

Misty Isles Economic Development Society

Annual Report

2009 – 2010



Suite 2 – 3207 Wharf Street
Queen Charlotte, BC V0T 1S0

P.O. Box 652

executive@mieds.ca
www.mieds.ca

Message from the Chair – Mayor Cory Delves

It has been a full and productive second year of operations for MIEDS and on behalf of the Board of Directors I am pleased to present our Annual Report. This report provides an overview of how MIEDS has been working effectively with our neighbours to begin to address the gambit of issues that surround community economic development on Haida Gwaii and achieve meaningful results that will help make a difference in the lives of Island residents over the long term. We are proud of what MIEDS has been able to achieve despite the trying times we live in and are excited by the initiatives planned for the coming year.

Cory Delves, Chair

Misty Isles Economic Development Society Constitution

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

This section was included in the previous Annual Report, but we feel that it is crucial to keep these concepts in the forefront at all times to ensure we are making progress on the key elements that have been identified as necessary for success in regions such as ours. With this in mind, we have repeated the discussion and success factors below with only minor modifications.

The community economic development 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, and in many cases poorer environmental standards. For better or worse, we live in an economy where what happens in Russia affects us in British Columbia. We ignore the implications of globalization on our little islands at our peril.

Having acknowledged the challenges we face accordingly, happily opportunities exist in this new economy. Our Islands Community's ability to respond to both the challenges and opportunities that this change presents will determine our long term stability and sustainability.

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 a "Triple A" plan of Attitude, Action, and Accountability.

Gislason points out that 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, 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. This is precisely what MIEDS strives for on behalf of all of the communities on Haida Gwaii, in collaboration with our Haida friends and neighbours.

From research in eight case studies of resource-dependent communities in transition, Gislason & Associates identified common ingredients to successful transition, which is shown in a table form below. 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". |

Sharing Our Accomplishments and Plans

This past year has held a great deal of transition for MIEDS itself. While the organization continues to grow and mature in its role as a leader in Community Economic Development on Haida Gwaii, we have successfully dealt with changeover on both the board and staff level. While the board change over is dealt with at the end of the report, it is useful to mention here the successful integration of our new Executive Director, Travis Glasman in June of last year and the subsequent hiring of Jenn Dolen as the Project Coordinator last September, both of whom have brought a great deal of capacity and expertise to the organization to add to the administrative support provided by Mary Lou Schroeder since January of 2009.

Despite a steep learning curve for the organization itself and that of the new staff, we are very pleased by our accomplishments over the past year and where these achievements have placed MIEDS to be able to move forward more effectively over the coming year. A brief review of the accomplishments from the past year is provided below, as well as our priorities for the coming year.

Organizational Development

Over the past year, MIEDS finalized its branding package and developed its website (www.mieds.ca) as one tool for keeping the public informed of our activities. In an effort to improve our website's utility and keep the content current, we are pleased announce that the website has been re-launched with improved functionality under a Content Management System (CMS) format and a refreshed look and feel leveraging our work on the GoHaidaGwaii website.

We continue to implement our communication strategy to keep Islands residents abreast of the progress of MIEDS through our newsletter, public open houses, and face-to-face interactions. To gain cost efficiencies and reduce our carbon footprint, MIEDS will be doing only two newsletters this year as we move to more digital distribution through our growing e-mail list and our website. We are also looking at the benefits of including the various social media tools to our strategy.

In recognition of the importance for the communities of Haida Gwaii to work closely together, MIEDS has invited Skidegate Band Council and Old Massett Village Council to become member communities of MIEDS and participate on the Board. We are hopeful that MIEDS will soon become a truly all-Islands organization, as was originally envisioned by the communities in the Haida Gwaii Community Viability Strategy (2007).

In line with this, we have been actively networking with other organizations on Haida Gwaii that participate in or support Community Economic Development to avoid duplication of services and enhance other initiatives (i.e. Haida Gwaii Community Futures, QC Visitors Center, Old Massett Economic Development,

Gwaalagaa Naay Corp, Haida Enterprise Corp., Haida Heritage Centre, Gwaii Haanas Park Reserve, Gwaii Trust Society, etc).

We are also currently working on developing a Policy Governance® Framework under the Carver Model to be implemented in 2010 and enable MIEDS to improve its effectiveness and efficiency as an organization. We hope to become a model of best practices for other organizations on Haida Gwaii.

Tourism

We can all agree that tourism is of great importance to the economy of Haida Gwaii. It has been the third largest sector of our economy on Haida Gwaii in recent years, after the public sector and forestry, and it has a lot of potential for growth. In the last couple of years the local tourism industry has been working together to move this industry forward and has been able to celebrate some very significant achievements aimed at developing this growing sector.

In the fall of 2009 the Haida Gwaii Community Tourism Plan was completed by a technical working group of tourism stakeholders. This new tourism plan brings forward the groundbreaking work of the Heritage Tourism Strategy and identifies a wide variety of key tourism initiatives, like increased marketing efforts for Haida Gwaii as a whole and local tourism development projects, necessary to establish Haida Gwaii as a premier tourism destination.

As a result of the need identified by the Plan for a central coordination organization, MIEDS was approached and agreed to take on this role. To help facilitate tourism on Haida Gwaii MIEDS has established the Haida Gwaii Tourism Advisory Committee (HG TAC), which represents all community and tourism stakeholders on the Islands. A key role of the HG TAC will be to help chart the course for tourism on the Islands for the long term with regards to marketing initiatives, infrastructure needs, etc.

Since stepping into this leadership role for tourism we have successfully launched a number of tourism marketing initiatives aimed at promoting Haida Gwaii.

These include:

- advertising in Northword, Northern BC Travel Guide, Globe and Mail, BC Ferries, and others;
- the Haida Gwaii House venue in Vancouver during the Winter Olympics;
- launch of the new tourism website for the Islands www.GoHaidaGwaii.ca;
- new visitor map for islands in a convenient tear off pad style;
- implementation of the Haida Gwaii market branding package;
- creation of promotional material such as the canoe bookmark, pens, jackets, and umbrellas;
- continuation of the Art Route program; implementation of an e-mail database for future direct marketing;
- editing the Islands information on www.hellobc.com;

- development of a comprehensive list of local tourism businesses; and
- hosting of key media people.

We are in the process of finalizing our priorities for this year with the HG TAC, which will include strategic advertising initiatives, development and distribution of more promotional material, and other related marketing initiatives supported by the limited Tourism Partnership Program funding and other matching sources.

In order to ensure that Haida Gwaii continues to enjoy such prominent tourism development efforts in the future it will be crucial for the Islands to secure sources of funding that will sustain this work. One such source available to Haida Gwaii is through a Provincial program called the Additional Hotel Room Tax or AHRT, which is a 2% tax charged per night on visitors that stay at local accommodations having 4 or more rooms, such as our hotels and fishing lodges.

This tax can only be used for the purposes of supporting tourism promotion and marketing for Haida Gwaii. Between \$80,000 and \$120,000 can be raised annually through this new tax on visitors, which will in turn help leverage other funding sources; including the possibility of establishing Haida Gwaii as a Resort Region to enable us to bring back to the islands a significant portion of the HST that will soon be imposed on accommodation owners.

Fifty five communities across BC already benefit from a marketing edge by accessing this funding source with measureable results in increases in tourism visitation to their communities and other spin off opportunities. Implementing the AHRT on Haida Gwaii will help us achieve similar benefits for local businesses and bring Haida Gwaii to the forefront.

Forestry and Value Added Products:

In conjunction with the pursuit of the community forest, we have been deeply involved in discussions with the Council of the Haida Nation (CHN) to develop options for collaboratively acquiring the other forest tenures on Haida Gwaii and managing all of the forests on the Islands under one management unit to ensure sustainability and efficiency. Staff members of the respective organizations are putting together the necessary technical and financial information to help the leaders come to the best decisions possible and approach potential financiers.

We continue to work with Minister Bell to obtain community forest volume and jointly acquiring the other forest tenures on the Islands with the Haida Nation. Creative financing solutions will be needed for both purchase and start up. We are look forward to this becoming a reality in partnership with the Haida and the Province.

MIEDS conducted initial public input meetings across the Islands, in the spring of 2009, to collect interest and ideas in order to develop areas of priority for value

added products. MIEDS is currently seeking funding to host a symposium in 2010, developing product investment profiles for the most promising value added opportunities, and seeking to complete a “freight opportunities and barriers analysis” for Haida Gwaii that will help identify the most cost effective means of moving goods to off-islands markets and opportunities for improvements.

Human Resources Development

Human Resource Development on Haida Gwaii is as important as it is complex for the Islands. Retaining and training skilled local people has to be one of our primary focuses to make the best use of the people here, followed closely by attracting suitably skilled people to fill gaps where necessary. MIEDS has been involved with a wide variety of initiatives in this area. These include:

- Hosting the SFU Community Economic Development Certificate for Professionals on Haida Gwaii, which had 4 participants from different communities, including 2 MIEDS staff;
- Spearheaded the funding applications for an all-islands high school job readiness project focused on Grades 10 students. The objective of the project is to provide up to 58 students entering the workforce with standard certificates (WHMIS, Pleasure Craft Operators Card, Level 1 First Aid, World Host, and Foodsafe);
- Met with and advised a number of local prospective entrepreneurs on ideas such as local guitar manufacturing, local eco-home design and construction, mining, local alternative energy production;
- Established a Proposal Writer Short List for future MIEDS projects;
- Attended job opportunities open house for Naikun Wind Energy;
- Attended the Hecate Strait Employment Society Small Business workshop;
- Helped promote the Go2 Tidal Anglers Training Pilot Project in Sandspit;
- Participated in the Haida Gwaii Sustainable Living Fair Conference, which also links to the Regional Economic Development Implementation project.

Agriculture and Fishing

We are still getting our feet muddied in all of the diverse aspects of agriculture on Haida Gwaii, which has largely been an overlooked sector here. We have been involved in a cursory way with the Graham Island Farmers Institute on navigating the legislative barriers to producing and selling local food products.

The cost of freight, to get agricultural supplies on-islands, has been identified as a major hurdle. We have begun looking into this issue by enquiring how the northern subsidy given to the Province by the Federal government is being allocated by BC Ferries Corporation. We are also becoming more engaged in the local food security movement through Islands Foods Group and will seek to support local food production initiatives where possible.

At this point we are planning to undertake an Agriculture Strategy for the Islands, to compliment the other existing strategies and help chart a course for the local agriculture sector and to increase our local food security.

Fishing is another area where the flagging industry has resulted in efforts typically being focused elsewhere in hopes of finding new economic development opportunities. At this point, we are keeping tabs on the mariculture development effort of the Haida and will provide support where possible.

Much of our efforts in this area will be focused on obtaining more local benefits from the sports fishing industry by helping to get local people trained in relevant skills to work in the industry, as well as through the Additional Hotel Room Tax initiative.

Regional Economic Development Implementation Project

MIEDS has undertaken to revisit the Haida Gwaii Community Viability Strategy (CVS) through funding received from CST for a Regional Economic Development Implementation Project.

This project is aimed at coordinating and tracking the various economic development priorities identified in the CVS in collaboration with the other organizations in Haida Gwaii that are linked to Community Economic Development.

The project will determine which of the identified priorities have been advanced since the completion of the CVS, the progress that has been made on the active priorities and timelines for completion and will revisit the priorities in the CVS to determine if they are still applicable or if other priorities need to be added. To this end, we have started by engaging the various economic development organizations on the Islands to solicit their input.

We also had a display at the Sustainable Living Fair to begin to engage the public at large. We were able to inform the participants as to what CVS priorities MIEDS has take responsibility for, as well as provide a general update to the CVS priorities that have been advanced since it was completed.

MIEDS will continue to serve as the central coordination to network with Islands organizations and businesses, and work to keep everyone up to date as things progress. As part of this, MIEDS is also working to complete an updated business directory and detailed investor profile for Haida Gwaii.

Financial Report for 2009/2010

MIEDS effectively expended \$387,139.46 on the projects and initiatives as described above during the past fiscal year. We have been pleased by our ability to leverage much of the funding necessary to complete these endeavours by over 200%.

As a result, we are pleased to report that we have been able to conserve the small seed funding given to us by the Province, having only spent \$18,502 of the \$500,000 to date. This leaves us with many more options for investing this limited resource more strategically as we gain a better understanding of where it is needed most to more effectively advance Community Economic Development for Haida Gwaii.

The detailed Financial Report can be found as a separate addendum to this report.

Board of Directors

Mayor Cory Delves

Mayor Carol Kulesha

Mayor Barry Pages

Director Evan Putterill

Director Brad Setso

Skye Cantin

Ian Gould

Shirley Kricheldorf

Chris Marrs

Don McNeice

Andrew Merilees

Roly Thompson

Staff

Travis Glasman, Executive Director

Mary Lou Schroeder, Administrative Assistant

Jenn Dolen, Project Coordinator

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

Haida Gwaii Community Futures

Human Resources Development Canada

Thank you!

The MIEDS Board would like to acknowledge Hyland Fraser and thank him for his time and contribution to MIEDS. We wish him well in his future endeavours.

Download a copy of the Annual Report from our website www.mieds.ca.
To reduce waste, please share this copy with a friend.



Comparative Income Statement

To March 31, 2010

| | Approved Budget | Actual | Remaining Budget | |
|--|-----------------|------------|------------------|-------|
| Revenues | \$\$\$ | \$\$\$ | \$\$\$ | % |
| Province of British Columbia - Seed Capital | 50,000.00 | 16,717.86 | 33,282.14 | 66.6 |
| Communities - NDIT (Economic Development Funding) | 122,500.00 | 122,500.00 | - | - |
| Coast Sustainability Trust (Regional Ec Dvpt Plan) | 105,000.00 | 70,000.00 | 35,000.00 | 33.3 |
| SQCRD (Art Route) | 3,600.00 | 908.91 | - | - |
| SQCRD (Area E Contribution) | | 6,656.00 | 6,656.00 | - |
| Gwaii Trust Society (Art Route - Publications) | 1,730.00 | 1,730.00 | - | - |
| Coast Sustainability Trust (Art Route) | 10,000.00 | 10,000.00 | - | - |
| Art Route Membership Fees | 1,375.00 | 1,475.00 | 100.00 | 7.3 |
| Tourism BC (Partnership Program) | 15,000.00 | 15,000.00 | - | - |
| Targeted Wage Subsidy | 8,128.00 | 8,128.00 | - | - |
| Gwaii Trust Society (Mature Student Bursary) | 1,500.00 | 1,500.00 | - | - |
| Investment Interest | 3,600.00 | 3,798.71 | 198.71 | 5.5 |
| Other | 3,000.00 | 275.00 | 2,725.00 | 90.8 |
| Vancouver Venue | 117,500.00 | 118,449.63 | 949.63 | 0.8 |
| GTS (SD%) Work Readiness) | 10,000.00 | 10,000.00 | - | - |
| Total Revenue | 452,933.00 | 387,139.11 | 65,793.89 | 14.5 |
| Personnel | | | | |
| Staffing & Related Expense | 124,965.38 | 111,640.47 | 13,324.91 | 10.7 |
| Contracted Services | 15,000.00 | 2,020.30 | 12,979.70 | 86.5 |
| Total Personnel Expense | 139,965.38 | 113,660.77 | 26,304.61 | 18.8 |
| Operational | | | | |
| Office Operations | 39,575.56 | 44,327.02 | 4,751.46 | 12.0 |
| Professional Development | 2,000.00 | 3,467.22 | 1,467.22 | 73.4 |
| Strategic Planning, Board Dvpt | 7,000.00 | 59.00 | 6,941.00 | 99.2 |
| Meetings/Functions/Travel | 25,000.00 | 21,846.03 | 3,153.97 | 12.6 |
| GST Expense | 1,000.00 | 3,219.10 | 2,219.10 | 221.9 |
| Total Operations | 74,575.56 | 72,918.37 | 1,657.19 | 2.2 |
| Total Personnel & Operations | 214,540.94 | 186,579.14 | 27,961.80 | 13.0 |
| Projects | | | | |
| Art Route/Pad Map | 31,705.00 | 27,967.17 | 3,737.83 | 11.8 |
| Tourism | 50,000.00 | 44,841.37 | 5,158.63 | 10.3 |
| Value-Added | 3,000.00 | 738.35 | 2,261.65 | 75.4 |
| Human Resources Development | 3,500.00 | - | 3,500.00 | 100.0 |
| Artisan Venue | 2,500.00 | 3,439.75 | 939.75 | 37.6 |
| Regional Economic Development Initiative | 20,000.00 | 1,650.00 | 18,350.00 | 91.8 |
| Contingency | 187.06 | - | 187.06 | 100.0 |
| GoHaidaGwaii Website | 10,000.00 | 9,999.75 | 0.25 | 0.0 |
| Vancouver Venue | 107,500.00 | 101,923.93 | 5,576.07 | 5.2 |
| SD50 Work Readiness | 10,000.00 | 10,000.00 | - | - |
| Total Projects | 238,392.06 | 200,560.32 | 37,831.74 | 15.9 |
| Total Expenses | 452,933.00 | 387,139.46 | 65,793.54 | 14.5 |
| Difference | - | 0 | 0 | |

Remaining Funding was received in previous fiscal