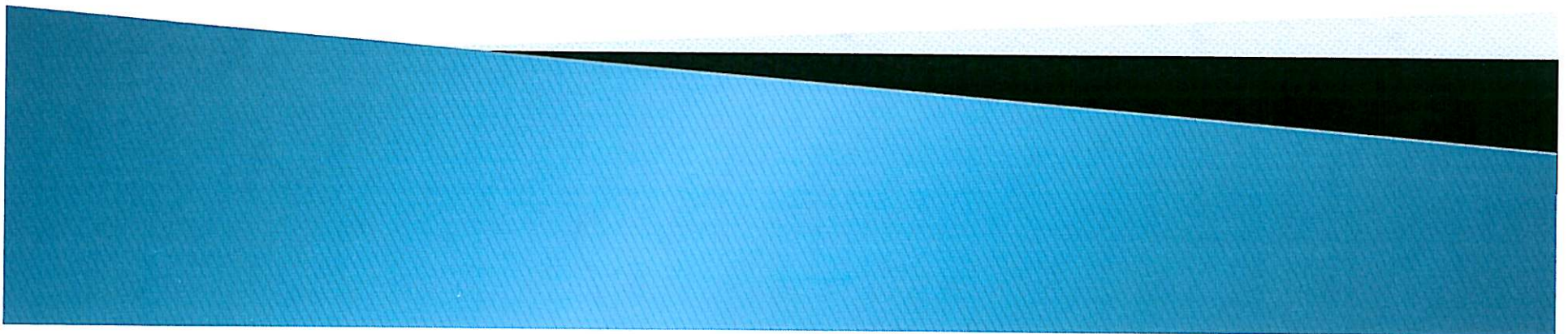


SILGA

Information Update: April 30, 2008

Vernon

*Presenter: **Ron Baker, SIDIT CEO***



Overview

- ▶ Backgrounder
 - Mission
 - Guiding Principles
- ▶ Fiscal 2007 – Activity Update
- ▶ Pending Initiatives
- ▶ 2008-2010 Strategic Plan
- ▶ Process Discussion
- ▶ Q&A

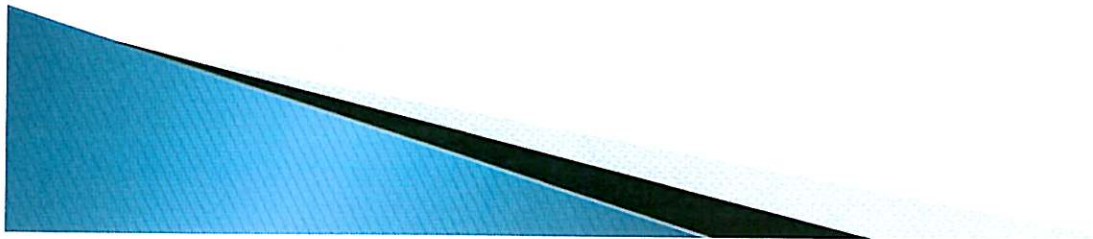
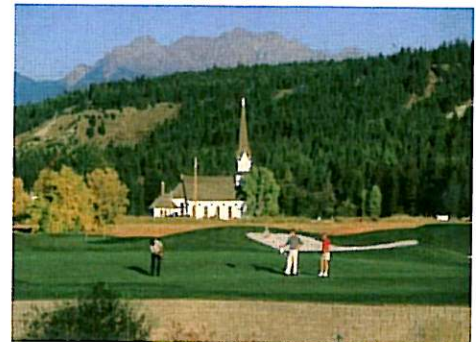
- ▶ RAC Business



Southern Interior Development Initiative Trust

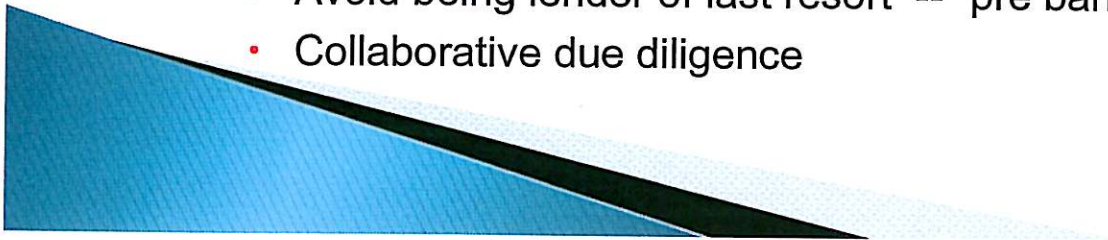
Mission

The mission of the Southern Interior Development Initiative Trust is to support regionally strategic investments in economic development projects that will have long-lasting and measurable regional benefits for the Southern Interior.



SIDIT - Guiding Principles

- ▶ Minimize SIDIT operating costs
 - Minimal staff, low overhead
 - Limited promotion, branding
 - Leverage - strategic partnerships
 - Outsource funding adjudication/ administration
 - Teleconference, electronic communications
- ▶ Award on merit (with geographic sensitivity)
- ▶ Award Criteria - sustainable, measurable benefits
 - Employment - permanent, full time, high wages
 - Increased tax base
 - Increased revenue generation
 - Diversification – innovation, external markets
- ▶ Manage Risk
 - Partnerships
 - Syndications
 - Avoid being lender of last resort -- “pre bankability”
 - Collaborative due diligence

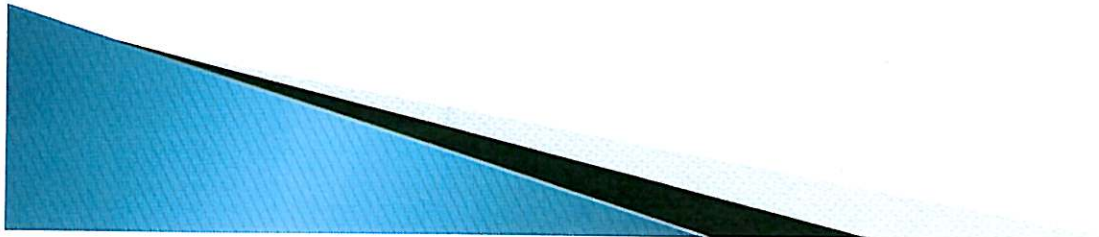


Funding Activity – Fiscal 2007

TOTAL FUNDING COMMITMENT - \$8.6 million

► **Education Awards - \$5.4 million**

- British Columbia Innovation Council – SIDIT
 - 9 program elements focussed on academic awards, innovation and commercialization
 - SIDIT and BCIC each contribute \$760,000 per year - 2 year initial commitment
- **College Trades and Technology Awards - \$2.4 million**
 - College of the Rockies, Selkirk College, Okanagan College, TRU – joint proposal
 - 3 year commitment at \$800K per year
 - Accredited trades and qualifying technology programs
 - All funding as student awards
- **High School Awards - \$1.5 million**
 - Administered by 4 colleges
 - Engage all School Districts within coverage area
 - Focus on trades, technology and academic programs offering dual credits
 - All funding as student awards



Funding Activity – Fiscal 2007

▶ **Pilot Funding Initiative, Community Foundations**

- Cranbrook & District, Phoenix and Central Okanagan - \$25K each
- Prospect of expanding to all 13 Community Foundations in the Southern Interior

▶ **Southern Interior Innovation Fund** - \$ 2 million committed by SIDIT

- private equity fund with target cap of \$10 million
- SIDIT's max. participation rate is 40%
- Leverages from successful OIF
- Emphasis on Technology and Innovation
- Focus exclusively on the Columbia Kootenay and Thomson Okanagan regions
- Seeking investors and opportunities throughout the entire Southern Interior

▶ **Repayable Financing**

- Waveteq - \$350K – convertible debenture
- RFind - \$350K – convertible debenture

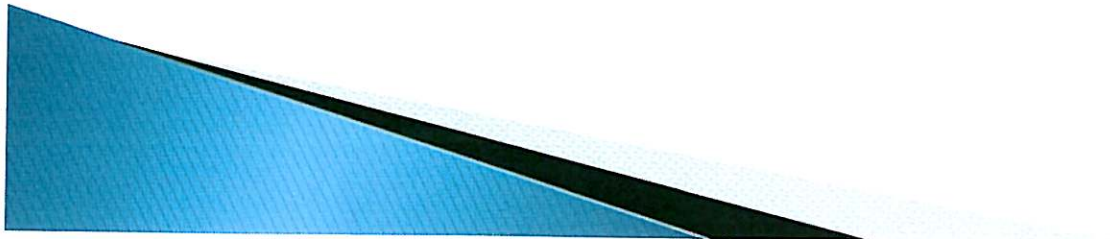
▶ **Other Grant Funding**

- Commitments to 8 projects - \$450,000 Total



Pending Initiatives


- ▶ **Loan Partnership** - under development with CFDCs
 - Initial commitment \$1 million with additional \$1 million on same terms
 - SIDIT and CFDC to co-fund loans
 - CFDC to provide administration for share of interest revenue
- ▶ **Loan Administration Agreement** with Credit Unions
 - Provides full adjudication and administration of SIDIT loans
 - Launched - April 29
 - BC Central Credit Union facilitated planning/ development
 - VantageOne acting as administrative agent
 - 10 local credit unions throughout S.I. area to participate
- ▶ **Pending Projects**
 - 4 Stage 2 loan applications representing \$3.5 million
 - 5 grant applications representing approx. \$700,000 under review



2008-2010 Strategic Plan

- ▶ **Annual Allocation \$7.5 million***
 - Education Awards – approx. \$2.1 million
 - Loans or Equity - \$25K to \$1 million per project
 - Grants - \$10K - \$150K per project : 10% of annual allocation
 - * funds allocated but not disbursed will be carried over

 - ▶ **Eligibility**
 - Grants available to non-profits, charities only
 - Minimum of 50% funding from other sources
 - Alignment with 10 key sectors
 - Located in the Southern Interior
 - Demonstrate economic development benefits

 - ▶ **Excluded** – municipal infrastructure, feasibility studies, health studies, religious, sponsorships, political donations, school facilities
- 

Application Process

Currently - open call

▶ 2 Stages

- Stage 1 – to determine eligibility, invite RAC input (6- 12 weeks)*
- Stage 2 – environmental, business plan, financials, conduct due diligence and make funding decision. (6- 12 weeks)*

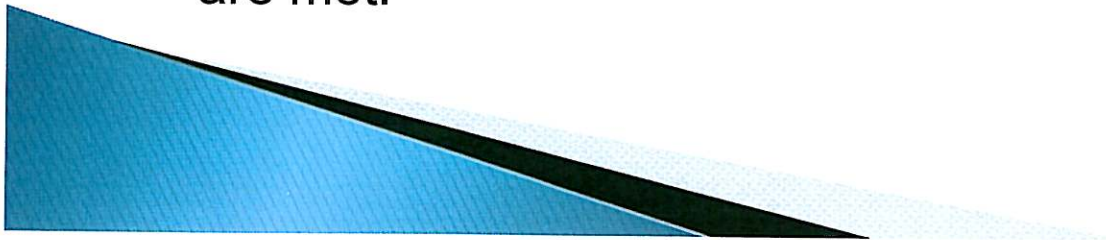
* Processing times may vary depending on scheduled Board meetings, accuracy and completeness of application, need for additional information

▶ Applications, Guidelines at www.sidit-bc.ca

▶ Electronic correspondence preferred

Approvals and Communications

- ▶ Stage 2 - Board Evaluation, Approval
- ▶ Contribution agreement, identifying conditions and terms
- ▶ Public announcements – generally made when terms and conditions are met.

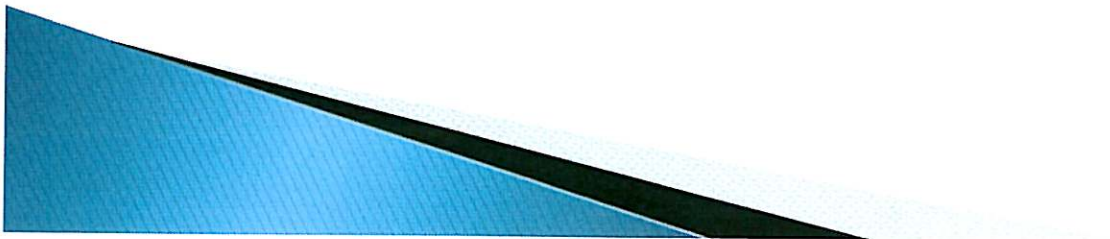


Q&A

- ▶ Discussion on Process – suggested improvements, how to increase participation
- ▶ General Feedback

Notice: SIDIT's AGM will be held at St. Eugene's Resort, Cranbrook, June 5th (12:30 PM – TBC)

RAC Business Meeting follows



Contact Information:

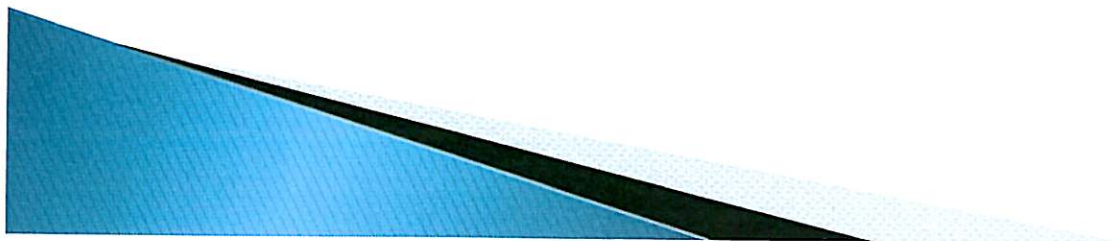
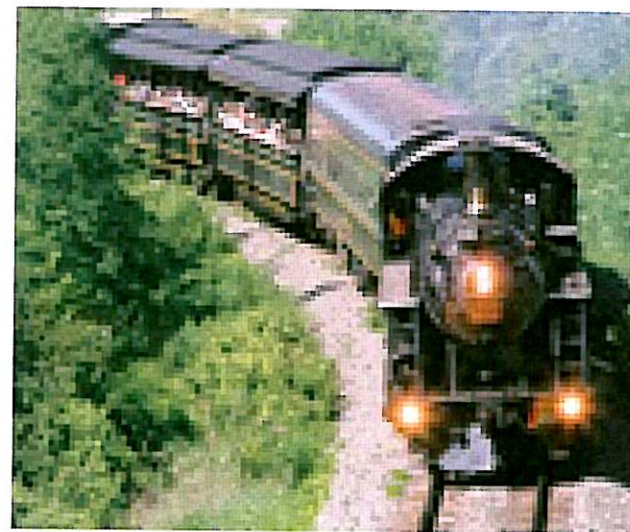
Web Site: www.sidit-bc.ca

Email: admin@sidit-bc.ca
ceo@sidit-bc.ca

Phone: (250) 545-6829

Fax: (250) 545-6896

Southern Interior
DEVELOPMENT INITIATIVE TRUST



RAC Business Meeting

Term of Office – SIDIT Board Members

- ▶ Within 6 months after the coming into force of the SIDIT Act (February 27, 2006), each regional advisory committee must appoint 4 directors of the Southern Interior Development Initiative Trust (note -such first appointments to have been in effect by August 27, 2006)
- ▶ The term of office for directors appointed by a regional advisory committee is 2 years (note -such first appointment term expires August 27, 2008)
- ▶ On or before the expiry of the term, a regional advisory committee must appoint 4 of their number as directors to replace the retiring directors
- ▶ If one of the directors of the Southern Interior Development Initiative Trust ceases to hold office, a replacement for that director must be appointed in the same manner as that director was appointed. A replacement director appointed under this subsection holds office until the end of the term of the director he or she replaces.

