20,000	15
Periwinkle	17,000	15
Savoie Road	20,000	15
Galleon	15,000	15
Euston Road	25,000	17
TOTAL	250,350	
TOTAL LITRES	948,826.5	

- 2) The rate of participation in the labour force on Vancouver Island peaked in 2008 and has not recovered yet. Growing employment sectors include Professional, Scientific and Technical Services, Education, and Food and Accommodation, while shrinking sectors include Retail, Wholesale, Public Administration, Building and Real Estate.

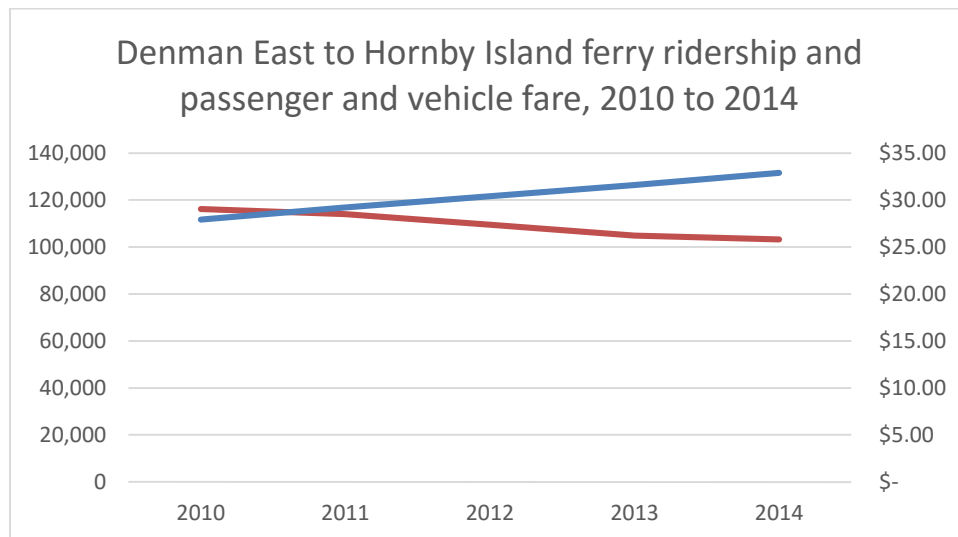
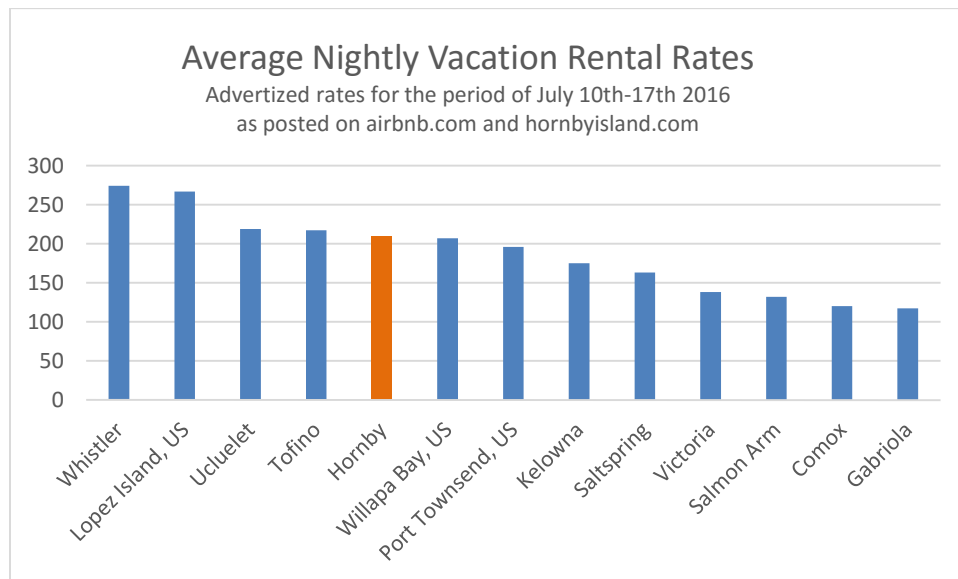
- 3) Home values on Hornby have recently declined after more than doubling over ten years, but as with the population it is hard to say how we will trend in the future. Currently an average home on Hornby is about 60% of the cost of one in Victoria, while Hornby ownership is 150% more expensive than in Port Alberni.



- 4) Most natural resources sectors on Vancouver Island are on the decline. Forestry, Agriculture, Mining, and Fisheries have all declined significantly on a long-term basis, with few prospects of recovery. This is an important trend for Hornby as during the '80s and '90s these sectors were providing meaningful income to support many Hornby households. In the 2000s and early 2010s, Oil & Gas served this function for a few island households, but with the decline in oil price there are now few Hornby residents who derive significant income from natural resources, nor would have the opportunity to do so.
- 5) The manufacturing and transportation sectors are holding up on Vancouver Island – for example more forest product value-added manufacturers stayed in business in the last 15 years on Vancouver Island than in the rest of BC. An interesting aspect is that at the Vancouver Island-level manufacturers are highlighting that what is typically seen as a transportation challenge (ferry to mainland) does not play as significant a role as common wisdom assumes. Labour stability, lower cost of land and infrastructure, and island entrepreneurial mentality are cited as

more than compensating for marginally (sometimes un-noticeably) higher transportation costs. Hornby Islanders may find inspiration in this larger regional economic observation as it applies to our own manufacturers and craftspeople, and growing fear about the impact of ferry cost increases.

- 6) Lastly, a declining Canadian dollar is forecast to help tourism regionally as well as our manufacturing sector. Overnight stays to the Vancouver Island region grew by over 5% from 2014 to 2015, and the projection is for this trend to persist in the next few years. While Hornby Islanders may worry about the negative impact of ferry fares on tourism, on a full-cost basis a vacation to Hornby remains attainable for mid to high-income visitors. Regionally, summer vacation rental rates suggest that Hornby Island ranks amongst the premium vacation destinations in the Cascadia region.



To summarize, macro-economic and regional comparisons indicate that Hornby Island is a highly desirable place to visit, and perhaps to live. While incomes on Hornby are significantly lower than in

other locales, this can be in part explained by the large number of retirees living on small pension incomes and with significant assets paid for (namely their home). For young people, while micro-opportunities exist on Hornby to derive a living from natural resources and raw commodities (farming, fishing, forestry, aquaculture), these opportunities face significant headwinds on a regional basis as those sectors will continue to stagnate in the next few years. Health, professional services, tourism products and services, niche manufacturing/construction/arts, and transport may be better supported on Hornby by the regional context. Of course, in a small community, it may be easier to “buck the trend” as energies spent by a small amount of dedicated people can make a huge difference. For example, if 6 new people started deriving their income from aquaculture it would represent a 200% increase in employment for that sub-sector on the island!

3.4. Scenarios for Hornby Island in relation to the 2020 Vision.

In 2002 and 2003, the Hornby community made an extensive effort to create a 20-years vision, which would help drive community decisions and actions. The *vision* lies at the core of the Official Community Plan, and has informed development of the island’s tax base and approach to governance. The 2020 Vision describes desired states for 16 “sectors” or “community components” of Hornby Island, and as such provides unique goal posts around which to measure our progress or ability to maintain key aspects of island life.

As the Economic Action Plan committee looked at the next 4 years, we thought it would be good to take the pulse of how we are tracking towards the 2020 goals, and also to create broad scenarios which would give context to the group’s recommendations

3.4.1 Current Assessment of Vision 2020 Statements

The [vision statements can be read here](http://hirra.ca/hornby/hornby-island-community-vision-statements/): (hirra.ca/hornby/hornby-island-community-vision-statements/). Our assessment below notes which goals seem to be tracking well in relation to the vision, which may need some work, and which may need a lot of work.

A. Currently tracking to meet 2020 Statements for the following aspects of island life:



B. Probably not on track to meet 2020 Statements for the following aspects of island life:



C. Probably failing to meet 2020 Statements for the following aspects of island life:



3.4.2 Hornby Island: Future Scenarios to 2020

This section provides the most qualitative and intuitive part of the reports. The Steering Group feels that it can be useful to draw future scenarios based on all the information and data we collected, linking existing data, local and macro-economic trends, and “informed predictions.” We present these scenarios as a way to playfully imagine what the future could hold, and provide a context for the recommendations to HICEEC.

SCENARIO 1: “Boomer exodus”

Population decline and possible housing correction

The Boomer Exodus scenario reflects both the reality of Hornby Island’s current demography, with an average age of over 60, and the geographic attractiveness of the island to this particular age group (currently, most home buyers on Hornby are baby boomers, as reported by Royal LePage and Re-Max).

A combination of factors could lead to population decline, driven in large part by aging of the boomer cohort and a possible mismatch with what Hornby has to offer. The following factors could play a part:

- As resident boomers age, they may seek to move off-island for more convenient end-of-life amenities.
- As visiting boomers age, the appetite to purchase a second home on Hornby may fade as they start to live off savings.
- As boomers die, it is not immediately clear who will replace this cohort as a resident population if living costs in relation to income opportunities remain similar to today’s.

With this possible “boomer exodus,” by 2020 it is possible that a population decline takes hold on Hornby, and may start to have an effect on housing prices (while considering that a certain number would retain their home for vacation purposes and handing down to their children). In the short term (3-10 years), this would have a negative effect on Hornby’s economy, tax base, and services. In the long-term, however (10 years +), such a scenario could lead to a profound renewal of the population *if* housing prices dip enough as a result of the trend, while employment and business opportunities open up. Locally, this scenario was experienced in Cumberland through the 1990s, 2000s and 2010s, as a critical mass of aging residents died or moved on; housing became significantly cheaper, and young families flooded in (the average age is now 36) due to a comparative level of affordability. While this

scenario may appear like the “natural course” for Hornby, it is worth noting that a large boomer exodus would result in significant changes in community structure, investment, employment opportunities, and capacity to pay for and maintain infrastructure for years to come.

SCENARIO 2: “The boat’s afloat”:

*New, primarily retirement-age residents barely replace current population,
aging housing stock and infrastructure*

A second scenario that could occur on Hornby is if early retirees continue to trickle in to our “naturally occurring retirement community” to replace those who die. Many secondary residents in the past ten years bought their home with the thought of moving to Hornby upon retirement. Many lifelong residents also indicate that they intend to stay, if possible. Should both of these groups follow through on their intentions, Hornby might maintain itself as a grey community for the foreseeable future. Some of the macro-factors that support this scenario include:

- Retirees who have assets in Vancouver or Victoria can successfully “downsize” their homes, and utilize real estate cash difference to finance their retirement on Hornby – particularly at a time when reports indicate under-funded pensions and over-leveraged households.
- Similarly, for long time Hornby residents it may not be financially feasible to move off island and find better old age conditions elsewhere, particularly as Hornby is lauded by residents for the quality of its health, emergency, and home care support systems.

Under this scenario, the “boat would remain afloat” in terms of the local economy and community, but persistent problems such as the lack of a year-round economy, and affordability and security of housing would continue. This would make it difficult for young families to establish and for the demographic profile to re-balance. This scenario would mean that Hornby would follow the trends of communities such as Qualicum and Parksville, which are increasingly populated by high/middle class retirees, and supported by a growing health and services sector. In many ways, this scenario would be the closest to maintaining what currently exists on Hornby Island.

SCENARIO 3: “There’s a buzz”:

*Hints of a reversal in trend and increase in new young families and young people,
new year-round infrastructure & investment*

The third scenario is the one that seems most unlikely, yet appears most desired by Hornby Islanders. “There’s a Buzz” would see a noticeable increase in the next five to ten years in the number of young people and a significant trending increase in population (towards the average goal of 1,500 residents), so as to have more of a year-round community economic profile. The scenario “there’s a buzz” requires multiple long-standing trends to reverse, including:

- Ensuring that there is a better “space” and opportunities for young people to be drawn to Hornby and see it as a viable commitment. This would include a better mix of rental opportunities (for those who may come temporarily with the potential to establish), more

activities and businesses to patronize and work year-round, and support by local people to help them establish and understand the trade off between quality of life and potential career and access constraints.

- Since the days of the Galleon and Sandpiper subdivisions, the island has been planned primarily as a summer recreational community, with few significant investments made in community septic and water systems, or working more deliberately towards a more year-round economic profile including a possible anchoring town centre. The result is that Hornby neither benefits from the efficiencies of a village (both in economic terms and in terms of carbon-use intensity), nor from having large tracts of land available for “scaled” agricultural or industrial activities. While the OCP and zoning describe what currently exists in terms of uses, there may be opportunities to create more of a visionary framework that would help drive opportunities for re-zoning, and to attract private and community investment. It is unclear at this time that the island has the infrastructure needed to accommodate a large increase in population.
- “There’s a buzz” also requires better promoting Hornby’s competitive advantages as a place to live. Young people in British Columbia are being heavily courted by all communities, and winning towns either have high-paying jobs available, or affordable conditions. While Hornby may pride itself on its exceptional quality of life, it likely will not be enough to “wait” for young people to move to the island – at least if people want to see observable change in the next few years. Similarly, if Hornby wants to continue to attract more “active retirees” or semi-retired professionals that can bring their job with them, the community will also need to tell its story and assuage fears that the Gulf Islands are increasingly becoming inconvenient (re: BC Ferries) and demographically monolithic.

4. ROLE OF HICEEC IN SUPPORTING ECONOMIC ENHANCEMENT AND RESILIENCE

Tax-supported economic development efforts have to be accountable to the broad desires and goals of a community, and ideally be strategic in relation to key economic trends, scenarios, and needs. The purpose of the Economic Action Plan is to ensure that HICEEC's programs and investments are aligned with what Hornby residents see as core priorities to ensure a viable community, and helps to maintain a healthy and resilient community.

HICEEC currently runs a number of programs with defined goals and objectives grounded in the 2020 Community Vision. The observations below apply to their relevance in relation to survey findings as of 2015, and includes recommendations for adjusting their scope as and if they move forward. The second section presents new initiatives that HICEEC could consider based on survey results, while the third section offers a "suggested reconciliation" of old and potential new programs for the HICEEC Board to consider.

4.1. Existing HICEEC initiatives in relation to Economic Action Plan findings

- **Grants**

HICEEC currently provides upwards of \$15k annually to non-profits via *open* calls for proposals. In the recent past the organization has experimented with targeted strategy-related grants, for example, *shoulder season promotion*. Moving forward, HICEEC could consider reducing the total *open* grant allocation, thereby optimizing scarce economic enhancement dollars available for strategic initiatives yet still providing support for the valuable community work done by other non-profits.

For 2016, a couple of enhancements could be considered. Firstly, the organization could also provide more support to those who request it for expertise in funding applications to outside agencies. Recent examples have shown great success in accessing dollars beyond what HICEEC can itself provide.

Secondly, it was initially felt that there could be some opportunity in establishing a granting/lending (micro-loan) service to individual businesses, whereby HICEEC could provide a low-end, low-cost financing facilitation function between private investors/grantors and entrepreneurs. In the EAP process, this opportunity was suggested by a small number of people. However, the awareness of such a capability is likely very low in the general population and, with a minimal amount of staff hours – along with non-public dollars as seed money – it may be an initiative worth trialling for a year in spite of the survey. Demand appears to be out there in the community and may pay immediate economic dividends.

- **Visitor Guide**

Through a recent partnership with hornbyisland.com, and access to Destination BC funding, production of the annual Hornby/Denman Visitor's Guide is moving to a self-funding model, thus relying less on the taxpayer's dollar (which typically involved a \$2,000 contribution each year).

Moving forward, the organization can consider shifting the role of these public dollars to other strategic priorities, while at the same time maintaining its visitor services function.

The program under which this initiative falls is called “Marketing & Communications” and could be renamed “Expand the Economy” to better reflect its strategic intent.

- **Community Marketing**

HICEEC has developed a strategic plan to develop the shoulder visitor season, and ensure that the community is in control of its “message” year-round. The EAP has reinforced the desire to expand the economy generally to raise income levels and lessen the reliance on the peak summer tourist season. Equally important, there is a goal to increase the permanent population through increasing awareness of the lifestyle opportunities available for both “traditional” work (including via the internet) and “back-to-the-landers.”

- **Food and Agriculture**

HICEEC’s current initiative under the Product Development theme is to help develop the Farris Farm Lands as a community market garden and permaculture demonstration project. HICEEC may wish to engage farmers to understand future needs and opportunities. In the survey, farmers identified the following themes as key concerns and opportunities:

- 1) Improve affordability: especially availability of year-round housing.
- 2) Increase size of the economy
- 3) Improve job stability
- 4) Make bylaws and policies more friendly to business and investment
- 5) Higher wages

On the whole, the survey did not find evidence that there were deep obstacles to either produce or source local foods, but that should not necessarily negate the possibility to improve food security and provide assistance to growers and farmers for local and export purposes.

- **Business Services**

HICEEC currently has an economic development facilitator whose role is to support enterprise growth and collaboration. The survey contains many insights in terms of where to focus future efforts. For example, in certain sectors (e.g., arts and culture, visitor services) there is a desire to have more access to education, training and marketing services. In terms of existing businesses, supporting work on identified common needs would create a climate more conducive to synergistic rather than isolated efforts.

Second, business attraction from off-island could become a focus as a means to grow year-round population and new investment. This initiative could be moved under the “Expand the Economy” program” to cross-support those strategic efforts.

- **Energy and Transportation**

HICEEC currently has a seed initiative that aims to support the transition to a post-carbon economy for Hornby Island. In 2015 it has accessed Gas Tax funds to develop a demonstration solar project at the new Free Store, and has earmarked feasibility dollars for a community bus. In the survey there is a segment of population that is quite interested in these types of initiatives.

As it relates to the environmental theme, it is clear that Hornby residents do not want to see growth that is dissociated from a protected and improved environment and ecological foundation. The Energy and Transportation program should consider including water sustainability as a key theme, and perhaps rename the program “Green Infrastructure”, providing broader leadership to entice community investment.

- **Green Building and Trades**

In 2014 and 2015, HICEEC invested in bringing a Carpentry program to Hornby Island, supporting ISLA and other non-profits in their infrastructure developments. The survey results seem to suggest that future efforts could combine with the initiative above – and HICEEC could focus on pursuing grants and investment opportunities that can scale different types of green infrastructure at the community and household levels. The recommendation would be to merge the Green Building and Trades initiative under the Green Infrastructure program.

4.2. Priorities for HICEEC programs and investments

The Economic Action Plan committee reviewed over 100 general ideas and specific action proposed by the community as strategic focus areas. These could be either for HICEEC to spearhead itself, or areas to invest in by the community at large with a possible facilitative role for HICEEC. Some proposals align to existing programs, while some are new.

What follows is a list of opportunities as selected and prioritized by the EAP steering group after reflection and input, both internally and from the community. At this early stage, they represent mostly the “what” and “why” of the ideas submitted, with a just a hint of the “how/when/where/who.” After each title, items within brackets represent the five high-level categories of opportunities, including: governance, affordability, expanding the economy, self-sufficiency, and environment. (These are intended to help check the prioritized initiatives against the community input.)

After each set of “action” items, there is an indication of the available HICEEC function, which drives operational or capital expenses, including:

- Advocacy (zoning, inspections, taxes)
- Infrastructure (physical/capital items, such as: land, building, telecom, energy, amenities)
- Information (research, feasibility studies and start-up support)
- Promotion (coordinated marketing, communications of the lifestyle and place)
- Financing (grants, loans, subsidies)
- Social enterprise (operations)

LEVEL I Priorities:

1. Mixed live/work zoning and light industrial zone [Governance / Expanding economy]

There is a perception that there is a lack of opportunity and little to no land available for new businesses to establish. At the same time, there are many businesses that successfully operate out of their residential lots. At a business retreat that fed as one input to the EAP, there was a great discussion amongst business owners as to whether the lack of competition was the best, or worst

thing for the island. Generally, there was agreement that there is room to grow the pie, rather than continue with a ceiling mentality.

Second, for many years, the notion of creating a light industrial zone has been noted and worked on in the community. At the core of these concerns is the question that if Hornby is to have 1,500 people, there needs to be commercial infrastructure to go along with it.

Discussions / Partnerships: there is perhaps more in place already than is generally known, through our bylaws and policies. HICEEC should engage with HIRRA, the Island Trust, Regional District, and Business community.

Action:

- Review what is, or isn't, required to enable this, and assess the level of need
- Perhaps communicating real-life examples and opportunities would be effective
- Propose zoning changes if required
- Contribute towards feasibility, physical infrastructure, and business attraction

Possible measure and target:

- Zoning change or communication: Jan. 1, 2017
- Light industrial zone activity: ground broken, facility upgraded, product out the door

HICEEC function(s): Advocacy, Infrastructure

2. Year-round rentals [Expanding the economy]

There is a strong, recurring theme around the lack of year-round rentals on the island, sometimes cited as caused by the trend in vacation rentals growth, secondary owners who do not rent, and a number of dwelling restrictions in some zonings, such as R1. Some ponder why developments such as ISLA should not focus on a purely rental model, rather than ownership, while others favour the establishment of hostels, more summer staff accommodation, and new rental developments.

Some view the issue of availability of rentals as an affordability consideration, while others see it more as an element of flexibility in the economy. Some people are not willing to commit to buying a home on Hornby and living here full-time, regardless of the price. The underlying theme is that affordable, secure housing is seen as the greatest bottleneck to having a more stable, viable, resilient and growing community.

Discussions / Partnerships: HIRRA housing committee, ISLA, Islands Trust, Regional District, Elder Housing, Vacation Rental owners, and non-resident owners/ratepayers

Action:

- Support projects that will grow affordable rental supply on island
- Propose zoning changes if required
- Contribute towards rental supply
- Help attract private investment

HICEEC function(s): Advocacy, Infrastructure

Possible measure and target:

- Year-round rental units: x% of population (tbd).

3. Water conservation [Self-sufficiency]

In the context of environmental awareness and care, water is perceived as a major constraint to growth. There is a palpable concern that the island has not properly addressed its water needs, and that the problem may only get worse in the future. There are suggestions that incentives and bylaws could be introduced to encourage investment in water storage capacity – both at the community and household levels. The common theme is that if we can ensure proper water stewardship, the community would be much more comfortable with growing infrastructure towards the desired 1,500 permanent residents' level.

Discussions / Partnerships: Hornby Water Stewardship Project, HIRRA, Conservation Hornby Island, Parks.

Action:

- Review of possible infrastructure priorities
- Support for educational programs
- Support for regulatory requirements

HICEEC function(s): Infrastructure, Advocacy

Possible measure and target:

- Water storage capacity: 50% by 2020 (goal can be refined to take into account projected precipitation decline and growth factor).

4. Support for the Arts [Expanding the economy]

An interesting trend is the concern over “gentrification” of Hornby Island, as the cost of living increases. ‘Erosion of alternative culture’ is often listed, and there is a strong sentiment that artists are the ‘canary in the coal mine’ in terms of preserving the draw and uniqueness of Hornby as a creative and affordable place to be, which in turn supports the broader economy and contributes to our quality of life.

In terms of *which* supports to provide to artists, there is a range of ideas. Artists who responded to the survey listed the following needs as their highest:

- a) Improving affordability (especially housing)
- b) More training and development opportunities
- c) Financing for businesses and start-ups
- d) Increase size of the economy
- e) Make bylaws and policies more friendly to business and investment

Discussions / Partnerships: HIAC, Hornby Festival, Hornby Blues, and other artist-related non-profits.

Action:

- Support for collateral (web site, publications)
- Support for training (e.g., business)
- Incentives for artist-led projects?? Example?

HICEEC function(s): Promotion, Financing

Possible measure and target:

- Artist sectoral ranking: third or higher

LEVEL II Priorities

The Steering Group also supported the following initiatives as ones that should be undertaken once the higher level priorities are completed, or as HICEEC capacity allows in time and resources. One or two may be possible to begin in 2016, but likely would need to wait until 2017 or beyond.

5. Ferry prices [Affordability]

Along with housing, the cost of ferry trips was cited by many as making Hornby unaffordable. In addition to participating on the Ferry Advisory Committee to represent the economic impacts of decisions, there may be out-of-the-box ways to alleviate the costs both to individuals and businesses (e.g., shared transport, alternative modes, subsidies).

Discussions / Partnerships: FAC, “transport” businesses

Action:

- Analysis of options to mitigate ferry service level reduction and fare increases.
- Support for alternate options

HICEEC function: Advocacy, Financing

6. Arts Centre [Expanding the economy]

As a significant sector, a deficiency has been noted in a physical space for highlighting the creative strengths of the island. Logistics (e.g., multi-day displays) make collaboration with the Community Hall problematic, and the existing arts council building is hidden and appealing, yet sits on a lovely piece of land with potential. With imagination, there are possibilities to design it such that it could support multi-disciplines (e.g., two-dimensional and three-dimensional visual arts, performing arts) and act as a destination for artists to meet and collaborate.

Discussions / Partnerships: Hornby Island Arts Council

Action:

- Design input discussions
- Capital requirements

HICEEC function: Infrastructure

7. Develop as a destination centre / edu-tourism [Expanding the economy]

It has long been a HICEEC goal to support the shoulder and winter seasons for visitors. Moreover, the sense has been that “gentle visitors” would be greatly valued. Examples included attracting those wanting to see Hornby-style solutions (e.g., recycling, alternate energy, “humanure” composting, health care strategies), as well as the Blues Festival, natural history, mountain biking, etc.

Discussions / Partnerships: HIRRA, large Hornby businesses, HIES (natural history), Tribune Bay Outdoor Education Centre.

Action:

- Cost/benefit analysis of options
- Ensuring visitor services in place
- Target marketing

HICEEC function: Promotion – aligns with the existing Community Marketing project.

8. Year-round restaurant [Expanding the economy]

One of the most frequently raised topics is the lack of year-round eating facilities for guests (and residents alike). Accommodations are somewhat supported through B&Bs, but eating establishments are problematic. Where they exist, you need to know which is open on which days. To a degree, this issue could be resolved by an increase in both the residential population as well as off-season visitors. There may be an appetite (no pun intended) for an entrepreneur in this area, but they would need to enter into the business with their eyes wide open.

Discussions / Partnerships: Support to potential or existing food entrepreneurs

Action:

- Feasibility support

HICEEC function: Information

9. Attract new residents through quality-of-life promotion [Expanding the economy]

Using terminology such as “urban refugees” gives a sense of the slice of the population that craves a simpler, rural lifestyle but perhaps doesn’t realize that there are, indeed, options for balancing that with the need to either “make a living” in the traditional sense, or adopting a “back-to-the-land” mindset. For the former, high-speed internet access means serving clients around the world from Hornby, while for the latter, there are properties available for greater self-sufficiency.

Discussions / Partnerships: TELUS, provincial infrastructure program, realtors

Action:

- Enhancement and expansion of the Home Grown Home initiative
- Target marketing
- Exploration of digital rural upgrade programs

HICEEC function: Promotion, Infrastructure

10. Organize labour pool for seniors – facilitate employment matching [Expanding the economy]

The proportion of the Hornby population represented by elders is significant, and their economic impact is also substantial. An area known as a Naturally Occurring Retirement Centre (NORC) perhaps describes Hornby quite well. To maintain a diverse set of demographics on the island, and to allow seniors to remain in their homes to contribute to the community, a structure has been successfully employed in the US to provide a membership-based coordinator to connect seniors and services.

Discussions / Partnerships: Gerald Hodge, US organizations doing this, Health Care Society.

Action:

- Feasibility study
- Research acceptance
- Possibly run a year-long pilot

HICEEC function: Social enterprise

11. Preserve what’s left – ensure the ecological bottom line [Environment]

If the environment is important to us it should be a priority without regard to the economy. However, from an economic perspective, it’s not a nice-to-have, it’s foundational. We can’t leave it to chance. It’s why people come to visit or reside.

Discussions / Partnerships: HIRRA parks committee, Island Trust.

Action:

- Partnership on preservation activities

HICEEC function: Advocacy, Financing

12. Create incentives for lowering consumption [Environment]

Tied to “Preserve what’s left” above and Green Energy below, finding ways to lower our carbon footprint will help our environment, whether or not it helps support self-sufficiency.

Discussions / Partnerships: HIRRA, Regional District, Provincial government

Action:

- Research available government programs
- Offer subsidies for converting from polluting devices (cars, fireplaces, stoves...)

HICEEC function: Financing

13. Food production / support for farmers [Self-sufficiency]

Climate change, such as we’re seeing in California, indicates that over time it will be in the best interests of people to produce as much food locally as possible. Hornby has a wide selection of areas that can, or could, support growth of vegetables, fruit, nuts, herbs, farm animals, and seafood. Further, these crops could become economical exports.

Discussions / Partnerships: GPA

Action:

- Promotion of existing Farris farmland trust lands to locals
- Expansion
- Transportation study to get product to off-island markets viably

HICEEC function(s): Promotion, Infrastructure, Financing – aligns with existing Food/Ag initiative

14. Green energy [Self-sufficiency]

Although British Columbia produces a high amount of “green” energy in the form of hydro-electricity, it requires a great deal of capital investment along with environmental and social disruption. Concurrently, advances are being made in alternatives, such as solar, wind and ocean. Opportunities exist to implement Hornby-based solutions (e.g., solar panels) to sell energy into the provincial grid and receive billing credits, contributing both to long-term self-sufficiency and affordability.

Discussions / Partnerships: CVRD, HIRRA

Action:

- Communication of existing HICEEC project
- Implementation
- Feasibility for expansion to other public buildings and residents with incentives

HICEEC function(s): Infrastructure, Financing

4.3. Steering Group Recommendations for HICEEC Programs 2016-2020

Level I Priorities (incl. broad gauge estimates without business case for budgetting purposes)

	Investment	Category	HICEEC Function	Staff Hours	Opex (\$)	Grant (\$)	Reserve (\$)
1	Mixed live/work zoning and light industrial zone	Governance / Expanding	Advocacy, Infrastructure	140	4,000	0	25,000
2	Year-round rentals	Expanding	Advocacy, Infrastructure	140	4,000	0	25,000
3	Water conservation	Self-sufficiency	Advocacy, Infrastructure	25	1,000	1,000	25,000
4	Support for the Arts	Expanding	Promotion, Financing	25	1,000	1,000	0
	Sub-Total			330	10,000	2,000	75,000
	Grand Total					12,000	75,000

Level II Priorities (incl. broadgauge estimates without business case for budgetting purposes)

	Investment	Category	HICEEC Function	Staff Hours	Opex (\$)	Grant (\$)	Reserve (\$)
5	Ferry prices	Affordability	Advocacy	25	1,000	0	0
6	Arts centre	Expanding	Infrastructure	50	1,250	0	25,000
7	Destination centre	Expanding	Promotion	100	2,500	1,000	0
8	Year-round restaurant	Expanding	Information	25	1,000	0	0
9	New residents attraction	Expanding	Promotion	50	1,250	0	0
10	Seniors labour pool	Expanding	Soc Enterprise	50	1,250	1,000	10,000
11	Preserve what's left	Environment	Advocacy, Financing	25	1,000	1,000	0
12	Lower consumption	Environment	Financing	50	1,250	1,000	10,000
13	Support for farming	Self-sufficiency	Promotion, Infrastructure, Financing	50	1,250	1,000	5,000
14	Green energy	Self-sufficiency	Infrastructure, Financing	50	1,250	1,000	25,000
	Sub-Total			475	13,000	6,000	75,000
	Grand Total					19,000	75,000

Current HICEEC Initiatives (local tax funding allocations)

	Initiative	Category	HICEEC Function	Staff hours	Opex (\$)	Grant (\$)	Reserve (\$)
1	Grants	Miscellaneous	Miscellaneous	10	250	15,000	0
2	Visitor Guide	Expanding	Promotion	0	0	0	0
3	Community marketing	Expanding	Promotion	400	8,000	0	0
4	Green Building	Expanding	Promotion	113	3,076	0	0
5	Business Services	Expanding	Promotion	213	4,994	0	0
6	Economic Action Plan	Governance	Information	265	6,000	6,617	0
7	Trans/Energy	Self-sufficiency	Infrastructure	108	2,702	0	0
8	Food/Ag	Self-sufficiency	Information	0	0	0	0

	Sub-Total			1,109	25,022	21,617	0
	Grand Total					46,639	0

HICEEC Capacity (time and expenses)

	Category	Staff Hours	OpEx (\$)	Reserve (\$)
A	Basic (admin)	550	20,000	0
B	Discretionary	550	42,000	72,000
	Total	1,100	62,000	72,000

HICEEC Portfolio Recommendation (“a place for everything and everything in its place”)

	HICEEC Current Budget Areas	Status	Recommend	Prev CVRD Opex	New CVRD OpEx	Reserve
1	Governance	Program	Rename “Admin”			
2	Admin	Existing project	Rename “General”	21,500	18,000	0
3	Grants	Existing project	Shrink amount to reflect proactive allocations elsewhere, Work to start micro-loan fund.	15,000	10,000	0
4	Marketing & Comm	Program	Rename “Expand the Economy”			
5	Visitor Guide	Existing project	Rename “Visitor Support”	0	0	0
6	Comm Marketing	Existing project	Split into “Shoulder Season Growth” and “Residential Growth”, invest more public funds in latter.	9,000	12,500	0
7	Capacity Building	Program	Rename “Improve Affordability”			
8	Green Building	Existing project	Retain as HGH and move to “Residential Growth”	2,000	2,000	0
9	Community Engagement	Program	Eliminate			
10	Business Services	Existing project	Rename “Business Support”; move to “Expand the Economy”	5,000	5,000	0
11	Economic Action	Existing project	Move under Admin as “EAP Refresh”	5,000	500	0
12	Advocacy	Program	Rename “Self-sufficiency”			
13	Trans/Energy	Existing project	Rename “Green Energy”	4,000	2,500	0
14	Product Dev	Existing program	Replace with “Environment”			
15	Food/Ag	Existing project	Rename “Food production” under Self-Sufficiency	0	0	0
16		New program	Create “Governance”			
17	Mixed Live/Work Zoning; Light Industrial Facilities	New project	Under Expand the Economy	0	4,000	25,000
18	Year-round Rentals	New project	Under Expand the Economy	0	4,000	25,000
20	Water Conservation	New project	Under Self-Sufficiency	0	1,000	25,000
21	Support for the Arts	New project	Under Expand the Economy	0	2,000	0
22		New program	Create “Affordability”			
23	Ferry Advisory Committee	Existing project	Create as project under Affordability	500	500	0
	Total			62,000	62,000	75,000

4.4. Steering Group Recommendations for Reserve Deployment

The Comox Valley Regional District is currently holding \$72,000 in reserve for HICEEC and economic development opportunities on Hornby Island. In 2014 the Board of HICEEC showed support for the Economic Action Plan as a tool for helping to inform deployment of this reserve towards strategic projects. Based on the survey and Steering Group work, the Board of HICEEC should confirm a general set of criteria for project selection, including:

- 1) Aligned with needs and opportunities identified in the Economic Action Plan.
- 2) Ensure eligibility under the Municipal Act.
- 3) Require and support economic impact feasibility studies and/or business cases.
- 4) Leverage matching investment, donations, or other public funds.
- 5) Require milestone status reports and project final report for public communication.

Initiatives proposed in the EAP above that contain “Infrastructure” designations, implying possible capital investment elements include:

- a) Light industrial space
- b) Year-round rentals
- c) Water conservation
- d) Art centre
- e) High-speed internet
- f) Food production
- g) Green energy

Expressions of interest for access to these funds should be solicited starting in January 2016.

5. GENERAL OUTREACH RECOMMENDATIONS

With a current annual budget of \$100,000 (including \$62k of public funds), HICEEC 's influence on the economy of Hornby Island is limited but not un-noticeable. While the organization can provide leadership for collaboration and demonstration projects and initiatives, its reach pales in comparison to the ability of businesses, residents, and visitors to shape the island's economic future.

As noted in the 2020 Community Vision, achieving success relies on partnership approaches at multiple levels and leveraging each other's efforts. For example, in order to attract or retain young families a number of factors need to be in place, including awareness that the island is welcoming to new families, possible assistance with securing housing, employment, space in the pre-school, employment, and a careful weighing and knowledge of limitations and opportunities to commit to the island in the long-run. Success in attracting and retaining young families therefore relies on multiple agents performing a role: from the Hornby Island Education Society, to the Pre-School, to HIRRA, Islands Trust, HICEEC, and employers and the business community consciously "paddling in the same canoe" to attract and support new residents.

In the past, HICEEC has sponsored collaboration forums such as the C.A.S.T. (Community Action Solutions Together) meetings, which have allowed an exchange of information on key topics between the island's non-profits. In the future it may be worthwhile for these organizations, as well the business community through Business Mixers or a Chamber of Commerce, to have more of a role in the development of HICEEC's project plans, and vice versa – moving from discussion to the nitty gritty of budget setting and tactics. With limited resources for everyone, this could take the form of an annual gathering when HICEEC and other organizations are building or revising their annual plans.

6. SUGGESTIONS FOR ECONOMIC FOCUS/PROJECTS (FROM COMMENTS TO ALL QUESTIONS).

Improving affordability	Governance	Expanding the economy	Training & Development	Protect the Environment	Self-Sufficiency	
<ul style="list-style-type: none"> <input type="checkbox"/> Housing <input type="checkbox"/> Ferry prices <input type="checkbox"/> Shared transport <input type="checkbox"/> Water taxi <input type="checkbox"/> Property taxes <input type="checkbox"/> Day-care <input type="checkbox"/> Living wage <input type="checkbox"/> Businesses build staff accomm. 	<ul style="list-style-type: none"> <input type="checkbox"/> Live/work zoning <input type="checkbox"/> Density of houses <input type="checkbox"/> Inspections (building, sewage) <input type="checkbox"/> Tax empty homes <input type="checkbox"/> Tourist rental tax <input type="checkbox"/> CVRD presence <input type="checkbox"/> Islands Trust presence 	<ul style="list-style-type: none"> <input type="checkbox"/> Town centre <input type="checkbox"/> Light industrial zone <input type="checkbox"/> Assured loading <input type="checkbox"/> Year-round rentals <input type="checkbox"/> Home-based Internet businesses <input type="checkbox"/> Green industry for export <input type="checkbox"/> Agriculture / food <input type="checkbox"/> Promotion of arts <input type="checkbox"/> Promotion of businesses <input type="checkbox"/> Attraction through quality of life <input type="checkbox"/> Paramedical services <input type="checkbox"/> Tourist bus <input type="checkbox"/> Late night ferry <input type="checkbox"/> Year-round hotel and restaurant(s) <input type="checkbox"/> Consume locally <input type="checkbox"/> School reputation <input type="checkbox"/> Spending by off-island owners 	<ul style="list-style-type: none"> <input type="checkbox"/> Hostel <input type="checkbox"/> Expanded marina <input type="checkbox"/> Mechanic, vet, ins <input type="checkbox"/> Care facility <input type="checkbox"/> Off-season events <input type="checkbox"/> Beekeeping <input type="checkbox"/> Call centre <input type="checkbox"/> Art centre <input type="checkbox"/> Converting volunteerism <input type="checkbox"/> Organized labour pool for seniors <input type="checkbox"/> Edu-tourism <input type="checkbox"/> Pharmacy <input type="checkbox"/> Shops for rent <input type="checkbox"/> Incent new home owners (down pmt) <input type="checkbox"/> Food carts <input type="checkbox"/> Destination for sabbaticals/training <input type="checkbox"/> Day-trippers <input type="checkbox"/> Back-to-the-landers <input type="checkbox"/> Retirement centre 	<ul style="list-style-type: none"> <input type="checkbox"/> Inspired workforce <input type="checkbox"/> Service standards <input type="checkbox"/> Budgeting <input type="checkbox"/> Night courses <input type="checkbox"/> Student loans <input type="checkbox"/> Distance learning <input type="checkbox"/> Multi-purpose building <input type="checkbox"/> Youth entrepreneurship <input type="checkbox"/> Abuse, addiction, mental health 	<ul style="list-style-type: none"> <input type="checkbox"/> Strengthen Islands Trust <input type="checkbox"/> Visitor expectations <input type="checkbox"/> Preserve what's left <input type="checkbox"/> Car-free transport <input type="checkbox"/> Expand trails <input type="checkbox"/> Upgrade wells and septic <input type="checkbox"/> Extravagant homes <input type="checkbox"/> National park over time <input type="checkbox"/> Incentives for lowering consumption 	<ul style="list-style-type: none"> <input type="checkbox"/> Volunteer ethic <input type="checkbox"/> Volunteer coordinator <input type="checkbox"/> Water conservation <input type="checkbox"/> Public water supply <input type="checkbox"/> Energy: solar, wind, ocean <input type="checkbox"/> Food production <input type="checkbox"/> Support for farmers