



FINAL

Victoria Esquimalt Harbour Society Member's Meeting

October 16, 2018, 5:15pm

City of Victoria Songhees Room, 1 Centennial Square

MEMBERS PRESENT:

VEHS directors: Hannah Horn, Bruce Hale, (Finest at Sea), Ryan Burles (Black Ball Transport), John Mullane (Victoria West Community Assoc.), Jonathon Sector, Nick Banks (Prince of Whales)

VEHS members: John Sanderson (Burnside Gorge Community Assoc.), Gary Leibel and Mike Fournier (Ralmax) , Doug Crowder, Ali Spillette (Wilson's Transportation), Harold Aune, (Whitehall Rowing), Margo Goodhand (Fisherman's Wharf Community Association), Barry Hobbs and Sabina Saransingh (Victoria Harbour Ferry), Don Prittie (Canoe Cove Marina), Mark Braithwaite (ILWU Local 508),

GUESTS: Mark Smith, (Vancouver Island Economic Alliance), Milton Barnes, James Whitney, Casey Gantley (Mercury Marine), Owen Martin

NOTE TAKER: Trish Suzanne

Hannah Horn Called to Order at 5:15pm. Introductions and noted changes in the Agenda

Doug Crowder approved the amended Agenda and Nick Banks seconded. All in favour. Carried.

Nick Banks approved the June 12 2018 minutes and John Sanderson seconded. All in favour.. Carried

1. Presentation: Mark Smith, Vancouver Island Economic Alliance - What does it mean that Victoria has been designated as a foreign trade zone?

Mark is Vice-chair of the VIEA. VIEA organizes an annual economic summit and publishes an annual State of the Island Economic Report. The organisation also started the Island Good initiative to promote goods produced on Vancouver Island.

The foreign trade zone is a federal initiative. Vancouver Island is the 11th Foreign Trade Zone designation in Canada and is the only one to encompass an entire region. There are significant economic reasons to be part of a foreign trade zone. It's all about improving Island prospects for global trade.



DRAFT

A key advantage of the FTZ is a set of services that defer duty/tax, which can provide cash flow advantages for exporters. The “duty relief program” relieves payment of duties on imported goods that will be exported. This requires Services and Customs Bonded Warehouses, which can be anything from office buildings to hotel conference rooms.

Other advantages: The FTZ designation puts Vancouver Island businesses on the radar with three levels of government for funding and industry support. FTZVi provides a recognized island brand for global export marketing. Agencies involved are: WD, Global Affairs Canada, Canada Border Services, Canada Revenue Agency, Transport Canada, Ministry of Transportation and Infrastructure, Ministry of Jobs, Trade and Technology. The designation should improve opportunities for finding partners, suppliers and attracting investment.

VIEA plans to act as a kind of concierge / single point of access to information on the FTZ, providing import/export knowledge and save exporters time and money.

FTZvi has enormous growth capacity . The VIEA goal is to grow the Vancouver Island GDP by 1 percent in 10 years.

Contact information: VIEA President George Hanson george@viea.ca; 250-667-5225; Vice Chair Mark Smith mark.smith@querycx.com

Discussion

Q: Has anyone quantified the economic benefits of the FTZ e.g., re cash flow savings, employment?

A: No, we have retained a firm that is looking at the foreign investment piece but part of the deliverable is trying to attach some math to that. The data is not available through Stats Canada.

Q: How do you plan to communicate the FTZ in light of the current protectionist climate in the US?

A: Yes, we are cognizant of this. For example, how can we encourage value-added with our timber exports to the U.S. Part of the process is for us to create a solid manufacturing base. Also, from an export standpoint, there are other export markets, not just the U.S.

Q: How do you get recognized as a “facility” to get deferred timing of payments?

A: We are working on this, but believe it is not as onerous as it once was. In the past it was very difficult in Canada and exporting businesses had to do “work arounds” We have had assurances from the federal government that this will work. We hope to learn from those with FTZs in other Provinces. Stay tuned, we are just starting to tell the story.

Q: What other Ports besides Nanaimo and Victoria are taking advantage of this?

A; Port Alberni. Maybe Gold River? Have reached or to all Vancouver Island communities.



FINAL

Q: What about seed money?

A: There will be operating costs to open an office and get things underway. VEIA has gone to the provincial government to seek financial support. We are thinking of forming an advisory type board and asking people to “pay to play” i.e., participants throw some money in as we work through the first 90 days. VIEA is also looking to revenue generating activities and will look to organizations such as the Island Community Economic Trust, WD and other levels of government to come to the table.

Q: What can VEHS help to move this initiative forward?

A: Through communication and support. By raising awareness, providing letters of support, talking this up with different levels of government and local organizations such as the Greater Victoria Harbour Authority.

Comment: The Nanaimo Port Authority is interesting. They have done a good job of broadening their reach with shore to sea shipping. With the free trade zone – can open up land there for goods from Vancouver, where harbour-front land is scarce. The only additional cost is cross-Strait transport.

Bruce Hale will be attending the VIEA Summit on behalf of VEHS. It is a very well attended event and provides great networking opportunities.

2. Business:

1) Update on Working Harbour Common Infrastructure Committee (Jon Sectar)

Jon Sectar represents VEHS on the Common Infrastructure Committee, which is a subgroup of the Working Harbour Forum, a joint initiative of the Coast Guard and GVHA. One of Jon's roles is to make sure that the Committee is aware of the diversity of interests of working harbour businesses. He sent out a questionnaire to VEHS members asking what new infrastructure and services are needed here and submitted a summary to the Committee based on the responses from 12 members. No word yet on when the next meeting will occur.

2) Working session to guide planning for a fuel dock upgrade

Nick Banks represented VEHS at a GVHA working session to seek stakeholder input into an RFP for a new fuel dock. The dock and pier are near the end of their life cycle and will need to be replaced within the next 10 years. GVHA was seeking input on infrastructure and capacity needs for harbour stakeholders.

The GVHA is going to come up with a plan for a rebuild of the fuel dock to service larger vessels. This will include a reconditioning of the adjacent pier to make it a multi-tasking facility with a different crane structure.

It is positive that GVHA is seeking stakeholder input to ensure the right kind of facility is built with adequate capacity now and into the future. It is important to consult with the right people. As a next step, GVHA will undertake a detailed analysis of how to move forward. VEHS members can provide ongoing input into this process.

Discussion

A concern is the lack of competitiveness with Vancouver or Port Angeles where fuel prices are cheaper. Larger vessels will tend to go to those locations to refuel.

Q: Is there a timeline for releasing the RFP?

A: GVHA's timeline is being moved back. For example, one of the things to consider is the capacity needed to pump out of the fuel dock. More work needs to be done.

Q: Is the facility going to service waste oil?

A: Any feedback that we can give for input into the design would be helpful. The industrial and fishing groups might have different needs, for example. If we do it right and take our time it will be a better process.



FINAL

Mercury Marine raised a concern that their lease with GVHA has expired. GVHA is currently seeking Expressions of Interest for a small motor repair business at the same site.

The VEHS Board will discuss what follow-up is appropriate.

3) Follow-up on Proactive Vessel Management initiative (Jon Sector)

Transport Canada has launched a “proactive vessel management initiative” to increase collaboration on management of vessel traffic. VEHS submitted a letter of input to the initiative on short notice. Our input was not comprehensive but the intent was to get on the stakeholder consultation list for future opportunities for engagement.

4) VEHS projects: harbour economic footprint and rebranding (Jon Sector)

The VEHS Board has three projects in the conceptual stage to promote VEHS and its effectiveness in promoting harbour interests.

1. To quantify the economic contribution of harbour businesses to the local and regional economy. The economic contribution of VEHS member businesses can be reported as a subset of this.
2. To quantify the skills and expertise of VEHS members – to highlight what we have to offer to harbour planning and implementation of initiatives
3. Rebranding of VEHS itself – mainly to consider a new catchier name. VEHS is a mouthful and is confusing to non-members who confuse it with GVHA.

Comments

This is a good role for VEHS to take the lead on.

Ralmax is very interested in quantifying the harbour economy. Ralmax has tried to partner on this kind of initiative in the past, but it has not moved forward.

Suggestion to approach UVic Business School about doing a study. Ryan reported that he is already speaking with Brock Smith, Professor of Entrepreneurship and Marketing.

Doug Crowder offered to assist with the project.



DRAFT

3. GVHA rep report – Ryan Burles/Bruce Hale:

Much of GVHA's focus is currently is on the cruise ships and maintaining their assets.

Q: Is there any discussion on rebranding the GVHA name? GHVA is not a port authority, they are not a coastguard and they are a non-profit. It might create a better community understanding and take the pressure off the CEO.

A: This point has been brought up several times with GVHA but has been considered a lower priority for them. Hannah to raise this at the GVHA AGM.

Q: What is happening with the First Nation's economic development issues?

A: There is a re-shuffle going on after the passing of Andy Thomas.

Q: Is there a capacity at the Board level to do a GVHA audit? Is that process available?

A: Yes, but need to define the scope. The Board currently uses a narrow definition based on the 360. The whole intent was for GVHA not to be a bureaucracy like the federal government was. We have two seats on the Board and if things aren't working, discussions need to take place.

Doug Crowder has been very effective in his term as an independent GVHA Board member.

GVHA has done a lot of good stuff like the fuel dock and improvements at Fisherman's Wharf.

4. GVHA AGM – questions to the AGM and discussion of proposed resolution:

VEHS has one vote at the GVHA AGM as a member agency. As president, Hannah represents VEHS at the AGM. Each year VEHS asks questions of the GVHA chair and CEO in the public forum.

Q: Regarding the makeup of the GVHA Board, have the bylaws been changed to allow GVHA to vet candidates to the Board?

A: It is clear in the bylaws that the Board has a right to review, interview and appoint nominees from any of its members. GVHA can vet the political appointees at the same level as everyone else.

Resolutions at the 2018 GVHA AGM:

Remuneration question: Prorating the standard meeting fee for shorter meetings (\$200 rather than \$400). Hannah to ask for clarification.

Enabling directors to extend their term for another four years after their max three terms are up – can be extended with a 2/3 approval of the board.



FINAL

d

5. Other Business:

Hannah distributed 2018 Responses from Municipal Candidates for City of Victoria and Township of Esquimalt. We received a solid response from mayoral and councilor candidates to questions put forward by VEHS members.



DRAFT

6. Announcements:

GVHA AGM Thursday, October 18, 7:30 – 8:15 am To be followed by a Community Information Meeting at 8:15 am.

Thursday, October 25, 10:30am Maritime Museum and 10:45am on the causeway Unveiling of a commemorative brass plaque on the 100th anniversary of the SS Princess Sophia where 365 people lost their lives. This was the largest marine catastrophe on the west coast.

Next VEHS Member Meeting Tuesday, November 13 at 5:15 pm, Victoria City Hall Antechamber. Guest presenters Roger Girouard, Assistant Commissioner, Canadian Coast Guard, Western Region; Michael Lowry, Western Canada Marine Response Corporation.

Local provision of cruise ships to be brought forward to the next VEHS meeting.

Ryan Burles voted to adjourn meeting. Ali Spillette seconded.

Adjourn – 7:13pm