



2010

**Trust Proposal Application
Guidelines**

ONLINE PROGRAM GUIDE

Revised 20 November, 2009

FOREWORD

This application guide for the Island Coastal Economic Trust contains the guidelines for making funding applications. The Trust's updated Strategic Plan, these Application Guidelines, the Stage 1 Application Form and other Trust materials are available at www.islandcoastaltrust.ca

Applicants who intend to request funding must fill out the Stage 1 application on-line and submit a digital or hard copy, along with supporting materials, signed by authorized representatives of the project.

Application requests received to the end of February 2008 have exceeded the \$50 million fund of the Island Coastal Economic Trust. These will be termed the "A" list of projects under consideration by the Board of Directors.

As funds become available (by virtue of attrition, or inability of approved projects to proceed), the Board will continue to approve projects in the A list to proceed to Stage 2 detailed application process.

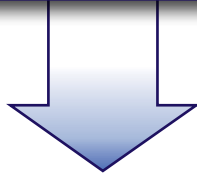
Notwithstanding, the Board of Directors of the Island Coastal Economic Trust wishes to continue the approval process set out in the Application Guidelines, with the following modifications:

- The Trust will continue to receive Stage 1 Applications on a continuing basis.
- Regional Advisory Committee (RAC) meetings to review Stage 1 proposals will continue on a quarterly basis with dates of meetings and cut off dates for applications to be posted on the ICET website at www.islandcoastaltrust.ca.
- Recommended Stage 1 projects from the RACs will be reviewed by the Board of Directors but held in abeyance until such time as there are financial resources available within the \$50 million Trust fund, or there are additional financial resources. These additional projects will be held in a separate project tracking spreadsheet and will form the "B" list of projects for review and consideration.
- As financial resources become available, "B" list projects will be selected and prioritized on the following considerations:
 - (a) clearly demonstrated regional economic benefits;
 - (b) matching financial resources are in place or can be confirmed within a short time frame; and
 - (c) projects can be completed within a three (3) year time-frame.

PROPOSAL APPLICATION FLOW CHART

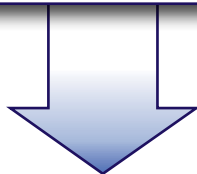
STAGE ONE

- Read Application Guidelines – See website at www.islandcoastaltrust.ca
- Contact Trust office for any questions
- Submit Stage One Application
- Regional Advisory Committees review Stage One Applications and make recommendations to Board
- Board reviews Stage One Applications and approves for Stage 2 process or rejects
- Trust will advise applicant about eligibility



STAGE TWO

- Submit Stage Two application
- Contact Trust Office for questions
- Attach all required documents
- Trust will coordinate “due diligence” review
- Board reviews Stage Two Applications
- Trust will advise if approved



IMPLEMENTATION

- Letter of Intent provides formal approval
- Contribution Agreement developed for approved projects when matching funding is confirmed
- All announcements for approved projects require the prior approval of the Trust

I. INTRODUCTION

1.1 About the Trust: History and Legislative Base

On September 22, 2005 the government of British Columbia introduced new legislation that created a \$50 million North Island-Coast Development Initiative Trust, commonly known as the Island Coastal Economic Trust. Bill 7, the founding legislation, took effect on February 27, 2006.

The objective of the Island Coastal Economic Trust (the Trust) is to help grow and diversify the economy of the North Island-Coast area by leveraging new investment in selected sectors within the Trust area.

The governance structure for the Trust outlined in Bill 7 consists of 13 members of the Board of Directors, eight of which are appointed by two Regional Advisory Committees (RACs) representing the Central South Island region and the North Island-Sunshine Coast region. The remaining five directors are appointed by the provincial government. The RACs are comprised of the mayors within the regions, the chairs of each regional district and the members of the Legislative Assembly from the region.

The RACs are established to provide advice to the Trust on projects and each RAC may identify projects that they consider are appropriate for application for funding from the Regional Account.

The Trust will work with the RACs during the first year to build a three year strategic plan that meets the requirements of the legislation and the Trust Board.

The Board of Directors is the authority empowered to make all decisions for the Trust.

1.2 Program Objective and Purpose

The objective of the Trust is to be a catalyst and partner for sustainable regional economic development.

The purpose of the Regional Account (where Trust funds are held) is to invest in the following defined “sectors” in the Trust area:

- Forestry
- Transportation
- Tourism
- Mining
- Olympic Opportunities
- Small Business
- Economic Development
- Energy
- Agriculture (including Aquaculture)

The context for investment supported by the Trust is found in the Strategic Plan which explains the sector strategy and the overarching approach by the Trust. This can be found on www.islandcoastaltrust.ca

1.3 Guiding Principles

The following principles will be used in reviewing applications submitted to the Trust to determine successful applications.

Successful applications shall;

1. Be consistent with the Act, objectives, vision and mission of the Trust as outlined in the Strategic Plan. (This can be viewed on the Trust's website at www.islandcoastaltrust.ca)
2. Be consistent with established regional, community and sectoral economic development strategies.
3. Help grow and diversify the regional and local economy, without adversely affecting the economies of neighbouring communities.
4. Provide tangible long-term direct economic benefits, including leveraging new investment, growing and/or diversifying the economy, creating or enhancing employment, recruiting new business enterprises and/or assisting to retain business enterprises, within an identifiable time frame (immediate preferable, but in any event within three to five years).
5. Respond to the Trust's preference for partnerships and leveraged investments over a sole investor.
6. Consider long-term benefits made in the context of a long-term strategy that lead to sustainable development within the region.
7. Leverage unencumbered private or public sector dollars and preferably other investment as well.
8. Not request funding that can be covered by other existing programs, but that is incremental and complementary to publicly or privately supported programs.
9. Be environmentally sustainable and sound and not cause unsustainable pressure on natural resources.
10. Demonstrate sound project management – good value for money invested with transparent processes, decisions and reporting and a high standard of financial management and accountability with a bias for low administrative costs.
11. Demonstrate that the proponent has tangible, significant financial investment in the project.
12. Demonstrate that the projected measurable return on investment (ROI) can be achieved with the understanding that the ROI may be a measure other than financial.
13. Demonstrate innovation.

1.4 Investment Funding

The Trust Board will consider the following form of “investments” for funding:

Grants:

Funds will be granted to support eligible projects. There will be no direct financial return to the Trust from these investments. Grant size and purpose requested from the Trust will be limited by guidelines further below.

Loan Support:

Loan support will be considered on a case by case basis.

II. AREA AND APPLICANTS

2.1 Areas eligible for funding

A map is provided on the Trust's website to help identify the two Regional Advisory Areas that make up the Trust's area of action.

2.2 Eligible Applicants

Eligible applicants include: local and regional governments, non-profit societies, industry associations, educational institutions, First Nations, joint public- private ventures or partnerships, improvement districts, special and local authorities and commissions etc. This list is not exhaustive and other legal forms of applicants may be considered. Multi-stakeholder partnerships are encouraged.

Business enterprises or individuals are **not** eligible as sole applicants unless they are part of a project proposal that includes other eligible partners. Applicants do not need to reside within the Trust region but must demonstrate that the economic benefit will primarily be in the Trust region.

Applicants must demonstrate that they have the legal capacity to enter into and execute a contract with the Trust.

2.3 Local Support

Applicants must demonstrate local support. This can take the form of a positive review by the appropriate Regional Advisory Committee or other forms of local support in writing.

Stage 1 project proposals will be reviewed by Regional Advisory Committees to determine eligibility and local support.

Stage 2 proposals will be reviewed by the Board of Directors after due diligence is completed. Only the Board of Directors has the authority to approve project applications.

III. PROJECTS

3.1 Eligibility Criteria

Preference will be given to:

1. Projects with a regional impact. Trust funding should have measurable impact on regional economic development and/or local economic activity.
2. Project requests for investment that are consistent with the Trust's Strategic Plan and any established regional, community and sectoral economic development plans in the proposed area of investment e.g. Comox Valley, Mount Waddington, etc.
3. "Incremental" and complementary projects to publicly supported economic development initiatives. Support from the Trust emphasizes the "tipping point" principle, namely that it is the Trust's contribution that will stimulate the additional investment.
4. Infrastructure projects that can demonstrate direct economic development and diversification impacts.
5. Joint or multi-stakeholder projects are encouraged. The Trust wishes to encourage cooperation between communities, local governments and other local or regional organizations.

The Trust requests Applicants to demonstrate:

6. Their project meets the program criteria and that no other more appropriate program or funds could assist the project.
7. "Matching" or "leveraged" financial contributions from other sources. (More information on ICET's matching regime is set out in Appendix A.)
8. High standards of financial management and accountability.
9. Bias for low administrative costs.
10. Applicant's own equity contribution.
11. Innovative approaches.

3.2 Ineligible Projects

The Trust is restricted from providing financial support for certain activities. Following are investments that will not be considered for support by the Trust.

1. Grants or loans to private businesses or projects which are essentially commercial undertakings regardless of the status or eligibility of the applicant. For example, fuel docks, upland real estate commercial type ventures, etc.
2. Funding for projects that would result in a direct negative economic impact on neighbouring communities, adverse intra-regional impacts or existing for profit businesses.
3. Failure to demonstrate enhanced and incremental economic opportunities and encouragement of diversification of the regional or local economy.
4. Projects that can be funded entirely by other government programs.
5. Sole source funding.
6. "Traditional" municipal infrastructure. Downtown revitalization is eligible but under specific guidelines and some limitations. See Appendix B.
7. The Trust will not fund projects seeking support for 'soft costs' (planning studies, business plans, environmental or cultural impact assessments, engineering studies, site planning or architectural design and similar).

8. Projects targeted primarily at social rather than economic goals will not be considered as they are outside the economic development purposes established in the legislation governing the Trust.
9. Projects which are for recreational or general community purposes such as swimming pools, community halls, recreation centres, multiplexes, hockey arenas and similar facilities.

3.3 Eligible Costs

1. Properly and reasonable incurred costs necessary for the implementation of the project. These will be listed and defined in a Contribution Agreement after a project is approved.
2. Other direct and necessary costs for the successful implementation of the project and that have been approved in advance as part of the project budget and as set out in a Contribution Agreement.
3. For capital projects, include the costs of new construction or renovation of a fixed capital asset.
4. Fees for professionals and consultants specifically engaged to undertake the surveying, design, engineering, and interpretation, in support of the construction of a capital project are eligible.
5. For approved capital projects, the cost of environmental assessments and other similar permitting requirements.

3.4 Ineligible Costs

1. Core funding for organizations. This includes support for staff, office space and similar in-house administrative costs.
2. **Costs incurred prior to the approval of program funding for the project.**
3. Financing charges and interests costs.
4. Legal fees.
5. Routine repair and maintenance costs.
6. The costs of land acquisition.
7. Non arm's-length transactions i.e. transactions between the applicant and related or affiliated parties/ organizations.

3.5 Other Policies

1. The Trust also reserves the right to initiate or support regional level projects consistent with the Strategic Plan.
2. Projects with a total project estimated cost or investment of \$250,000 or more will be required to submit a formal business plan and/or supportive feasibility and/or marketing studies.
3. The maximum contribution of Trust funds cannot exceed \$5 million.
4. The Trust has developed specific policy guidelines for Downtown Revitalization, Special Events, In-Kind Contributions and Local Marketing Initiatives. These can be found in Appendices B, C, D and E of these guidelines
5. Applicants will invoice the Trust on a progressive basis once all funding has been confirmed and the project has started.
6. The Trust will reimburse the Applicant proportionately based on the applicable "funding matching" formula outlined in Appendix A of these guidelines e.g. if you are in a 1:3 matching area, the Trust will fund $\frac{1}{4}$ of eligible invoices.
7. Invoices for construction projects must be accompanied by certification by a person in authority charged with overseeing the project that the work has been completed according to the approved plans and specifications of the Work Plan and as outlined in the Stage 2 Application.

IV. APPLICATION PROCESS

4.1 How to apply

All applications should be completed electronically as a Microsoft WORD document and submitted electronically to the Trust office. Financial tables and spreadsheets should be submitted in Microsoft Excel format. Any supporting information will also need to be submitted electronically. ICET staff will review the proposal to ensure it is complete prior to initiating a review. A Stage 1 Application Form is available online to all interested applicants on the Island Coastal Economic Trust website at www.islandcoastaltrust.ca

The Trust uses a two stage approval process.

Stage 1 Application – To determine project eligibility

Stage 2 Application – To evaluate detailed project proposals

4.2 Stage 1 Application Process

Stage 1 of the application process is meant to determine if the proposed project meets the test of eligibility for Trust funding. It is intended to be simple, short and deals only with the essential information to allow the Trust to determine eligibility. It is meant to avoid costly and time consuming proposals which may not be eligible. As well, the Stage 1 proposal allows Regional Advisory Committees to assist in the process of determining support for project proposals.

1. Applicants are required to submit a covering letter and a brief 2 to 3 page Stage 1 Application to the Trust Office electronically.
2. A description of information to be included in the Stage 1 Application is outlined below.
3. The Stage 1 Application should provide basic information to determine whether the proposal is eligible for funding.
4. The Trust will not provide direct assistance to applicants regarding the preparation of Stage 1 applications, but will ensure that applicants have the necessary information and interpretation of guidelines of the Trust.
5. Completed Stage 1 Applications in e-template should be forwarded to the Trust office for screening.
6. All Stage 1 proposals will be reviewed by the Trust office and will be submitted to the appropriate Regional Advisory Committee to determine eligibility and local support.
7. The Trust may seek further confidential technical advice prior to determining the eligibility and priority of projects.
8. As soon as a determination is made, a decision letter will be sent to the applicant advising whether the project is eligible or ineligible. If the project is ineligible, the letter will state the reasons and the applicant may apply again.
9. Projects which are not approved may be appealed to the Board of Directors in writing, setting out the reasons for an appeal.

The **Stage 1 Applications** should have the following headings and contain essential information on the proposed project, including:

1. **Applicant Information:** Name, address, telephone and fax numbers, email address, website address, name of key contact, type of applicant (community, non-profit society, First Nation, industry sector association, local authority or association etc.).
2. **Location** – where the project is located geographically in the Trust area.
3. **Sector Consistency:** Please identify which “sector(s)” the project fits under and how it is consistent with the strategic sector information provided in the Strategic Plan. Eligible “sectors” include agriculture (including aquaculture), forestry, energy, transportation, mining, tourism, small business, economic development, and Olympic opportunities.
4. **Project Description:** Describe the overall project; identify key elements; give the project goals and objectives. Provide an initial statement of work, responsible organization and personnel and time frames for implementation.
5. **Budget:** The initial budget should include:
 - Project Costs – Provide a breakdown of the project’s key elements. If a capital project, provide a capital budget.
 - Sources of funds and amount requested. Identify sources and amounts of funding, cash, contributions as well as other funding proposals that may be in process. Outline the amount of funding being requested from the Trust. An In-Kind Policy is set out in Appendix D.
 - Cash Flow Analysis – If the project is a revenue generating project, please submit a projected cash flow and an indication as to how funds generated would be used.
 - Please use Microsoft Excel for financial tables.
6. **Time Lines:** Identify the projected starting and completion dates, planning phases and key milestones
7. **Community Support:** Provide documentation that the project has support from the local or regional community.
8. **Project Benefits:** Describe the tangible economic benefits. This should include matters such as where the benefits will accrue (locally or regionally or both), investment leverage, job creation, enterprise creation and/or retention; economic diversification; description of other economic impact on region and/or local community.
9. **Market Assessment and Competitive Impact:** Describe the market the project is seeking to serve and any studies completed in support of your project. Identify potential and real competition and any adverse or positive impacts on adjacent communities.
10. **Management Capability/Organizational Structure:** Provide an overview of project management skills and competency of your organization to undertake the project. Use examples of previous projects undertaken.

11. **Appendices** – Normally, there should not be any in a Stage 1 application. However, the applicant may want to attach a drawing or other brief materials that may clarify or support the project.
12. **Consent to Share Information:** Proponents must explicitly grant permission to Trust staff to share the Stage 1 Application with the Regional Advisory Committee and appropriate Trust technical staff or consultants.

Immediately after a proposal is received, the Trust will send an acknowledgement letter to the applicant.

All Stage 1 proposals will be evaluated by the Trust office and reviewed by the appropriate Regional Advisory Committee to determine eligibility and local support.

Regional Advisory Committees (RACs) will meet on an as required basis when there are sufficient projects to be reviewed. In 2007, quarterly meetings for each RAC were held to review Stage 1 Applications. Dates of future RAC meetings will be posted on the ICET website indicating cut-off dates for receiving applications. Quarterly meetings per annum for each RAC are anticipated but may change depending on projects and available funding.

Once a Phase 1 project is determined to be eligible by the Board of Directors, the Trust will provide a letter to the applicant confirming eligibility.

If a project is deemed ineligible, the Trust will advise the applicant in writing as to why the project is not eligible. Appeals in writing may be made to the Board of Directors. The Board's decision on appeals is final.

4.3 Stage 2 Detailed Application Process

Eligible applicants will be allowed 6 months following approval of a Stage 1 application to prepare the Stage 2 proposal for a final decision. Applicants will be required to provide detailed information regarding project objectives, partnerships, community support, a business plan, feasibility studies if appropriate, a detailed project schedule with all relevant milestones, and any other information to support the application such as market studies, presentation drawings, plans etc.

The information provided will be used to evaluate applications for funding. All documents, reports and materials submitted to the Trust become the property of the Trust and as such will be kept confidential.

Once the Stage 2 proposal is completed the proposal is reviewed in detail (due diligence) and then presented to the Board for a decision.

Stage 2 Detailed Project Proposal Guidelines

Eligible applicants will be allowed 6 months following approval of a Stage 1 application to prepare the Stage 2 proposal for a final decision. There is no Stage 2 Application Form. You can cut and paste the headings below. A signature block is set out below which can be copied and pasted at the end of the Stage 2 project proposal.

It is the responsibility of the applicant to ensure that all relevant information is provided to Trust staff in order to determine whether funding will be provided.

If clarification is required on the guidelines, please contact the Trust office. Send an electronic copy of your completed proposal to the attention of the chief executive officer for the Trust at info@islandcoastaltrust.ca

1. Complete Applicant Information:

On the Title page clearly identify the project name and provide the names of the applicants, addresses, telephone and fax numbers, e-mail address, website address, and ensure that this information is on the cover sheet of the Stage 2 proposal package. Please identify the legal form of your organization e.g. Non-profit society, First Nation, local or regional government, etc.

2. Executive Summary

In a page or less provide a summary of the proposal describing principal goals, objectives; activities to be undertaken, project team; location; wealth/work created; estimated costs; funding requests and start/completion dates.

3. Project Objectives

Describe the project. Provide an overview of specific objectives and how the proposal meets Trust's objective, eligibility criteria, and sectoral strategy found in the Strategic Plan.

4. Project Description

Describe and identify who the partners are and the nature of their support. Attach relevant letters of support from the local community and/or region.

Describe any proven experience that is relevant to the success of the project.

5. Detailed Project Schedule and Business Plan

Attach a copy of a detailed business plan which should include a project schedule that details how your project will proceed with timelines and key milestones. This should include not just the construction timeline but the time required for conceptual and detailed design, any environmental studies and/or mitigation required, tendering, as well as acquisition of all permits and approvals.

The plan should identify the project leader, the roles and responsibilities of partners, the number of people to be employed, and management capacity to successfully complete the project.

The Stage 2 project submission should specify in detail the required permits and approvals that are required to proceed to implementation. This includes the consents from First Nations where required as well as environmental assessments and/or mitigation that may be required or other permits, approvals, consents etc. Written confirmation of all permits and approvals will be required before any trust funds are paid out, where applicable.

The business plan should include a detailed budget and show how it relates to the amount of funding requested and provide a detailed breakdown of funding to be provided by other sources and a cash flow estimate. Please include documentation that confirms other funding sources. Written confirmation of complementary or other funding will be required before any Trust funds are paid out.

The business plan should also include details of any technical, feasibility or marketing studies or any pilot projects undertaken or researched that will support the evaluation of the proposal.

Business Plan models are available on the ICET website at www.islandcoastaltrust.ca under the *Resources* tab.

Business Plans are mandatory for project applications which seek ICET contributions equal to or greater than \$250,000.

6. Benefits

Provide a detailed overview of how the proposal will create long term sustainable regional economic development and diversification benefits in your community or in the region. The Board's policy is to achieve the economic benefits within a three to five year period.

Please explain how the Trust's financial contribution will be the "tipping point" for the project to proceed to realization.

The following categories have been selected to guide applicants to identify and describe the regional and/or local economic benefits of project proposals.

Please select only the category or categories that apply to your project or submit other benefits that you foresee. The list below is only a listing of suggested potential benefits and only some or one may apply in any particular project.

- Investment leverage
- Partnership funding contributions
- Employment
- Economic Diversification
- Regional and/or local benefits
- Enterprise recruitment and/or retention
- Economic sustainability
- Management capability
- Environmental sustainability
- Increase in number of visitors
- Increase in sales and export sales
- Human resources plan or approach

All projects will be subject to financial and performance reviews to ensure effective utilization of Trust funds. Applicants will be required to keep records and submit reports to demonstrate benefits claimed. The Trust retains the right to audit any approved projects.

7. Risks

Provide an overview of the principal risks to the success of your project and how you intend to mitigate these.

8. Authorization and Acknowledgement Documents

Ensure that the applicants have carefully read and understood the terms and conditions of making a Stage 2 Project submission to the Trust and that the authorized officers of the applicant sign a signature block as set out below. You may copy and paste this into your written Stage 2 project submission:

AUTHORIZATION

I certify that the information provided in this Stage 2 Project Submission is to the best of my knowledge, complete, true and accurate.

I understand that all the information provided in this Submission is strictly confidential to the Trust: however, I agree that the information provided in this Submission may be shared with the Regional Advisory Committee and ICET Trust technical staff and/or consultants.

I/we also understand that this current request is for funds in excess of present funds available by the Trust. In proceeding to prepare this Stage 2 Submission, I/we understand that there is no guarantee that this application will be funded.

I/we also understand that ICET will not be responsible for any costs incurred in the preparation of this Submission, or any subsequent application for funding from the Trust, and this application is being prepared entirely at my/own risk and cost.

Signature of Authorized Representative _____

Printed Name _____ Title _____

Date _____

PART V. PROJECT SELECTION AND EVALUATION CRITERIA

Projects must demonstrate how the use of multiple sources of funding, will collaboratively achieve the economic impacts in the region and/or the community.

Volunteer work and other In-Kind contributions can be valued for the purposes of matching funding. The In-Kind Policy can be found on Appendix D.

The following categories have been selected as *examples* of types of economic impacts or benefits to guide applicants to identify and describe the regional and/or local economic benefits of their project proposals. These include the following categories. Applicants need to only select the ones that apply to their project proposal:

- Investment goal
- Employment
- Economic diversification
- Regional and/or local benefits
- Enterprise recruitment and/or retention
- Economic sustainability
- Management capability
- Environmental sustainability
- Increase in number of visitors
- Increase in sales and export sales
- Human resources plan or approach

5.1 Investment Goal

The investment goal of the Trust is to leverage economic development and diversification investments into the economies of the regions. For every dollar the Trust invests, it expects that an additional \$3.00 will be invested.

5.2 Project Matching Regime

The Trust will fund eligible projects and requires project partners to participate in project funding. The Trust will not be the sole source of fund for any projects.

- **1:1, or equal matching, which is intended for smaller, remote and formerly resource dependent communities;**
- **1:2, meaning that ICET funds no more than one-third of the project cost, which is intended for rural and smaller urban communities that are experiencing relative growth and economic prosperity; and**
- **1:3, meaning that ICET funds no more than one-quarter of the project cost, which is intended for larger, urban communities or communities experiencing advantageous economic and growth opportunities.**

Details on the Project Matching Regime Policy can be found in Appendix A.

5.3 Employment Creation

Describe the number and type (e.g. forestry, service sector, etc.) of new permanent or temporary employment positions created (if any).

5.4 Economic Diversification

Describe how your project diversifies the economy.

5.5 Local or Regional Benefits

Describe how and why the benefits (collective or individual) will have a regional impact and/or a local impact.

5.6 Enterprise Recruitment and Retention

Describe and quantify how, why and how many business enterprises will be recruited or retained by the project.

5.7 Economic Sustainability

Explain how the project will be sustainable and what assumptions or evidence you propose to support the case for economic sustainability. This can be achieved by supporting marketing studies, business plans etc.

For the economic sustainability of the project itself, please prepare and submit a financial “operating pro-forma” or business plan outlining three years of operating costs and revenues.

If the total value of the project equals or exceeds \$250,000 a formal business plan is required.

5.8 Management Capability

We require information which reflects your management capability. This can be satisfied by submitting recent financial statements or annual reports.

Any letters of local support should be submitted. Stage 1 application will have already received the support of the appropriate Regional Advisory Committee.

5.9 Environmental Sustainability

Please identify any environmental issues and permits that are required. Describe what potential measures of mitigation are proposed. Also describe the “best practices” that you intend to follow for the environmental sustainability of your project.

5.10 Increased number of visitors

If this project is designed to benefit from increased visitors, please describe the increase in the number of visitors, when this will occur, explain why this will occur, and how it will be measured.

5.11 Increased sales and/or export sales

If this project is designed to increase sales or export sales, please explain why this will occur by the activities under the proposed project and how it will be measured.

5.12 Human Resource challenges and plans

One of the current realities in British Columbia and other parts of Canada is the growing shortage of labour.

Please describe the types of labour challenges that you may face and how you propose to address these.

WHERE TO APPLY

Completed applications are to be forwarded electronically to: info@islandcoastaltrust.ca

Island Coastal Economic Trust

(North Island-Coast Development Initiative Trust)

201 A – 2435 Mansfield Drive

Courtenay, BC V9N 2M2

Telephone: 250-334-2427 ext. 223 or 227

Fax: 250-331-0962

WHEN TO APPLY

You may apply at any time of the year. The turn around for Stage 1 project proposals depends in part on when RAC committees will meet to review Stage 1 projects.

For Stage 2 projects, you will need to have a letter of eligibility from the Trust once you have been screened for eligibility in Stage 1.

Stage 2 projects will have due diligence review completed by the Trust.



APPENDICES

- Appendix A ICET Matching Regime**
- Appendix B Policy on Downtown Revitalization**
- Appendix C Policy on Special Events**
- Appendix D Policy on In-Kind Contributions**
- Appendix E Policy on Local Marketing Projects**

APPENDIX A

ICET MATCHING REGIME POLICY

The purpose of the detailed ICET matching regime policy, as set out below, is based on a community economic performance analysis. This analysis, based on empirical data, enables the Island Coastal Economic Trust (ICET) to determine the appropriate level of matching funding that ICET will provide to projects from each of the communities in the geographic region it serves.

Rather than treat all communities and sub-regions equally, ICET recognizes that some communities face more administrative, social and economic challenges than others. Planning a sustainable future for them may be more problematic than for others. The matching regime approach is intended to create a “level playing field” among all communities which have different levels of financial and technical resources based on economic analyses of the communities in the ICET region.

There are three potential levels of matching funding:

- 1. 1:1, or equal matching, which is intended for smaller, remote and formerly resource dependent communities;**
- 2. 1:2, meaning that ICET funds no more than one third of the project cost, which is intended for rural and smaller urban communities that are experiencing relative growth and economic prosperity; and**
- 3. 1:3, meaning that ICET funds no more than one-quarter of the project cost, which is intended for larger, urban communities or communities experiencing advantageous economic and growth opportunities.**

Methodology

The matching regime ratios are based on data from a report commissioned by ICET, *Summary of Community Economic Performance* by Vann Struth Consulting Group in June 2007 which examined various factors driven by the Application Guidelines policy. The matching levels were reviewed in an updated study *ICET Matching Regime Analysis with Consolidated Local Areas* by Vann Struth Consulting Group in November 2009.

Consolidated Local Area	Components	Matching Level
Alberni-Clayoquot RD Reserves	Alberni-Clayoquot RD Reserves	1:1
Alert Bay	Alert Bay	1:1
Campbell River Area	Campbell River	1:1
	Sayward	1:1
	Strathcona D (Muchalat, Little Espinosa)	1:1
	Strathcona H (Bloedel)	1:1
Comox Valley Area	Comox	1:3
	Comox Valley A (Union Bay, Royston, Fanny Bay)	1:2
	Comox Valley B (Little River)	1:2
	Comox Valley C (Saratoga-Miracle Beach)	1:1
	Courtenay	1:3
	Cumberland	1:3
Comox Valley RD Reserves	Comox Valley RD Reserves	1:1
Cortes Island	Strathcona I (Cortes Island)	1:1
Cowichan Valley RD Reserves	Cowichan Valley RD Reserves	1:3
Denman/Hornby Islands	Comox Valley K (Denman Island, Hornby Island)	1:2
Duncan Area	Cowichan Valley A (Mill Bay)	1:2
	Cowichan Valley B (Shawnigan Lake)	1:2
	Cowichan Valley C (Cobble Hill, Arbutus Ridge)	1:2
	Cowichan Valley D (Cowichan Bay, Cherry Point)	1:2
	Cowichan Valley E (Koksilah/Eagle Heights)	1:2
	Cowichan Valley F (Honeymoon Bay/Mesachie Lake)	1:1
	Cowichan Valley G (Saltair)	1:2
	Cowichan Valley I (Youbou)	1:1
	Duncan	1:2
	North Cowichan	1:2
Gabriola/Mudge Islands	Nanaimo B (Gabriola Island, Mudge Island)	1:3
Gibsons Area	Gibsons	1:3
	Sunshine Coast D (Roberts Creek)	1:3
	Sunshine Coast E (area to west of Gibsons)	1:3
	Sunshine Coast F (Hopkins Landing)	1:3

Consolidated Local Area	Components	Matching Level
Gold River	Gold River	1:1
Ladysmith	Ladysmith	1:2
Lake Cowichan	Lake Cowichan	1:2
Lasqueti Island	Powell River E (Lasqueti Island)	1:1
Mount Waddington Area A	Mount Waddington A (Sointula, mainland part of RD)	1:1
Mount Waddington Area B	Mount Waddington B (Quatsino, Holberg)	1:1
Mount Waddington Area D	Mount Waddington D (Telegraph Cove)	1:1
Mount Waddington RD Reserves	Mount Waddington RD Reserves	1:1
Nanaimo Area	Cowichan Valley H (North Oyster/Yellow Point, Diamond)	1:2
	Lantzville	1:2
	Nanaimo	1:3
	Nanaimo A (Cedar, Cassidy)	1:2
	Nanaimo C (Extension)	1:3
Nanaimo RD Reserves	Nanaimo RD Reserves	1:3
Parksville/Qualicum Area	Nanaimo E (Nanoose Bay)	1:3
	Nanaimo F (Errington, Coombs, Hilliers)	1:3
	Nanaimo G (French Creek, Dashwood, Englishman River)	1:3
	Nanaimo H (Dunsmuir, Deep Bay/Bowser)	1:3
	Parksville	1:3
	Qualicum Beach	1:3
	Port Alberni Area	Alberni-Clayoquot A (Bamfield)
Alberni-Clayoquot B (Beaufort)		1:1
Alberni-Clayoquot D (Sproat Lake)		1:1
Alberni-Clayoquot E (Beaver Creek)		1:1
Alberni-Clayoquot F (Cherry Creek)		1:1
Port Alberni		1:1

Consolidated Local Area	Components	Matching Level
Port Alice	Port Alice	1:1
Port Hardy	Port Hardy	1:1
Port McNeill Area	Mount Waddington C (Hyde Creek, Coal Harbour)	1:1
	Port McNeill	1:1
Powell River Area	Powell River	1:1
	Powell River A (Lund)	1:1
	Powell River B (Myrtle Point, Barney's Bar)	1:1
	Powell River C (Black Point, Lang Bay, Pinetree)	1:1
Powell River RD Reserves	Powell River RD Reserves	1:1
Sechelt Area	Sechelt	1:3
	Sechelt IGD (SCRD portions)	1:2
	Sunshine Coast B (Halfmoon Bay)	1:3
Strathcona Area G	Strathcona G (Esperanza)	1:1
Strathcona Area J	Strathcona J (Mainland/Islands areas except Cortes Island)	1:1
Strathcona RD Reserves	Strathcona RD Reserves	1:1
Sunshine Coast Area A	Sunshine Coast A (South Pender Harbour, Garden Bay)	1:3
Sunshine Coast RD Reserves	Sunshine Coast RD Reserves	1:1
Tahsis	Tahsis	1:1
Texada Island	Powell River D (Texada Island)	1:1
Tofino	Tofino	1:3
Ucluelet Area	Alberni-Clayoquot C (Long Beach)	1:2
	Ucluelet	1:2
Zeballos	Zeballos	1:1

APPENDIX B

Guidelines Regarding ICET Funding of Downtown Revitalization Projects and Programs

Island Coastal Economic Trust (ICET) is committed to being a partner and catalyst for building a sustainable economy and creating wealth. ICET therefore supports the revitalization of Downtowns within its mandate area. To this end, ICET investments in Downtown revitalization must ultimately encourage concurrent private sector investment, the creation of new partnerships, and business retention or attraction.

To ensure that ICET investments in Downtown revitalization achieve the greatest effect, the Board of Directors has adopted the following guidelines regarding ICET funding of Downtown revitalization projects and programs:

1. The Four Point Approach As A Guide to Decision-Making

The Four Point Approach is a comprehensive, coordinated “Main Street” Downtown revitalization strategy that was first developed by the U.S. National Trust for Historic Preservation’s Main Street Program. This four point approach has been adopted by the ICET Board as a guide to evaluate specific funding applications, and to prioritize the allocation of funds amongst projects:

- a. **Organization.** Strong local organization engages the community in the main street initiative and builds long-term, collaborative relationships that are essential to sustainable Downtown renewal. A full-time Main Street coordinator and an advisory board of local volunteers work together with other local groups to pool resources and coordinate efforts toward achieving the community’s goals.
- b. **Design** Professional design assistance ensures that local historic resources are treated appropriately and cost-effectively. The expertise of a project architect provided through the Main Street project also helps coordinate physical improvements in the form of signage, awnings, building facade enhancement projects. Main Street projects also develop design guidelines to encourage heritage conservation and good maintenance practices as well as promote new development that enhances the character of the historic main street area.
- c. **Marketing.** Marketing uses the character of an authentic, rehabilitated historic Downtown to build a consistent, positive image of the main street area. Through special events and coordinated retail promotions, it promotes the Downtown as a focal point of community life, a unique, appealing shopping environment, and as a viable and attractive location for business investment.
- d. **Economic Development.** Building rehabilitation activities result in more attractive and usable Downtown commercial space, while marketing promotes a positive image of Downtown renewal to investors. The Main Street process integrates Downtown revitalization into broader community economic development strategies to retain and strengthen existing Downtown businesses, attract new economic activity into the Downtown, and to diversify the business mix.

2. A Budget Cap on Total ICET Funding of Downtown Revitalization Projects and Programs

The ICET Board will limit its total financial allocation to all Downtown revitalization projects and programs to a total of \$3,000,000.

3. A Maximum ICET Contribution Per Application Per Community

The ICET Board will limit its financial commitment to any specific project to \$250,000. The Board will also limit its involvement to one project or program per community so as to encourage as many projects as possible throughout the ICET mandate area.

4. Benefit Within Three to Five Years

Proponents/applicants must demonstrate that the ICET investments in Downtown revitalization projects and programs will begin to show results within at least three years of date of the signed contribution agreement and that substantial benefit will occur within five years of that date. This benefit and return would be broadly measured in terms of the ICET mandate and strategic plan objectives, as reviewed from time to time.

5. Involvement and Leadership of the Local Business Community

As part of an application for ICET funding, there be evidence submitted of both initial and on-going local business involvement in the project under application. This involvement should therefore be in at least one of two forms:

1. leadership in the on-going strategic planning process and the setting of priority actions, and/or
2. a private sector financial contribution or participation in projects and programs of at least 25%.

These are guidelines only. The ultimate decision on a specific application rests with the Board.

APPENDIX C

Policy Regarding ICET Funding of “Special Events”

The ICET Board of Directors applies the following policy to evaluate funding applications relating to “Special Events”. “Special Events” include musical, artistic, cultural, and sporting events (or other similar events) which are held in the ICET mandate area, and have national or international exposure.

1. “Special Events” Conformity to the Strategic Sector Objectives of ICET, and Current Evaluation Criteria

Proponents/Applicants are encouraged to focus on demonstrating conformity to the strategic sector objectives of the Trust, with a particular emphasis on **strategic investment**. The Board requires that its funding of “Special Events” demonstrates at least mid-term (3 to 5 years) benefits. The Board will also give greater consideration to a “Special Event” that has a significant possibility of turning into be a new, recurring event for the future rather than a one-time event only. Therefore, Proponents/Applicants must demonstrate that the ICET investments in “Special Events” will show a lasting (multi-year) return that strategically impacts the identified sector(s).

2. Limit on Funding of “Special Events”

The ICET Board limits its total financial commitment to “Special Events” projects to \$500,000 during the current mandate period at a rate of no more than \$200,000 per year. The Board will consider funding “Special Events” up to a maximum contribution of a \$100,000 per event or 10% of the project budget, whichever is the lesser amount. Only incremental or new/recurring events will be considered. The matching formula will always apply (See www.islandcoastaltrust.ca under the “Apply for Funding” Tab). Existing or established “Special Events” are not eligible. Furthermore, the Board will limit its contribution to cost sharing of the marketing component of the initiative only.

3. The Alternatives for Funding such “Special Events” Initiatives

The Board encourages “Special Events” Proponents/Applicants to exhaust all other avenues for funding before applying to ICET. ICET will be the “last in” funder rather than the lead funder. Specific funding sources for special events can include but are not limited to:

- a. Private sector sponsorships
- b. Charitable, private and community foundations and trusts
- c. Provincial sport, tourism and cultural programs
- d. Federal sport, tourism and cultural programs
- e. Municipal “grants-in-aid”
- f. Traditional programs funded by British Columbia Lotteries Corporation
- g. The “Sports Funder” program of British Columbia Lotteries Corporation

These are guidelines only. The ultimate decision on a specific application rests with the Board.

APPENDIX D

In-kind Policy for Applications

Island Coastal Economic Trust (ICET) accepts the principle that in-kind contributions can form a portion of applicant equity or matching financial resources to an ICET requested contribution. This policy is set out in detail as ICET wishes to ensure that in-kind contributions are assessed fairly and equitably.

ICET reserves the right to make the final determination of eligibility and fair value of in-kind contributions. To avoid a situation where in-kind contributions may be later deemed ineligible or unfairly valued, proponents are advised to contact ICET early in the process if they foresee problems in complying with these guidelines for a given project.

Guidelines:

1. An applicant/proponent must have at least a 50% “cash” portion of applicant equity or matching resources to an ICET requested contribution. Hence, in-kind contributions cannot make up more than 50% of equity or matching resources to an ICET requested contribution.
2. Such in-kind contributions can be made up of labour, services, materials and land.
3. These contributions must have demonstrated market value. Such value must be verifiable as to the hourly rates for the labour or services, or the local market value of the materials. Specific acceptable labour rates for general labour and volunteer time are set below. More specialized labour costs must be for documented market rates.
4. For the labour value of in-kind contributions, ICET will recognize \$18.00 per hour as the current market value for non-specialized, general labour costs.
5. For volunteer time, ICET will acknowledge \$15.00 per hour for general volunteers for the number of actual volunteer hours.
6. For donated equipment, applicants are directed to the 2007-2008 Blue Book Equipment Rental Rate Guide prepared by the B.C. Road Builders & Heavy Construction Association (tel: 604-436-0220; email: info@roadbuilders.bc.ca or their website: www.roadbuilders.bc.ca. Donated equipment time must be consistent with the rates set out in The Blue Book.
7. Donated land can be included as a contribution. The value of this form of contribution may be confirmed by the assessed value noted in a current municipal Property Tax Notice or in a BC Assessment Property Assessment Notice. Alternatively, ICET may require that the value be verified by an independent written appraisal by a registered appraiser as approved by ICET.
8. ICET recognizes that some internal administrative costs are required to put together and manage an incremental project supported by ICET funding. (For capital construction programs, up to 4% of in-house staff time as part of the total construction budget will be recognized and must be shown in

the construction budget and not as an in-kind contribution.) For non-construction projects internal administrative costs, these are negotiable with ICET but will not exceed 10 per cent of the total project cost.

9. In-kind contributions do not include time of the board of directors of the proponent or costs associated with proponent board activities.
10. In-kind contributions from non arms'-length (related or affiliated) parties/organizations may be considered but must be specifically identified for approval prior to the submission of an application. The Trust reserves the right to reject such contributions.
11. In-kind contributions must be confirmed by invoices, time sheets; and, when appropriate, independent third-party verification.
12. ICET will hold back the full value of the estimated in-kind contribution pending verification of the in-kind contributions.

APPENDIX E

Policy of Local Marketing Projects

GUIDELINES REGARDING ICET FUNDING OF “LOCAL MARKETING PROJECTS”

The Island Coastal Economic Trust (ICET) is committed to being a partner and catalyst for building a sustainable and diversified island and coastal economy, and for creating wealth. ICET therefore supports the strategic marketing of economic opportunities involving the nine strategic economic sectors within its mandate area.

These sectors include:

- Forestry
- Transportation
- Tourism
- Mining
- Olympic Opportunities
- Small Business
- Economic development
- Agriculture and Aquaculture
- Energy

To this end, ICET is prepared to make contributions to strategic sectoral “marketing projects” by area and regional economic development (including tourism) agencies that ultimately encourage private sector investment, the creation of new markets, and business retention or attraction.

To ensure that ICET investments in “marketing projects” achieve the greatest effect, the Board of Directors has adopted the following guidelines regarding ICET funding of “marketing projects”:

1. “Local Marketing Projects” Conformity to the Strategic Sector Objectives of ICET, and Current Evaluation Criteria

Proponents are encouraged to focus on demonstrating conformity to the strategic sector objectives of the Trust, with a particular emphasis on strategic investment.

The Board will give greater consideration to a “Local Marketing Project” that has a significant possibility of turning into be a new, recurring program rather than a one-time event only. Therefore, proponents are encouraged to demonstrate that the ICET investment in a “Marketing Project” will show a lasting (multi-year) return that strategically impacts the identified sector(s).

The Board will also give greater weight to those proposals that involve local, sectoral, or regional partnerships.

2. The Alternatives for Funding Such “Local Marketing Projects”

The Board encourages “Local Marketing Projects” proponents to exhaust all other avenues for funding before applying to ICET. ICET will prefer to be the “last in” funder rather than the lead funder.

3. Incremental Projects

ICET will not fund existing core activities of an economic development or other eligible agency. These would include activities previously carried out, or programs carried out on an on-going basis. It would also not include existing staff resources, overhead, or office space. Therefore, ICET will only consider funding incremental projects.

Ineligible costs include travel, food and beverage, and accommodation.

ICET will, however, fund activities involving the preparation of familiarization (FAM) tours and other promotions.

4. A Budget Cap on Total ICET Funding of “Local Marketing Projects”

The ICET Board will limit its total financial allocation to all “Local Marketing Projects” to a total of \$350,000 during the current mandate period, at a rate of no more than \$100,000 per fiscal year.

5. A Maximum ICET Contribution Per Application Per Eligible Applicant

The ICET Board will limit its financial commitment to any specific project to a maximum of \$50,000. The matching formula will always apply (See www.islandcoastaltrust.ca under the “Apply For Funding” Tab and Appendix A of the 2008 Trust Proposal Application Guidelines – Online Program Guide).

6. Involvement and Leadership of the Business Community

As part of an application for ICET funding, there shall be evidence submitted of both initial and on-going local business involvement in the project under application. This involvement should therefore be in at least one of two forms:

1. leadership in the planning and implementation of the marketing project, and the setting of priority actions/target markets, and/or
2. a private sector financial contribution or participation in the marketing project of at least 25%.

These are guidelines only. The ultimate decision on a specific application rests with the Board.