

# CRESTON & DISTRICT COMMUNITY INVESTMENT FUND

Summer 2015



## COMMUNITY INVESTMENT 101

"Business owners and social entrepreneurs in many communities struggle to access the funds they need to launch or expand their business and initiatives. At the same time, most of our financial investments go to unfamiliar, opaque investments in faraway places and have impacts from which we are disconnected. It doesn't have to be this way. Innovators across North America are creating ways of re-directing financial resources to local businesses and organizations."

*-Business Alliance for Local Living Economies, Guide to Community Capital*

*Kootenay Employment Services continues to be compelled by stories from around the world about local investment vehicles redirecting investment dollars so that they flow towards local projects instead of away from home. Over the last months, our resolve to establish a community investment fund has deepened and the CD-CIF initiative has been building momentum.*

*In January, we brought on a new staff person, Laura Hannant, to support the effort. In February, we successfully applied for Canadian Alternative Investment Foundation funding to carry out a CD-CIF feasibility study. In the first part of the year, we also helped to form a provincial network with whom we are advocating for a more enabling policy and regulatory framework in BC.*

*A March community forum demonstrated overwhelming grassroots support at the local level – participants resoundingly identified opening opportunities for local investment as a top spending priority for the Creston & District Community Directed Funds program. Inspired by this enthusiasm, KES recently worked with a group of local partners to apply to bring community investment related learning to our area in 2016.*

*In June, project coordinator Eden Yesh took part in a conference that gathered rural community developers from across the country. "Keeping It Rural" had two main themes: food systems development and community finance. For the whole KES CD-CIF team, Eden's learnings brought home the potential for robust community investment mechanisms to help create healthy local food systems. The next pages highlight that connection.*

*We continue to seek potential investors, potential investees, allies, and champions for the CD-CIF. If that sounds like you, please get in touch!*

*-Hugh Grant, Eden Yesh, and Laura Hannant - KES CD-CIF Team*

## TRENDWATCH: IN NOVA SCOTIA COMMUNITY INVESTMENT IS BOOSTING FOOD SECURITY



“FarmWorks investors understand the benefits of keeping their money closer to home, and they have faith in the ability of farmers and food producers to increase output and profitability.”

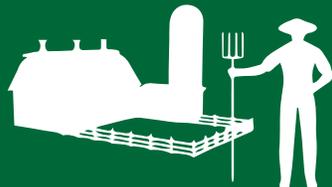
In Canada, there are few community finance experiments as promising or inspiring as what's happening in Nova Scotia. The Atlantic province leads the way when it comes to re-localizing its residents' investment dollars. Through its Community Economic Development Investment Fund framework, the provincial government has created a regulatory environment designed to encourage Nova Scotians to invest at home. By some estimates, close to 15% of registered investments have been re-patriated to support Nova Scotian enterprises.

CEDIFs allow the general public to make RRSP eligible investments in local businesses. Invested funds are further eligible for up to 65% in provincial tax credits, depending on the investment period. CEDIFs can be structured as companies or co-operatives and can be established to invest in particular enterprises or to pool funds, for instance for investment in a particular community or a particular sector of the economy.

While CEDIF impact has not yet been well investigated, more than \$60M had been invested by more than 7,500 individuals in 60 funds, with only 3 failed ventures.

FarmWorks is a CEDIF mandated to increase the province's sustainable, local food supply. It offers a powerful example of what a CEDIF can look like in action. Between 2011 and 2014 FarmWorks issued four public offerings through which some 250 shareholders invested more than \$1 million in 35 farm and food ventures.

FarmWorks chairs Peter Hicklenton and Linda Best describe the effects as dramatic, “One year ago, survey results indicated that some 20 full time and 6 part time jobs had been created as a direct result of FarmWorks. Today those numbers have likely tripled, as more businesses have come on stream, and more Nova Scotians have been hired.”



## THE VIEW FROM HERE: MISSED INVESTMENT OPPORTUNITY MEANS LOST JOBS FOR THE CRESTON & DISTRICT

For many people, Tabletree pure juices represent the untapped potential of the Creston & District agri-food sector. In a short number of years, third generation Creston fruit growers Gary and Susan Snow put the community on the world map as a premium producer of cherry and apple juice.

Their products have won awards from the BC Innovation Council, BC Food Processors' Association, and, to their amazement, the 'Best Pure Juice Product' for their Black Cherry Juice at the prestigious World Juice Conference in 2012 in Barcelona, Spain and a 2nd place award for their Red Apple Juice in 2013 for 'Best New Juice' at the awards held in Cologne, Germany.

For Gary and Susan, the development of their proprietary juicing equipment and the runaway success of the business concept sparked a vision of expanding local operations. Opening a new market for other farmers, creating jobs for local workers, and contributing to local prosperity felt within reach for their business. But despite proven global market demand for Tabletree products, the Snows could not access capital to expand their operation in their home community. The lack of local opportunity led the Snows to look further afield.

In early 2015, they were approached by the Flathead Cherry Growers Association and local support offices in Montana who encouraged them to consider building a facility there knowing the benefit to the growers and their community. Tabletree's decision to expand and move their business to Montana was based on the many programs available and support for projects like theirs.

For now, the Snow's dream - to divert some of the millions of pounds of culled BC cherries wasted each year into delicious, healthy pure juice and to increase profits for fruit growers across the Creston & District - remains out of reach.



"If a community investment opportunity had been available in 2013 or 2014 ... the Tabletree juicing facility would no doubt have been expanding and hiring in the Creston & District."



# IN OUR BACKYARD: KOOTENAY CO-OP BREAKS COMMUNITY INVESTMENT RECORD

**F**ounded in 1975, Nelson's Kootenay Co-op is a beacon institution in for Kootenay residents who believe in locally-driven, socially and ecological conscious enterprise. From modest roots, the Co-op has grown into one of Canada's most successful natural food retailers - today it counts over 100 employees and more than \$13M in annual sales.

When the Co-op decided that it was time to expand to new, larger premises, it made some bold moves. First, instead of simply refurbishing the building and lot acquired for expansion, the group pursued the option of developing the site for multiple purposes and people. The Nelson Commons project, as it is now known, will include 54 residential units, commercial spaces for other local businesses, indoor and outdoor parking, and public green space. Second, the Co-op turned in large part to its own membership to finance the project.

Board Director Paula Sobie explains, "Back in 1991, the Kootenay Co-op ran a member loans program wherein the Co-op raised \$100,000 amongst the membership to help with the store's move from one end of Baker Street to the other. 22 years later and with a much more significant move back to the other end of Baker Street in the works, the Co-op reached out to our member-owners once again with a member loans campaign."



"We set the lofty goal of raising \$1.5M to cover costs associated with fixturing the store, and we are ecstatic with the results! 178 members came forward with what they could and supported this local, ethical investment opportunity in our Co-op. When all the numbers were tallied, the Kootenay Co-op succeeded in raising \$1,776,200 – which broke North American records for the amount raised by a natural foods co-op!"

"Through our members' support of the Member Loans Program," says Sobie, "the Kootenay Co-op will continue to grow our regional economy and our pride in this place we call home." The campaign offers a powerful example of what Kootenay communities can achieve by pulling together and investing where they will feel the impact directly.



"We knew that financial commitment to the project would result in an even greater sense of ownership and care from our members."

**GET INVOLVED... CONTACT KOOTENAY EMPLOYMENT SERVICES!**

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