

May 21, 2020

Mayor and Councilors
City of Merritt
Box 189
Merritt, BC, V1K 1B8

Dear Mayor and Councilors,

Re: BC Provincial Nominee Program

The Provincial Nominee Program is a program to encourage foreign investors to invest in rural communities in BC. In Merritt the program is delivered through a partnership with the City, Community Futures Nicola Valley and the Merritt and District Chamber of Commerce.

The partnership is responsible for receiving proposals, evaluating the proposals and inviting the proponents to visit the community for further evaluation. The partnership then decides if the proposal should go forward to the Province for final approval.

Community Futures Nicola Valley supports this program and believes it can be of great benefit to Merritt and the Region. However, we seemed to have developed a difference of opinion between the partners on how to best evaluate the proposals presented. CFNV believe that time should be spent up front on the evaluations of the proposals and therefore would like to see the business plan put forward at the beginning of the process so that it could be determined if the business has any prospect for success.

Reading the report, you will see that there are other areas where the partners are not working together as well as they might. It appears there is a difference of philosophy between the parties and that we should arrange a meeting with all three groups to see if we can move forward on the same page.

Your early attention to this matter would be appreciated.

Yours truly,



T. C. Reynolds
Chair, CFVN

The BC Provincial Nominee Program (BC PNP) Entrepreneur Immigration – Regional Pilot (EI – Regional Pilot)

The BC Provincial Nominee Program (BC PNP Base Program) has been available for many years. The Entrepreneur Immigration – is the option for entrepreneurs from other countries who wish to establish or buy a business anywhere in British Columbia.

In 2019, the Provincial Government introduced the Entrepreneur Immigration – Regional Pilot Program (2 year pilot program) – The BC Provincial Nominee Program (BC PNP) Entrepreneur Immigration – Regional Pilot (EI – Regional Pilot) is focused on attracting entrepreneurs from around the world to establish businesses in regional communities. This program will help meet the communities' economic development needs and encourage investments outside urban areas.

This Pilot Program is a partnership amongst communities, the Province and a designated contact person. The designated contact person can be an organization whose mandate falls within the community economic development such as Community Futures Nicola Valley. This Pilot program is designed to attract and support entrepreneurs with a desire to start a new business and settle in rural communities.

In December 2018, CF Business Analyst Manuel Olguin contacted the Province to inquire about the requirements for the City of Merritt to become an eligible community, but despite his numerous attempts, he did not get an answer. At the end of January 2019, Manuel met with Will George who informed Manuel that the deadline was January 18, 2019. Will believed that the City of Merritt had missed the deadline to apply. Will informed Manuel that he knew about this deadline because he had received an email from the Province. Manuel asked Will to share a copy of such email. With a copy of this email, Manuel contacted the Province again to request an extension for the City of Merritt to apply. As a result, on February 1, 2019 Kimberley Branch the PNP Concierge services replied to Manuel and copied Will George stating the following:

"Community enrolment in the BC PNP Entrepreneur Immigration Regional Pilot is continuous throughout the two-year pilot period. The January 18, 2019 was provided for the first intake and to help us schedule the initial training sessions. The City of Merritt is welcome to enrol at any time. I have attached the form for your convenience.

Please note that the enrolment form must be signed by an authorized signing officer of the community (typically Mayor or CAO); the designated contact person for the BC PNP can be from an organization that has been delegated the economic development function (such as Community Futures)".

On February 8, 2019 CFNV provided a letter of support to the City of Merritt. In this letter, CFNV encouraged the City to apply under the BC PNP-Entrepreneur Immigration-Regional Pilot.

On February 12, 2019 Manuel had a presentation to City Council to provide more information about the program and to clarify the City's involvement. Despite a few concerns regarding some language barriers, City Council made a motion for the City to become an eligible community.

When CFNV announced (EI-Regional Pilot) on their Facebook page back in November 2018, we had a few emails from potential entrepreneurs. One of them was from Vietnam and another one was from Seattle Washington; both entrepreneurs wanted to open a restaurant in Merritt. Since Manuel did not know the priority sectors, he kept providing business counselling to both clients during the months of February and March 2019.

On March 11, 2019 Manuel sent an email to Will George to check on the status of the application Will would be submitting on behalf of the City. On March 12, 2019 Will George replied to Manuel stating that he had already attended the orientation for the program on Friday March 8, 2019. At that time, Will also informed Manuel that the City of Merritt's application had been accepted and registered and that the announcement would be coming out on Thursday March 14, 2019. Manuel replied to Will reminding him that Community Futures Nicola Valley (CFNV) was committed to the delivery of this program and that it would have been beneficial for Manuel to attend the in-person presentation. Manuel asked Will to include CFNV in future training sessions. Since Manuel had not seen the BC PNP application form before submission, he was not aware of the priority sectors chosen by Will George.

On March 22, 2019 Will informed Manuel that their link for the EI- Regional Pilot was live and asked Manuel to encourage his two clients to apply. On March 27, 2019 Manuel provided the link to the BC PNP application under the City of Merritt website to the two potential entrepreneurs interested in opening a restaurant in the City of Merritt.

On March 25, 2019 Manuel attended the Trans Mountain Business Readiness Workshop at the Best Western in Merritt. Throughout this workshop, Manuel was approached by some local stakeholders asking about CFNV involvement in the EI – Regional Pilot Program. After Manuel presented a quick summary of CFNV's involvement in this program, he was asked why CFNV chose the three priority sectors without prior consultation with the community.

At that point, Manuel did not know the chosen priorities, but he explained to those concerned business owners that CFNV was not involved in the selection of these priority sectors. That day he learned that the three priority sectors chosen by Will George were:

1. Truck Transportation.
2. Warehousing & Storage; and 3. Miscellaneous Store Retailers.

Manuel made it clear that CFNV did not choose these priorities. Manuel referred these stakeholders to Will George for any concerns.

On April 3, 2019, Will sent Manuel and Meagan Preston (Chamber of Commerce Manager at that time) an email with the Terms of Reference to create a balanced committee to handle all these applications as previously discussed by all parties.

On April 5, 2019, CFNV sent a letter to Sean Smith. This letter was addressed to Mayor Linda Brown & City Council. In the letter, CFNV reminded the City of Merritt about the following:

- ✦ CFNV has been involved in the EI- Regional Pilot since day one.
- ✦ CFNV made multiple attempts for the City of Merritt to become an eligible community under this program.
- ✦ Our Interest to be the designated contact person between the Province and the City of Merritt.
- ✦ CFNV offered to pre-screen all the applications by having their Lending Committee review all the business concepts; and
- ✦ CFNV agreed to create a balanced committee with a representative from City Council, CF Nicola Valley and the Chamber of Commerce to approve or decline these applications.

Once this letter was received by the City of Merritt, Sean Smith called the CFNV office and left a message. In this voicemail, Sean mentioned some misunderstandings and expressed his interest in meeting with CFNV.

A meeting was scheduled on April 8, 2019 at 2pm. Will George and Sheila Thiessen attended representing the City of Merritt. Tom Reynolds, Mae Ketter and Manuel Olguin attended representing CFNV.

In this meeting, CFNV questioned the rationale behind the priority sectors chosen by Will George. Manuel mentioned that in a recent event he attended, he was questioned by local stakeholders about these priority sectors chosen without consultation with the community. Sheila admitted that she did not review these priority sectors before signing the EI – Regional Pilot application form. When Sheila asked Will about the rationale of these priority sectors, Will George mentioned that he chose these priority sectors based on the current official community plan (OCP). CFNV reminded both Sheila and Will that the current OCP was dated June 28, 2011; as a result, some of the information might not be applicable. In the end, we all agreed to work together and to improve the communication amongst all the parties involved.

On April 9, 2019 there was a City Council meeting. In this meeting, Council approved the creation of a Committee of the City, to deal with the EI – Regional Pilot applications. This committee would be formed by one member from City Council, Meagan Preston from the Chamber of Commerce and Manuel Olguin from CFNV.

On April 10, 2019 Mae Ketter from CFNV, Meagan Preston, Will George and Manuel Olguin met to go over the program. Will presented an update and disclosed all the applications from applicants who had already received an invitation for the exploratory visit to Merritt. Manuel suggested the need to pre-screen these applications before issuing an invitation for the exploratory visit. Will said that he was going to add this agenda item to the first BC PNP Committee Meeting.

After the program was officially announced and the link for this program was live, CFNV started to receive several emails from entrepreneurs around the world asking questions about the applications or the requirements for this program. There were some entrepreneurs interested in the program but wanted to learn more about what kind of businesses were needed before submitting an EI – Regional Pilot application. As an example, on April 24, 2019 Manuel received the following email from an entrepreneur from Bermuda:

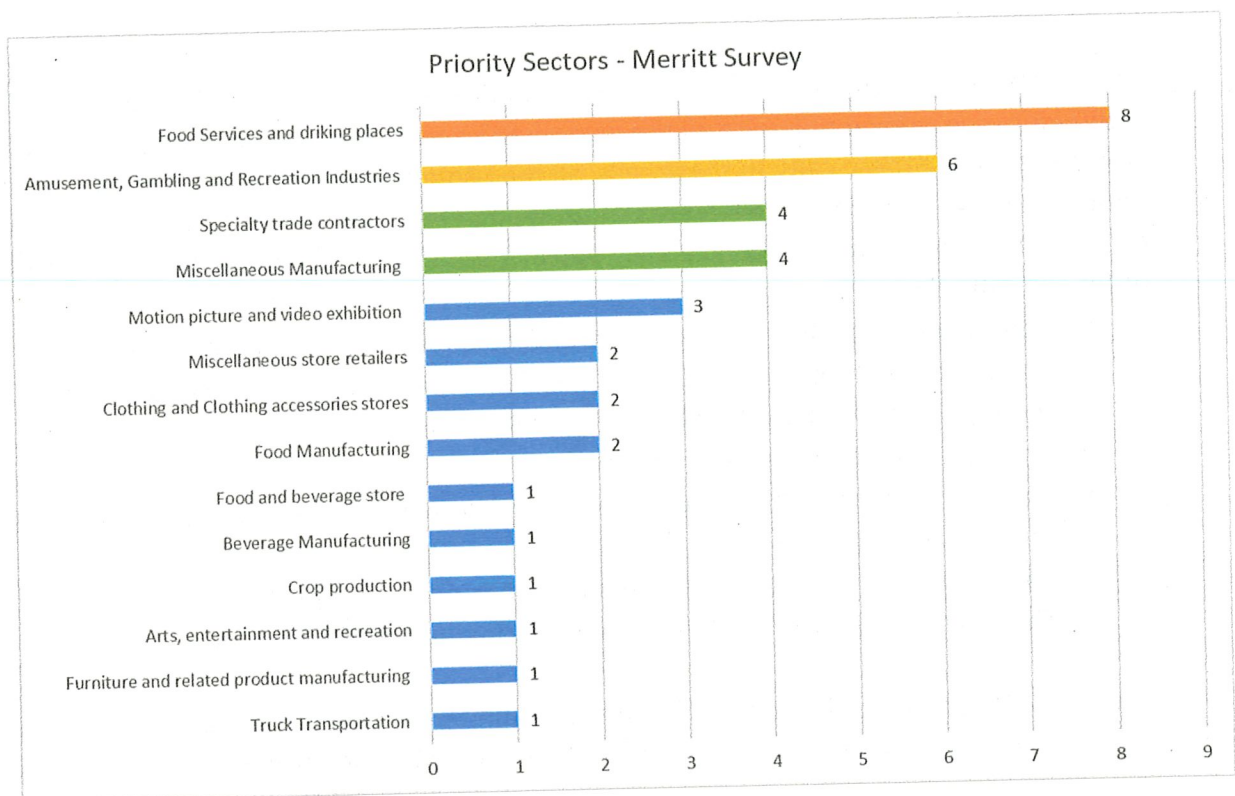
"I hope this email find you well. I am a Bermudian small business owner hoping to take advantage of this new program. I would qualify under the Miscellaneous Retail Business section.

I am trying to do some research into exactly the type of retail stores that would be needed in Merritt. I found the Business walk info that was done in 2016. Was there one done in 2018? I am having trouble finding information and even any available retail spaces that do not require actually building something.

I have reached out to Will George, Economic Development & Tourism Manager, but he is unable to recommend anybody. I understand that I can only contact him when I have had my business plan uploaded to BCPNP and have an initial approval. Truthfully, I am worried that small businesses are either not needed and/or not viable. Obviously, it is important for both myself and your community that I succeed. Is there any information, advice or directions your can give me?"

As with this entrepreneur, CFNV received other similar emails from other entrepreneurs around the world interested in opening a business in Merritt. They needed information about the viability of their business idea. They needed to know what kind of business was needed in our community. As a result, CFNV met with the Chamber of Commerce to move forward with a Business and Residential survey to determine the needs of our residents and the business community. CFNV and the Chamber of Commerce invited the City of Merritt to participate in this project.

On May 3, 2019, the Survey went live with a May 17, 2019 deadline. As part of this survey, we mentioned that we needed to hear from the business community as to what potential new businesses they felt Merritt needed to compliment and support the current business community. On May 27, 2019, the Chamber of Commerce shared the results (24 Business & 59 Residents responses). The results were as follows:



CFNV was able to share this summary and the detailed results with potential entrepreneurs. It seemed this information was helpful for them to decide regarding what kind of business they wanted to open in Merritt.

Since we started meeting with entrepreneurs in person, Manuel asked Will to provide a copy of the Business Concepts in advance before the exploratory visits. On May 23, 2019 we had the inaugural meeting of the BC PNP Committee. At this meeting, we processed five BC PNP applications. We issued three community referral letters, declined one application and asked the fifth application for further information.

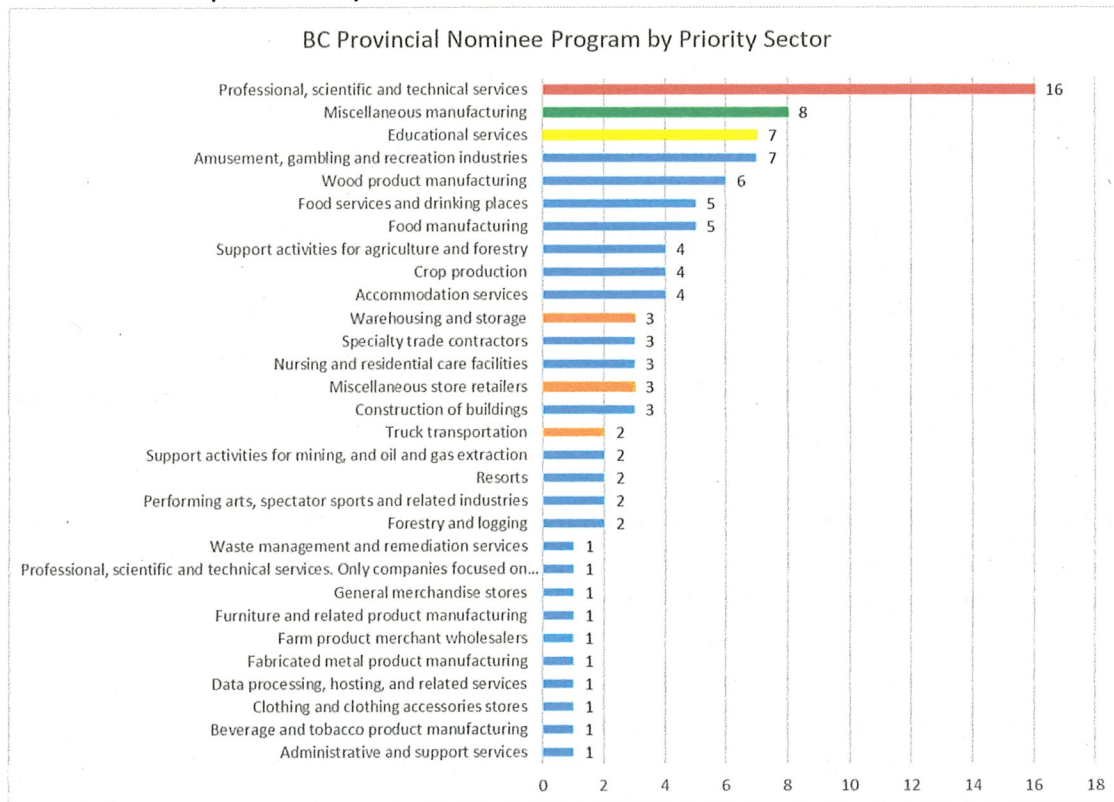
Soon CFNV realized that the information provided was not enough. Some applicants presented a one-page business concept. When Manuel met with applications with one-page business concepts, he had to request more information to determine their business idea was viable. Some applicants were able to provide the additional information right away, but others decided to move forward with their application as originally presented. As a result, CFNV was not in the position to approve such applications when the clients failed to provide more information regarding their target market, competition analysis, financial forecast amongst others.

Once CFNV and the Chamber of Commerce learned that the BC PNP was hosting monthly community conference calls with all the communities participating in this program, CFNV started attending these calls. In these calls, all the communities had an opportunity to talk about their own experience delivering this program. CFNV learned that it was up to each community to decide how to handle each application. These are some of the highlights from other communities:

- ✦ Communities handled townhall or roundtable meetings with their stakeholders, Chamber of Commerce and Community Futures offices to determine what the top three priority sectors would be more beneficial for their cities.
- ✦ An application fee was charged.
- ✦ A pre-screening process (videoconferences) was in place before issuing an invitation for the exploratory visits.
- ✦ A business plan was required instead of a business concept.
- ✦ There was an opportunity to change their original priority sectors.

When BC PNP announced an option for the communities to change their priority sectors, CFNV met with the Chamber of Commerce to come up with the three new sectors. CFNV

and the Chamber of Commerce based their decision on the recent survey results and from the information provided by the BC PNP:



CFNV and the Chamber of Commerce came up with these three new priority sectors:

1. Professional, scientific and technical services.
2. Specialty Trade Contractors; and
3. Amusement, gambling and recreation industries.

On June 17, 2019 Manuel sent an email to Will George inquiring about the process to inform the applicants once their applications were approved. There was an entrepreneur whose application was approved on May 23, 2019 and by June 17, 2019 this entrepreneur had not received an official email confirming the approval of his application:

"I'd like to know what the process is to inform the applicants when their applications have been successful to receive the "Community Referral Letter". We approved the application for this entrepreneur (Upender Singh Cheema) on May 23rd, 2019. On May 30th, this applicant sent me an email to find out the status of his application. I replied to him on May 31 and cc to you. In my email, I informed him that a decision has been made about his application. Also, I told him that you would be approaching him soon to inform him about such decision.

Two weeks later, he is sending the email below stating that he has not heard from you. I am assuming this has been an oversight”.

On July 5, 2019, CFNV addressed an email received from Councillor Fehr regarding some concerns he had. In this email, CFNV also recommended again the need to pre-screen all the applications before issuing an invitation for the exploratory visit.

We continued our monthly BC PNP Committee meetings. Manuel reminded all the parties involved that CFNV could not vote in favor of one-page business concepts if the applicant had not provided the additional information requested by the CFNV Business Analyst. Since some of the business concepts did not contain enough information, there was a need to request further information. CFNV again stated that we needed to request Business Plans instead of business concepts.

CFNV & the Chamber of Commerce called a meeting to discuss these three new priorities sectors with Will George on July 19, 2019. In summary, Will George refused to accept any changes to the priorities he originally chose.

Knowing that the deadline to make changes to the priority sectors was fast approaching (July 31, 2019) – as the chair of the BC PNP Committee – Manuel Olguin contacted Carole Fraser to schedule an extraordinary meeting on July 19, 2019. Carole replied to Manuel’s email stating that Carole and Will would be away that Monday. Since everyone had confirmed their attendance (Chamber of Commerce, Councillor Fehr and Community Futures) with the exception of Will and Carole, Manuel moved forward with this meeting as scheduled and sent an email to Scott Hildebrand to let him know about this extraordinary meeting. In his email sent on July 19, 2019 Scott just wanted to make sure that Councillor Fehr was attending. Manuel informed Scott that Councillor Fehr had already confirmed.

On Sunday July 21, 2019 at 6:32pm Councillor Fehr sent an email as follows:

“I will consider the Monday meeting postponed.

It did not occur to me when I agreed to attend, that due process may not be followed”.

Despite following all the guidelines to have this extraordinary meeting, CFNV was unable to move forward with the meeting.

On July 22, 2019 Manuel sent an email to Scott Hildebrand outlining the issues CFNV encountered while trying to set up an extraordinary meeting as follows:

"I'd like to outline the series of events that happened around the intent to have an Extraordinary BC PNP meeting:

- ✦ From early in the program, I have requested a report from Will by priority sector on each of the inquiries. My intention was to analyze the inquiries to determine the viability of each sector.*
- ✦ Meagan, Will and myself met on Friday July 19, 2019 at 2pm to discuss the current priority sectors.*
- ✦ After meeting with Will and presenting the rationale to change the existing priorities, we did not come to an agreement; as a result, it was decided to call an Extraordinary Meeting.*
- ✦ Knowing that the deadline to make changes to the priority sectors is July 31st, 2019, and the last City Council meeting prior to this deadline is July 23rd, 2019, there was no other option but to call an Extraordinary Committee Meeting today July 22, 2019.*
- ✦ Will indicated he was available to attend this meeting.*
- ✦ Within five minutes, Will sent a text message indicating that he was going to be away on Monday; I indicated to him that I still wanted to proceed with this meeting.*
- ✦ Five minutes later, Will sent me another text stating that Carole Fraser was not available either. As a result, I gave you a call to check my options.*
- ✦ Based on our telephone conversation, you indicated that the meeting could proceed.*
- ✦ I stopped by Councillor Fehr's business and he agreed to attend.*
- ✦ After my conversation with Councillor Fehr, I returned to the office to inform the committee of the Monday morning meeting.*
- ✦ On Sunday, Will sent an email recommending this meeting be postponed as he and Carole could not attend. He also mentioned that "As this is a City of Merritt committee we need to ensure the proper process is followed such as the committee (or a quorum of it) meeting to discuss the in-closed items only at the committee meetings and minutes are taken by the assigned staff member for City committees".*
- ✦ As a result of Will's email, Councillor Fehr sent an email considering the meeting had been postponed and he also mentioned "It did not occur to me when I agreed to attend, that due process may not be followed".*
- ✦ The remainder of the committee was ready to have this meeting today. Due to the lack of City Council representation, it was decided to postpone it.*
- ✦ To date this meeting has not been rescheduled as Meagan Preston from the Chamber of Commerce is not in town tomorrow. She could join by teleconference.*

Would it be possible for us to meet ASAP prior to rescheduling this meeting?"

Finally, the extraordinary BC PNP meeting took place on Tuesday April 23, 2019. Everyone attended in person except for the Chamber of Commerce who attended via telephone. After providing a rationale to change the current priority sectors and making a motion to change them, neither the Chamber of Commerce nor City Council supported this motion. As a result, the motion made by CFNV was defeated.

On September 19, 2019 Manuel attended a BC PNP in-person presentation in Penticton. A summary of the program was presented. Also, there was an opportunity to hear about the different challenges each community was experiencing. Manuel expressed his concerns about the three priority sectors each community had to choose. He questioned the need to have priority sectors at all. Manuel's concerns were echoed by communities such as Penticton, Osoyoos and Salmon Arm. He was told that the EI – Regional Pilot was a two-year program and they would be revisiting and taking into consideration all this feedback in the first-year anniversary of the program. Manuel also mentioned CFNV's involvement at the exploratory visits. He mentioned the need to request a full business plan instead of a business concept. Some communities agreed with the benefits to have a business plan, but they mentioned that they did not have the manpower nor the experience to deal with full business plans. Manuel reminded all that the Community Futures program as well as other programs such as Futurpreneur or BDC had business analyst willing to assist with the revision of these business plans. The BC PNP acknowledged the work done by the Merritt Community and encouraged the other communities to approach their CF offices in their regions. They did say that they are requesting full business plans at the Provincial level.

Meeting after meeting, CFNV requested to implement two main things:

1. A pre-screening process; and 2.
- To request a full business plan.

On January 20, 2019, the BC PNP Committee made a motion to request full business plan instead of only business concepts. This motion was made by CFNV and seconded by the Chamber of Commerce. Despite Councillor Fehr being against, this motion passed. Sean Smith mentioned that he was not sure if this motion had to be approved by City Council, but he agreed to investigate it.

On March 19, 2020, Manuel received an email from Will George stating that *"the Staff Report on the BC PNP will be coming forward at the March 24th Regular Council Meeting"*.

On March 24, 2020, Manuel attended the first virtual City Council Meeting. When City councillors discussed the motion made by the BC PNP committee, councillor Christopherson stated that he needed more information. At that time, Manuel requested the opportunity to provide more information to the host, but it was never given to him.

While preparing this chronology of events around the EI – Regional Pilot Program, Mae Ketter contacted the BC PNP Concierge on April 6, 2020 stating that CFNV was not aware of some of the activities recently done by the BC PNP. For example, there was a survey delivered by the BC PNP that neither the Chamber of Commerce nor CFNV knew about. Mae also inquired about some pending information the BC PNP mentioned at the April conference call and requested to include CFNV in future emails.

On April 7, 2020, the BC PNP Concierge replied to Mae's email stating:

"Thanks for connecting with us. Our designated contact for Merritt is Will George at the City of Merritt (I have copied him). He is ultimately responsible for the referral process for Merritt, so he receives our emails and requests. Each community has a different relationship with their local network, so we leave it to the designated contact to decide the level of involvement of the other organizations.

We appreciate your participation on our conference calls and enjoyed meeting Manuel at our fall training session in Penticton. It is great to hear that one of the impacts of our Regional Pilot is a stronger connection between settlement, newcomer agencies, economic development groups and municipalities.

Hope this helps explain our communications – do let us or Will know if you have any other questions".

CFNV took the time to prepare this chronology of event because we understand the economic benefit this program will bring to our community, but feel we are setting these entrepreneurs up for failure if we don't request the appropriate information before their exploratory visits are scheduled.

To continue with CFNV involvement in this program, we would like to request the following:

1. To establish a pre-screen process to separate viable and not viable business ideas.
2. To start requesting a full business plan. CFNV is the position to provide business counselling to all these entrepreneurs. We believe that by having full business plans in advance, this will speed up the timeframe to process each application; and
3. To be added as another designated Contact Person along with the City of Merritt.

