

**From:** [Graham - Innovation Island](#)  
**To:** [Amrit Manhas \(Amrit.manhas@nanaimo.ca\)](mailto:Amrit.manhas@nanaimo.ca)  
**Cc:** [Chelsea - Innovation Island](#)  
**Subject:** FW: (Update) Innovation Island ~ Technology Stewardship  
**Date:** March 22, 2019 8:25:00 AM  
**Attachments:** [About IITA.pdf](#)  
[IITA-MTEC.pdf](#)  
**Importance:** High

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Attn: **Amrit Manhas, Economic Development Officer, City of Nanaimo**  
by Email [amrit.manhas@nanaimo.ca](mailto:amrit.manhas@nanaimo.ca)

RE: [FINANCE AND AUDIT COMMITTEE MEETING](#) - Wednesday, March 20, 2019  
Delegation from John Hankins, CEO, Mid-Island Business Initiative

Dear Amrit,

Pursuant to the Finance and Audit Committee meeting above, and with respect to a related correspondence to Mayor and Council further below, I would like to provide you with some comments and concerns that I feel are relevant to matters of economic development and technology & innovation within Nanaimo and the Mid-Island region.

I would first like to acknowledge your dedicated work and expertise in Ec.Dev. going back to the NEDC and many years prior. Since you have been our primary contact person with the City I hope that your receipt of this correspondence is appropriate.

As I mentioned in my Dec. 7<sup>th</sup> letter (below) my initial concerns surrounded a component of the MIBI/MTEC presentation that was awaiting a "Provincial Funding decision" ~ via the Ministry of Jobs, Trade and Technology ([JTT](#)) ~ which misleadingly used a letter of support provided by my board of directors. I am now aware, as I believe has been internally disclosed, that this funding application was rejected by the Ministry. While I am not privy to JTT's decision on this matter I would simply like to comment on three factors that certainly influenced Innovation Islands decision to rescind its support of MTEC.

1. The MTEC application was chiefly a duplication of services; which the Provincial Government already funds via [Innovate BC](#), through Innovation Island, as a member of the [BC Acceleration Network](#); notwithstanding the position of other pre-existing service providers.
2. The proponents of MTEC do not have adequate technology-industry credibility or experience; and as such many of their propositions were misguided and/or misplaced to the needs of the community and region.
3. The MIBI/MTEC consortium posed numerous conflicts of interest in association to interface with non-profit organizations and other tax-payer funded initiatives.

In addition to the items above, as was the case for Innovation Island, support letters to MIBI/MTEC were generic and did not specify what projects or funding applications they were to be used for; that in-itself was misleading. Furthermore, it was determined that very little due-diligence was conducted on the proponents, their proposed use of funds and specific outcomes or deliverables.

In consideration to the March 20<sup>th</sup> Finance and Audit meeting [delegation from John Hankins] I would like to address several matters as they pertain to references associated to Innovation Island; transcribed from the publicly available video presentation. It is also my intention [to appear as a delegation before Council](#), per your instructions or advice, to perhaps further address these subjects.

**RE: Nanaimo as the fourth tech hub ~ Minister Ralston radio interview**

As you may know, as referenced herein, Innovate BC (and in-turn Innovation Island) [works under](#) Minister Ralston and JTT. Innovation Island is the regional delivery partner of the [Venture Acceleration Program](#) (VAP). Along with our counterparts across the Province (VIATEC in Victoria, Accelerate Okanagan in Kelowna, KAST in the Kootenay's, Kamloops Innovation, e@UBC and SFU VentureLabs in Vancouver, and others) the BC Acceleration Network [BCAN] is making a substantial impact within the Provincial technology sector and local economic development standpoints.

In reporting to the Ministry, all BCAN partners track various key performance indicators (KPI's) and what we call OKR's (Objectives and Key Results). To this end Innovation Island has often taken the #1 spot (Provincially) in several quarterly metrics. Since VAP start in FY-2014, **160+ new tech-based jobs have been created by our client companies ~ over \$15.2 million of new revenue has been generated and this has attracted \$16.8 million of early-stage technology investment ~** throughout the Mid-Island region. Respectfully, this is why Minister Ralston considers Nanaimo (home-base of Innovation Island) as "perhaps" the fourth tech hub.

**RE: 4 key areas ~ gaps and challenges**

The delegation (John Hankins) stated that there are 4 key areas, or gaps, that the MTEC proposal is trying to solve; 1) local talent pool, 2) access to capital, 3) access to information and resources and 4) community building strategies. Points 1 & 2 are huge challenges that the entire Province is grappling with, which cannot be fully addressed in this correspondence, and by his own account the delegate "does not play in this space in terms of tech".

With respect to item 3, access to information and resources, there are three "highly" localized pre-existing organizations who provide tremendous resources; [Community Futures Central Island](#), [Greater Nanaimo Chamber of Commerce](#) and the [BDC's business centre in Nanaimo](#). The Innovation Island [resource page](#) (used by thousands) also provides simple and easy-access to both Provincial and Federal programs and services, etc. Not to mention the excellent work of the [VIEA Economic Resource Library](#) and numerous other specialty sites typically accessed via Google.

In regard to item 4, community building strategies, this too has much more activity than the delegation suggested; albeit many events and strategies are perhaps not as widely promoted as they could or should be. The Vancouver Island Coast Economic Developers Association ([VICEDA](#)) and the Vancouver Island Economic Alliance ([VIEA](#)) are actively engaged in many tech-based initiatives, with Innovation Island. As you know, and skilfully lead, the Nanaimo

Economic Development office (<http://www.investnanaimo.com/>) is a long-standing trusted and respected partner in all of this.

I respectfully state that these organizations do “collaborate” (and they have done so for many years). Albeit to matters herein MIBI/MTEC give little credit to anyone beyond a passing mention ~ at best.

As referenced in the attachment [About IITA] the tech sector, by design, is a fast-moving and widely diverse \$3-Trillion global industry; Canada accounts for approximately 4% of this activity (\$120 Billion) and British Columbia represents about 20% of Canada’s performance in the market at \$26 Billion. In a recent report by Dr. Alan E. Winter, BC's Innovation Commissioner ([Observations on Innovation in British Columbia](#)) it was somewhat humbly stated that “the tech sector in BC consists of a growing base of companies across a diverse range of sub-sectors [with] 90% of tech companies having less than 10 employees ~ with a focus on services (93%) rather than manufacturing” -- this certainly rings true in our region.

For the past 20 years, Innovation Island has been instrumental in fostering and encouraging growth in the regional technology sector. In conjunction with our Government and Industry partners we bring deep domain expertise to the clients and communities that we serve. We’ve worked with dozens of companies, hundreds of entrepreneurs, and we’ve conducted more events, workshops and other programs (in technology & innovation) than any other body within our region. However, perhaps to a fault, we are front-line workers, we tend not to spend much time on marketing, promotions or local boosterism (chiefly because we know, especially in tech, where the bar is set --- and we know we have a lot of ground work ahead of us). We all need to do more in our respective roles and responsibilities but we greatly caution those who take a [FITYMI](#) approach to this sector.

Thank you for receiving this information, and for your time and consideration.

Graham Truax

Interim Executive Director and EiR

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**From:** Graham - Innovation Island <[graham@innovationisland.ca](mailto:graham@innovationisland.ca)>

**Sent:** December 7, 2018 5:09 PM

**To:** [mayor&council@nanaimo.ca](mailto:mayor&council@nanaimo.ca)

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**Subject:** Innovation Island ~ Technology Stewardship

**Importance:** High

**Attn: Mayor and Council, City of Nanaimo | Sensitive & Confidential ~ Without Prejudice**

RE: [Delegation from John Hankins regarding the Mid-Island Business Initiative](#)  
REGULAR COMMITTEE OF THE WHOLE MEETING - November 26, 2018

Dear Mayor and Council,

May I first extend congratulations on your respective appointments and Godspeed to an exciting term and future for the City of Nanaimo.

Following some recent communications, and the aforementioned delegation from the Mid-Island Business Initiative (MIBI), I feel compelled to provide you with some supplemental information surrounding the Nanaimo and region technology sector. And, to voice several concerns and corrections to related issues.

As you may or may not know, Nanaimo is home to the Innovation Island Technology Association (IITA). Our organization, formerly known as MISTIC (the Mid-Island Science, Technology and Innovation Council), was established in 1998 as a registered non-profit.

IITA is a regional partner of the [BC Acceleration Network](#). We deliver the [Innovate BC](#) (formerly known as “BCIC”) Venture Acceleration Program ([VAP](#)) to Island communities outside of greater Victoria, including the Gulf Islands and the Sunshine Coast. IITA also facilitates other [Innovate BC Programs](#) to qualifying clients and applicants including programs and services for [NRC-IRAP](#). **Our mission is to support entrepreneurs to start and grow technology companies by providing them with programs and resources they need to succeed.**

IITA has affiliate relationships with the [BC Tech Association](#) and regionally we are long-standing members of the Vancouver Island Coast Economic Developers Association ([VICEDA](#)) and the Vancouver Island Economic Alliance ([VIEA](#)).

As the regional voice for technology entrepreneurship, IITA is proud of our client achievements and is dedicated to expanding outcomes over the region and coming years; **since VAP start in FY-2014, one-hundred and sixty-one new tech-based jobs have been created by our client companies, \$13,578,688. of new revenues have been generated and this has attracted \$13,964,818. of technology investment.** For the past 20 years, Innovation Island has been instrumental in fostering and encouraging growth in the regional technology sector.

For more on our core philosophy and approach please see the PDF attached (About IITA).

Regarding the delegation from MIBI I respectfully provide a brief chronology of certain matters for your consideration. Generally, we are supportive of the MIBI (<https://mibi.ca/>) initiative and their respective marketing campaign(s).

On December-05-18 I received an email correspondence addressed to “Mid-Island Business Leaders”. In this correspondence, and as was referenced in the MIBI presentation materials, it was stated/suggested that MIBI was “connected with the [Angel Forum](#) who will be running their first workshop outside of Vancouver in Nanaimo on January 24th, 2019”. A broadcast

email and [MIBI news post](#) (as of today) further stated that “this is a real coup for our region”.

May I slightly correct the above matter by saying that Innovation Island, in co-operation with the Greater Nanaimo Chamber of Commerce “and” MIBI have arranged for Angel Forum to come to Nanaimo for a half-day workshop, panel discussion and networking event on January 24th, 2019. See our blog post [here](#) for the approved copy from the Angel Forum (Innovation Island has been proud to have hosted several Angel Forum events including their hard-hitting Investor Ready Workshop going back to 2011).

Please know that I am not here to quibble over issues of local boosterism. Albeit the BC Business Magazine feature (also included in the MIBI presentation materials) does have several embellishments and somewhat misleading claims; which are verifiable. The BCBUSINESS article, [Harbouring Ambitions](#) (Aug. 20, 2018) covered perhaps a wider perspective on related issues.

My primary concern, herein, surrounds a component of the MIBI presentation dealing with the Manufacturers Technology Entrepreneurship Council (MTEC) ~ that is supposedly awaiting a “Provincial Funding decision” (with support of Mayor Krog championing a request to Minister Ralston ~ per transcript from the delegation).

While it is certainly the prerogative of citizens or organizations to submit proposals to Government this particular proposal [funding request] included a support letter from Innovation Island that was rescinded on October 26, 2018 (see attached). This letter was also provided to the Minister, and other associated parties, for point of clarification, as of November 22, 2018. Although I cannot speak for others, I do know that the support of this initiative is not as widespread as it may appear or has been presented.

Aside to concerns expressed in the letter (with respect to both the spirit and intent our support being misrepresented) Innovation Island uncovered numerous direct and indirect conflicts of interests on this matter that we simply could not condone. Suffice to say our actions thereto were not unwarranted.

Thank you for your time and consideration. If requested, I would gladly make myself available to further explain these matters and/or share more about the work that we do at Innovation Island.

Sincerely,  
Graham Truax

Interim Executive Director and EiR

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