

West Kootenay Boundary Community Investment Co-op

Executive Summary

The demand and necessity to invest for impact, globally and locally, is on the rise. However, current investment options and regulations in Canada significantly restrict Canadians from investing into local opportunities. The result is that nearly all investment capital leaves local communities and is placed into far-off stock markets and corporations. This disconnects investors from the positive or negative impacts of their investments. An unintended consequence is that while our investments create significant jobs and wealth elsewhere, the places we live, work and play are overlooked and underfinanced. At the same time, rural business development studies and economic development organizations have identified that 'access to capital' is a top barrier to business start-ups, expansions and successions.

Community Investment Co-ops (CICs) are a new and innovative support system for rural economic and business development that effectively bridge the gap between local investors and local ventures in need of financing. CICs are a cost effective, community owned and controlled impact fund. They enable residents to become partners in locally driven economic development, which leads to stronger and more sustainable economies. In other words, your money won't be in stocks and mutual funds, but more importantly in local projects and people.

Community Investment Co-ops across Canada have successfully financed ventures that generate significant local impacts including: affordable housing; renewable energy, sustainable agriculture and food production; locally-owned small business development; technology; and community economic development projects. The longer a dollar can circulate within a community, the greater its economic and social impacts.

The 2018 Mobilizing Local Capital (MLC) project is a joint initiative between Kootenay Employment Services, BC Rural Centre, the Province of BC, and dozens of West Kootenay Boundary (WKB) economic development organizations. During January and February 2018, over 200 WKB residents attended community impact investment sessions and committed to establishing a regional Investment Co-op: the West Kootenay Boundary Community Investment Co-op.

Over 30 economic development stakeholders formed an advisory committee and participated in four months of business planning activities. During July and August 2018, the CIC Consultant, along with a Co-op developer and a lawyer, compiled the WKB Investment Co-op's founding documents: the Memorandum of Association, Bylaws and Business Plan. These documents have been reviewed and approved by the 30 advisory committee members and the West Kootenay Boundary Community Investment Co-op is undergoing public launch activities. Public launch sessions are being held from November 9 to December 14, 2018 throughout the region.

The WKB Investment Co-op serves a large geographical region: over 90,000 residents make their home here. The major population centres in West Kootenay Boundary include Grand Forks, Trail, Rossland, Castlegar, Nelson, Nakusp and Kaslo. In 2015, West Kootenay Boundary taxfilers invested over \$60 Million into new RRSP contributions, all of which left the region. If just 5% of these annual investments were redirected into local business financing, that would equate to \$3 Million per year in direct economic development stimulus. West Kootenay Boundary taxfilers also have an estimated \$490 Million sitting in savings products (i.e. Canada savings bonds, term deposits, savings accounts, etc.). Most of these monies are not actively invested into local ventures.

WKB Investment Co-op Quick Facts:

- Canadian residents and Canadian-controlled entities are eligible for membership.
- A member-elected Board oversees governance of the WKB Investment Co-op, supported by sub-regional Investment Committees and a regional Marketing & Communications Committee.
- Each member is entitled to one vote at General Meetings of the Association, regardless of how many shares they own, a democratic control mechanism built into the Co-op structure.
- The Co-op may issue an unlimited amount of membership shares to their members. However, each member must qualify under one of the securities exemptions relied upon by the Co-op.
- Capital raised from the sale of shares is deposited into local Credit Union accounts to act as a revolving local financing pool.
- Local business and projects that generate economic, social, environmental or community benefits can apply for financing and are approved by sub-regional Investment Committees.
- On behalf of the Co-op, Loans Analysts from the regional Community Futures offices complete professional application assessments and due-diligence checks on a fee-for-services basis.
- When the Co-op determines its maximum investment amount for each applicant, it then partners with other local financiers (such as Community Futures, Credit Unions and the CBT Impact Investment Fund) to leverage any remaining financing.

Additional values that the WKB Investment Co-op brings to the existing financing sector include:

- Business development supports and connections
- Local investors and expertise
- Flexible financing options
- Advocacy for additional financing
- Committed customers and ambassadors
- Local mentors and ongoing supports

The primary source of revenue for the WKB Investment Co-op comes from investment Interest income, which covers its operational expenses. Members who own shares are entitled to annual profits of the WKB Investment Co-op by way of dividends, as recommended by the Board of Directors from year to year. As a community impact investment organization, the WKB Investment Co-op inspires investors and local ventures to make a positive impact (social, environmental and community) while making a profit.



The WKB Investment Co-op is currently seeking individuals to become founding member-investors, as well as businesses seeking financing for their ventures. To learn more about this innovative local impact investment and financing organization, and to stay connected through its public launch, get in touch at: www.WKBInvestmentCoop.com