

Misty Isles Economic Development Society

Annual Report

2008 – 2009

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Misty Isles Economic Development Society Annual Report

Chair's Message

On behalf of the Board of Directors, I am pleased to present the Annual Report of the Misty Isles Economic Development Society (MIEDS). This report provides an overview of how MIEDS is working to establish partnerships with the community, government, and others to achieve results that will be of value to all Islanders.

MIEDS was formed after the initialing of the Land Use Plan following a process of dialogue and planning between elected leaders and the provincial government. An economic development body representing the communities of Masset, Port Clements, Queen Charlotte, Sandspit, and Area D became a necessity in order to be able to provide a coordinated effort between island communities to pursue joint economic development activities and to provide a vehicle to work with the Haida Nation and the councils of Skidegate and Old Massett. Economic development accords were signed, by the communities and the Haida Nation, and represent shared economic development priorities that serve as our mandate in moving our island communities forward.

During its first year in operation, MIEDS began to lay the foundational work for partnerships that will help the islands confront the current economic challenges and position the islands to take advantage of future opportunities. We look forward to the serving the Island community in the months ahead as we continue to work toward long-term lasting solutions to strengthen and diversify the local economy.

Cory Delves, Chair

Misty Isles Economic Development Society

The intent of the society is to help achieve increased coordination, collaboration and implementation of island-wide economic development priorities and to respond to business partnerships with the Haida communities for the collective benefit of all people of the islands.

The purposes of the society are:

- a. To develop a sustainable and diversified economy for all residents of the Misty Isles economic region.
- b. To promote stronger communities and careful stewardship of the land and water.
- c. To provide Island leadership for Island business attraction, retention and expansion
- d. To promote Island initiatives that strengthen economic capacity
- e. To work with the Haida on economic development to benefit all Islanders
- f. To provide a link to regional economic development initiatives.

A Time of Transition

The issues being faced by the communities of Haida Gwaii are not unique. Across North America resource dependent economies are changing as we move collectively to a knowledge-based economy. Accelerating the speed of this change is the global economy where we experience increased competition in the markets and outsourcing of jobs to countries where companies can access cheaper labour and manufacturing costs. We live in an economy where what happens in Russia affects us in British Columbia.

Opportunities exist in this new economy, and a community's ability to respond to both the challenges and opportunities that change presents, determines the future viability and health of that community.

In their report, *Becoming Shareholders in Community Transition*, author GS Gislason & Associates, discusses how coastal communities in British Columbia and Washington State are adapting to change. Gislason refers to a successful transition strategy as the "Triple A" plan: attitude, action and accountability.

Gislason points out communities need the attitude to realize the world has changed and they have to change with it. He further asserts communities have to take action by working together in charting their future by setting up local economic development bodies/committees, forging short term and long term plans, and committing their own investment dollars. "Communities need to go to government with their solutions, not their problems." Finally, communities need to be accountable to themselves and their residents in taking responsibility for their collective futures.

From research in eight case studies of resource-dependent communities in transition, Gislason & Associates identified common ingredients to successful transition. Each success ingredient has an opposite, a barrier to success.¹

¹ Battle, Ellen, Edna Lam and Gordon Gislason *Economic Development for Communities in Transition: Selected North American Experience*, Prepared for Canada Fisheries and Oceans by GSGislason & Associates Ltd., September 16, 1998.

Success Ingredients	Success Barriers
<ol style="list-style-type: none"> 1. People realize that the world has changed and they have to change with it. 2. Strong local leadership, people realize they have to help themselves. 3. The community is cohesive and local leaders can mobilize community interests to respond to change. 4. Local leaders create a local development organization to coordinate the work. 5. A local planning process is implemented that involves a short term action plan and a long term strategic plan. 6. Community and its businesses willing/able to invest their own money. 7. After strategic plan developed and after "money on the table", community goes to government to cost share (if necessary). 8. Strong entrepreneurial spirit and investor confidence. 9. Focus on small, home-grown businesses. 10. Realization that it takes a long period of time, commitment and planning. 	<ol style="list-style-type: none"> 1. People are in denial about change, people still angry and blame others. 2. Lack of leadership, expect outsiders, e.g. government, to solve their problems. 3. The community is polarized, fragmented with some residents clinging to the past. 4. No effective development organization exists. 5. No formal planning occurs at the local level. 6. Community and its businesses are unwilling/unable to invest their own money, i.e. access to capital is a problem. 7. Community goes to government with their problems, not their solutions and expects government to 100% fund initiatives. 8. Lack of entrepreneurial spirit and investor confidence. 9. Focus on mega-projects run by outside interests. 10. Expectations of a "quick fix".

Art Route

Haida Gwaii, the Queen Charlotte Islands benefit from a thriving arts community made up of the many artists, artisans, and art lovers, who call the Islands home.

In an effort to showcase the work of these artists to the visitors who come to the Islands during the summer months, Art Route was developed by the Queen Charlotte Arts Council.

Recognizing the opportunity that Art Route has to connect visitors with Island residents, providing an enriched experience for all involved, and the value of the arts to provide economic opportunity, the Arts Council approached the Misty Isles Economic Development Society in 2008 to seek their assistance in developing and managing the program.

The Art Route program will build on the solid foundation of the QC Art's Council and will further develop the project to create and offer an enhanced tourism experience. Not only allowing Islanders to showcase their arts and cultures but to provide motivation to add another day to a trip to the Islands.

Art Route is a source of pride for the communities of Haida Gwaii and for the participating artists. 2009 will be used to test market an official Art Route day trip tour with further promotion for the 2010 tourism season.

The Art Route program connects visitors with island artists enabling a rich cultural experience of the islands. This program aims to increase exposure in the marketplace and revenue to local island artists through direct sales and/or post-visit shipping orders. It also serves to increase visitation and dollars spent at local galleries and member cafes.

The **Art Route brochure** is a 28-page booklet format brochure with a 15,000 print run and will be distributed locally to targeted businesses, all place of accommodations on the islands, and also in Visitor Centres throughout Northwestern BC and on the northern BC Ferries. **Art Route posters** will be placed throughout the Islands and in locations such as Prince Rupert. **The Art Route Tour (ART) day trips** will be marketed on island with the use of posters. 2009 will be used to test market the idea of scheduled studio tours departing from the Queen Charlotte Visitor Info Centre. Several tours will be run through a contracted tour operator to determine the viability of this option. **Art Route web** - MIEDS website is currently under construction. Art Route will be a prominent part of the MIEDS website.

Marketing Partnership Opportunities - Tourism BC

MIEDS was invited to submit a proposal to Tourism BC under its Marketing Partnership Opportunities program to assist with Art Route and the Northern Expedition co-operative marketing campaign.

The campaign promotes a trip to Northern BC - sailing the Inside Passage using BC Ferries' new vessel, the Northern Expedition, and then traveling to Haida Gwaii, Prince Rupert, Smithers, and Prince George. A mix of television spots, newsprint ads, articles and online promotion will take place beginning April 15th through to the end of May 2009. The advertising will target BC and Alberta markets.

Job Opportunities Program

Western Forest Products and MIEDS worked together to access provincial funding available through the Community Development Trust to employ 14 displaced forestry workers in a silviculture, cedar regeneration project within TFL 39, Block 6. A total of \$262,483 in funding was secured.

Community Forest Tenure

The increasing rates of local unemployment in the forest industry emphasize the importance of establishing a community forest which will address local employment needs in the areas of logging, processing, and value-added to wood manufacturing.

MIEDS Chair and Vice Chair, Mayors Cory Delves and Carol Kulesha have been working with the local Forest District Manager, Len Munt to establish a Community Forest Tenure. On March 18, 2009, MIEDS and the Ministry of Forests and Range brought Greg Hemphill, Sunshine Coast District Manager to the island to discuss the process of forming a community forest with the MIEDS Board of Directors. Mr. Hemphill has successfully established community forests in other areas of the province.

Leveraging Additional Funding

MIEDS has successfully leveraged an additional \$155,330 in economic development funding in the 2008-09 fiscal year. \$140,000 will be utilized over three years to develop and implement a regional economic development plan, while \$30,330 has been secured in project funding to enhance the Art Route initiative and enable greater economic spin-offs to the community.

Organizational Development

MIEDS Board has undertaken a strategic planning session and will be working on further business planning to develop a three-year strategic plan and one year operations plan. The plan will be fed-out to councils and community organizations for input, re-crafted if and where necessary and presented to the community for input. This process will serve to assure the Board that the plan accurately reflects the direction and priorities of the community.

Financials

Board of Directors

Cory Delves

Carol Kulesha

Barry Pages

Travis Glasman

Brad Setso

Skye Cantin

Brian Charman

Hyland Fraser

Ian Gould

Shirley Kricheldorf

Chris Marrs

Andrew Merilees

Roly Thompson

Thank you!

**Special thanks go out to our funders
for their support.**

Province of British Columbia

Northern Development Trust Initiative

Coast Sustainability Trust

Skeena Queen Charlotte Regional District

Gwaii Trust Society

Tourism British Columbia

Misty Isles Economic Dvpt Society
Income Statement Comparison of Actual to Budget
As Of: March 31, 2009

	Budget April 1, 2008 to March 31, 2009	Actual
Revenue		
Prov of BC Funding	500,000.00	500,000.00
NDIT Funding	140,000.00	140,000.00
Coast Sustainability Trust		0.00
Interest Revenue		9,602.04
Memberships		525.00
SQCRD Funding	0.00	2,748.46
Total Funding	640,000.00	652,875.50

EXPENSE	Budget	Actual	Remaining
			-
Payroll Expenses			-
CEO Contract	38,250.00	34,000.00	4,250.00
Exec Director	55,966.85	50,382.46	5,584.39
MERCS	4,681.80	9,356.30	(4,674.50)
Interview Exp	16,000.00	11,119.61	4,880.39
Total Payroll Expense	114,899	104,858.37	10,040.28

General & Administrative Expenses	Budget	Actual	Remaining
Accounting & Legal	500.00	0.00	500.00
Advertising & Promotions	7,000.00	7,202.04	(202.04)
Prof Dvpt	3,000.00	889.49	2,110.51
Prof Service Contracts	2,000.00	5,100.85	(3,100.85)
Strategic Planning	20,000.00	1,560.00	18,440.00
Training	500.00	215.87	284.13
Insurance	300.00	0.00	300.00
Interest & Bank Charges	90.00	142.67	(52.67)
Office Equipment	4,000.00	1,357.03	2,642.97
Office Supplies	2,525.00	1,601.44	923.56
Copies/Printing	1,100.00	72.59	1,027.41
Telephone/Fax/Internet	1,500.00	1,260.66	239.34
Meetings Catering & Meals	7,000.00	2,079.25	4,920.75
Off-Islands Travel	20,000.00	15,158.16	4,841.84
On-Islands Travel	14,000.00	11,682.19	2,317.81
Rent/Utilities	5,000.00	0.00	5,000.00
Repairs/Maintenance	100.00	0.00	100.00
GST Expense	3,200.00	1,478.36	1,721.64
Total General & Admin. Expenses	91,815.00	49,800.60	42,014.40
TOTAL Payroll & Admin Expense	206,713.65	154,658.97	52,054.68
NET INCOME (Total Income Less Total Exp)		498,216.53	