

AGENDA
ECONOMIC DEVELOPMENT ADVISORY COMMITTEE

To be held virtually via MS Teams
Wednesday October 4, 2023 from 5:30 pm to 7:30 pm

The District of Saanich lies within the territories of the ləkʷəŋən peoples represented by the Songhees and Esquimalt Nations and the WSÁNEĆ peoples represented by the Tsartlip, Pauquachin, Tsawout, Tseycum and Malahat Nations.

We are committed to celebrating the rich diversity of people in our community. We are guided by the principle that embracing diversity enriches the lives of all people. We all share the responsibility for creating an equitable and inclusive community and for addressing discrimination in all forms.

1. CHAIR'S REMARKS

2. ADOPTION OF MINUTES

- June 27, 2023

3. COUNCIL TAX POLICY

- Jennifer Lockhart, Senior Manager of Financial Services

4. FOOD HUB FEASIBILITY STUDY UPDATE

- Mitchell Edgar, Economic Development Manager

5. ECONOMIC DEVELOPMENT STRATEGY DISCUSSION

- Mitchell Edgar, Economic Development Manager

* Adjournment *

Next Meeting: November 28, 2023 at 5:30 pm

In order to ensure a quorum, please contact Megan MacDonald at 250-475-5494 ext. 3430 or
megan.macdonald@saanich.ca if you are unable to attend.

5280-20
2023 Budget

COUNCIL TAX POLICY

Report of the Director of Finance dated March 10, 2023 to seek Council direction regarding tax policy options.

MOVED by Councillor de Vries and Seconded by Councillor Harper: “That the item be referred to the Finance and Governance Standing Committee and the Economic Development Advisory Committee prior to being considered by Council.”

CARRIED

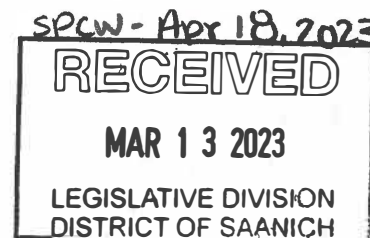
The Fire Chief, Director of Engineering, Director of Planning, Director of Parks, Recreation and Community Services, Director of Finance, Deputy Fire Chief, Program Manager, Strategic Facilities Planning, Senior Manager, Financial Services exited the meeting at 11:04 p.m.



The Corporation of the District of Saanich

Report

To: Mayor and Council
From: Paul Arslan, Director of Finance
Date: 03/10/2023
Subject: Council Tax Policy



RECOMMENDATION

That Council provide direction to staff with respect to options for tax policy for the current term.

PURPOSE

At the April 27th, 2022 Committee of the Whole meeting, Council directed staff to bring forward a report on options for tax policy in early 2023. The purpose of this report is to:

1. Fulfill the request to provide information to Council on distribution of taxation between Class 1 residential and Class 6 business properties; and
2. provide information on the effects of Council's tax distribution policy over the past decade; and
3. seek direction on Council's tax policy for the current term.

In addition to the above items staff are also seeking Council's direction regarding future use of non-market change tax revenue as well as the removal of Employer Health Tax as a separate line item on the tax notice.

DISCUSSION

Each January, BC Assessment (a provincial Crown corporation) provides every owner of real property with a property assessment notice that determines the property's fair market value and classification as of July 1 of the previous year. These assessment values are used as the basis for allocating the share of property taxes owners will pay.

Market values of properties differ from year to year, and changes in market values depend on a multitude of factors and are determined by BC Assessment. As a result, the average assessment changes differ depending on the property class and property type. The chart below shows the District's assessment changes by property class for the last two years.

Chart 1: Assessment Changes by Class

Property Class	2023 Completed Roll	2022 Revised Roll	% Inc (dec)
Residential	\$ 47,161,104,289	\$42,045,648,460	12.2%
Utility	22,555,200	20,655,700	9.2%
Supportive Housing	56	58	-3.4%
Major Industry	912,000	-	0.0%
Light Industry	42,172,600	33,977,400	24.1%
Business	2,951,020,379	2,659,104,964	11.0%
Managed Forest	-	-	0.0%
Rec/Non-Profit	23,513,000	23,061,800	2.0%
Farm	3,356,753	3,731,002	-10.0%

These disproportionate assessment changes result in a tax burden shift to the class that has the highest assessment increase unless tax ratios are adjusted to evenly distribute the property tax increase among property classes. Therefore, according to Chart 1, the residential (Class 1) and light industrial (Class 5) classes will experience an increased tax burden in 2023 if the property tax ratios are not adjusted.

Under the *Community Charter*, municipalities are required to set out specific objectives and policies with regards to property taxation distribution. The following tax policy is identified in the Financial Plan and has been a longstanding approach for the District:

Distribution of Property Taxes: The Municipality will continue to set tax rates to ensure tax stability by maintaining uniform annual tax increases between the classes.

The District uses the tax share approach to allocate the municipal tax burden. This approach involves determining the percentage share that each class should contribute to the overall tax revenue. Tax rates are changed each year to maintain a consistent allocation of the tax burden among property classes. This practice provides tax increases that are equal for all classes. In accordance with this policy, the resulting tax rates and percentage of levy share reflected in Chart 2 show that the Class 6 business share of the total tax levy was 23.15% in 2022 and that Class 1 residential properties were responsible for 76.21% of the total property tax revenue. However, the District of Saanich class composition is predominantly residential.

Chart 2: 2022 tax rates, tax share, and tax multiple

Class	Description	2022 Tax Rate	% Property Tax Levy	Tax Multiple
Class 1	Residential	2.71773	76.21	1.00
Class 2	Utilities	25.58371	0.35	9.41
Class 3	Supportive Housing	2.71775	0.00	1.00
Class 5	Light Industry	6.92159	0.16	2.55
Class 6	Business/Other	13.05151	23.15	4.80
Class 7	Managed Forest	19.57716	0.00	7.20
Class 8	Rec/Non-Profit	8.25185	0.13	3.04
Class 9	Farm	0.50000	0.00	0.18

Chart 3 below provides a comparison between the percentage of assessment values versus the percentage of tax burden from 2013 – 2022.

Assessments	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Class 1	92.2%	91.7%	91.8%	91.8%	92.6%	93.2%	93.0%	92.7%	93.1%	93.9%
Class 6	7.6%	8.1%	8.0%	8.0%	7.2%	6.7%	6.8%	7.1%	6.7%	5.9%
Tax Burden	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Class 1	77.6%	76.9%	76.7%	76.8%	76.3%	76.2%	76.2%	76.3%	76.2%	76.2%
Class 6	21.8%	22.5%	22.6%	22.6%	23.1%	23.1%	23.2%	23.1%	23.2%	23.2%

In 2009, the tax policy set the proportion of business (Class 6) property tax revenue at a minimum of 19%. In 2012, the Saanich strategic plan target for the proportion of business property tax revenue rose to 20%, in 2014 to 21%, and in 2016 to 23% where it has remained. The subtle change in tax policy starting in 2009 has resulted in a shift of the tax burden for Class 6 from 19% tax share in 2009 to 23% tax share in 2022. While the share of property tax that Class 6 is responsible for has increased 4% over ten years, the percentage of assessment distribution between Class 1 residential and Class 6 business has stayed relatively even (5.8% in 2009 to 5.9% in 2022).

In addition to the minimum tax share for Class 6 business of 23%, policy implementation requires that uniform tax increases be applied to each property class. The process of equalizing the tax increase results in an adjustment to the tax multiple and the tax rates.

Chart 4 demonstrates the tax rate setting process and reflects the application of this policy in equalizing the tax increase between the different property classes. Note that the final column of the chart reflects an increase of 6.67% in 2022 to each property class (with the exception of farm class 9 which Council had set at 0.50 tax rate in 2009). It is important to confirm that there is a range of property tax assessment increases *within* each class when properties experience a market value change that is lesser or greater than the average for that class.

Chart 4: Tax increases by property class for 2022

Class	2022 Assessments	% of Assessment	Tax Rate	Tax Multiple	2022 Tax Revenue	2022 Tax Share %	Increase to existing (%)
1	42,045,648,460	93.87%	2.71773	1.00000	114,268,875	76.21%	6.67%
2	20,655,700	0.05%	25.58371	9.41000	528,449	0.35%	6.67%
3	58	0.00%	2.71775	1.00000	-	0.00%	0.00%
5	33,977,400	0.08%	6.92159	2.55000	235,178	0.16%	6.67%
6	2,659,104,964	5.94%	13.05151	4.80000	34,705,335	23.15%	6.67%
7	-	0.00%	19.57716	7.20000	-	0.00%	0.00%
8	23,061,800	0.05%	8.25185	3.04000	190,302	0.13%	6.67%
9	3,731,002	0.01%	0.50000	0.18000	1,865	0.00%	1.85%
	44,786,179,384	100.00%			149,930,004	100.00%	

Residential tax rates vs. non-residential tax rates

Local and national business groups have been advocating for reductions in the commercial to residential tax ratios and have raised questions as to perceived fairness of the different property tax rates paid by commercial and residential taxpayers. Ratios are calculated to compare the residential tax rates to other classes. For example, using 2022 tax rates, the business tax rate is 13.05 and the residential tax rate is 2.71, the ratio is 4.80 (13.05/2.71).

Tax ratios are one way to examine equity in how the tax burden is allocated between the different property classes. By comparing tax multiples between different property classes, it raises a fairness argument over the level of services consumed. For example, if the business multiple is 4.0, is the commercial business considered to consume four-times more services than a residential property? Many publications specifically focus on the commercial/residential relationship and call for a reduction in that ratio. However, the ratio is not necessarily an indication of a high tax burden on business; Vancouver saw a decrease in both residential and commercial tax rates in 2022, reporting the lowest tax rates of the cities surveyed. As the rate of taxation for residential properties dropped further than the commercial rate, Vancouver’s commercial-to-residential tax ratio actually increased.¹

Historically, class 6 (business) properties in BC have been taxed at a higher rate than class 1 (residential) properties. There has been extensive research on the topic of tax policy and many papers prepared on the differences between commercial and residential property tax rates. Research has revealed arguments supporting a higher tax rate for business are that higher rates cover the cost of customers and employees who come to the District each day but pay their residential property taxes to another jurisdiction. The costs of providing the services to those customers and employees should be paid by the business that attracts them.² In addition,

¹ Altus Group *Canadian Property Tax Rate Benchmark Report (2022)*, (p. 5)

² For examples of range of services provided, see UBCM *Comment on Fiscal Management in British Columbia’s Municipalities*, (p. 2, Figure 1)

property tax payments made by a business are tax-deductible against their business income, whereas this is not available to residential taxpayers.

Some of the arguments against a higher tax rate for business are that it decreases competitiveness and could be a deterrent to retaining businesses in the community if they are lured to a different jurisdiction with lower tax rates. In addition, there is criticism that businesses do not consume the increased level of services to justify a higher business multiple, and that a higher business tax rate is subsidizing residential taxpayers.

Where do we compare?

In order to assess local competitiveness, Chart 5 below depicts the tax ratio and tax rates for residential and commercial classes for all municipalities within the Capital Regional District (CRD). The chart shows that Saanich is tied at fourth highest business to residential tax ratio but has the highest business tax rate within the CRD for 2022. While this does not prove that businesses are choosing to operate in other jurisdictions with lower property tax rates, it does raise questions about the District's ability to attract and retain a business community. That said, results from the latest business survey held in 2023 showed that most businesses (70%) consider Saanich a good place to operate a business.

Chart 5: Comparing Class 1 and 6 tax ratio & rates among local municipalities

Municipalities	2022 Residential Tax Rate	2022 Business Tax Rate	2022 Ratio	2022 Residential Taxes on \$500,000	2022 Commercial Taxes on \$500,000
North Saanich	1.16540	7.98670	6.9	583	3,993
Highlands	1.74890	8.94430	5.1	874	4,472
Metchosin	1.47000	7.41840	5.0	735	3,709
Saanich	2.71773	13.05151	4.8	1,359	6,526
Colwood	2.36690	11.24920	4.8	1,183	5,625
View Royal	1.98712	8.54820	4.3	994	4,274
Sooke	1.95389	7.71788	4.0	977	3,859
Victoria	2.88840	10.53230	3.6	1,444	5,266
Oak Bay	2.55130	7.53820	3.0	1,276	3,769
Esquimalt	3.02397	8.56441	2.8	1,512	4,282
Sidney	2.04713	5.61109	2.7	1,024	2,806
Langford	2.08835	5.63854	2.7	1,044	2,819
Central Saanich	2.41787	5.47511	2.3	1,209	2,738

2023 Tax Policy Options

Property Tax Revenue Policy Options

The current tax policy is set with the proportion of business tax revenue at a minimum of 23%. Council may wish to hold this target at 23% in which case the 2023 property tax increase would be applied evenly to both Class 1 and Class 6 taxpayers.

OPTION 1: Hold the business proportion of property tax revenue constant at 23.15%.

Option 1	YR1	YR2	YR3	YR4
	2023	2024	2025	2026
Class 1	76.21%	76.21%	76.21%	76.21%
Class 6	23.15%	23.15%	23.15%	23.15%
Incremental increase	0%	0%	0%	0%

If Council wishes to reduce this tax share for business, the shift in tax share will place a higher percentage burden on the Class 1 residential taxpayers.

One method of achieving this is to reduce the business tax share proportion by 0.5% per year for six years. This would reduce the proportion of business tax share to 20% by 2028 and provide relief to business by reducing the average annual tax increase to Class 6 by approximately -2.29%. However, the impact to residential taxpayers would result in an average annual increase of approximately 0.65% per year for those six years of correction.

OPTION 2: Reduce business proportion of tax share by 0.5% annually for six years

Option 2	YR1	YR2	YR3	YR4	YR5	YR 6
	2023	2024	2025	2026	2027	2028
Class 1 (current 76.21%)	76.71%	77.21%	77.71%	78.21%	78.71%	79.21%
Class 6 (current 23.15%)	22.65%	22.15%	21.65%	21.15%	20.65%	20.15%
Increase to Class 1	0.66%	0.65%	0.65%	0.64%	0.64%	0.64%
Decrease to Class 6	-2.16%	-2.21%	-2.26%	-2.31%	-2.36%	-2.42%

Another means of reducing the business tax share is to reduce the tax share of 23% by 0.25% per year until the desired proportion of business tax share is reached. This process would take approximately twelve years to reduce the business proportion to 20%, however it still reduces the average annual tax increase to business by approximately -1.15% which would provide some

immediate results to the business community. The resulting impact to Class 1 residential taxpayers is an incremental increase to the average tax increase of an additional 0.32% per year.

OPTION 3: Reduce business proportion of tax share by 0.25% annually for twelve years

Option 3	YR1	YR2	YR3	YR4	YR5	YR 6
	2023	2024	2025	2026	2027	2028
Class 1 (current 76.21%)	76.46%	76.71%	76.96%	77.21%	77.46%	77.71%
Class 6 (current 23.15%)	22.90%	22.65%	22.40%	22.15%	21.90%	21.65%
Increase to Class 1	0.33%	0.33%	0.33%	0.32%	0.32%	0.32%
Decrease to Class 6	-1.08%	-1.09%	-1.10%	-1.12%	-1.13%	-1.14%
	YR 7	YR 8	YR 9	YR 10	YR 11	YR 12
	2029	2030	2031	2032	2033	2034
Class 1	77.96%	78.21%	78.46%	78.71%	78.96%	79.21%
Class 6	21.40%	21.15%	20.90%	20.65%	20.40%	20.15%
Increase to Class 1	0.32%	0.32%	0.32%	0.32%	0.32%	0.32%
Decrease to Class 6	-1.15%	-1.17%	-1.18%	-1.20%	-1.21%	-1.23%

Treatment of Growth and Non-market Change (NMC)

Non-market change information provided by BC Assessment to municipalities is often referred to as new assessment which typically relates primarily to new construction development. Non-market change can also include assessment changes relating to boundary extension, property class changes, exemption status or zoning changes. It is also possible for non-market assessment changes to be both negative and positive.

Historically non-market change has been applied by the District to offset property tax increases, consistent with the majority of municipalities in the CRD. Chart 6 below illustrates amounts received by the district over the last five years and the fact that the residential and business classes are responsible for much of the annual amount.

Chart 6: Non-market Change History

Class	Property Type	Revised Roll 2022	Revised Roll 2021	Revised Roll 2020	Revised Roll 2019	Revised Roll 2018
Class 1	Residential	367,163	373,195	835,979	693,799	671,866
Class 6	Business/Other	39,042	301,199	154,736	194,278	53,300
	All Other Classes	8,796	(30,353)	56,532	(25,555)	23,807
	Total NMC	415,001	644,041	1,047,247	862,522	748,973
	Total NMC %	0.30%	0.49%	0.82%	0.71%	0.65%

While reducing the annual tax increase to existing tax payers is one way of reducing future taxes, Council may want to consider using the new revenue to fund additional resources that support further development in the District. This would help Council achieve many of its strategic objectives sooner including increasing the housing stock and the building up “Centres” and “Villages”. With the acceleration of the development of new commercial/residential space, the tax base will grow and in turn help offset future tax increases to current tax payers.

OPTION 1: Continue existing practice of using non-market change to reduce property taxes across all classes.

OPTION 2: Allocate non-market change revenue to first fund additional development related staffing and costs (such as Planning, Parks, Engineering, and Inspections staff positions) which will be used to support further growth and new construction in the District, and apply any funds remaining to reduce property taxes across all classes.

Employer Health Tax

At the June 11th, 2018 Committee of the Whole Meeting it was recommended Council consider the imposition of the new Employer Health Tax (EHT) as a downloaded cost from the Province that was offset by the elimination of Medical Services Plan (MSP) premiums. The decision was to exclude this from the municipal tax increase calculation and instead show the EHT as a separate line item on the property tax notice. In 2019 the tax increase due to the download was 1.50%, since then the tax lift has only increased 0.05% on average.

Currently, the EHT amount is being treated similarly to taxes collected on behalf of third parties such as the CRD and school taxes for example. All third-party taxes have their own line item on the tax notice. It should be noted the District’s software limits the number of lines that can be displayed on the notice and the EHT line item is taking up valuable space required for new line items such as parcel taxes, which Council may choose to use to fund other programs beside the Heat Pump Financing program.

Given the decline in EHT’s annual impact on property tax increases and in order to simplify the tax calculation process and create the needed space on the property tax notice, staff

recommend the EHT no longer be shown individually on the tax notices and instead be a factor in the calculation of the annual tax increases.

OPTIONS:

Tax Policy

1. That Council confirm the existing tax policy:

“The municipality will continue to set tax rates to ensure tax stability by maintaining uniform annual tax increases”.

2. That Council confirm the tax policy to aggressively reduce the tax share paid by business (Class 6) from its current level to 20% over six years starting in 2024.
3. That Council change the tax policy to gradually reduce the tax share paid by business (Class 6) from its current level to 20% over twelve years starting in 2024.
4. That Council provide alternate direction to Staff.

Non-market Change

1. That Council confirm existing practice and to add to the tax policy the use of non-market change to reduce property taxes across all classes.
2. That Council add to the tax policy the allocation of non-market change revenue first to development-related positions and costs starting in 2024, with any remaining funds applied to reduce property taxes across all classes.

Employer Health Tax

1. That Council approve the removal of the Employer Health Tax line item on the tax notice and ask staff to factor the amount in with the Municipal General tax rate.

FINANCIAL IMPLICATIONS:

Property Tax Revenue

Option 1: This option would not have any incremental financial implication as the average tax increase would be equalized across all property classes.

Option 2: This option would result in an incremental property tax increase to residential taxpayers of 0.65% annually for six years, which equates to approximately \$17.43 per year for the average

residential property (\$1,174,500 in 2022). The average tax increase to business would be reduced by approximately -2.29% per year for six years, which equates to savings of approximately \$350.51 for the median business property (\$993,300 in 2022).

Option 3: This option would result in an incremental property tax increase to residential taxpayers of 0.32% annually for twelve years, which equates to approximately \$10.29 per year for the average residential property (\$1,174,500 in 2022). The average tax increase to business would be reduced by approximately -1.15% per year for twelve years, which equates to savings of approximately \$149.08 for the median business property (\$993,300 in 2022).

Treatment of Growth and Non-market Change (NMC)

Option 1: This option would not have any incremental financial implications as NMC would continue being used to reduce property tax increase across all classes.

Option 2: This option would impact the tax increase to all classes for any percentage used to fund development resources.

Using funds to ensure the District has adequate capacity to continue to process development applications in a timely and efficient manner could, depending on market factors, increase the amount of new non-market taxation realized from year to year.

Employer Health Tax

This option would not have any financial implications as the amount currently showing as the BC Employer Health Tax Levy line item on the tax notice would now be included in the Municipal General line item.

CONCLUSIONS:

The business proportion of property tax revenue has increased from 19% in 2009 to 23% in 2022 without any significant change to the assessment distribution between residential and business properties. There is no single measure that can be used to demonstrate whether taxes should be shifted from one class to another. This is a subjective determination that will differ among municipalities due to differences in assessment distribution and local factors specific to each jurisdiction and Council's goals with respect to tax affordability for residents and businesses.

The non-market revenue increase has always been used to reduce the property tax rate to current tax payers. Allocating some or all of this revenue to help incentivise further development in the District would help the District achieve many of its objectives sooner including increasing housing stock.

Prepared by



Jennifer Lockhart

Senior Manager, Financial Services

Approved by

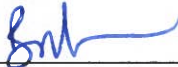


Paul Arslan

Director of Finance

ADMINISTRATOR'S COMMENTS:

I endorse the recommendation from the Director of Finance.



Brent Reems, Chief Administrative Officer



**District of
Saanich Food
Hub
Feasibility Study
March 2023**

Sponsored by
District of Saanich
with funding from the
BC Ministry of Agriculture and Food

Food Producer & Processor Needs

Saanich food producers & processors identified the following service/resource needs

- ❑ Lack of industrial land, skilled labor, storage, sales channels & high costs
- ❑ Indigenous organizations want to improve and expand agri-food programs
- ❑ Hospitality businesses need support
- ❑ Food security non-profits face challenges in meeting growing demand
- ❑ Need for agri-food business infrastructure and services

Identifying a Suitable Food Hub Location

Goal was to identify a suitable landlord and/or operator

- ❑ A Request for Expressions of Interest was issued
- ❑ No Expressions of Interest were submitted
- ❑ Camosun College verbally expressed an interest
- ❑ Research team met Camosun College several times



Vision & Value Proposition of the Food Hub

Indigenous focused food hub hosted by Camosun College

- ❑ The **vision** of the Saanich Food Hub is to help preserve, improve, and celebrate Indigenous food systems.
- ❑ The **value proposition** of the hub is to support the revitalization of Indigenous food systems and promote the use of traditional foods.
- ❑ **Camosun College** will operate the food hub and provide a range of services and facilities to food hub users on a fee-for-service basis.

Food Hub Model Rational

To support Saanich agri-food, Indigenous & hospitality initiatives

- ❑ Strong desire to enhance Indigenous food uses & cooking methods.
- ❑ Differentiates it from the other food hubs in the region.
- ❑ Support the region's important hospitality industry.
- ❑ Camosun College hosting improves the food hub's viability.
- ❑ It supports Camosun College's reconciliation goals.

Saanich Food Hub Goals

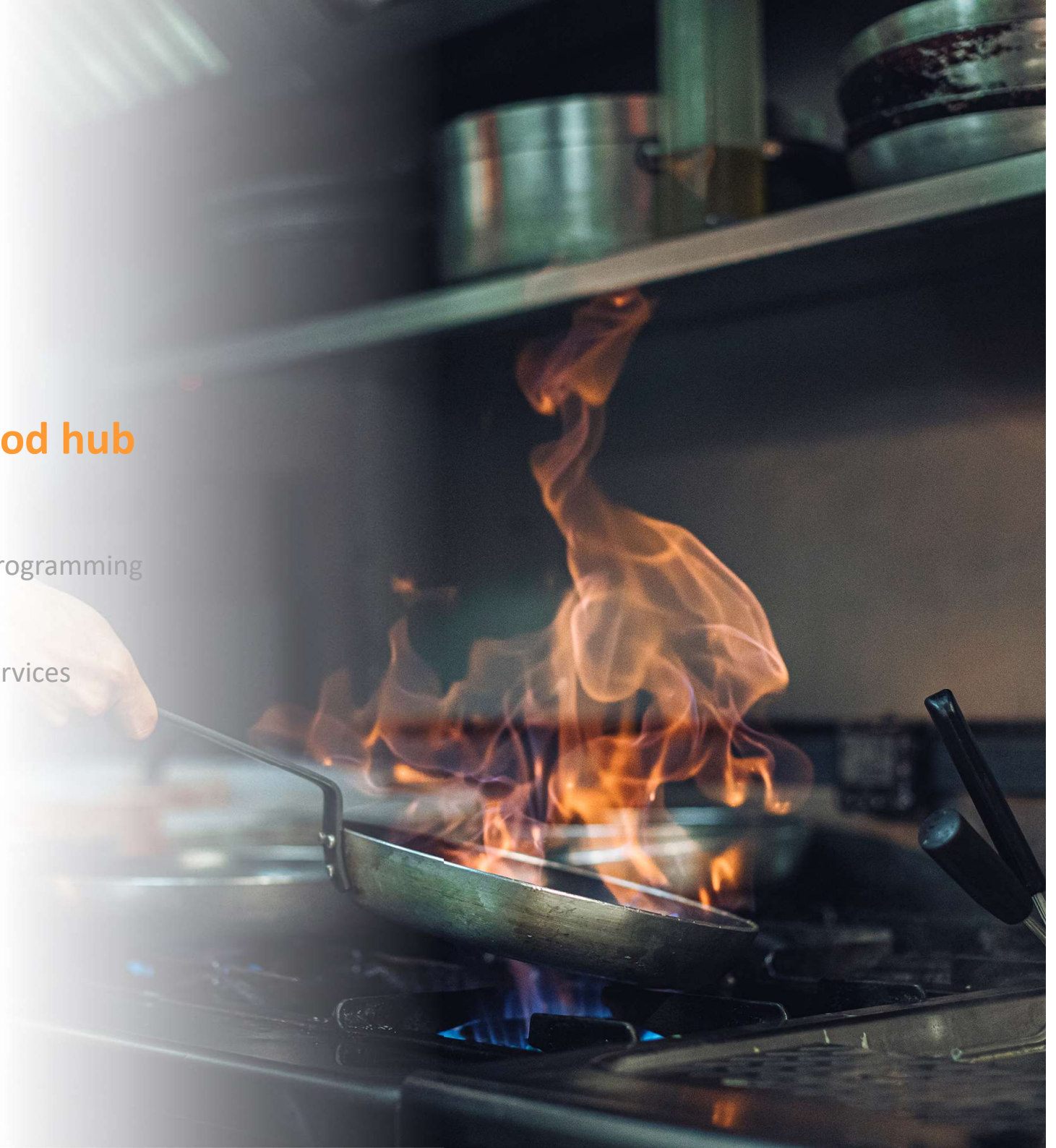
Saanich Food Hub has five key goals

1. Recognition, preservation, enhancement, and celebration of Indigenous food systems
2. Create opportunities for Indigenous communities
3. Meaningful engagement with First Nations people
4. Investment in facilities and services that enhance Indigenous food systems
5. Strengthen Southern Vancouver Island's hospitality and small food enterprise sector

Proposed Services and Facilities

Recommended key food hub services & facilities

- ❑ Indigenous cooking & culinary programming
- ❑ Food business incubator
- ❑ Business education & training services
- ❑ Food innovation services
- ❑ Processing kitchen
- ❑ Food storage rental service
- ❑ Equipment rental service
- ❑ Indigenous gardens
- ❑ Other services



Key Next Steps

1. Secure Camosun College's commitment
2. Engage Indigenous communities & businesses
3. Secure location
4. Secure funding
5. Develop business plan
6. Secure partner commitments





The Corporation of the District of Saanich

Report

To: Mayor and Council
From: Mitchell Edgar, Economic Development Manager
Date: 8/1/2023
Subject: District of Saanich Food Hub Feasibility Study



RECOMMENDATION

That Council receive this Report for information.

PURPOSE

The purpose of this Report is to provide information on the District of Saanich Food Hub Feasibility Study and to receive the Food Hub Feasibility Study Final Report (see attachment for Report) for information.

DISCUSSION

The District of Saanich conducted the Food Hub Feasibility Study to assess the feasibility of establishing a food hub for food and beverage producers and processors in the region, funded by a grant from the B.C. Ministry of Agriculture. The primary purpose of food hubs is to support growth of the local agri-food economy and strengthen the local food system. The Food Hub Feasibility Study aims to support the District's Agriculture and Food Security Plan's (2018) objective to improve food security and support the local food system over the next 10 to 15 years. The food hub would integrate food processing and innovation activities and ideally be located in the District of Saanich. This work includes an assessment of the needs of local food producers and processors. The study was carried out by Geenchain Consulting, with work being done from November 2022 to April 2023. Reporting to Council is the concluding step in the study process.

Food hubs refer to shared-use food and beverage processing facilities that offer food and agriculture businesses access to commercial processing space, equipment, expertise and resources to support business development and growth. There is a network of food hubs across the Province of B.C. which vary in size and scale, depending on the needs and capacity of the regions in which they are located. Locally, there is one recently established in the Capital Region – the Victoria Community Food Hub.

Scope of Work

The scope of work in the Food Hub Feasibility Study includes an assessment of the viability of a shared-use food processing facility for food and beverage producers and processors (target clients) in the areas of processing, food safety, training and education, research, business development support, facilities, storage, and equipment. The shared-used processing facility would integrate food processing and innovation activities and services within the District of Saanich.

The study work included data analysis and collection, stakeholder engagement, the creation of a steering committee, an interim and final feasibility report. The study deliverables are:

- Develop a database of regional stakeholders including potential food hub users, funders, landlords, advocates, food hub operators, service providers and other partners.
- Visit the region to hold in-person stakeholder interviews and workshops and launch a survey to understand the needs of local food businesses that the food hub could potentially address.
- Develop an interim report providing best practice insights and identifying the needs of local food businesses.
- Present recommended models, site(s) and/or partner(s) to the District of Saanich.
- Develop Expression of Interest documents, including Expression of Interest, advertising materials and website content.
- Identify a list of potential sites and partners for the Food Hub.
- Develop a feasibility study that provides a feasible food hub business model for the District of Saanich area.
- Provide a list of potential core users willing to use the hub extensively to help grow their business and to potentially invest in the food hub.
- Create an ongoing steering committee and terms of reference.

A Steering Committee was established to advise in the process of conducting the study with representatives from the Kitchen Connect (Victoria Community Food Hub Society), Camosun College, and the District of Saanich Staff, meeting twice to provide input on the interim and final reports.

Potential Food Hub Analysis

A key goal of this project is to identify a suitable landlord and/or operator for the food hub facility. In February 2023, the District of Saanich issued a Request for Expressions of Interest (RFEOI) for a party to provide a location and/or a facility or interest to operate a Saanich Food Hub (SFH) in the District of Saanich or in the area of the Saanich Peninsula that would be launched in 2025. Unfortunately, the District of Saanich did not receive any Expression of Interests by the deadline. However, the research team had very promising discussions with key individuals at Camosun College, who verbally expressed strong interest in hosting a food hub on campus. The consultant team therefore visited the Interurban campus of Camosun College and identified some potential sites that could support the Saanich Food Hub.

Based on the above research and discussions with key stakeholders, the consultant's recommended approach for the Saanich Food Hub is an **Indigenous focused food hub hosted by Camosun College**. The Saanich Food Hub will support food and beverage programs, businesses and initiatives throughout the Saanich Peninsula and southern Vancouver Island, with a focus on Indigenous and hospitality initiatives. Camosun College will operate the food hub and provide a range of services and facilities to food hub users on a fee-for-service basis. It will coordinate and rent space in food production facilities, storage areas, and possibly a retail area. The Food Hub Feasibility Study report includes a business plan with a financial analysis, operations strategy, and possible funding sources for the Saanich Food Hub model. The Saanich Food Hub will offer the following primary elements:

- Indigenous cooking and culinary programming;
- Food business incubation;
- Business education and training services;
- Food innovation services;
- A commercial kitchen/processing facility;
- Food storage;
- Equipment rentals; and
- Indigenous gardens.

ALTERNATIVES

That Council receive this Report for information.

FINANCIAL IMPLICATIONS

There are no specific financial implications for the direction.

STRATEGIC PLAN IMPLICATIONS

This project aligns with the Strategic Plan's Economic Development objectives, supporting the diversification of agricultural and food processing sector and indigenous economic development that fosters reconciliation.

CONCLUSIONS

The District of Saanich conducted the Food Hub Feasibility Study to assess the feasibility of establishing a food hub for food and beverage producers and processors in the region, and this report is provided for Council's information.

Prepared by:



Mitchell Edgar
Economic Development Manager

Approved by



Brent Reems

Chief Administrative Officer

ME/xx

Attachment: District of Saanich Food Hub Feasibility Study

ADMINISTRATOR'S COMMENTS:

I endorse the recommendation from the Economic Development Manager.



Brent Reems, Chief Administrative Officer



DISTRICT OF SAANICH FOOD HUB FEASIBILITY STUDY
FINAL REPORT
MARCH 2023

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Disclaimer and Acknowledgements

This report is intended as a management tool to support the planning and launching of a food hub in the District of Saanich. The authors have relied primarily on information provided by the District of Saanich, engagement with stakeholders and supplemented by additional research, to compile the feasibility study. The authors have attempted to ensure that the information contained herein is credible but there are many factors that affect the feasibility study and its assumptions some of which are beyond the control of the project. Accordingly, the authors cannot be held responsible for the accuracy of this information.

Greenchain Consulting & Sustainability Ventures would like to acknowledge the thoughtful insights of community members, farmers, entrepreneurs, regional, provincial and federal government agencies, industry associations, accelerator and incubator programs and partners of this project who have shared their enthusiasm, creativity, knowledge and experiences in farming, new product development and processing, technological developments and innovations in the sector, as well as in community, business and economic development and growth.

The consultants would also like to thank the BC Ministry of Agriculture and Food for funding this project and for their enthusiasm and desire to steer this project through to completion.

Finally, a special thank you to the District of Saanich for helping organize and accommodate the meetings and focus groups; and for giving their time to review and provide guidance and expertise on this project.

Executive Summary

Introduction

Saanich is a district in the Capital Regional District of British Columbia, with a population of almost 120,000 people located near Victoria, BC. It is home to two Camosun College campuses and half of the University of Victoria campus. Saanich has a rich history of farming, with a focus on preserving its agricultural land by limiting urban sprawl. The District has developed an Agriculture and Food Security Plan (AFSP) to improve food security and support the local food system over the next 10 to 15 years. Its vision is to be a leader in advancing food security by fostering a thriving, accessible, and environmentally responsible food system. The Capital Regional District also has a Regional Food and Agriculture Strategy to guide action and leadership on food and agriculture.

The District is supporting this study to assess the feasibility of establishing a food hub for food and beverage producers and processors in the region thanks to a grant from the BC Ministry of Agriculture. The primary purpose of food hubs is to support growth of the local agri-food economy and strengthen the local food system. The food hub would integrate food processing and innovation activities and ideally be located in the District of Saanich. This work includes an assessment of the needs of local food producers and processors.

Overview of the District of Saanich food sector

About 220 farms operate in the District and generate revenues of about \$14 million/year and has increased around 2-3%/year. The average revenue per farm is quite low at \$53,000. About 15 food processors are headquartered in the District.

Public institutions, such as hospitals and universities, on Vancouver Island are increasing their purchases from local BC producers through the government's Feed BC initiative. The island's thriving hospitality sector is also known for its focus on local and sustainable ingredients, and despite the COVID-19 pandemic, the sector remains resilient. The food service sector in BC grew by 7.9% in 2018 and accounts for 47% of the total tourism and hospitality sector employment on Vancouver Island. Camosun College, a large college in BC, is a strong advocate for locally sourced food, offers culinary arts programs, including Indigenous focused programs. The college has a focus on trades and apprenticeships and has a professional cook training course, making it a strong collaborator for the food hub.

The District of Saanich has three community kitchens, two that can be rented for food processing. No shared commercial kitchens exist in the District, but two commercial kitchens in Victoria are available for lease. A few facilities in the region exist where multiple food processors share space. Three shared food processing facilities are scheduled to open in the region in 2023. These include Kitchen Connect and Coho Commissary, both with fully equipped processing facilities and teaching kitchens. These facilities could represent competition for the Hub but they also may create opportunities for collaboration.

Potential food hub site analysis

A key goal of this project is to identify a suitable landlord and/or operator for the food hub facility. In February 2023 The District of Saanich issued a Request for Expressions of Interest (RFEOI) for a party to provide a location and/or a facility or interest to operate a Saanich Food Hub (SFH) in Saanich or in the area of the Saanich Peninsula that would be launched in 2025. Unfortunately, the District didn't receive

any Expression of Interests by the deadline. However, the research team had very promising discussions with key individuals at Camosun College, who verbally expressed an interest in hosting a food hub on campus. The consultant team therefore visited the Interurban campus of Camosun College and identified some potential sites that could support the Hub.

Potential food hub model

Based on the above research and discussions with key stakeholders, the recommended approach for a District of Saanich food hub is an **Indigenous focused food hub hosted by Camosun College**. This food hub will support food and beverage programs, businesses and initiatives throughout the Saanich Peninsula and southern Vancouver Island, with a focus on Indigenous and hospitality initiatives. Camosun College will operate the food hub and provide a range of services and facilities to food hub users on a fee-for-service basis. It will coordinate and rent space in food production facilities, storage areas, and possibly a retail area. The food hub will offer the following primary elements:

- Indigenous cooking and culinary programming
- Food business incubation
- Business education and training services
- Food innovation services
- A commercial kitchen/processing facility
- Food storage
- Equipment rentals
- Indigenous gardens

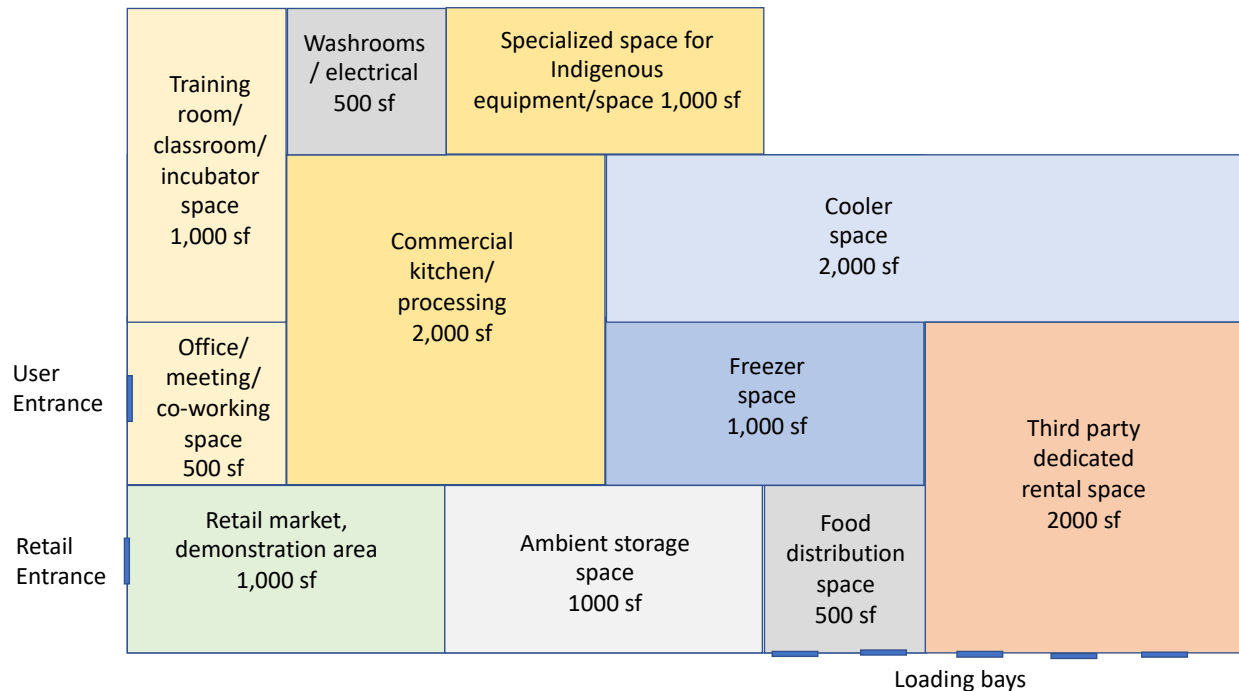
Secondary elements could include, co-packing services, rental of dedicated space, shared office and co-working space, and a small retail outlet.

An appropriate initial scale for the food hub is a medium-sized facility of about 12,000 sq. ft. with room to expand in the future. About 10 anchor tenants and another 20-30 frequent users would need to participate in the Food Hub for it to be viable. The hub will likely be housed in a new building on the Camosun Interurban Campus.

In addition to Camosun College, Indigenous communities and the food hub users, the food hub will have many partners that will be involved in its governance, providing educational programming, training, and workshops as well as funders. These include Capital Region Food and Agriculture Initiatives Roundtable (CRFAIR), Circular Food and Farm Society, and Gorge Tillicum Urban Farmers.

Recommended Food Hub business strategy

Operations strategy - The Food Hub will be developed in four phases, building on Camosun College programming, gradually expanding its capacity based on the needs in the region and available funding. The Food Hub facility can be organized in many ways. One typical configuration is shown below.



Governance and management - The Food Hub will be a department of Camosun College and report to a Vice President. As the Food Hub will be both an educational organization and organization that supports businesses, it is important to launch with a board that has the breadth of skills to manage all aspects of this enterprise. The Food Hub will be staffed with a highly qualified and experienced Faculty Chair, managers, and various staff roles to deliver the services of the Food Hub. The food hub manager will report to the faculty chair and be responsible for overseeing the day-to-day operations of the food hub.

Marketing strategy - The unique value proposition of the food hub is to support the revitalization of Indigenous food systems and promote the use of traditional foods. The sales strategy to attract users of the food hub will include Customer Relationship Management (CRM) software to track all leads and generate a prospect list from referrals, online research, events, and direct contacts with sector-specific businesses. The food hub will maintain a strong website and social media presence, strive to generate publicity, do cross-promotions, host events, and rely heavily on word-of-mouth.

Financial Plan

Construction costs - Because Camosun College does not have any available building suitable for a food hub, a new building will need to be constructed. While the final site has not been established, we estimate the building construction costs to be as follows:

Cost category	Cost/sq. ft.	Sq. ft.	Total cost
Building construction	\$500	12,000	\$6,000,000
Landscaping and roads	\$100	12,000	\$1,200,000
Total cost			\$7,200,000

Startup costs – The startup costs (in addition to building construction) are estimated to be about \$800,000 to \$1 million. This includes \$70,000-\$100,000 in planning-related soft costs plus \$730,000 to \$900,000 in leasehold improvements and equipment costs.

Five-year financial projections - Below we present summary five-year financial projections for the food hub. Note that the hub facility is not launched until Year 2.

Revenue/Cost Categories	Year 1 Total	% of revs	Year 2 Total	% of revs	Year 3 Total	% of revs	Year 4 Total	% of revs	Year 5 Total	% of revs
Food Hub Revenues	\$133,724		\$487,204		\$679,870		\$1,214,940		\$1,504,058	
Cost of sales	\$65,854	49%	\$248,162	51%	\$325,118	48%	\$628,588	52%	\$761,105	51%
Gross margin %	50.8%		49.1%		52.2%		48.3%		49.4%	
Overhead labour	\$110,000	82%	\$165,000	34%	\$220,000	32%	\$275,000	23%	\$330,000	22%
Non-labour expenses	\$40,247	30%	\$138,901	29%	\$162,261	24%	\$238,101	20%	\$262,708	17%
Profit/loss	(\$82,378)	-62%	(\$64,859)	-13%	(\$27,509)	-4%	\$73,251	6%	\$150,245	10%

These show the revenues of the hub rising from about \$134,000 in year 1 to about \$1.5 million by the end of year 5. The gross margins average about 50%. Labour costs start at about 80% of revenues in year 1 but then decline each year to 22% in year 5. In year 5, total labour costs are \$440,000, which likely means that there are about 7-8 staff. Non-labour expenses start out at about 30% of revenues in year 1, however this percentage declines back down to about 17% by the end of year 5 as some expenses like rent are relatively fixed over the 5 years. The hub is projected to have losses totalling about \$175,000 over the first three years of operation but from that point forward the hub is profitable.

Impact on the local food economy - Below we present an estimate of retail-value revenues that would be generated by the hub producers. This shows that in 5 years, the food hub will increase regional food sales by almost \$2.5 million.

Product Revenues	Year 1 % revs	Year 2 % revs	Year 3 % revs	Year 4 % revs	Year 5 % revs
E-commerce sales	\$0 0%	\$0 0%	\$0 0%	\$395,200 22%	\$800,000 32%
Brokerage service	\$0 0%	\$0 0%	\$378,000 72%	\$524,790 29%	\$699,149 28%
Retail market	\$0 0%	\$125,000 100%	\$150,000 28%	\$875,000 49%	\$1,000,000 40%
Total Product Revenues	\$0	\$125,000	\$528,000	\$1,794,990	\$2,499,149

One possible funding scenario - As noted above, the Food Hub needs up to \$1 million in start-up funds plus another \$200,000 in working capital to reach financial breakeven. Below we present one possible funding scenario:

Funding from the BC Ministry of Agriculture	\$250,000
Funding from the NSERC Sustainable Agriculture Initiative	\$300,000
Funding from the Social Finance low interest loan Fund	\$150,000
Loans from core facility users, repaid over 5 years	\$100,000
Patient capital loans repaid from cash flows with interest	\$100,000
Sponsorships/donations from agencies interested in local/indigenous food	\$300,000
Total	\$1,200,000

This breakdown shows that with some creativity, it should be feasible to raise the required funds. Separate funding will be needed to construct the building, but it is assumed that this will fall under the normal capital facility expansion plan for Camosun College.

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1 Introduction

1.1 Background

The District of Saanich has a population of almost 120,000 people and is located just north of the province's capital, Victoria. It is one of thirteen municipalities in the Capital Regional District, which has just over 400,000 residents, and has the largest population of all 13 municipalities. The District is home to both Camosun College campuses and half of the University of Victoria campus. The District has a vibrant food and agricultural scene. Its vision is to be home to a thriving, accessible, and environmentally responsible food system renowned for its vibrancy and resiliency. It wants to be seen as a leader in advancing food security, including initiatives toward greater food self-sufficiency on the South Island, as well as dignified access to affordable, healthy food for all people.

Saanich has a long history of farming, which is a major component of the community's identity. In 2017, the District completed an Agriculture and Food Security Plan (AFSP)¹ to provide a coordinated approach for supporting agriculture and improving food security in the District over the next 10 to 15 years.

The AFSP report states the District of Saanich is 10,378 hectares in size and is half urban residential and half rural agricultural. About 1,872 hectares (18%) of Saanich is within the Agriculture Land Reserve while about 3,800 hectares (37%) is zoned Agriculture. About 2,222 hectares, (21%) is actively farmed. The agricultural soils in Saanich are rated as having high or very high agricultural capability and have minimal constraints to growing a variety of crops.

Saanich protects rural agricultural land through a policy that limits urban sprawl. Despite this, about 40% of Saanich's agricultural land is not actively farmed and some households have poor access to healthy, local food. About 6% of households in Greater Victoria are considered "food insecure". An opportunity exists to raise the production levels of food on District of Saanich land as one way to address food insecurity in the community.

AFSP's vision is that:

"By 2030, Saanich is home to a thriving, accessible, and environmentally responsible food system, which is renowned for its vibrancy and resiliency. Our food is celebrated and recognized for its role in nourishing people, livelihoods, and relationships. Saanich is seen as a leader in advancing food security, including initiatives toward greater food self-sufficiency on the South Island, as well as dignified access to affordable, healthy food for all people. Ecosystems flourish as a result of responsible land and water stewardship on both urban and rural agricultural lands, which form the centre of our community. We protect and support our farmland and are proud to provide a vibrant agricultural legacy to future generations."

The District of Saanich recognizes agriculture and food processing as an important contributor to the regional economy, and local food security. It has therefore developed the following general objectives as part of its Agriculture and Food Security Plan, which its residents strongly support:

¹ <https://www.saanich.ca/EN/main/community/agriculture-food-security/agriculture-food-security-plan.html>

1. Provide a foundation to take action on agriculture and food security.
2. Connect gaps in the local food system to improve food self-sufficiency.
3. Strengthen awareness of the local food system.
4. Improve the interconnection between food production and the environment.
5. Manage land use to protect and support farmland.
6. Support multi-generational farmers and emerging farmers.
7. Expand opportunities for urban agriculture

Within the general objectives of the AFSP, specific actions relate to this study, including:

2.10 Conduct a public land inventory to determine the potential of Saanich-owned lands to accommodate community food production and community food processing operations (e.g. community food hubs and community kitchens).

2.12 Support existing food processors within Saanich and encourage the development of new food processing operations when the opportunity arises.

2.15 Support community food hubs and their work in redirecting food resources that would otherwise be disposed.

6.5 Provide support for the local food supply chain through projects, such as:

- Providing “how to guidelines” for producers interested in selling product to retailers and institutional organizations. Guidelines could include a checklist of considerations, questions to ask the purchaser/client, safety considerations, and summary of regulations.; and
- Participating with organizations that connect wholesale, retail, and institutional buyers with local producers. This work could help farmers to adjust their crop planning to meet the needs of buyers and to help buyers in their plans to support local farmers.

6.6 Support the development of innovative farm operations to diversify farm production, expand farm business, increase economic development, increase local food production, and improve farm income. Innovations may involve ideas such as: specialty crops, diversification of products, new growing techniques, new cultivation or processing techniques, partnering opportunities, or value-added projects.

7.5 Demonstrate sustainable urban agriculture and community food security by showcasing food production and food accessibility on municipal property. Demonstration projects could include providing space and opportunity for public food hub operations.

Further, the Capital Regional District (CRD) developed a Regional Food and Agriculture Strategy (RFAS)² to provide a guide for action and to foster leadership. The RFAS identifies a continued role for the CRD in food and agriculture. The RFAS recommendations include:

² <https://www.crd.bc.ca/project/food-agriculture>

- Support regional, cross-sector relationships.
- Improve CRD's capacity to address agriculture and food issues.
- Support regional organic matter recycling benefiting agriculture.
- Address chronic drainage issues across the region.
- Consider approaches to address wildlife and invasive species issues.
- Maintain affordability and improve access to irrigation water for food and agriculture.
- Encourage place-based food culture by building relationships between Aboriginal and on Aboriginal communities.
- Support Aboriginal food and agriculture activities.
- Increase access to agricultural and food lands.
- Support regional economic development strategies for food and agriculture.

The District is supporting the feasibility study of establishing a food hub in District of Saanich to fulfill these objectives thanks to a grant from the Ministry of Agriculture.

In the past few years, the BC government has focused on increasing local food production and procurement through their Feed BC, Grow BC and Buy BC initiatives. Under the Feed BC initiative, the Ministry of Agriculture and Food has invested millions of dollars to establish and support a BC Food Hub Network. The network's goal is to foster growth and innovation in the processing sector through improved industry access to facilities, equipment, technology, technical services, and business support. Funds provided by the Ministry have been used to study, plan and launch food hubs across BC. The network now includes 12 food hubs, with more likely coming online in the next few years.

The primary purpose of food hubs is to support the growth of the local agri-food economy and strengthen the food system. Food hubs connect agri-food businesses, institutions, food processors, innovation, research institutions, local and First Nations governments, and other players along the agricultural value chain. The hubs provide food producers, processors and agri-tech businesses access to facilities and programs that improve their financial viability.



Image 1: Bread products from Irene's Bakery, located in Saanich and one of the largest bakeries on Vancouver Island

1.2 Purpose and objectives

The primary goal of this project is to assess the viability of a food hub for food and beverage producers and processors in the region. The food hub would integrate food processing and innovation activities and services and be located within the District of Saanich.

This work will include an assessment of the needs of local food producers and processors (target clients) related to processing, food safety, training and education, research, innovation, food testing, business development support, facilities, storage, and equipment. The work will involve data analysis and collection, stakeholder evaluation and engagement, the creation of an ongoing advisory and/or steering committee, a project plan, an interim feasibility study report, and a final feasibility report and presentation to potential stakeholders, including the District of Saanich.

Study deliverables:

- Develop a database of regional stakeholders including potential food hub users, funders, landlords, advocates, food hub operators, service providers and other partners.
- Visit the region to hold in-person stakeholder interviews and workshops and launch a survey to understand the needs of local food businesses that the food hub could potentially address.
- Develop an interim report providing best practice insights and identifying the needs of local food businesses.
- Present recommended models, site(s) and/or partner(s) to the District.
- Develop an Expression of Interest documents, including Expression of Interest, advertising materials and website content.
- Identify a list of potential sites and partners for the Food Hub.
- Develop a feasibility study that provides a feasible food hub business model for the District of Saanich region.
- Provide a list of potential core users willing to use the hub extensively to help grow their business and to potentially invest in the food hub.
- Create an ongoing steering committee and terms of reference.

1.3 Data collection methods

The consulting team used the following methods to produce this report:

- Reviewed relevant documents provided by the District of Saanich to gain further insight into the region’s agri-food sector and the demand for various services for the agri-food community,
- Reviewed published research and reports on the status of the local food sector to determine the level and type of demand that exists, including primary production business support, food processing/value add job creation and research support.
- Reviewed available information on capacity-building tools, resources and services that may be available to the region’s agri-food industry.
- Analyzed industry and regional research to identify potential businesses, organizations, and government agencies that could be good partners for a food hub in providing services, mentoring and/or funding for its users.

- Interviewed key potential partners (Appendix A) of the project to identify their potential role of the food hub, their vision of the food hub, and how the food hub would benefit the region.
- Facilitated two workshops with key stakeholders from the region to further understand their vision of the food hub, its key functions, potential locations and partners, key users, the potential impact of the agri-food sector in the region and operational structure. Attendees were primarily food producers and processors (Appendix A).
- Surveyed food producers and processors in the region (Appendix B) to understand their business needs, the potential use of a food hub, their willingness to invest in it and their thoughts around a location and food hub operator/owner.
- Research best practice examples from other jurisdictions (Appendix C)
- Conducted a preliminary analysis of potential sites and facilities in the District that potentially meet the high-level requirements for a successful food hub.

2 Overview of District of Saanich Food Sector

2.1 Primary food production

Table 2.1 provides information from Statistics Canada about the number and type of primary food producers in the District of Saanich. The highlights are as follows:

- 221 farms operated in the District in 2021, a 14% decrease from 258 farms in 2016 and over a 30% decrease from 319 farms in 2011. By comparison the number of farms across BC decreased by 21% from 2011 to 2021.
- About 46% of the farms focus on meat or hay production (58% for BC). A similar % of farms are engaged in meat or hay production in neighbouring Central Saanich.
- Almost one third of meat producers are focused on poultry production whereas less than 15% of meat producers across BC are focused on poultry production.
- About 34% of the farms are engaged in fruit and vegetable production (27% for BC).

Table 2.1 Number and type of primary food producers in District of Saanich

Product categories	District of Saanich	% of total	Total British Columbia	% of total
Beef cattle	11	5%	2,284	14%
Dairy cattle	4	2%	492	3%
Hogs	3	1%	93	1%
Poultry and egg	32	14%	1,266	8%
Sheep and goat	15	7%	636	4%
Horse	11	5%	1,224	8%
Multiple animal	8	4%	748	5%
Apiculture	7	3%	279	2%
Oilseed and grain	0	0%	419	3%
Fruit and veg	75	34%	4,273	27%
Greenhouse	31	14%	1,167	7%
Hay	18	8%	2,442	15%
Other	6	3%	518	3%
Total farms 2021	221	100%	15,841	100%
Total farms 2016	258		17,528	
% change 2016 to 2021	-14%		-10%	
Total farms 2011	319		19,759	
% change 2011 to 2016	-19%		-11%	

Source: <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3210023101&pickMembers%5B0%5D=1.1946>

Table 2.2 provides the following demographic data related to agriculture:

- The District of Saanich covers a area of 10,900 hectares and about 18% of this area is within the Agricultural Land Reserve (ALR).
- There are 1.9 farms per 1,000 population in the District vs 3.2 farms/1000 for BC.
- 625 residents are employed in agriculture, forestry, fishing or hunting in the District, which represents just 0.5% of the District of Saanich population. By comparison, 1.2% of British Columbians are engaged in agriculture, forestry, fishing or hunting.

Table 2.2 Demographic/employment data related to agriculture in District of Saanich

Demographic/employment Data	Saanich Dist % of BC		Total BC
Population 2021	117,735	2.4%	5,000,879
Population 2016	114,148	2.5%	4,648,055
% change in population	3%		8%
Farms/1000 population in 2021	1.9	59%	3.2
Land Area (sq. km)	104	0%	920,686
Residents per square kilometre	1137	20924%	5.4
Farms per square kilometre	2.1	12399%	0.02
Agr, Forestry, Fishing & Hunting Workers	625	1%	60,320
Food workers as % of population	0.5%	44%	1.2%

Source: <https://www12.statcan.gc.ca/census-recensement/2021/dp-pd/prof/details/page.cfm?Lang=E&SearchText=saanich&DGUIDlist=2021A00055917021&GENDERlist=1&STATISTIClist=1&HEADERlist=0>

Table 2.3 presents the total farm receipts and the number of farms engaged in direct-to-consumer sales activities within the District. The highlights of this table include the following:

- The 221 farms in the District generated \$13.7 million in revenues in 2016, a 12% increase from 2011. Unfortunately, Statistics Canada did not capture farm revenues for the District of Saanich in the 2021 Agriculture Census.
- The average revenues per farm is quite low at \$53,000 per farm. By comparison in Central Saanich the revenue per farm is closer to \$100,000. On the positive side, the average revenues per farm increased from \$38,000 per farm for 2011 to 2016.
- About 63% of the farms in the District sell direct to consumers (by comparison, 34% of all farms in BC sell direct to consumers). Of the farms that do direct selling, 96% sell agricultural products, while only 12% sell value-added products.
- The most popular type of direct sales channel is farmgate sales (74% of direct selling farms) followed by farmer’s markets (12% of direct selling farms).

Table 2.3 Farm receipts and no. of farms engaged in direct-to-consumer sales

Farm receipts	District of Saanich	% of BC	Total British Columbia
Farm receipts 2021 (\$millions)	N/A		\$4,795
Farm receipts 2016 (\$millions)	\$13.7	0.4%	\$3,729
% change in farm receipts 2016-2021			29%
Farm receipts 2011 (\$millions)	\$12.2	0.4%	\$2,936
% change in farm receipts 2011-2016	12%		63%
Average receipts per farm	\$53,101	18%	\$302,726

Direct to consumer sales channels	Saanich Dist	% of farms	Total BC	% of tot
Farms selling direct to consumer	139	63%	5,381	34%
Farms selling agricultural products	134	61%	5,190	33%
Farms selling value added products	17	8%	591	4%
Farmer selling at farm gate	103	47%	3,372	21%
Farmers selling at farmer's markets	16	7%	857	5%
Farmers seliing through CSAs	8	4%	199	1%
Farmers selling using other methods	0	0%	252	2%

Source for farm receipts:

<https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3210043601&pickMembers%5B0%5D=1.2014&cubeTimeFrame.startYear=2011&cubeTimeFrame.endYear=2016&referencePeriods=20110101%2C20160101>

Source for farms selling direct to consumers:

<https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3210024201&pickMembers%5B0%5D=1.1946>

The Peninsula & Area Agricultural Commission 2020 and 2021 Annual Reports highlighted some key opportunities and challenges for the region's agriculture sector.

- Partly due to the COVID pandemic, direct-to-consumer farm revenues increased as consumers wanted to support local businesses and avoid going to grocery stores. Some farms increased their sales by as much as 300%.
- However, farm sales to restaurants took a big hit as the restaurant sector was greatly impacted by COVID. Some farms pivoted quickly and began supplying independent retailers such as Red Barn. A number of farms also participated in a new produce box program launched by South Island Farm Hub.
- Another challenge due to the pandemic was the lack of domestic and foreign farm workers. In some cases, this forced some farms to cut back on production.
- Livestock processing infrastructure is lacking on the South Island, which was also reflected in a 2019 South Island Prosperity Partnership abattoir feasibility report.
- The region faces similar challenges to other regions in BC, such as the rising cost of agricultural land, increased costs for housing, pest management, low water availability and increased flooding.

Besides backyard gardens, only a few locations in the District engage in urban farming activities. These include the Gorge Park Community Gardens (GPCG) and Victoria Native Friendship Centre (VNFC) Food

and Medicine Garden. There is also fruit foraging, in particular blackberries and fruit gleaning, mainly coordinated by Lifecycles Fruit Tree Project.

In summary, the District of Saanich is an urban area with a high population with limited agricultural land. Farms are small and few of them are large enough to sell wholesale to institutional buyers or grocery retailers. The pandemic has helped farms that sell direct to consumers as a growing number of consumers see the economic and product quality benefits of buying direct. However, it is challenging to find farm labourers and land and housing prices continue to rise. Fortunately, a new land matching program is helping to match farmers with land.³

2.2 Food processing

As noted in the 2017 District of Saanich Agriculture and Food Security Plan includes several action items (2.10, 2.11, 2.12, 2.14 and 2.15) speak to the importance of providing facilities where food processing can take place. Currently, almost all processors have rented private space (some of it shared) or are using shared commercial kitchen space in neighbouring jurisdictions (e.g. Beaugard Café in Central Saanich). A list of processors located within the District of Saanich is presented in Table 2.4.

Table 2.4 List of processors located within the District of Saanich

Food processor	Product Category	Retail?	Wholesale?
Babe's Honey	Honey	Yes	Yes
Gramma's Honey	Honey	No	Yes
Berryman Brothers Butcheries	Meat Products	No	Yes
Irene's Bakery	Wholesale breads/baked goods	No	Yes
Jenny Marie's Cracker Company	Wholesale crackers	No	Yes
Singing Bowl Granola	Granola	No	Yes
The Samosa Box	Gourmet samosas	No	Yes
Black Dirt Farm	Dried herbs, oils, tinctures	Yes	?
Betterwith Foods	Ice cream	No	Yes
Haus Sausage Co.	Processed charcuterie meats	No	Yes
Food service firm			
Geffen Gourmet Catering		No	Yes
Kattia's kitchen authentic Mexican	Mexican food catering	Yes	?
Winery, brewery, cidery, or distillery			
Macaloney's Island Distillery	Distillery	Yes	Yes
Twa dogs brewery	Brewery	Yes	Yes
Tod Creek Craft Cider	Cidery	No	?

We identified 15 processors that are situated or headquartered within the District of Saanich. About one third of those have a retail presence, while about 80% do wholesale sales. A larger number of processors exists in Victoria to the south and Central Saanich to the north and it is quite likely that processors in these adjacent municipalities may wish to use the facilities and services of a food hub within the District of Saanich. The largest processor in the District is Irene's Bakery. They have an 11,000 square foot wholesale production facility and will be the largest wholesale bakery on Vancouver Island

³ <https://news.gov.bc.ca/releases/2020AGRI0044-001399>

once Portofino Bakery moves its production to the lower mainland, where it has already purchased a 50,000 sq. ft. facility.

2.3 Abattoirs and meat processing facilities

Table 2.1 shows that in 2021 the District had 84 farms that reared animals for human consumption. However, according to the South Vancouver Island Abattoir Feasibility Study, the District has no abattoir facilities. In fact, the broader region of the Capital Regional District (CRD) only has four abattoirs and another four in the Cowichan Valley Regional District (CVRD). These are all class A abattoirs certified to do both slaughtering and processing. However, two of the four abattoirs in the CRD (Salt Spring and Saturna) generally only serve the island communities and are not easily accessible to CRD producers located on Vancouver Island. The other two are located just outside the District, as follows:

- Kildonan Farms processes chickens in North Saanich but this is mostly for its own birds. It is cutting back on chicken processing for other producers.
- Metchosin Meats processes sheep and goats from its farm in Metchosin.

No Class A or B facility exists to slaughter hogs or cattle in the CRD so hog and cattle producers must take them to the CVRD or outside of the region for processing. There are currently no slaughtering facilities for ducks anywhere on Vancouver Island, but there is one set to open in Mill Bay in 2023.

Meat processing facilities are also lacking in the District, with only a few butcher shops, including Haus Sausage Co and a few grocery stores that have butchering services. Only a handful of restaurants in the CRD can process whole or partial whole animals, with most needing portioned meat.

2.4 Food distribution

The only food distribution company based in the District of Saanich that provides local food distribution is Island West Distributors. A second distributor, Trigo Food Distributors was also based in the District but they are now permanently closed.

2.5 Food consumption and retail

No specific information exists on food expenditures within the District of Saanich, so we extrapolated from household food expenditure data for the province as a whole. This data is presented in Table 2.5.

Table 2.5 Annual estimated household food expenditures in District of Saanich

Food expenditures in the region	District of Saanich	as % of BC	Total British Columbia
Median household income 2020	\$93,000	109%	\$85,000
Expenditures on goods and services	\$75,035		\$65,895
% of total expenditures spent on food	13.7%		16.1%
Expenditures on food per household 2019	\$10,280	97%	\$10,639
Number of households 2020	48,045		2,041,835
Total food expenditures/year (\$millions)	\$494	0.024%	\$21,723
Amount spent at grocery stores	\$345.4		\$15,423
Amount spent at restaurants	\$141.1		\$6,300
Amount spent at farmers markets/farmgate	\$7.4		\$217

[*Source for food expend. relative to income & Grocery purchases vs restaurant purchases*](#)

As shown in Table 2.5, residents of the District of Saanich purchase almost \$500 million worth of food so they have the potential to create significant demand for users of a food hub if they were willing to shift their purchasing to more local buying. Of course, because the food hub will serve food buyers throughout the Capital Regional District, the demand from residents in the rest of the CRD significantly enhances this demand.

The District of Saanich is primarily served by the following grocery store chains:

- Quality Foods (multiple locations)
- Fairway Market (multiple locations)
- Thrifty Food's Market (owned by Sobeys) – multiple locations
- Country Grocer
- Whole Foods Market
- Save on Foods

In addition, residents can purchase groceries from the following independent grocery stores:

- Pepper's Foods
- Hillside Food Market
- Vibrance Food Cooperative
- Tomley's Market
- Eat Shoots and Leaves Market
- Niche Grocerant

No farmers' market operates in the District, but one operates just outside the District called Oaklands Sunset Market, as well as two in nearby Esquimalt and two in Victoria. There is also the Victoria Public Market on Douglas St. in Victoria.

2.6 Institutional buyers

In addition to household food purchases, a significant amount of food is purchased by institutions. The government of BC has an initiative called Feed BC, which is designed to help public institutions (e.g. hospitals, schools and universities) increase the amount of food they purchase from BC producers.

Most institutions strive to buy 30% or more of their food from BC producers. Island Health serves more than four million meals each year to patients and residents in 28 hospitals and long-term care homes across Vancouver Island. They have been increasing their local purchases and source from Peninsula growers including Saanich's Galey Farms and Michell Farms in Saanichton. They have also developed recipes that use Vancouver Island produce and meats (e.g. turkey, chicken and beef). Post-secondary institutions such as Camosun College (one of BC's largest colleges), Royal Roads University and the University of Victoria (all within the District of Saanich or close by) have all committed to purchasing Vancouver Island produced and processed foods.

2.7 Hospitality sector

Vancouver Island is known for its diverse and thriving restaurant industry. The island offers a wide variety of cuisines and dining experiences, from casual to upscale fine dining establishments. According to a workforce profile of Vancouver Island, the food and beverage sector of the hospitality industry on Vancouver Island employed over 22,300 people⁴.

The island's restaurant industry is also known for its focus on local and sustainable ingredients. Many restaurants source their ingredients from the island's farmers, fishers, and foragers, and many also prioritize environmentally friendly practices such as composting and reducing food waste. This focus on local and sustainable ingredients has helped to establish Vancouver Island as a destination for food lovers, with many visitors specifically coming to the island to experience its unique culinary offerings.

Despite the COVID-19 pandemic causing a downturn in the restaurant industry globally, Vancouver Island's restaurant industry has remained relatively resilient. According to a report by the Vancouver Island Economic Alliance, the island's restaurants were able to adapt to the new restrictions imposed by the government, with many shifting to take-out and delivery service. This adaptability has allowed the restaurant industry on Vancouver Island to continue operating and generating revenue, despite the challenging economic conditions.

According to Stats Canada there are between 1,200 – 1,500 businesses involved in the preparation, packaging, shipping, sales, or serving of food in the Capital Regional District. The large number is partly due to the tourist industry and highlights how important the hospitality sector is to the local economy.

While not in Saanich, it is well known that neighbouring Victoria has the highest number of restaurants per capita in Canada. Analyzing Statistics Canada data, Destination Greater Victoria discovered that the city of Victoria has more restaurants, eateries, pubs, and bars per resident than any other city in Canada. Victoria ranks first with 4.6 restaurants, eateries, pubs, and bars per 1,000 residents (Vancouver in 2nd

⁴ <https://www.go2hr.ca/wp-content/uploads/2022/04/FINAL-WORKFORCE-PROFILE-VANCOUVER-ISLAND.pdf>

place has 3.6 and Niagara Falls in 3rd has 3.4)⁵. Additionally, according to Street Food App⁶, there are over 75 food trucks in Victoria. Most of these trucks need access to a commissary kitchen and storage to operate their business.

The sector is represented provincially by the BC Restaurant Association and locally by the Bread and Butter Collective. The food service sector in BC grew by 7.9% in 2018, much faster than any other province and much higher than the national growth rate of 5.2%.⁷ On Vancouver island, the food and beverage sector accounts for 47% of the total tourism of hospitality sector employment on Vancouver Island⁸. Assuming that Saanich is representative of the province and the rest of Vancouver Island, this sector will likely see significant growth each year.

However, while many restaurants, eateries, pubs, and bars exist in the region support services for the hospitality sector is lacking. The research team could only identify one test kitchen currently open, run by Sysco for their own use and one opening up at the Hudson, run by Coho Commissary, which will be a shared kitchen, but not solely for the hospitality industry. During the pandemic several restaurants pivoted to produce retail products but struggled to find services and facilities to help them develop their products and get them to market.

2.8 Local Food System Capacity Assessment 2022

In 2022 a Capital Regional District collaborative called Closing the Supply Gap did a survey as part of their project “Building a Sustainable Local Food Supply Chain in the Capital Region of British Columbia: A Capacity Assessment”. Ninety-six food sector operators responded to four surveys that were circulated between February and June 2022. Nine operators also participated in key interviews to provide their views about business-to-business relationships in the local food sector. The survey yielded the following information about producers:

- Most farmers (86%) own their farmland and sell their products directly to the public.
- 70% of farmers are interested in supplying a school meal program and 67% can direct some of their production to such programs.
- The majority of processors (55%) have their own processing facility.
- 93% of farmers and processors sell within their immediate community.
- 61% of respondents face equipment/facilities limitations that prevent them from expanding production.
- 60% of processors find it hard to order from local producers.

On the buyer side, the survey found that:

- 75% of grocers source at least some of their products directly from processors and to a lesser extent, farmers.

⁵ <https://www.victoriachamber.ca/uploads/1/0/6/0/106054273/dgv-myth-8-4-21.pdf>

⁶ <https://streetfoodapp.com/victoria>

⁷ <https://opentextbc.ca/introtourism2e/chapter/food-and-beverage-sector-performance/>

⁸ <https://www.workbc.ca/getmedia/50e9939d-df9b-4268-bcb0-cc46e5880bec/Go2HR-BC-Tourism-and-Hospitality-Labour-Market-Information-Research-Project-Final-Report---March-2022.pdf.aspx>

- 100% of grocers agreed that their customers like to buy local foods at their stores, with 75% reporting more demand for local food than they can supply and 80% saying that demand for local foods is increasing.
- The need for local food distribution infrastructure was emphasized by grocers and most restaurateurs.
- 80% of community group respondents said their physical facilities and operational capacities do not enable them to expand their services.

3 Regional Shared Food Processing Facilities

This section details the shared food processing services and facilities within a 1.5-hour drive of District of Saanich. This is the maximum distance that most food processors and processors are willing to regularly travel to find facilities that provide processing services and equipment.

3.1 Shared food processing kitchens

The District of Saanich has three community kitchens that primarily provide food security programs for low-income families. There are no shared use food processing kitchens for commercial use however there are a few well-equipped commercial kitchens that exist in other parts of the Capital Regional District, as well as some planned ones.

Community Kitchens

Two community kitchens in the District are available for rent by outside parties, including:

- [Saanich Neighbourhood Place](#) provides food security programs (e.g. Good Food Box program) and enables teenagers, parents and caregivers to participate in group cooking classes, access food resources, and family dinner nights. They feed about 400 people per week through the various programs. A lot of their food is donated by Save on Foods, Cold Star and Mustard Seed, but they also buy food to increase their selection. They have 2 kitchens, which they rent for \$50 per 2 hours when they are not using them but only during weekdays. The food storage is only for their use.
- [Shelbourne Community Kitchen](#) is open for a limited number of hours from Tuesday to Friday. They receive \$10,000 in annual funding from the District of Saanich and large funds for renovations to their new facility. They also received an Agri Canada grant that covered the costs of all their new commercial equipment. They are building a large commercial kitchen and plan to rent it out to small food processors. They serve 1,300 adults and 370 children. They have a large food pantry, a large storage area with walk-in fridge, do cooking classes, are a resource center, and provide delivery of food items ordered. They also have 2 large gardens where they grew 8,300 lbs of fresh vegetables and fruit in 2022.

A mobile kitchen is also operated by the Home Grown Project run by Life Cycles Society.

Commercial Kitchens

No shared use commercial kitchens exist in the District; however, there are two in Victoria:

- [Lucky Pot Commissary Kitchen](#) (Victoria Public Market, 1701 Douglas St Unit B). This fully equipped commercial kitchen has walk-in coolers and freezers and flexible scheduling from daily to long-term use. Equipment includes: 3 ovens with 18 gas burners, a convection oven, a 100-litre capacity tilt skillet, and a large “cook shack” smoker oven.
- [Heartwood and Co.](#) (1402 Broad Street, Victoria). Small commercial kitchen with basic equipment (full-size convection oven, 6-burner stove and a commercial dishwasher). Users must commit to a minimum of three-month lease.

The research team also identified a few facilities within the region where multiple food processors share space. These are not considered shared commercial kitchens because there are no short-term tenancies. These include:

- **Singing Bowl Granola** (unit E 589 E Bay St, Victoria, BC V8T 1P5) – They have a 1,200 square foot production facility where they make healthy granola and cereal bars. They also rent the space out to two other small businesses: a miso soup company and a nutritional supplement company. They are pretty much at capacity and cannot take on additional tenants.

Two similar shared-use facilities exist in Central Saanich, as follows:

- 6824 Kirkpatrick Crescent, Saanichton - Shared by Siji Victoria, Victoria Baking and La Pasta Triestina. The facility has also been used by Bad to the Bone Broth and Kettle & Hive. Chix Poultry also has its own facility next door. The three tenants each pay about \$1,000 per month triple net for full-time use of the space, but all have outgrown the space and are looking for a new location. The space is a 1,500 sq. ft. unit with ovens, cold storage, dry storage, prep tables and mixers.
- 1191 Verdier Ave Brentwood Bay - Shared by Beauregard Café, Bicycle Pizza, Vumami Foods, and The Samosa Box.

3.2 Planned shared food processing facilities

Three food hubs/shared food processing facilities are scheduled to open in the region in 2023. These include:

- **Kitchen Connect** at Victoria Community [Food Hub](#) (808 Viewfield Rd. Esquimalt) is run by CR-FAIR. It plans to open in March 2023. It will be a 1,500 sq. ft. fully equipped HACCP certified processing facility. The facility will also have a teaching kitchen, produce preparation area, walk-in coolers and freezers and a packing area. Equipment includes various ovens, kettles, steamers, blenders, and vacuum sealers.
- **Coho Commissary** plans to open a shared food processing facility in Victoria after successfully raising \$3 million to open five new locations in addition to its existing three locations in Greater Vancouver⁹. Its fourth location will be in Gibson's, and Victoria will likely be its 5th location.
- **Cowichan Farm and Food Hub** broke ground on a 5,000 square foot facility in summer 2022 in Duncan and plans to open in their 5,000 sq. ft. facility spring of 2023.

Once operational, all three hubs could potentially compete for users of the proposed food hub in the District of Saanich. However, there could also be good opportunities to collaborate. The project team also worked on a food hub feasibility study in Central Saanich. However, to date, there has been no firm development to establish a food hub in Central Saanich due to the lack of facilities and an operator. However, the study demonstrated a very strong need for a food hub with several food businesses expressing interest in using a food hub if one was built in the region.

3.3 Food storage facilities for third party rental

The only shared food storage facility in the region is Tru Value Food Warehouse in Central Saanich. Tru Value is a chain of four independent grocery stores with a central warehouse located in Saanichton. The

⁹ <https://elevatehub.ca/articles/coho-kitchen-raises-3m-in-oversubscribed-seed-round-to-fund-development-of-new-locations-and-corporate-expansion/>

warehouse provides third party shared food storage services. From discussions with some of the kitchens and food businesses there is limited shared food storage and the demand for food storage space significantly exceeds supply.

3.4 Potential facilities and locations for proposed hub

The research team found it challenging to identify any feasible locations or buildings in the District suitable for a food hub. The only potential location and partner that was identified during discussions with staff was Camosun College. Some facilities could potentially be available within Indigenous communities such as long houses and the Songhees Wellness Centre. The following locations/partners were also suggested by survey respondents:

- A building adjacent to the recreation center in Lambrick Park or Cedar Hill Park
- Close to Municipal Hall
- Keating Cross Road
- A location with outdoor space to host events
- Uptown area
- Close to Victoria
- South Saanich
- Carey Road Industrial Park
- Tillicum Mall
- Redevelopment at Shelbourne and McKenzie
- University of Victoria
- Camosun Tech Park at the Interurban Campus
- Gorge Tillicum
- Central Saanich /Brentwood Bay
- Royal Oak
- Blenkinsop area

3.5 Potential operators for the proposed food hub

The research team identified a number of individuals or organizations who may be willing to take on the role of operating the proposed food hub: Camosun College, Capital Region Food and Agriculture Initiatives Roundtable (CRFAIR) and Circular Food and Farm Society. Further details on these organizations and are presented in Chapter 5.

In addition, survey respondents identified the following organizations or types of organizations as potential operators:

- **Regional government** such as the District of Saanich.
- **Mustard Seed** as they already have a successful food redistribution centre in Esquimalt.
- **The Gorge Tillicum Community Association (GTCA)** - GTCA is a volunteer-based non-profit organization that seeks to further the collective interests of the Gorge Tillicum neighbourhood. It is recognized by Saanich as a significant community voice on local issues.
- **Saanich Neighbourhood Place** (see section 3.1).
- An organization with experience running a health certified commercial kitchen.

- An enterprise or person that is a part of the community and is in touch with the needs of other local food businesses.

4 Potential Food Hub Site Analysis

One of the key goals of this project is to identify a suitable landlord and/or operator for the food hub facility. In February 2023 The District of Saanich issued a Request for Expressions of Interest (RFEOI) for a party to provide a location and/or a facility or interest to operate a Saanich Food Hub (SFH), also referred to as the “Food Hub”, in Saanich or in the area of the Saanich Peninsula with a view to launching the Hub in 2025. The RFEOI contained:

- An overview of the Food Hub project
- Food Hub location and requirements
- Food Hub activities and facilities
- The business case for developing a food hub in Central Saanich
- The RFEOI process
- Terms and conditions

Further details of the RFEOI can be found in Appendix E.

4.1 Preliminary partner evaluation criteria

Proponents had to meet the following mandatory requirements for the SFH:

- Willing to do business in the Saanich Peninsula.
- Have the ability to complete construction (if required) and be ready for occupancy in April 2025, or sooner.

In addition to the above mandatory requirements, proposals were evaluated against the following weighted criteria:

Criteria	Weighting (Points)
Proponent profile (e.g. nature of organization, years in operation, areas of service, locations, etc.)	33%
Description of how the proponent can meet and/or exceed SFH requirements as described in section 2.3	33%
Proponents related experience (e.g. managing a commercial kitchen, food distribution, food business training, business services, etc.)	33%
Total:	100%

4.2 Preliminary potential food hub sites

Unfortunately, the District didn't receive any Expression of Interests by the deadline. However, the research team had very promising discussions with key individuals at Camosun College, who verbally expressed an interest in hosting a food hub on campus.

4.3 Site evaluation

The research team visited Camosun College to discuss potential sites for the food hub. The main site identified was a location on the Interurban Campus located near Helmut Huber Hall, which houses the culinary arts program. It was highlighted that the campus master plan puts limitations on what can be built in this location but the college felt that this location would still be the best place. In addition to being close to the culinary arts program, the site has many other benefits, including:

- It is close to the horticulture department's greenhouses and surrounded by green area that potentially could be foodscaped.
- Edible plant gardens already exist in the area that could be expanded and developed to include traditional Indigenous edible and medicinal plants.
- It is near a central square that would be ideal for food festivals and cultural celebrations.
- It is near parking and is accessible for delivery trucks.
- It is very central to the rest of the campus.
- There is vacant land available for development.
- Pit ovens, currently covered by grass, are located next to the proposed site.
- It is less than a 3-minute walk to the Camosun Innovates lab and offices.

Below are some photos that were taken by the research team on March 20, 2023 to illustrate these benefits. In discussions with Geoff Wilmshurst, Vice President of Partnerships at Camosun, it was noted that some other sites on campus could also be considered for the food hub location. For example, the Helmut Hubert Hall could be re-developed and the food hub could be incorporated into that building. Similarly, some portables very near Helmut Hubert Hall (identified as Portable A on the campus map) could be replaced and the food hub could go in that location. Regardless, of which final location is chosen, the building will almost certainly be a multi-storey building that houses classrooms and even student housing on the above ground floors of the building. It is therefore possible that the main distribution components of the food hub could be on the ground floor whereas the classrooms and office space of the food hub could be located above ground.



Figure 4.1 Camosun College Helmut Huber Hall which houses the culinary arts program.



Figure 4.2 Camosun College has a thriving food culture that promotes local food, local businesses, and food production.

5 Potential Food Hub Model

5.1 Food hub proposition

Based on the above research and discussions with key stakeholders, the recommended approach for a District of Saanich food hub is an **Indigenous focused food hub hosted by Camosun College**. This food hub will support food and beverage programs, businesses and initiatives throughout the Saanich Peninsula and southern Vancouver Island, with a focus on Indigenous and hospitality initiatives. The working title for the hub is the **Saanich Food Hub**, but an alternative will be identified as presented in the marketing strategy below.

Camosun College will operate the food hub and provide a range of services and facilities to food hub users on a fee-for-service basis. It will coordinate and rent space in food production facilities, storage areas, and possibly a retail area. As a service provider it will coordinate services such as training services, research and development, retail sales and so on. In some cases, these services will be provided by other parties or individuals with the required skills and knowledge. The food hub will charge fees for space rentals and services provided to cover its operating costs, as well as apply for applicable grants.

The rationale for this food hub approach includes the following:

- There is a strong desire within Indigenous communities across the region to enhance Indigenous food uses and cooking methods.
- An Indigenous focused food hub fills a gap in the sector and differentiates it from the other food hubs and similar initiatives in the region. This creates an opportunity for the Saanich Food Hub to collaborate with the other food hubs and each of them to capitalize on each other's strengths.
- The hospitality is underserved with support services, even though it is a key industry in the Capital Regional District. Hospitality is also a core curriculum of Camosun College.
- Camosun College has expressed an interest in hosting the food hub and has land available to build one. A food hub hosted by an institution such as Camosun College greatly improves its viability. Camosun College already offers related programs and has experienced staff working in the food sector. The college also has successful experience raising funds to develop various facilities, as well as experience operating these facilities and collaborating with industry and Indigenous communities.
- It supports Camosun College's reconciliation goals¹⁰ and strategic plan goals¹¹ of honouring Indigenous resurgence. Goals include increasing the number of Indigenous students, Indigenous events, courses delivered in Indigenous communities and increase the visibility of Indigenous culture on campus. Camosun College sits on the Traditional Territories of the Lekwungen and W̱SÁNEĆ peoples. "Camosun," pronounced "Cam-O-sun," is a Lekwungen name for an area of Victoria meaning "where different waters meet and are transformed" and has traditionally been an Indigenous meeting place.

¹⁰ <https://camosun.ca/about/about-camosun-college/initiatives/addressing-truth-and-reconciliation>

¹¹ <http://camosun.ca/sites/default/files/2023-02/Strategic-Plan-2023-2028.pdf>

5.2 Food hub vision and goals

The vision of the Saanich Food Hub is to help preserve, improve, and celebrate Indigenous food systems in Southern Vancouver Island that respects cultural wisdom and principles, fosters the well-being of individuals, communities, and their natural surroundings, and ensures the longevity of future generations. It will also help to enhance the hospitality sector and other small food businesses, which are so important in the Saanich peninsula.

The five key goals of the Saanich Food Hub include:

1. **Recognition, Preservation, Enhancement, and Celebration of Indigenous Food Systems:** The Saanich Food Hub aims to promote a comprehensive approach to acknowledging, preserving, improving, and celebrating Indigenous food systems in Southern Vancouver Island. This approach includes honouring cultural knowledge and values, fostering the well-being of individuals, communities, and their natural surroundings, and ensuring the longevity of future generations.
2. **Opportunities for Indigenous Communities:** The Saanich Food Hub is committed to providing opportunities for people and businesses from Indigenous communities to participate in the food hub's programs, services, and activities.
3. **Meaningful Engagement with First Nations People:** The Saanich Food Hub recognizes the importance of transferring traditional knowledge to future generations. To achieve this goal, the food hub will promote opportunities for Indigenous communities and their peoples to revitalize traditional teachings and practices. The food hub believes that meaningful engagement with First Nations people is key to achieving this goal.
4. **Investment in Facilities and Services that Enhance Indigenous Food Systems:** The Saanich Food Hub, in conjunction with Indigenous communities, will invest in facilities, equipment and staff that will revitalize traditional practices and make it easier for Indigenous communities to share and preserve their knowledge of food gathering, harvesting, and preserving approaches specific to their bioregions.
5. **Strengthen Southern Vancouver Island's Hospitality and Small Food Enterprise Sector:** The Saanich Food Hub will support small food businesses and hospitality firms by offering affordable, shared certified kitchen space and storage as well as equipment and services, reducing capital and operating costs, providing opportunities for growth, reducing barriers related to managing a commercial kitchen, and offering resources related to business management, food development, distribution, branding, marketing, accounting, insurance, and financing.

5.3 Potential food hub elements

The food hub will offer the following primary elements:

- **Indigenous cooking and culinary programming** – The food hub will offer various Indigenous cooking and culinary programs relevant to all ages ranging from kindergarten to elders. Some of these programs will be part of the college's culinary arts curriculum. Part of this programming will include opportunities to demonstrate and celebrate Indigenous cooking and cooking from other cultures.

- **Food business incubation** – On a semi-annual basis the food hub will incubate a number of start-up food businesses, with a focus on Indigenous and hospitality firms.
- **Business education and training services** - The food hub will coordinate the provision of a range of business advisory (e.g. financial accounting), technical training (e.g. recipe development, how to process certain foods) and certification services (e.g. HACCP, Food Safe).
- **Food innovation services** – In collaboration with the college’s Innovation Centre, the food hub will support existing businesses to research, test, and identify technical solutions to common problems within their industry.
- **A commercial kitchen/processing facility** – The facility will have specialized equipment, with a focus on traditional Indigenous food preparation (e.g. smokehouse, fire pit, wood burning ovens, cedar planks, cast iron skillets, clay pots and steam pit) to allow food entrepreneurs to process a variety of foods economically because the equipment will be shared and the entrepreneurs will only be charged for the equipment they use and the time they spend using it.
- **Food storage** – The food hub will rent ambient, refrigerated, and frozen storage space on a daily, weekly, or monthly basis. Different temperature zones could be provided in the walk-in coolers for different foods. This component will also allow storage of traditionally harvested and prepared foods (e.g. root cellars, dry houses).
- **Equipment rentals** - The food hub will rent specialized, expensive equipment, with a focus on Indigenous food preparation, to food hub users so they do not have to pay the full cost of this equipment when they only use it periodically. This equipment could include smokers, freeze dryers, and various kitchen equipment.
- **Indigenous gardens** – In collaboration with Camosun’s horticultural department and local Indigenous communities, the college will establish Indigenous gardens that grow traditional edible fruit and vegetables (e.g. camas). The gardens will be used for education and demonstration purposes.

The food hub could also offer the following secondary elements:

- **Co-packing services** – Using the resources of the food hub it could be contracted to process products on behalf of clients who don’t want to spend the time or don’t have the skills to do this specialized work themselves.
- **Third party rentals** – The food hub could offer dedicated space for interested parties, for example graduates of the business incubation program, who could also access the other shared services of the food hub.
- **Shared office and co-working space** – The hub could provide office space and meeting rooms for producers and food-related organizations, including co-working space for micro food-entrepreneurs who just need desk space.
- **A small retail presence** – The hub could run a small retail store 5 - 7 days a week that sells mostly food produced and processed within the Peninsula and southern Gulf Islands, with a focus on Indigenous foods, which could be supplemented with other Vancouver Island products to fill gaps in selection. The retail outlet could be a pop up in popular venues such as the Victoria Downtown Public Market or establish its own location in a well visited area such as Market Square in downtown Victoria.

The food hub could also collaborate with other businesses to offer the following services to its users:

- **An online ordering platform** – Online platforms allow local producers and processors to list their products on a website for both wholesale and retail customers to buy them. Potential partners include SPUD, BCause, and South Island Farm Hub.
- **An aggregation and distribution service**- For orders placed on the online platform (or separately), producers would bring their products to the hub to be packed into customer orders and then delivered to those customers. Potential partners could include 1Nation Distribution, SPUD, BCause, and South Island Farm Hub.
- **A marketing and brokerage service** – Brokerage services actively market local producers and work to secure sales contracts, particularly with retail and institutional buyers. Potential partners could include 1Nation Distribution.

In Appendix F we provide some examples of Indigenous food networks or initiatives and the kinds of services they provide.

5.4 Potential users and buyers of the Food Hub

Most food hub users will be Indigenous community members, non-profits and small and medium-sized food processing businesses, as well as hospitality businesses located in the Saanich Peninsula and other parts of Southern Vancouver Island. Key users of the food hub are likely to include:

- **Indigenous community members** that will participate in the food hub’s food programs and courses in conjunction with Camosun College. Members will range in age, but most will be post-secondary age attending trade courses and programs.
- **Coast Salish First Nation communities**, especially ones located in Southern Vancouver Island. The communities will be invited to co-develop strategies for the food hub to promote opportunities for Aboriginal communities and their people to revitalize traditional teachings and practices.
- **First Nation social enterprises and non-profits** servicing communities in Southern Vancouver Island. The food hub will work with these organizations to identify how it can improve their food sovereignty and food security.
- **Indigenous food and beverage businesses** located in and around Southern Vancouver Island. These businesses will use the services and facilities provided by the food hub based on their needs. This will likely include the business incubator, commercial kitchen to produce their own products, storage, equipment rentals, as well as training courses. A list of Indigenous food businesses on Vancouver Island that might potentially use the food hub or collaborate with it in some way are listed below in Table 5.1.
- **Hospitality businesses** such as food trucks, restaurants, caterers and hotels, mainly located in the Capital Regional District and **food business start-ups** in Southern Vancouver Island. Similar to Indigenous food and beverage businesses they will use several services and facilities provided by the food hub to help their businesses grow. The hospitality businesses may also use the services of the innovation centre.
- **Small and medium sized food processors in the Saanich Peninsula** - This would mainly include members from the Small Scale Food Processors Association and vendors of local farmers’ markets. Food and beverage businesses outside the region would still be welcome to use the services of the food hub. These users would mainly use the innovation centre, commercial kitchen, storage, and some business courses.

The primary buyers of Food Hub products will likely be mainly located in southern Vancouver Island (including the southern Gulf Islands) and, to a lesser extent, the rest of Vancouver Island. Some off-Vancouver Island food buyers may also buy from Saanich Food Hub users.

Potential key buyers for the food hub and its users include:

- **Public institutions** (e.g. Camosun College, University of Victoria, Royal Roads University, schools and hospitals)- They have a goal to increase their purchases of food and beverages from Indigenous businesses.
- **Food distributors** (e.g. South Island Farm Hub, BCause and Van. Island Produce).
- **Third party online stores** (e.g. Order Retriever, SPUD, BCause and Tastes Local).
- **Independent grocery stores** (e.g. Thrifty Foods, Quality Foods, Country Grocer, Tru Value, Fairway Market, The Root Cellar, and Red Barn) – They are looking to increase their range of Indigenous and local foods.
- **Peninsula households** and tourists buying from the food hub’s possible retail store.

Table 5.1 List of Indigenous businesses on Vancouver Island and the Gulf Islands

Name of Enterprise	BC Location	Product Range Offered
Barkley Sound Shellfish Ltd.	Ucluelet	Primary Seafood Production
Bontanacine	Duncan	Microgreens, essential oils
Coast Salish Aquaculture Resources	Ladysmith	Primary Seafood Production
DMT Fisheries Society	Vancouver Is.	Primary Seafood Production
First Seas Seafood Ltd.	Saturna Island	Food & Beverage Processing
Flurer Smokery Ltd.	Campbell River	Food & Beverage Processing
Hub City Fisheries	Nanaimo	Food & Beverage Processing
Hyistuup Harvesting	Nanaimo	Primary Seafood Production
KEDC Fisheries Department	Port Hardy	Primary Seafood Production
Nuu-chah-nulth Seafood	Port Alberni	Primary Seafood Production
Klahoose Shellfish LP (KSLP)	Squirrel Cove	Primary Seafood Production
Kleekhoot Gold Bigleaf Maple Syrup	Port Alberni	Food & Beverage Processing
Kuterra LP	Port McNeill	Primary Seafood Production
T’Sou-ke Greenhouses	Sooke	Hunting, Wild Harvesting
Musgamagw Dzawada’enuxw Fisheries	Campbell River	Primary Seafood Production
Penelakut Fisheries	Chemainus	Primary Seafood Production
Salish Sea Foods Ltd.	Comox	Food & Beverage Processing
Salish Strait Seafoods Ltd.	Saanichton	Primary Seafood Production

Seabreeze Take-Out	Campbell River	Food Service
St. Jean's Cannery and Smokehouse	Nanaimo	Food & Beverage Processing
T'Sou-ke Wasabi Geenhouses	Sooke	Primary Agr. Production
TFN Seafoods LLP	Tofino	Primary Seafood Production
Tsuumas Seafoods	Port Alberni	Food & Beverage Processing
Uchucklesaht Tribe Fish Distributions	Port Alberni	Primary Seafood Production
We Wai Kai Nation Seafood Corp.	Strathcona	Primary Seafood Production
Kettle and Hive	Victoria	Food & Beverage Processing
Songhees Seafood & Steam Food Truck	Esquimalt	Food service

5.5 Potential ownership and governance structure

The food hub will be part of Camosun College, in a similar manner as Camosun Innovates and other food centres such as Canada’s Smartest Kitchen, Leduc Food Processing Centre, UBC Food and Beverage Innovation Centre and Centre for Seafood Innovation, and the University of Vancouver Island (UVIC). This structure will allow the food hub to access the resources, credibility, experience, and partnerships the Camosun College has established. Under this structure, the food hub will form close partnerships with local Indigenous communities and local food businesses and their associations.

Prior to completing the business plan a steering committee will be established to move the project forward. The steering committee members could become members of the board of the food hub once it is developed. See Appendix G for a Terms of Reference for the Steering Committee. Below is a list of organizations that would be good candidates to include on the Steering Committee (and potentially the board), as well as further details on some of these organizations:

- Camosun College
- Indigenous Prosperity Centre
- South Island Prosperity Partnership
- Bread & Butter
- Songhees Wellness Centre
- Camosun Innovates
- District of Saanich

Camosun College

Camosun College is one of the largest colleges in British Columbia and a strong proponent of using locally sourced food. Food is one of four key priorities in Camosun’s Sustainability Action Plan, which includes:

- Promoting and educating people about sustainable food through their food service operations (cafeterias, cafes, catering, etc.).

- Offering culinary arts programs.
- Buying local as much as possible from local producers and food grown on campus.

Camosun College has a strong focus on trades and apprenticeship and offers a professional cook training course. Training is also provided on the Camosun Cuisine Machine, the first post-secondary food truck classroom in Western Canada.

The culinary department has ambitions to develop its program to further prepare students for the food and beverage industry in addition to fine dining restaurants. They have hosted an Indigenous program in the past and are keen to do again. David Lang, Culinary Director, has a vision to develop a new integrated gastronomically based centre at Camosun College. This centre would encompass training and innovation in gastronomy, hospitality, craft beverages and urban agriculture.

Camosun Innovation Centre supports local businesses, including food businesses, overcome business challenges to help them grow. Camosun Innovates is working on advanced manufacturing and automation systems related to processing of chocolate, seaweed, geoduck, and beer, just to name a few.

Camosun Innovates has 21 staff, some of whom have worked on projects involving food businesses in the region. Any company they work with is eligible to apply for Natural Sciences and Engineering Research Council of Canada (NSERC) funding of between \$25,000 and \$150,000 for research and development projects.

Several stakeholders in the region have identified Camosun College as the ideal location and operator of a food hub. This is because they already have facilities and services that could be used by the food hub (e.g. training rooms). They also have experience and proven success in obtaining various grants for research and development projects.

Indigenous Prosperity Centre (IPC)

The IPC was recently created in partnership with South Island Prosperity Partnership (SIPP) to collaborate with South Island First Nations, the Victoria Native Friendship Centre and the Métis Nation of Greater Victoria. The IPC is committed to the self-directed economic vision of First Nations and Indigenous Peoples on Southern Vancouver Island. Areas of focus include:

- Thought leadership, engagement & understanding.
- Entrepreneurship, innovation & research.
- Partnership and training development.
- Pathways to procurement.¹²

The Songhees Nation/Songhees Wellness Centre

¹² <https://Indigenous-prosperity.ca/>

The Songhees Wellness Centre is a 55,000 sq. ft building that houses the Nation’s Governance and Administration Offices, Local Services, Education Services, and Health Centre¹³. They have multiple programs, three of which relate to this study:

- **Songhees Events & Catering** offers traditional Indigenous cuisine and tailor menus for various events. They employ seven full time, eight to ten part-time and an additional ten casual staff at peak season (93% of their staff are Indigenous).
- **Songhees Food Truck** - offers a modern take on Songhees cultural traditions.
- **Songhees Innovation Centre** is a co-working space for Indigenous entrepreneurs, freelancers, creatives, innovators, and problem-solvers. The purpose of the Innovation Centre is to foster collaboration between Indigenous innovators and to develop, refine, and launch solutions to issues facing Indigenous businesses and communities.

While outside of the District of Saanich, the Centre is close to the District and has the potential to provide some food hub services and facilities. During a visit to the Centre, the catering manager showed the research team their large commercial kitchen, which is available to rent, as well as a large receiving area that isn’t being used but could be renovated to serve food businesses and organizations as an aggregation point and food storage area.

The centre also has rooms for rent, including a tech training room, which could be used for food business training, workshops and seminars. A business called Wolf Meal Prep, which delivers ready-made meals to residents is the only business renting their facilities.

The Bread and Butter Collective

The Bread and Butter Collective¹⁴ is a Vancouver Island based, peer-driven collective aimed at providing resources and tools to hospitality based business owners in B.C. for improved levels of performance, peer accountability, learning & growth, political advocacy along with guidelines for operating businesses and managing lifestyles that are meaningful and lasting. Founding members represent a cross section of high-quality, local, independent owner-operators of hospitality businesses and representatives from Camosun College’s Culinary Arts Program. Most members are in the CRD.

5.6 Potential scale and size of the hub

Based on our engagement findings, the most appropriate initial scale for the food hub should be a medium scale facility (about 12,000 sq. ft.) with room to expand in the future. We estimate that 10 anchor tenants and another 20-30 frequent users would need to participate in the Food Hub for it to be viable. One possible breakdown of the space by component is provided in Table 5.2.

Table 5.2 One possible space allocation for the Saanich Food Hub

Section or area of food hub	Size (sq. ft)
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¹³ <https://www.songheesnation.ca/community/songhees-wellness-centre>

¹⁴ <https://www.breadandbuttercollective.com/>

Food distribution/order packing area	500
Ambient food and supplies storage	1,000
Refrigerated storage	2,000
Frozen storage space	1,000
Commercial kitchen/processing facility	2,000
Special equipment for Indigenous food preparation	1,000
Third party dedicated space rentals	2,000
Shared office space, meeting space	500
Training room(s) and incubator space	1,000
Small retail market area	1,000
Total space	12,000

5.7 Preliminary site selection and layout

The food hub building would ideally have the following features:

- Three-phase electrical power.
- Local utility power service and municipal water supply/sewage
- Municipal water supply.
- Good delivery/loading access.
- More than two loading bay doors at dock level.
- Adequate parking for commercial vehicles and visitors.
- General accessibility for people with physical disabilities to the main floor.
- A demonstration area showcasing Indigenous foods and preparation techniques, including different types of fish smokers, freezer dryers, etc.
- An outdoor demonstration garden for indigenous plants and traditional crops.
- A retail market selling a wide range of Indigenous and local foods.

The building must have ample space for a 12,000 sq. ft. food hub, including HACCP certified facilities, commercial kitchen space, food storage space, training/office space, and retail space. Ideally, the owners of the food hub would both own and operate the food hub and charge user fees for access to services, equipment, and/or space. However, if the facility owners and operators were separate parties then the facility owners would charge the food hub rent, based on how much space the food hub uses, plus the costs of any leasehold improvements.

In addition to the main building, it would be advantageous to establish satellite locations within participating Indigenous communities as many of those communities have commercial kitchens that could be adapted to provide shared space for Indigenous food entrepreneurs to learn Indigenous cooking methods and to make a range of Indigenous foods.

The hub will likely be housed in a new building on the Camosun Interurban Campus. However, if it is housed in an existing building, then it will need to be renovated to accommodate the food hub.

5.8 Potential food hub partners

In addition to Camosun College and the food hub users, the food hub will have many partners that will be involved in its governance, providing educational programming, training, and workshops as well as funders. Table 5.3 outlines a list of potential partners, of which we have provided additional details on three of them. Details of potential Indigenous partners and examples of Indigenous food initiatives can be found in Appendix F.

Gorge Tillicum Urban Farmers¹⁵ is a group of people who live or work in the Gorge Tillicum community. Their purpose is to:

- Share information and provide support for, sustainable food production/harvesting.
- Expand understanding about the nature of food security and of urban, rural, and Indigenous food systems.
- Invite participation in a variety of activities and projects relating to food, food security and food sovereignty.
- Strengthen community through activities and events relating to elements of local and other food system (production, preparation, tours, seed sharing, consumption, etc.).

The organization has 175 households registered with them that participate in urban gardening and supporting each other with growing tips, sharing equipment etc. They also built and manage a community garden which has 60 plots.

Capital Region Food and Agriculture Initiatives Roundtable (CRFAIR) – CRFAIR expressed interest in being involved with the food hub. CRFAIR promotes healthy and sustainable food systems. They function as a regional support group and offer a range of services to community groups, government, and industry. They are involved in projects related to food and farm sector capacity building, farmland and advocacy for foodlands protection/creation, healthy school food, food literacy, and Indigenous food sovereignty. Through the Victoria Community Food Hub Society, which is in the same facility as the South Island Farm Hub and Mustard Seed Food Rescue Project, CRFAIR manages Kitchen Connect. Kitchen Connect is a commercial kitchen that addresses gaps in the local food system to enable farmers to create added-value products, for food businesses to sell into retail markets, and for training opportunities for those wanting to enter the food workforce.

Circular Food and Farm Society – This organization was given approval by the District of North Saanich to provide food-related programming services on an 83-acre parcel of municipally owned land in the District of North Saanich. The land is generally known as the Sandown Centre for Regenerative Agriculture and has a mission congruent with the general purposes of a food hub. This Society could be asked to take on the role of operating a food hub in addition to its work at the Sandown Centre.

Table 5.3 Organizations that could collaborate with the proposed food hub

Indigenous Communities	Government Agencies
Tsartlip, Tsawout, Songhees, Scia’new, T’sou-ke, Esquimalt,	BC Ministry of Indigenous Relations and Reconciliation Ministry of Agriculture and Food Ministry of Post-Secondary Education and Future Skills

¹⁵ <https://growfood.wixsite.com/gtuf>

Malaexel/Malahat, Pauquachin and Tseycum	Ministry of Jobs, Economic Recovery, and Innovation Science & Economic Development Canada
Indigenous organizations	Industry Associations/Groups
Indigenous Culinary of Ass. Nations	BC Food and Beverage
Indigenous Prosperity Partnership	BC Small Scale Food Processors Association
Naut'sa mawt Tribal Council	Southern Van. Isl. Direct Marketing Association
Hul'qumi'num Treaty Group	Bread & Butter Collective
Saanich Adult Education Centre	BC Association of Farmers' Markets
Te'mexw Treaty Association	Community Associations/Food groups
Coast Salish Dev. Corporation	Gorge Tillicum Urban Farmers
Wachiay Friendship Centre Society	Peninsula Agriculture Committee
Tillicum Lelum Aboriginal F.C.	Capital Region Local Food Economy Initiative
Victoria Native Friendship Society	Saanich Neighbourhood Place
Hiiyeyu Lelum House of F.S.	Saanich Peninsula Lions Food Bank
Educational Institutions	CR Fair
Camosun College	Victoria Community Food Hub Society
Vancouver Island University	Lifecycles Project Society
University of Victoria	BC Healthy Communities Association
Royal Roads University	Youth Food Network
UBC Faculty of Land & Food Sys.	Good Food Leaders Association
Local/Regional Government	Circular Food and Farm Society
District of Saanich	Economic Development Agencies
Central Saanich	Chambers of Commerce
District of North Saanich	Economic Development offices
City of Victoria	Saanich Economic Dev. Society
Capital Regional District	South Island Prosperity Partnership
Funders	Vancouver Island Economic Alliance
BC Rural Dividend Fund	Indigenomics Institute Alliance
Canada-BC Agri-Innovation Fund	
Farm Adaptation Innovator Prog.	
Saanich Peninsula Comm. Fndtn.	
Victoria Foundation	

6 Recommended Food Hub Business Strategy

6.1 Operations strategy

A phased expansion approach

The Food Hub will be expanded in phases, building on Camosun College programming and gradually expanding its capacity based on the needs in the region and available funding.

Phase 1 - Launch the food hub through Camosun College's current programs and Camosun Innovates research and development services. Expand them by incorporating Indigenous and hospitality programs and services. Establish an Indigenous Food Hub Council led by Coast Salish communities to identify their

needs and explore education and production opportunities within their communities and at Camosun College.

Phase 2 - Enhance the range of Indigenous and hospitality programs, research and services based on Indigenous community and sector needs. This includes investing in a new food hub building, facilities, and equipment.

Phase 3 - Further enhance the programs, research and services by making additional investment in new facilities and equipment that regional communities and businesses can use for their own operations (e.g. processing and storage), based on the expected growth and needs of the industry.

Phase 4 – Launch a retail component of the food hub to sell direct to consumers through an online sales channel and/or a retail store outlet.

Overview of the Food Hub facility

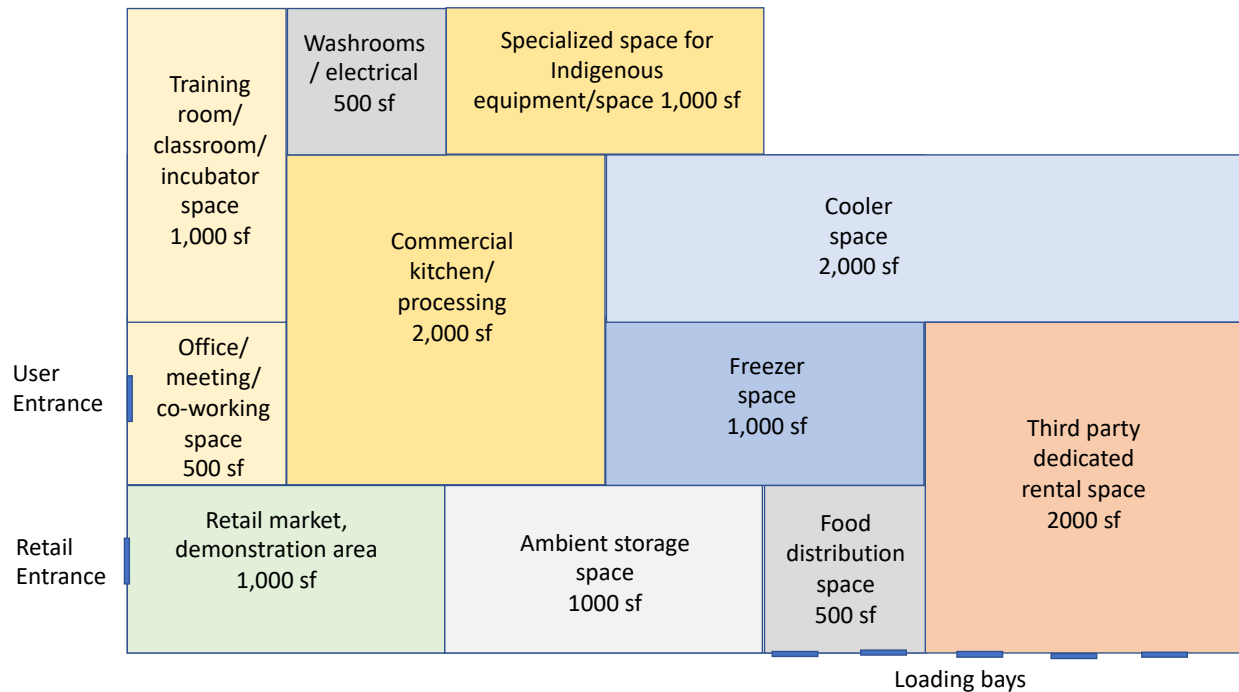
The Food Hub facility can be organized in many ways. One typical configuration is shown in Figure 6.1. If the food hub is situated in a multi-storey building, the classroom and office elements (and potentially other elements) could be situated on an upper floor.

Some of the basic layout strategies include the following:

- Keep the office, meeting and retail areas separate from the warehouse areas.
- Make the washrooms accessible to the training/office area and the production area
- Position the coolers and freezers so they can be accessed from both ends.
- Position the ambient storage and distribution areas near the loading bay doors.
- Arrange the loading bays away from the retail area and group them together.

The food hub will not need its full requirement of space until around year 3 although it will need more than this amount of space by the end of 5 years. Health and safety requirements for the food hub are provided in Appendix H.

Figure 6.1 Layout of the building with suggested components



6.2 Overview of Food Hub Primary Services

Below is an outline of the services the Food Hub will offer for Indigenous community members, communities, businesses, and organizations as well as regional hospitality businesses and small-scale food processors.

Indigenous Cooking and Culinary Programs

Camosun College currently offers Professional Cook Training¹⁶. This is an intensive, hands-on program that helps students gain the skills, knowledge, and confidence to enter professional cooking. The program offers courses for Professional Cook Level 1, 2 and 3 (Red Seal).

This program could be enhanced by offering Indigenous cooking methods. Chef Andrew George (Industry Training Authority) has already developed this curriculum, which is offered by Nicola Valley Institute of Technology and is called Professional Cook 2 with Indigenous Content (PC2)¹⁷. This program introduces apprentices to Indigenous culture through traditional food gathering and preparation. Indigenous knowledge, traditional practices, and Indigenous content is weaved throughout this program and it addresses occupational and trade knowledge related to provincial and federal codes, Acts, and standards. Learners gain valuable knowledge that empowers them to become leaders in the field with a deepened understanding of the Indigenous culture and traditions related to food.

Because these programs would be offered through the Camosun Culinary program, the food hub would therefore focus on more community-based programming. This could include HACCP certification,

¹⁶ <https://camosun.ca/cook>

¹⁷ <https://nvit.ca/Culinary-Arts-Professional-Cook-Level-2/program.aspx>

WHIMIS certification, Food Safe training, Preserve Safe training, Market Safe training, Superhost training, prep cook certificate, kitchen help certificate, employability training and so on. Additional training and educational programs the food hub could offer include:

- Indigenous cooking classes for Kindergarten to Grade 12 school children.
- Indigenous culinary arts training program.¹⁸
- Indigenous pit cooking.¹⁹
- How to include Indigenous food and culture in your cooking.
- Indigenous food systems, environment, and health.²⁰
- Food sovereignty and cooking for reconciliation.²¹
- Indigenous butchery program.
- Indigenous food preservation methods.
- Indigenous medicinal foods.

Key customers for this service include students looking to enter the hospitality sector and employees looking to increase their knowledge and skill, as well as school children.

The indigenous communities are very interested in training that helps community members learn how to prepare affordable, healthy food for the many indigenous food banquets.

Food Business Incubation

The Food Hub will host a food business incubator for several food businesses that will run 12 to 24 months. The program will support and mentor aspiring food entrepreneurs to develop and launch their own food-related business. The program will provide shared commercial kitchen space, technical assistance, mentorship, and access to funding resources to help the entrepreneurs turn their ideas into successful businesses. The incubator will also offer classes on topics such as business planning, food safety, and marketing to help entrepreneurs build the skills they need to succeed. By providing resources and support, food business incubators will help entrepreneurs overcome the challenges and risks associated with starting a food-related business. The program will favour Indigenous food businesses and hospitality food businesses, but also other food businesses such as food processors.

Business Education and Training Services

The Food Hub will offer business education and training services in conjunction with third party organizations, such as Camosun College business school, Saanich Peninsula Chamber of Commerce, BC Ministry of Agriculture and Food, Knowledge Transfer and Farm Business Canada. Most sessions will be held at Camosun College and the Food Hub, as well as partner locations such as Saanich Peninsula Chamber of Commerce and/or offered via video conference to allow attendees who cannot meet in person to attend.

If a program is developed, promoted, and delivered by a third party, the goal would be for The Food Hub to earn a 20% fee to promote it and, ideally, to host training at the Food Hub. For courses where the

¹⁸ <https://www.timescolonist.com/local-news/culinary-arts-dream-comes-true-with-songhees-camosun-college-partnership-4660740>

¹⁹ <https://camosun.ca/news/Indigenous-pit-cook-demo-campus-oct-20-and-21>

²⁰ <https://www.dlsph.utoronto.ca/course/chl5522h-Indigenous-food-systems-environment-and-health/>

²¹ <https://eatmagazine.ca/songhees-and-camosun-food-sovereignty/>

Food Hub develops the training program and hires someone to deliver it, the goal will be for the Food Hub to capture at least 50% of the training fee revenues, on average, to cover overhead.

Details of each program (description, benefits, costs, and service provider) will be presented on the Hub's website. Users could either access the programs via the website or by visiting the Food Hub and discussing them with its staff. Training programs will be coordinated by Food Hub staff with the help of 1 or 2 volunteers, where applicable. Programs and workshops will be advertised via emails to members and participants of previous workshops and advertised through social media.

Business training courses can include business development, marketing, and succession planning. They could also include:

- Business training on using specialized equipment.
- Programs for food entrepreneurs to develop and test products for processing.
- Research and development in collaboration with industry and SME's (product development, commercialization).
- Expanded education programming partnerships; food processing programming in partnership with UBC and extension training for food entrepreneurs in partnership with VIU.
- Business management courses (in conjunction with Camosun's business school) such as business planning, marketing, financial management and human resources.

Key customers for these courses will be Indigenous food entrepreneurs and other local food business entrepreneurs.

Food Innovation Services

Camosun College, through Camosun Innovates, partners with small and medium sized businesses on various projects. Projects can access grants, faculty, staff, and students, to answer innovative questions within their industry. Camosun Innovates has facilitated several projects in the food and hospitality sector, examples of which are listed in Appendix E.

The Food Hub, in partnership with Camosun Innovates, could work on possible new research and development projects across all food and beverage sectors, which could include:

- Specialized equipment design and testing.
- Product and process development (e.g. food preparation and packaging).
- Food testing.
- Food distribution.
- Environmental impact.
- Market and consumer research.
- Waste management.

The Food Hub would also share best practice research, support newcomers to the market and connect and collaborate with stakeholders in the sectors (e.g. networking opportunities) to facilitate sharing knowledge and linking financing opportunities.

Key customers and partners of this service would mainly include Vancouver Island food processors and hospitality food businesses, but may also include distributors, retailers, and primary producers such as farmers and fishers.

A Commercial Kitchen/Processing Facility

The Food Hub will rent shared commercial kitchen/processing facility space to regional food and beverage businesses. The facility will contain the following standard equipment:

- 2-compartment washing sink & hand sink
- dishwasher
- commercial grade ovens and burners
- microwaves & kettles
- dry storage racking
- chilled sandwich tables
- stainless steel tables
- fillers and packing equipment
- labeling machines
- scales
- label maker
- bagging/boxing packing station
- flash freezer
- steam trays
- pots, pans, cutting knives etc.

The commercial kitchen will also dedicate space for specialized cooking equipment to make Indigenous/traditional foods, which could include:

- Smokehouse/ fish smokers
- Fire pit
- Wood burning ovens
- Cedar planks
- Cast iron skillets
- Clay pots
- Steam pit
- Curing chamber

A staff person will be on hand to maintain food handling protocols and clean processing area (this is especially important because the area will be shared by several different users). Technical staff/consultants will also be available for an hourly fee. Different rates will apply for commercial and non-commercial services. The processing facility will:

- Charge different rental rates depending on the services provided (see Table 6.1).
- Be available to rent without any staff support.
- Focus on obtaining full day leases and long-term clients.
- Be open 7 days/week, 12 months/year ,16 hours/day (day rentals will be for 8 hours).
- Scheduling will be managed through a scheduling software program.

Table 6.1 Suggested prices for facility use, services and staff support

Type of use	Hourly rate	Short term daily rate (8 hours)	Long term daily rate (8 hours)
Processing facility - Commercial use	\$20	\$125	\$90
Processing facility - Non-commercial use	\$15	\$100	\$80

Commercial kitchen - Commercial use	\$25	\$160	\$120
Commercial kitchen - Non-commercial use	\$20	\$130	\$100
Business Consultancy Service – Commercial	\$50		
Business Consultancy Service - Non-commercial	\$40		
Operations staff support - Commercial	\$45		
Operations staff support - Non-commercial	\$35		

The Hub will comply with BC Food Premises Regulations and communicate regularly with the local Environmental Health Officer, especially pre-launch. The facility will have a permit issued by a health officer with the required documentation:

- Kitchen Schematic
- Food Safety Plan
- Sanitation Plan
- Copies of FoodSafe Certificate

While the facility may not be HACCP certified at the outset, the idea is to complete this certification as soon as possible.

Food Storage

The Food Hub will give producers access to ambient storage space, walk-in coolers, walk-in freezers, root cellar and curing/dry room on a rental basis. Some storage areas will be separated to provide segregation between organic and non-organic produce, for example. The Food Hub will also offer warehousing services including receiving, stocking, breaking down and prepping orders. The fees for this are itemized in Table 6.2.

Table 6.2 List of Food Hub warehouse services and fees

Service	Size (sq. ft.)	Max. Fees (per pallet)
Cooler (double pallet high)	2,000	\$40/month/pallet, \$4/month/box
Freezer (double pallet high)	1,000	\$50/month/pallet, \$5/month/box
Ambient (triple pallet high)	1,000	\$30/month/pallet, \$3/month/box
Root cellar (double pallet high)	500	\$30/month/pallet, \$3/month/box
Dry/curing room (double pallet high)	500	\$30/month/pallet, \$3/month/box
Unload and stock		\$15 for 1 st pallet and \$4/pallet
Assembling pallets		\$15
Administrating online orders		\$30/30 minutes
After-hours access to hub		\$15/hr
Shipping/receiving Station		\$10.00/month

Inventory will be managed using a centralized inventory management database, such as Sortly, which costs about \$400/year. All inventory added and removed from storage will be recorded. All use will need liability insurance, have their own food safety plan, and must sign the Good Manufacturing Practices waiver form. Meat producers can only store frozen government inspected meat. Meat can be cured in

the curing room for a short time period and then stored as dried meat in the cooler. No fresh meat can be stored in the cooler.

Clients will be allowed to access their inventory at schedule times to do their own picking, packing, and stocking. Clients will generally not be allowed to use the forklift trucks but they will be allowed to use the pallet jacks for moving their products around. The Food Hub will have procedures for food handling and storage and users will be required to use labels and paperwork to ensure product integrity is maintained.

Equipment Rentals

The Food Hub will create an online booking site where producers can rent equipment either from the Food Hub or from equipment owners that list their off-site equipment for rent on the site. The Food Hub would take a 10% commission on rented equipment it does not own. The range of equipment would include food testing equipment, smokers, pick cook, freeze drier and kitchen equipment. Fees will vary based on the type of equipment and length of use.

This service would include professional management to ensure that each piece of equipment is cleaned and is in good working order before being returned to the owner or rented to the next party. This service would also include training on how to safely use the equipment and protocols for returning it clean and in good order. The service would maintain an up-to-date inventory of what is available to rent, for how long, and at what cost. The Food Hub will 500 sq. ft. of dedicated space to store equipment.

Indigenous Gardens

The Food Hub, in partnership with Camosun's horticulture department and local Indigenous communities, will plan and develop Indigenous gardens that will incorporate traditional edible and medicinal plants local to the area.

The gardens will be mainly used for teaching purposes, in collaboration with the Indigenous culinary courses offered by the Food Hub. They will also be available for other courses and programs, such as for visiting school children, Indigenous communities, and other visitors. A similar garden is the x^wčičəsəm Garden²² at UBC and the rooftop Indigenous garden at the Songhees Wellness Centre.

6.3 Overview of Secondary Food Hub Services

The Food Hub may also offer the following services depending on demand from clients and the capacity of the Food Hub. Initially, the Food Hub, initially, will not promote these services but offer them on an as-requested basis.

Co-packing Services

Co-packing is a service where a food business employs the food hub, its equipment, expertise, and staff to make its products. In most instances the business provides the recipe and the ingredients and, in some cases, the packaging. Sometimes the product and process are developed with the co-packer, using

²² <https://lfs-iherg.sites.olt.ubc.ca/the-garden/>

their expertise. Because the Food Hub will have inhouse experts, facilities, and equipment, it could offer third party co-packing services, if the Food Hub has capacity in addition to providing its primary services.

If it offers co-packing services, fees will be charged on a case-by-case basis depending on the complexity of the process and time involvement of the co-packer. The Food Hub will consult with the business on its needs, provide recommendations, and develop a schedule and fee. Fees are typically charged for a given period (e.g. 8 hours) and/or number of batch runs. Fees are typically 25 cents to 75 cents per unit and a batch run costs \$300 to \$750/run.

The benefits of co-packing to the client include:

- It saves them time and allows them to focus on other areas of the business (e.g. sales, farming).
- Product quality may be higher as it is made by professionals in a purpose-built facility.
- Improved cost control to help manage cash flow and profitability.
- New product ideas can be generated working with experienced food processors and new equipment not normally available to smaller processors.

Once the products are made, the business can arrange to ship them to a storage facility or pay the Food Hub to store the product and manage their own shipping to their customers. The Food Hub will give priority to co-packing Indigenous food and beverage products.

Third Party Rentals

Portions of the building could be designated for long-term, third-party rental. These parties, ideally enterprises that relate to the vision and operations of the Food Hub such as Indigenous food business and hospitality businesses (e.g. caterers), would rent space of 400 sq. ft. or more from the Food Hub for leases of 2 years or more. These dedicated users could still employ the services and equipment of the Food Hub if they need to, such as renting space in the cooler, as well as doing business with other users of the Food Hub. The benefit is having anchor tenants in the building to provide consistent rent payments. Preference will be given to Indigenous owned food businesses.

Shared Office and Co-working Space

Depending on availability, the Food Hub could offer the following options to individuals or organizations, with preference given to food entrepreneurs/employees:

- **Community member** – for \$10 per month, community members could “join the community”, receive two meeting room hours/month (plus additional hours at 25% off) and participate in monthly networking events but without any access to a desk.
- **Hot desk member** - \$10 for 5 hours hot desk use/month plus 2 free meeting room hours, \$20 for 20 hours/ month, \$40 for 50 hours/month, or \$60 for 100 co-working hours per month. A hot desk member gets access to a table area as well as free coffee and tea.
- **Permanent desk member** – A full sized desk with the renter’s name on it (provided there is space) - \$100 per month. This service will be offered in an area sufficiently large enough to accommodate 6 to 3x5 sq. ft. desk areas.
- **Meeting room** – The Food Hub will have a 200 sq. ft. room with table and chairs, projector, and white boards. The room will be available to rent for \$25/hour.

The co-working service could include other small fee for service extras such as use of a photocopier or printer, package drop-off and/or delivery service. The primary goal of the co-working service is to help

cover some overhead costs but, more importantly, bring people to the Food Hub to interact and build community. Key users will be Business Incubator clients and users of the commercial kitchen.

A Small Retail Presence

The Food Hub will initially have a one day a week market at the food hub to sell products produced by its clients. If sales increase it will be expanded into a multi-day market. If sales increase further the food hub will explore other alternatives such as pop-up stores at popular locations such as the museum or Downtown Public Market or a permanent space in Downtown Victoria (e.g. Market Square) that will be set up as a formal retail store and open 7 days per week. The retail service will be equipped with a Point of Sale terminal, reach in freezers and fridges, shelving, signage, and cleaning equipment. Food businesses will be charged a 30% commission on sales to cover the operating costs of the retail market.

6.4 Overview of Partnership Services

The Food Hub could offer the following services to its clients in partnership with third parties.

An Online Ordering Platform

A large number of local food and beverage businesses want more channels to sell their products but struggle to meet the listing requirements of grocery stores. Online food platforms provide a good alternative, if they focus on local products. Because it is costly to set up a new online food platform, the Food Hub will initially partner with current platforms to promote and sell their clients' products. These include BCause, Cow-op in Duncan, and South Island Farm Hub. Where there is sufficient demand to make it more economically viable to develop its own online sales platform that can be done, likely using a white-label platform such as Local Line or Local Foods Marketplace.

An Aggregation and Distribution Service

Initially, the hub will pack and deliver orders placed by partners such as BCause, South Island Farm hub and Cow-op as well as larger orders to larger retailers or distributors, such as PSC Natural Foods and Coldstar Solutions. To improve efficiency, the hub will receive the products from its producers (and other local producers that want to be included in their deliveries to third parties) and deliver two days per week. If and when the hub launches its own online platform, it will deliver directly to the customers who place orders on that system.

A Marketing and Brokerage Service

The Food Hub will partner with one or more marketing and brokerage services to secure large orders from grocery stores and institutions on behalf of its producers. The broker will take a commission from the sales of the products once they have been listed and ordered. The broker tends to provide ongoing account management, promotions, and new product introductions for its clients. One BC business that is setting itself up to be an Indigenous food broker and distributor is 1 Nation Distribution (owned by Spirit Bear Coffee).

6.5 Governance and management plan

The Food Hub will be a department of Camosun College and report to a Vice President. As the Food Hub will need to raise significant capital to build a building and purchase equipment, it will apply for grants to cover most of the costs.

Board of Advisors

As the Food Hub will be both an educational organization and organization that supports businesses, it is important to launch with a board that has the breadth of skills to manage all aspects of this enterprise. These skills and knowledge should include the following:

- Indigenous culture, cooking and traditions
- Culinary education
- Food processing and innovation
- Business incubation and instruction
- Food distribution and retailing
- Financial management and accounting
- Legal and regulatory affairs
- Strategic planning and good meeting practices
- Human resource management and leadership
- Non-profit governance

The Food Hub will launch with 9 board members (an odd number of members reduces the chance of a tie vote). It will not actively recruit until a business plan has been completed.

Staffing structure

The Food Hub will be staffed with a highly qualified and experienced Faculty Chair, managers, and various staff roles to deliver the services of the Food Hub.

Faculty Chair

The Faculty Chair position is the most important role for the Food Hub and will report to a Vice President of Camosun College and the food hub's board. They will be:

- Responsible for overseeing the academic and educational programs of the culinary arts department at the college and its additional educational programming under the food hub. Their main academic responsibilities will include designing and implementing curriculum, evaluating and selecting textbooks and other educational materials, hiring and supervising faculty members, and ensuring that the program meets educational standards and goals. They will also be responsible for developing and implementing policies and procedures related to student admissions, academic advising, and program assessment.
- Responsible for the overall management and strategic direction of the food hub. Their main food hub responsibilities will include developing and implementing business plans and budgets and ensuring that the food hub meets its financial and operational goals. They will also establish relationships with food hub users, especially Indigenous communities and businesses, and manage partnerships and collaborations with stakeholders in the food system.

The faculty chair will also be responsible for managing senior staff and overseeing events and activities, and efforts to promote the food hub and its services. They will also be involved in fundraising and development activities, such as soliciting donations and grants to support the food hub's programs, activities, and facilities. They will also represent the department, food hub and college at industry

conferences and events, and be involved in community outreach and engagement activities. They will also work to ensure that the food hub is environmentally sustainable and socially responsible and advocate for policy changes that support local food systems and food justice.

The person who fills this role will have the following skills and knowledge:

- Strong knowledge of local and Indigenous food production and hospitality services,
- Respected by local and Indigenous food services, producers and processors.
- An excellent networker with exemplary interpersonal skills.
- Highly innovative, actively fostering food innovation within the region.

Food Hub Manager

The food hub manager will report to the faculty chair and be responsible for overseeing the day-to-day operations of the food hub. Their main responsibilities include:

- Establish relationships with food hub users to understand their needs and connect them with the services and resources they need, especially Indigenous food businesses and initiatives. They will also lead the sales and marketing efforts to promote the food hub and its services. Additionally, they will be responsible for managing food hub staff, organizing events and activities, and maintaining financial records and reports.
- Oversee the daily operations of the shared commercial kitchen that is used by multiple food businesses. Their main responsibilities include managing staff, supervising food preparation and cooking, ensuring that food safety and hygiene standards are met, and maintaining inventory and equipment. They will also work to develop and implement procedures and policies to improve kitchen efficiency, safety, and quality, and responsible for scheduling and training kitchen staff.
- Responsible for overseeing the operations and services that provide support and resources for food entrepreneurs and startups. Their main responsibilities include coordinating and supervising kitchen use and equipment, providing mentorship and training for entrepreneurs, and facilitating networking and collaboration opportunities. They will also develop and implement programs and services to support the growth and success of food business startups, including marketing and sales support, legal and financial assistance, and access to distribution channels.

The person who fills this role will have the following skills and knowledge:

- Strong organizational and leadership skills.
- Knowledge of food safety regulations and culinary techniques, especially Indigenous ones.
- Able to work under pressure and adapt quickly to changes in the kitchen environment, while working with a variety of different food businesses and chefs.
- Experience in business management, entrepreneurship, and startup support, and must be able to work with a variety of different businesses and individuals.

Food Innovation Services Manager

We envision that a food innovation research and development manager will be identified to coordinate the initial activities of this stream. The food innovation services stream of the food hub will form a strategic partnership and work collaboratively with Camosun Innovates and Tech Access Centre to provide its programs, services, and facilities to food business clients. The plan is to directly link the roles that primarily focus on Indigenous food businesses, hospitality businesses and food processing businesses to the food hub. As programs and research grow, additional staffing will be added under the manager that still links into the organizational structure of Camosun College.

The Food Innovation Manager will be responsible for overseeing the operations of the department that provides support and resources for food innovation and product development. Their main responsibilities include managing the facility, supervising facility use and equipment, providing technical support and expertise for food entrepreneurs and businesses, and facilitating collaboration and partnerships with industry and academia. They will also work to develop and implement programs and services to support the growth and success of the businesses, including research and development, product testing and analysis, and market research. They will also be involved in budgeting and financial planning, including monitoring costs and managing funding sources for their department.

The person who fills this role will have the following skills and knowledge:

- Strong organizational and leadership skills.
- Knowledge of food science, technology, and innovation.
- Experience in business management and entrepreneurship.
- A keen eye for emerging trends in the food industry and ability to guide businesses towards innovative and sustainable solutions.

Indigenous Liaison Officer

The food hub will employ an Indigenous Liaison Officer who will be responsible for facilitating communication and understanding between Indigenous communities and organizations, and non-Indigenous stakeholders. Their main responsibilities will include building relationships and partnerships with Indigenous communities, providing cultural awareness and sensitivity training, and promoting Indigenous perspectives and knowledge within the food hub. They will also work to provide support and advocacy for Indigenous individuals and communities, and to ensure that their voices are heard and respected in decision-making processes. Additionally, they will be involved in developing policies and programs that promote reconciliation and Indigenous self-determination and addressing systemic barriers and discrimination.

The person who fills this role will have the following skills and knowledge:

- Strong understanding of Indigenous cultures, histories, and perspectives.
- Excellent communication and interpersonal skills.
- Committed to promoting Indigenous rights, self-determination, and reconciliation, and to working collaboratively with Indigenous communities and organizations.

Additional food hub roles

The roles outlined below may be performed by the above managers and/or additional staff, depending on the demands of the food hub.

Shared storage and processing facility coordination – Duties are to:

- Maintain equipment and clean the facilities.
- Schedule users using the facilities.
- Induct users on the policies and procedures.
- Develop and update policies and procedures.
- Perform various services paid for by the users e.g. packing, receiving and inventorying orders or helping process food.

Food processing specialist – Duties are to:

- Help clients develop their food products and process.
- Provide food processing services to clients e.g. food preparation, processing and packaging.
- Coordinate third party co-packing services.

Food hub assistant/marketing coordinator – Duties are to:

- Conduct research.
- Identify potential opportunities.
- Maintain the website content and regularly monitor and update social media.
- Help prepare proposals and grant applications.

Food hub coordinator – Duties are to:

- On board food hub clients and users of the facilities.
- Manage the logistical details of fee-for-service projects and services (e.g. training, equipment rental, space rental).
- Manage the logistical details of fee-for-service projects.
- Liaise with contractors and consultants to ensure work is done in a high quality, timely and cost-effective manner.

Office administrator/book-keeper – Duties are to:

- Track revenues and expenses and enter receipts into an accounting software program.
- Perform other administrative duties such as purchasing supplies, organizing the logistics for meetings/events.

If additional capacity is needed for both instruction and research beyond what is resourced, it will be contracted to other college staff and students and independent contractors. Additional researchers and instructors will be added based on demand from the industry.

Contractor roles

The Food Hub will also engage several contractors to provide certain services that are contemplated for the enterprise. These could include trainers that provide various training courses and specialized consultants providing one on one advice (e.g. food processing, succession planning, business development).

6.6 Marketing strategy

Unique value proposition

The unique value proposition of the food hub is to support the revitalization of Indigenous food systems and promote the use of traditional foods. The food hub will provide a place for gathering, preserving, and sharing traditional knowledge and practices related to food production, preparation, and consumption. The food hub will also create economic opportunities for Indigenous communities by supporting small-scale food processing, and marketing.

Sales strategy

The sales strategy to attract users of the food hub will include Customer Relationship Management (CRM) software to track all leads and generate a prospect list from referrals, online research, events, and direct contacts with sector-specific businesses. Case studies will be used to articulate the food hub's value by highlighting typical client business challenges and how they were overcome. Tailored marketing collateral and promotional campaigns will encourage prospective clients to investigate the programs and services offered by the food hub. The senior team will initially take the lead sales role, with a salesperson/distribution coordinator hired later to market client products to distributors, retailers, institutions, and food service organizations. The senior team will need to demonstrate exceptional marketing and sales skills, inspire and mobilize sales staff, and be master networkers.

Direct contact with Indigenous communities and businesses, hospitality businesses and other food producers and processors is the most effective way to foster new relationships. Face-to-face contact is the preferred method, as well as email, telephone, and web conferencing to help build these relationships. The food hub needs to be seen as a trusted and reliable partner in the region.

Online presence

The food hub will maintain a strong website and social media presence, in 3 key areas:

- Owned and operated media (website and/or blog);
- Earned media (social media platforms); and
- Paid media advertising (Google AdWords, Facebook).

The technical structure of the website (security and mobility) and relevant, topical, high-quality content will ensure a strong Search Engine Rankings Position (SERP) on Google. The Marketing Coordinator will regularly update the website content and all social media platforms with fresh content (and social media to point back to the website) to ensure high website page ranking. Images, media and other materials must have appropriate labels to help boost SEO.

Public relations

The Marketing Coordinator will create a communication strategy and digital media calendar. They will identify the key messages to communicate to each major target market, ensuring strong brand consistency. These messages will then be incorporated into well-written, content pieces and press releases that are shared widely.

Co-marketing partnerships

By building community partnerships, the food hub can more effectively promote its programs, events, equipment and services. Partners can cross-promote via website links, tradeshow, social media campaigns and sector-specific initiatives and events. Potential partners include Indigenous Culinary of Associated Nations, Indigenous Prosperity Partnership, Camosun College, Camosun Innovates, economic development offices, Chamber of Commerce, BC Innovation Council, and local industry associations (e.g. tourism associations, Bread & Butter, Small Scale Food Processor Association, BC Restaurant Association and BC Food and Beverage).

Hosting events

The food hub will host various events through the year, especially during important Indigenous festivals. Events will focus on Indigenous cooking and foods, as well as the latest trends and technologies in the sector, showcase the products being produced, and bring in chefs for cooking demonstrations. Events will be promoted to Indigenous communities, communities within the region, researchers, scientists, stakeholders, suppliers, distributors, tourists, producers and processors from in the region.

Word of mouth (WOM)

The food hub will rely heavily on word of mouth since it is such an important form of trusted, free advertising and one of the most successful ways to recruit clients. The senior leadership team will build strong client relationship and retention strategies to help promote the food hub through referrals and ensure all food hub communication is well managed on social media platforms. Clients who have a great experience with the food hub will likely share that with their friends.

Brand strategy

The name and logo of the food hub will reflect Indigenous culture and values and will use a local Indigenous language and any related symbols, and motifs in the name. The food hub will seek input from Elders and Knowledge Keepers who can provide valuable guidance in choosing a name and logo that reflects Indigenous values and culture and will ensure that the name is appropriate and respectful.

6.7 Financial plan

In this section we present the initial start-up costs, key assumptions and five year projections for the Saanich Food Hub.

Construction Costs

Because Camosun College does not have any available building suitable for a food hub, a new building will need to be constructed. While the final site has not been established, we estimate the building construction costs to be as follows:

Cost category	Cost/sq. ft.	Sq. ft.	Total cost
Building construction	\$500	12,000	\$6,000,000
Landscaping and roads	\$100	12,000	\$1,200,000
		Total cost	\$7,200,000

We did not include any land costs because the assumption is that the facility will be built on the Interurban Campus of Camosun College. While the college may have a different cost structure, typically if the completed building were to be mortgaged to the maximum amount of 75%, the monthly mortgage payment would be about \$31,500 at a 5% interest rate. In addition, there would likely be about, \$3,000 per month in operating costs (property taxes, insurance, utilities, repairs, and maintenance). Therefore, the College would need to charge a rental rate of about \$35,000/month just achieve a financial breakeven on building finance costs. That rental rate works out to \$35/square foot for the 12,000 sq. ft. building. This is above the prevailing market rental rates of \$25 to \$30/sq. ft. in Saanich so it will be key to cover a significant portion of the building costs through grants and donations to make the economics more favourable. We have therefore assumed a highly discounted rental rate for the food hub.

Startup costs

A high-level estimate of startup costs for the hub are presented in Table 6.3.

Table 6.3 Startup costs for the Saanich food hub

Description of start up cost item	Low cost Estimate	High cost Estimate
Description of start up soft costs		
Steering committee secretariat costs	\$10,000	\$15,000
Indigenous collaboration costs	\$20,000	\$30,000
Implementation planning labour	\$30,000	\$35,000
Prepare initial branding (logo, letterhead)	\$3,000	\$6,000
Develop information website	\$3,000	\$6,000
Create initial social media presence	\$2,000	\$4,000
Purchase initial office supplies	\$2,000	\$4,000
Total	\$70,000	\$100,000
Description of year 1 capital expenses		
Leasehold improvement costs	\$500,000	\$600,000
Facility equipment costs, incl. Indigenous equipment	\$200,000	\$250,000
Computer, office equipment	\$20,000	\$30,000
Office/classroom equipment and furniture	\$10,000	\$20,000
Total	\$730,000	\$900,000
Total startup costs	\$800,000	\$1,000,000

Equipment costs

We have estimated an initial \$200,000 to \$250,000 for start-up equipment costs. This will likely include the following types of equipment:

- Small walk-in cooler and walk-in freezer.
- 2 pallet jacks for moving pallets around plus a forklift.
- Heavy duty pallet racking plus lighter duty racking for storing food and equipment.
- Indigenous food equipment, including smokers, pit cooks, dehydrators, etc.
- Some warehouse computers with scanners for shipping and receiving.
- Steel prep tables for food breakdown.
- Three compartment sinks.

Assumptions

We created revenue and cost estimates for 18 revenue streams, based on many assumptions that are summarized in Table 6.4. We caution that each of the assumptions may need to be significantly adjusted and therefore, we recommend that the demand for each service be tested before expending a significant amount of funds to develop each service.

Five-year financial projections

In Table 6.5, we present five-year financial projections for the food hub. These show the revenues of the hub rising from about \$133,000 in Year 1, to almost \$500,000 in Year 2 when the Food Hub opens to about \$1.5 million by the end of Year 5. The direct profit margins on each revenue stream range from a low of 20% to a high of 70% but on average are about 50%. Labour costs start at about 82% of revenues but then decline each year until it settles at about 22% in year 5. In year 5, total labour costs are \$330,000, which likely means that there are about 6-7 staff. Non-labour expenses start out at about 30% of revenues in year 1 and then decline to about 17% by the end of year 5 as some expenses like rent are relatively fixed over the 5 years. The hub is projected to have losses totalling about \$175,000 over the first three years of operation. From that point on the hub is profitable.

One possible funding scenario

As noted above, the Food Hub needs up to \$1 million in start-up funds plus another \$200,000 in working capital to reach financial breakeven. Below we present one possible funding scenario that could be used to attract the funds and provide a \$50,000 contingency.

Funding from the BC Ministry of Agriculture	\$250,000
Funding from the NSERC Sustainable Agriculture Initiative	\$300,000
Funding from the Social Finance low interest loan Fund	\$150,000
Loans from core facility users, repaid over 5 years	\$100,000
Patient capital loans repaid from cash flows with interest	\$100,000
Sponsorships/donations from agencies interested in local/indigenous food	<u>\$300,000</u>
Total	\$1,200,000

This breakdown shows that with some creativity, it should be feasible to raise the required funds. Separate funding will be needed to construct the building, but it is assumed that this will fall under the normal capital facility expansion plan for Camosun College.

Impact on the local food economy

Below we present estimate of retail-value revenues that would be generated by the hub producers. This shows that in 5 years, the food hub will increase regional food sales by almost \$2.5 million.

Product Revenues	Year 1	% revs	Year 2	% revs	Year 3	% revs	Year 4	% revs	Year 5	% revs
E-commerce sales	\$0	0%	\$0	0%	\$0	0%	\$395,200	22%	\$800,000	32%
Brokerage service	\$0	0%	\$0	0%	\$378,000	72%	\$524,790	29%	\$699,149	28%
Retail market	\$0	0%	\$125,000	100%	\$150,000	28%	\$875,000	49%	\$1,000,000	40%
Total Product Revenues	\$0		\$125,000		\$528,000		\$1,794,990		\$2,499,149	

Table 6.4 Assumptions for the key revenue streams of the hub

	Expand Camosun programming (education)	Enhance Indigenous & hospitality progs. (food hub)	Research services, processing and storage	Launch retail component, incl. online	Further expansion of all components
Assumptions/metrics	Year 1	Year 2	Year 3	Year 4	Year 5
Indigenous/community cooking program	\$0	\$0	\$0	\$0	\$0
Number of training programs	10	12	14	16	18
Number of students per program/year	20	22	24	26	28
Tuition fee per program	\$200	\$220	\$240	\$260	\$280
Cost of service as % of revenues	50%	48%	46%	44%	42%
Business training programs	\$0	\$0	\$0	\$0	\$0
Number of training programs	5	7	9	11	13
Number of students per course	12	14	16	18	20
Average revenue per training program	\$300	\$305	\$310	\$315	\$320
Cost of service as % of revenues	50%	48%	46%	44%	42%
Business incubator program	\$0	\$0	\$0	\$0	\$0
Number of entrepreneurs per year	10	15	20	25	30
Average tuition fee per year	\$5,000	\$5,250	\$5,500	\$5,750	\$6,000
Cost of service as % of revenues	50%	48%	46%	44%	42%
Food innovation services	\$0	\$0	\$0	\$0	\$0
Number of R&D projects	10	14	17	20	22
Average cost per project/year	\$5,000	\$6,000	\$7,000	\$8,000	\$9,000
Cost of service as % of revenues	50%	48%	46%	44%	42%
Kitchen/processing facility space rentals	\$0	\$0	\$0	\$0	\$0
Total facility rental hours	0	3,000	4,000	5,000	6,000
Average facility rental charge/hr	\$0.00	\$25.00	\$26.00	\$27.00	\$28.00
Cost of service as % of revenues	0%	30%	29%	29%	28%
Food storage space rentals	\$0	\$0	\$0	\$0	\$0
Amount of storage space rented (sq. ft.)	0	2,000	2,000	3,000	3,000
Number of pallets in storage	0	305	305	457	457
Average storage period per pallet (days)	0	30	29	28	27
Storage rental fee/ pallet	\$0	\$13	\$14	\$14	\$15
Cost of service as % of revenues	0%	30%	30%	30%	30%
Pallet handling fees	\$0	\$0	\$0	\$0	\$0
Fee to bring in/take out each pallet	\$0.00	\$4.00	\$4.00	\$4.00	\$4.00
Margin on pallet intake/discharge labour	0%	60%	61%	62%	64%
% of pallets requiring assembly	0%	10%	10%	10%	10%
Fee to assemble cases onto one pallet	\$0	\$17	\$17	\$18	\$18
Cost of service as % of revenues	0%	60%	60%	60%	60%
Equipment rentals	\$0	\$0	\$0	\$0	\$0
Total equipment rental hours	0	1,200	1,260	1,323	1,389
Avg equipment rental charge/hour	\$0.00	\$18.00	\$18.50	\$19.00	\$19.50
Commission on rental fees	0%	20%	20%	20%	20%
Cost of service as % of commission	0%	30%	30%	30%	30%
Co-packing services	\$0	\$0	\$0	\$0	\$0
Number of co-packing project days	0	0	200	250	300
Average fees per co-packing project day	0	0	\$250	\$300	\$350
Commission on co-packing fees	0%	0%	20%	20%	20%
Cost of service as % of commission	0%	0%	30%	30%	30%
Dedicated space rentals	\$0	\$0	\$0	\$0	\$0
Amount of dedicated space rented (sq. ft.)	0	2,000	2,000	2,000	2,000
Rental rate per square foot	\$0.00	\$31.25	\$31.88	\$32.50	\$33.13
Rental cost per square foot	\$0.00	\$25.00	\$25.50	\$26.00	\$26.50
Shared office and co-working space	\$0	\$0	\$0	\$0	\$0
Number of hot desks	4	5	5	6	6
Avg revenue per hot desk per year	\$3,600.00	\$4,000.00	\$4,400.00	\$4,700.00	\$5,000.00
Cost of service as % of revenues	30%	30%	30%	30%	30%

Table 6.4 Assumptions for the key revenue streams of the hub - continued

	Expand Camosun programming (education)	Enhance Indigenous & hospitality progs. (food hub)	Research services, processing and storage	Launch retail component, incl. online	Further expansion of all components
Assumptions/metrics	Year 1	Year 2	Year 3	Year 4	Year 5
Retail market	\$0	\$0	\$0	\$0	\$0
Number of market days per year	0	50	50	250	250
Average revenues per market day	\$0	\$2,500	\$3,000	\$3,500	\$4,000
Margin on products sold	0%	35%	35%	35%	35%
Cost of service as % of gross margin	0%	70%	70%	70%	70%
Ecommerce program	\$0	\$0	\$0	\$0	\$0
Ecommerce retail customers	0	0	0	100	200
Orders per customer per year	0	0	0	20	24
Average order size	\$0	\$0	\$0	\$80	\$85
Commission on sales	0%	0%	0%	12%	12%
Cost of service as % of commission	0%	0%	0%	50%	50%
Online wholesale customers	0	0	0	20	25
Orders per wholesale customer/year	0	0	0	24	28
Average order size	\$0	\$0	\$0	\$350	\$400
Commission on sales	0%	0%	0%	12%	12%
Cost of service as % of commission	0%	0%	0%	50%	50%
Aggregation and distribution program	\$0	\$0	\$0	\$0	\$0
% of orders with hub fulfillment + delivery	0%	0%	0%	75%	86%
Commission on each order	0%	0%	0%	18%	19%
Cost of service as % of comm.	0%	0%	0%	75%	74%
Brokerage service	\$0	\$0	\$0	\$0	\$0
Number of products offered	0	0	30	35	40
Cases sold per year	0	0	300	350	400
Average price per case	\$0.00	\$0.00	\$30.00	\$30.60	\$31.21
Commission on product sales	0%	0%	5%	5%	5%
Cost of service as % of commission	0%	0%	50%	48%	46%
Expense Assumptions	\$0	\$0	\$0	\$0	\$0
Total facility space used (sq. ft.)	1,500	9,000	9,500	12,000	12,000
Amount of space not covered in COGS (sq. ft.)	1,500	7,000	7,500	10,000	10,000
Rental rate per square foot	\$25.00	\$25.50	\$26.00	\$26.50	\$27.00
Utilities as % of total rent	3%	3%	3%	3%	3%
Marketing as % of revenues	2%	2%	2%	2%	2%
IT services as % of revenues	3%	1%	1%	1%	1%
Office expenses as % of revs	2.5%	2.0%	2.0%	2.0%	2.0%
Travel as % of expenses	1.5%	1.0%	0.9%	0.8%	0.8%
Miscellaneous as % of revs	1%	1%	1%	1%	1%
Finance Assumptions	\$0	\$0	\$0	\$0	\$0
Interest rate on loans	8%	8%	8%	7%	6%
Amortization rate on capital equipment	10%	10%	10%	10%	10%
Small business tax rate after losses	13.5%	13.5%	13.5%	13.5%	13.5%

Table 6.5 Five-year financial projections for Saanich food hub

Food Hub Revenues	Year 1	% revs	Year 2	% of revs	Year 3	% of revs	Year 4	% of revs	Year 5	% of revs
Indigenous/community cooking programs	\$40,000	30%	\$58,080	12%	\$80,640	12%	\$108,160	9%	\$141,120	9%
Business training programs	\$18,000	13%	\$29,890	6%	\$44,640	7%	\$62,370	5%	\$83,200	6%
Business incubator program	\$50,000	37%	\$78,750	16%	\$110,000	16%	\$143,750	12%	\$180,000	12%
Food innovation services	\$50,000	37%	\$84,000	17%	\$119,000	18%	\$160,000	13%	\$198,000	13%
Kitchen/processing facility space rentals	\$0	0%	\$75,000	15%	\$104,000	15%	\$135,000	11%	\$168,000	11%
Storage space rentals	\$0	0%	\$48,203	10%	\$51,783	8%	\$83,429	7%	\$89,608	6%
Pallet in/out handling fees	\$0	0%	\$29,663	6%	\$30,686	5%	\$47,673	4%	\$49,439	3%
Pallet assembly fees	\$0	0%	\$6,303	1%	\$6,617	1%	\$10,429	1%	\$10,969	1%
Equipment rentals	\$0	0%	\$4,320	1%	\$4,662	1%	\$5,027	0%	\$5,418	0%
Co-packing services	\$0	0%	\$0	0%	\$50,000	7%	\$75,000	6%	\$105,000	7%
Dedicated space rentals	\$0	0%	\$62,500	13%	\$63,750	9%	\$65,000	5%	\$66,250	4%
Shared office and co-working space fees	\$14,400	11%	\$20,000	4%	\$22,000	3%	\$28,200	2%	\$30,000	2%
Retail market	\$0	0%	\$43,750	9%	\$52,500	8%	\$306,250	25%	\$350,000	23%
Ecommerce /online retail sales	\$0	0%	\$0	0%	\$0	0%	\$19,200	2%	\$48,960	3%
Ecommerce wholesale sales	\$0	0%	\$0	0%	\$0	0%	\$20,160	2%	\$33,600	2%
Aggregation and distribution	\$0	0%	\$0	0%	\$0	0%	\$22,680	2%	\$45,752	3%
Brokerage service	\$0	0%	\$0	0%	\$13,500	2%	\$18,743	2%	\$24,970	2%
Other Revenues	\$1,324	1%	\$4,824	1%	\$6,731	1%	\$12,029	1%	\$14,892	1%
Total Revenues	\$133,724		\$487,204		\$679,870		\$1,214,940		\$1,504,058	
Cost of Sales		% margin		% margin		% margin		% margin		% margin
Indigenous/community cooking programs	\$20,000	50%	\$27,878	52%	\$37,094	54%	\$47,590	56%	\$59,270	58%
Training and education programs	\$9,000	50%	\$14,347	52%	\$20,534	54%	\$27,443	56%	\$34,944	58%
Business incubator program	\$25,000	50%	\$37,800	52%	\$50,600	54%	\$63,250	56%	\$75,600	58%
Food innovation services	\$25,000	50%	\$40,320	52%	\$54,740	54%	\$70,400	56%	\$83,160	58%
Kitchen/processing facility space rentals			\$22,500	70%	\$30,576	71%	\$38,896	71%	\$47,436	72%
Storage space rentals			\$14,461	70%	\$15,535	70%	\$25,029	70%	\$26,883	70%
Pallet in/out handling fees			\$17,798	40%	\$18,780	39%	\$29,760	38%	\$31,479	36%
Pallet assembly fees			\$3,782	40%	\$3,970	40%	\$6,257	40%	\$6,582	40%
Equipment rentals			\$1,296	70%	\$1,399	70%	\$1,508	70%	\$1,625	70%
Co-packing services					\$15,000	70%	\$22,500	70%	\$31,500	70%
Dedicated space rentals			\$50,000	20%	\$51,000	20%	\$52,000	20%	\$53,000	20%
Shared office and co-working space fees	\$4,320	70%	\$6,000	70%	\$6,600	70%	\$8,460	70%	\$9,000	70%
Retail market			\$30,625	30%	\$36,750	30%	\$214,375	30%	\$245,000	30%
Ecommerce /online retail sales							\$9,600	50%	\$24,480	50%
Ecommerce wholesale sales							\$10,080	50%	\$16,800	50%
Aggregation and distribution							\$17,010	25%	\$33,628	27%
Brokerage service					\$6,750	50%	\$8,996	52%	\$11,486	54%
Cost of other Revenues	\$662	50%	\$2,412	50%	\$3,366	50%	\$6,015	50%	\$7,446	50%
Merchant fees	\$1,872		\$6,821		\$9,518		\$17,009		\$21,057	
Total cost of sales	\$65,854	51%	\$248,162	49%	\$325,118	52%	\$628,588	48%	\$761,105	49%
Overhead labour		% revs		% of revs		% of revs		% of revs		% of revs
Labour (part -time initially)	\$100,000	74.8%	\$150,000	30.8%	\$200,000	29.4%	\$250,000	20.6%	\$300,000	19.9%
Payroll and benefits	\$10,000	7.5%	\$15,000	3.1%	\$20,000	2.9%	\$25,000	2.1%	\$30,000	2.0%
Total Overhead labour	\$110,000	82%	\$165,000	34%	\$220,000	32%	\$275,000	23%	\$330,000	22%
Expenses		% revs		% of revs		% of revs		% of revs		% of revs
Rent (discounted to 50%)	\$18,750	14.0%	\$89,250	18.3%	\$97,500	14.3%	\$132,500	10.9%	\$135,000	9.0%
Utilities	\$1,125	0.8%	\$6,885	1.4%	\$7,410	1.1%	\$9,540	0.8%	\$9,720	0.6%
Marketing and Promotions	\$2,674	2.0%	\$9,744	2.0%	\$13,597	2.0%	\$24,299	2.0%	\$30,081	2.0%
Accounting/bookeeping	\$4,000	3.0%	\$4,200	0.9%	\$4,400	0.6%	\$4,800	0.4%	\$5,200	0.3%
IT services and expenses	\$4,012	3.0%	\$4,872	1.0%	\$6,799	1.0%	\$12,149	1.0%	\$15,041	1.0%
Office supplies/telephone	\$3,343	2.5%	\$9,744	2.0%	\$13,597	2.0%	\$24,299	2.0%	\$30,081	2.0%
Meals and entertainment	\$1,000	0.7%	\$1,462	0.3%	\$2,040	0.3%	\$3,645	0.3%	\$4,512	0.3%
Insurance	\$2,000	1.5%	\$3,000	0.6%	\$4,000	0.6%	\$5,000	0.4%	\$6,000	0.4%
Travel	\$2,006	1.5%	\$4,872	1.0%	\$6,119	0.9%	\$9,720	0.8%	\$12,032	0.8%
Miscellaneous	\$1,337	1.0%	\$4,872	1.0%	\$6,799	1.0%	\$12,149	1.0%	\$15,041	1.0%
Total expenses	\$40,247	30%	\$138,901	29%	\$162,261	24%	\$238,101	20%	\$262,708	17%
Operating profit/loss	(\$82,378)	-61.6%	(\$64,859)	-13.3%	(\$27,509)	-4.0%	\$73,251	6.0%	\$150,245	10.0%

6.8 Funding sources

Below we present some potential funding sources that might be applicable to the Saanich Food Hub. Some of the programs may not be accepting applications at present.

Island Coastal Economic Trust - The program provides up to \$300,000 to cover up to 50% of eligible costs to implement vital regional and community-based infrastructure to support sustainable economic diversification and growth that strengthens wellbeing.²³

The BC Food Hub Network - they provide a range of services and infrastructure support for food hubs that they accept as members.²⁴

The BC Indigenous Agriculture Development Program - supports Indigenous peoples' success in the food and agriculture sector and has a funding stream for indigenous governments, communities, and organizations.²⁵

The Indigenous Food Systems and Agriculture Program – Provides up to \$80,000 per project to increase food security and sovereignty over Indigenous food systems and strengthen indigenous people's success within the agriculture and food sector.²⁶

The Canada-BC Agri-Innovation program – funds promising "new to B.C." agriculture and agri-food products, practices, processes, or technologies that might be adopted or commercialized by the sector.²⁷

Impact Canada – Food Waste Reduction Challenge – Supports initiatives that prevent waste and divert waste, including direct to consumer marketplaces.²⁸

Local Food Infrastructure Fund – Federal program that funds projects that are infrastructure specific and community-driven, and dedicated to improving access to healthy, nutritious, and local foods for Canadians at risk of food insecurity.²⁹

NSERC Sustainable Agriculture Initiative – Provides \$500,000 to \$2 million per year to supporting research to initiate or accelerate the development of solutions that will be required for a sustainable, resilient, and profitable agriculture sector in a net-zero economy.³⁰ This fund has some restrictions for a food hub at Camosun College but it could help cover the costs of initiatives done in collaboration with universities or research organizations.

²³ <https://islandcoastaltrust.ca>

²⁴ <https://www2.gov.bc.ca/gov/content/industry/agriculture-seafood/growbc-feedbc-buybc/bc-food-hub-network/what-the-bc-food-hub-network-will-offer>

²⁵ <https://www2.gov.bc.ca/gov/content/industry/agriculture-seafood/programs/indigenous-agriculture-development-program>

²⁶ <https://iafbc.ca/ifsap/>

²⁷ <https://www2.gov.bc.ca/gov/content/industry/agriculture-seafood/programs/canada-bc-agri-innovation>

²⁸ <https://impact.canada.ca/en/challenges/food-waste-reduction-challenge/challenge>

²⁹ <https://agriculture.canada.ca/en/programs/local-food-infrastructure-fund>

³⁰ https://www.nserc-crsng.gc.ca/Innovate-Innovover/SARI-ISRAD/index_eng.asp

7 Implementation Plan and Risk Analysis

7.1 A phased implementation plan

Step 1: Landing a go-no-go decision

1.1 Establish pre-launch Steering Committee – This committee will be made up of a diverse group of key players, like that recommended for the board and provide an overall governance structure until the food hub is formalised and a board is established. The Committee will ideally meet monthly until the food hub is established.

1.2 Build support with Indigenous communities and businesses - The Committee will develop communication material based on the feasibility study and other information to build trust with Indigenous communities and a broader awareness of the initiative. This will include letters of support from initial supporters such as District of Saanich, Camosun College, Songhees First Nation and Indigenous Prosperity Partnership. Once trust has been built, the steering committee and/or representatives of the food hub will engage with Indigenous communities by presenting at Chief and council meetings and meeting elders and businesses in the region to further understand their needs and vision for an Indigenous food hub at Camosun College.

1.3 Establish shared common goals, objectives and priorities for the food hub – The steering committee will work collaboratively with Indigenous partners to identify goals, objectives, and priorities for the food hub that align with the needs and aspirations of Indigenous communities and businesses.

1.4 Create partnership agreements with Indigenous communities, businesses, culinary businesses, other foods businesses, industry groups, organizations across the region – To maximize its impact, the Saanich Food Hub (SFH) will develop formal agreements and partnerships that outline roles, responsibilities, and expectations for those involved. It will further reach out to non-Indigenous groups or enterprises with a similar agenda in the region and establish partnership or collaboration agreements.

1.5 Develop a detailed business plan, implementation plan and budget - This will include detailed leasehold improvement, equipment, and other capital/operating budgets.

1.6 Seek initial funding commitments – A fundraising subcommittee (or paid fundraiser) will work to raise an initial tranche of funding for the SFH. It will probably need commitments of about \$1,000,000 (including in-kind contributions) before it can justify moving forward. The funds would only be advanced after the food hub has been established.

1.7 Finalize the initial scope (Phase 1) for the SFH – The Steering Committee will finalize the initial scope of services and key metrics for the SFH and update the financial projections in the business plan. While an initial scope of services is presented in this study and may be finalized by the Steering Committee, it will be up to the Camosun College to make a final decision on which services it ultimately wants to launch with.

1.8 Ensure ongoing engagement: To ensure ongoing engagement, the steering committee will maintain open lines of communication, regularly check-in with Indigenous communities and businesses, to provide opportunities for ongoing feedback and input.

1.9 Make final go/no go decision on the SFH – Based on the outcomes of the previous work steps, the Steering Committee will make a final decision on whether or not to proceed in setting up the SFH. If the decision is no, then this will be the last step. If it is a yes, then it will carry on with the remaining implementation steps.

Step 2: Establishing commitments, governance and securing financing/facilities

2.1 Secure commitments from a minimum number of SFH users- The food hub will reach out to Indigenous communities, Indigenous businesses, hospitality businesses, potential producers and processors, especially those that have expressed interest in using services for which the SFH can generate fees and invite them to sign up for those services.

2.2 Establish supports for setting up the SFH governance - Seek out resources to support the process to establish a highly functional organization to operate the Food Hub.

2.3 Set up the Board of Directors – An initial set of Directors will be appointed or elected, who will then sign an agreement with the food hub.

2.4 Select a name for the food hub – The Directors will engage with partners to finalize the name for the food hub.

2.5 Establish bank account and deposit initial funds – Once the application is approved, the food hub, in partnership with Camosun College’s financial department, will set up a bank account and deposit the initial funds from the pledged contributors from previous steps.

2.6 Hire food hub managers – Once the food hub is properly set up and has initial funding in place, it can now move forward on operational implementation aspects. The first of these is to hire senior staff such as the Food Hub manager and the Food Innovation manager, this is assuming the current faculty chair is responsible for the food hub. Once hired, the senior staff can then help implement all the steps that follow.

2.7 Finalize a location – The Directors and senior team will finalize the location for the food hub.

Step 3: Launch and promote initial services

3.1 Set up initial website and social media accounts – A website designer should be hired to build an initial website for the food hub and to set up email accounts and social media accounts for Facebook, Instagram and YouTube.

3.2 Set up initial set of services – The food hub should go through each of its initial set of services and ensure that it has the contractors, equipment, supplies and/or facilities lined up to successfully offer them that don’t need to use the new facility, but can be run using current facilities and services within the region.

3.3 Conduct outreach to all users and key players – Once the previous work-step is complete, it will be important to share the website and social media accounts with all users and key players and begin building up email lists and social media followers.

Step 4: Build and launch the new food hub facility

4.1 Recruit a project manager – The board and senior team members will recruit and appoint a construction project manager that has experience in building food service and Indigenous facilities (e.g. Songhees Wellness Centre).

4.2 Develop a program and concept design - The program and concept design will outline the key components of the food hub facility, including its size, layout, and functionality. This will involve developing a detailed plan that identifies the spaces and amenities that will be included in the new food hub.

4.3 Select an architect and design team - The architect and design team will ensure the successful design and construction of the food hub. The project manager and steering committee will identify potential candidates, review their portfolios and experience, and select a team that is well-suited to the needs of the project.

4.4 Develop schematic and detailed design - The architect and design team will develop a more detailed plan for the food hub in collaboration with Indigenous partners, including the selection of materials, equipment, and technology. The project manager will also obtain necessary permits and approvals from regulatory agencies.

4.5 Develop construction documents – The project manager will develop construction documents that will provide detailed information about the food hub's design and construction, including plans, specifications, and other technical documents. This phase also involves selecting a contractor and soliciting bids for construction.

4.6 Construct the facility - Once construction documents have been approved and a contractor has been selected, the construction phase can begin. This involves mobilizing the construction team, scheduling and coordinating activities, and monitoring progress and quality throughout the construction process.

4.7 Conduct commissioning and testing – This phase ensures that the food hub is fully functional and meets all necessary codes and regulations. This includes conducting performance tests, commissioning equipment, and ensuring that all systems are operating effectively.

4.8 Complete final inspections and obtain occupancy permits - Once construction and commissioning are complete, final inspections and occupancy permits must be obtained. This allows the food hub to be occupied and used for its intended purpose.

4.9 Conduct launch event – The final step before officially declaring the food hub open for business is to conduct a launch event for up to 100 people, including local media to create additional exposure and support for the food hub.

7.2 Risk analysis: Limiting Factors and Obstacles

Several factors could limit the implementation success of the Food Hub, including:

- 1) **Unpredictably high construction and leasehold improvement costs.** At the time of the completion of this study, the value of leasehold improvements and/or building costs is unknown and in the current financial climate it is possible that these costs will be significant. Should the costs be higher than predicted, adjustments will need to be made to the financial projections.
- 2) **Start-up and operational funding is not in place:** The business strategy for the Hub requires significant startup and operational funding to secure a facility, staff, and marketing. At the time of the completion of this study, the funding channels were not firm. The food hub will have to rely on the resources of Camosun College to help raise most of the funds. As outlined in Chapter 6 there are also other potential sources for funds.

- 3) **Cohesive governance and leadership are not achieved:** For the Hub to be successful, strong leadership and credibility with Indigenous communities and businesses, hospitality businesses, food processors and producers is required to both govern and manage the organization and facility. This will require a ‘coming together’ of groups that bring a range of (sometimes divergent) perspectives.
- 4) **Insufficient demand for Hub services:** If anticipated users and buyers of the Hub don’t know about its services and programs, don’t see how it can help their businesses, and don’t participate in programs, then the Hub will not be able to meet financial targets.

7.3 Key success factors

The following factors have been identified as critical to the success of the SFH

- 1) **A financially sustainable model is developed:** A financial model that combines grant funding and revenue generation is key. Being able to generate enough profit from activities to cover the costs of the SFH is an essential element for long-term success. In addition, the SFH should have adequate funding reserves to avoid any disruption to service. It is also advised the Food Hub grows in phases as laid out in the business model. This way it won’t over invest in facilities and services that may not have a strong enough demand.
- 2) **Indigenous communities, hospitality businesses and other food producers make early commitments to the SFH** – It is vital that Indigenous communities and businesses as well as hospitality businesses and other food producers see value in working together to achieve success than they can achieve on their own.
- 3) **Establish relationships with anchor tenants and core users** – The financial success of the Food Hub will be reliant on a consistent revenue stream through the year. The best way to secure this is for the Food Hub to have anchor tenants that commit to using a large section of the Food Hub for long term (e.g. 2 or more years) as well as core users who may only use the Food Hub seasonally, but during those times will heavily use the facilities and services generating significant revenues. This leaves the Food Hub to try and fill the gaps, which in some ways will be smaller businesses using the services from time to time.
- 4) **An experienced and connected board is formed:** An experienced and well-connected board will help the SFH be responsive to change and take advantage of emerging opportunities. Ideally, this Board will have representation from Indigenous communities and businesses, hospitality businesses, food producers and be connected to other food & agriculture sector businesses, organizations, & industry associations.
- 5) **Current needs are met and balanced with growth potential:** The SFH must strengthen what is already happening in the region while also looking for creative ways to stimulate activity in new areas where producers and processors in the region could have a competitive advantage.
- 6) **Strong local support is created:** The SFH should be known to and appreciated by Indigenous communities, residents, businesses, and visitors in the region.
- 7) **Effective cost controls are in place:** The Food Hub should establish cost control measures to ensure that operations are running as efficiently as possible.

- 8) **An experienced senior leadership team is retained:** The role of the senior team is critical to the success of the SFH. They should be generalists and natural networkers that are adept at listening and learning. Interpersonal skills and the ability to engage and work with people from a range of professional, gender, age, and ethnic backgrounds will be essential. Respect and credibility with Indigenous communities and businesses and regional producers and food processors will accelerate progress and success.

Appendix A: Stakeholders Engaged

List of Stakeholders Interviewed

Business/organization	Contact
2% Jazz Coffee	Sam Jones, owner
Singing Bowl Granola	Jessica Duncan, owner
Gorge Tillicum Urban farmers (GTUF)	Gabe Epstein & Laurie Jones, Board Directors
Camosun College – Culinary Arts	David Lang, Chef Instructor and Chair
Camosun College – Camosun Innovates	Richard Gale, Director
Camosun College	Geoff Wilmshurst, VP of Partnerships
Irene’s Bakery	Sarah Bethune, owner
Niche Grocerant	Jami Wood, owner
Samosa Box	Kamaljeet Parhar, owner
Songhees Wellness Centre	Catherine Davies, Catering Manager
Indigenous Prosperity Centre	Christina Clarke, ED

List of Workshop Attendees

Business/organization	Contact
Camosun College – Culinary Arts	David Lang, Chef Instructor and Chair
Roxy’s Chocolate	Ken Finkelstein, owner
Shelbourne Community Kitchen Society	Clarice Dillman, board director
Island Eko Pantry	Misako Osawa, owner
Songhees Events & Catering	Catherine Davies, Catering Manager
Haliburton Farm	Shellie MacDonald
Betterwith Ice-cream	Lori Jove, owner
Betterwith Ice-cream	Darcy Ladret, Director of Operations

List of Survey Respondents

- Beekeeper
- Betterwith Ice Cream
- Camosun College
- Community garden
- CRFAIR
- Food security non-profit
- Fruit and vegetable producer
- Gorge Tillicum Urban Farmers (GTUF)
- Home gardener
- In Er G Plant Alchemy
- Island Eko Pantry
- Joyful Agriculture
- Niche Grocerant
- Our Place Society
- Resident
- Roxy's Chocolate
- Saanich Neighbourhood Place
- Salsa Gonaes
- Saltchuck Pie Company
- Shelbourne Community Kitchen
- Singing Bowl Granola
- The Samosa Box Ltd.
- UVic, Dept. of Geography
- Vancouver Island's Own
- Ventures Green
- West Coast Garlic

Appendix B Summary of Stakeholder Input

As noted in Chapter 1, the research team conducted one-on-one interviews with several key stakeholders (see Appendix A), received 26 responses (see Table 6.1) to a survey of food and beverage enterprises and initiatives in the region (54% are food processors or producers and 23% community food initiatives) and facilitated one focus group session with a total of 8 key stakeholders (see Appendix B). The research team also reviewed additional stakeholder feedback reports including Central Saanich Food Hub Feasibility Study (which the research team developed in Summer 2022) and the Saanich Crop Planting & Menu Planning Roundtable, held on February 3, 2022. Their views on key aspects of a potential food hub in District of Saanich are presented below.

There is a wide range of visions for the food hub

Stakeholders expressed a wide range of reasons why a food hub was good for the region. They included:

- Make it easier to identify and connect with local food producers and processors.
- Facilitate group buying of ingredients and packaging to reduce costs.
- Provide job skill training courses to increase the pool of viable workers in the region.
- Improve food literacy, food security, food sovereignty in the region.
- Inspire and empower consumers to purchase and eat more locally produced foods.
- Enhance Indigenous foods, recipes, and traditional cooking skills.

Saanich food producers and processors face a range of challenges

Food producers and processors in Saanich highlighted a range of challenges they face, some of which could be overcome by using a food hub, including:

- A lack of industrial land in the region to build food processing and storage facilities.
- A limited pool of skilled labour, partly due to a very high cost of living in the region.
- Significant increases in the cost of input ingredients over the past 2 years.
- A lack of food storage facilities.
- A lack of certified commercial kitchen space available at convenient times and with suitable cold storage.
- A lack of sales channels other than farmers' markets, where producers do not have to be there.

A strong desire exists to enhance Indigenous foods and recipes in the region

Indigenous organizations highlighted the lack of awareness of traditional Indigenous foods, recipes, and traditional cooking methods, even within the Indigenous communities. Some programs try to address this, including a culinary program with Camosun College. However, there is a need to improve and expand these programs to enhance Indigenous foods and recipes within both Indigenous and non-Indigenous communities.

The hospitality industry has a range of food development needs

Business owners in the hospitality industry indicate a need for product and recipe development services and facilities. With the recent pandemic restaurants struggled to find support to develop retail-ready products (e.g. food scientists, commercial kitchens). Smaller restaurants and food trucks are also in need of additional capacity and/or equipment to develop products and/or produce larger volumes due to seasonal demands. Smaller food businesses are also always in need of more food storage space, especially at affordable rates. Services exist in the region but minimum prices and commitments can be prohibitive for smaller businesses. Finally, there is a lack of space and specialised equipment for food business training.

Food security non-profits face a range of challenges to meet demand

With a growing population, challenges from COVID and the high cost of living, food security non-profits (e.g. food banks) are seeing a large increase in demand. While a lot of food is being donated by food businesses, managing the food is challenging for non-profits. Most of them lack appropriate food storage at affordable prices. If they could access storage they could accept more food donations. Food security non-profits are also interested in food courses (e.g. food safe courses for their staff) and additional training.

The needs of potential food hub users are very broad

Survey respondents identified a wide range of services they would be interested in using at the food hub. The most popular (in order of priority) include:

1. **An online sales platform** where buyers can easily order producer products (12 respondents).
2. **A commercial kitchen/food processing facility** that is within a 1-hour drive of their business/home (11 respondents).
3. **Ambient, refrigerated and/or frozen storage space** again that is within a 1-hour drive (10 respondents).
4. **Rental of specialized equipment** such as processing and packaging equipment (further details are provide below) (9 respondents).
5. **An aggregation service** where products are received and stored (or cross docked) in a warehouse and then packed into orders along with other products (7 respondents). Six respondents also identified a need for home and wholesale delivery services.
6. A small **“local-food only” retail outlet** where they can sell their products (7 respondents) and promote them on the online sales platform (see above).
7. **Third party co-packing services** where food producers can drop off their ingredients at the food hub to be made into processed foods and packaged (7 respondents).
8. **Business development services** to help their business grow; food research and development, food testing, business skills training, marketing and brokerage, business incubator, food technology training and job skills training/labour programs (3- 6 respondents).

Potential food users identified key equipment they would like to rent

Most (19) of the survey respondents expressed an interest in renting specialised equipment from the food hub. Key equipment is listed below, ranked in order of importance:

- Dehydrators and freeze dryers (14 respondents).
- Walk-in coolers or freezers (10 respondents).
- Food packaging equipment (9 respondents).
- Standard commercial kitchen equipment (9 respondents).
- Label makers (7 respondents).

There was also interest in specialty equipment such as a meat-smokers, produce washing/grading/bagging, blast freezer, honey extractor and egg graders. Respondents also suggested commercial dishwashers and fruit pressing equipment.

Seven businesses are ready to use the food hub's services

Seven survey respondents stated their business/organization exceeds the capacity of their current premises or they are ready to increase their revenues and would benefit from the shared services and equipment of the food hub. Another five businesses said they were almost ready to use the services of a food hub, which could mean that they would be ready to use the services of a food hub when it opens in a year or two.

Some potential users expressed willingness to invest in the food hub

Twenty-one of the twenty-six survey respondents (81%) stated they would be willing to sign a letter of support for the development of a food hub in Saanich. Three respondents stated they would invest between \$10,000 to \$20,000 in the food hub, and another 5 respondents said they may be willing to invest depending on whether the food hub has services and facilities that meet their needs and would repay their investment within five years.

Eleven food enterprises are ready to use the food hub regularly

Based on the findings from the survey (see Table 6.1) 11 food enterprises were identified as being ready or almost ready to use facility 6 days or more per year. Eight of these enterprises can be considered potential core users, as they want to use the facility 90 days or more and are ready to use the facility. Of the core and secondary users nine want to rent storage space (especially coolers and freezers) and use dehydrators and freeze dryers. Eight enterprises want to rent kitchen space and use standard commercial kitchen equipment. Six and more want to use an online store to sell their product, with the support of aggregation services and wholesale delivery.

Central Saanich food and beverage producers also expressed a need for a food hub

In 2022, the research team conducted a food hub feasibility study in Central Saanich. Through interviews, surveys and workshops food and beverage businesses and organizations also expressed an interest in a food hub in the region. These respondents create additional demand for a food hub in the District of Saanich if one is not established in Central Saanich.

In summary, they stated a food hub could help overcome a range of challenges faced by local producers including difficulty meeting food safety requirements of large buyers, lack of production infrastructure, lack of abattoirs, and no party to advocate for local food producers. A strong need exists for shared ambient, refrigerated and/or frozen storage space, especially storage space that is HACCP certified, and high demand exists for access to shared commercial kitchen/and or processing space with access to on-site storage and specialized food processing equipment. Producers are interested in participating in a

shared online sales platform where buyers can easily order their products and then have the products distributed to retailers or sold in a “local food only” retail market. Around 25 survey respondents expressed interest in using the services of the food hub and 20 were interested in using the hub regularly.

Restaurants face several challenges when sourcing local food

At the 2022 Saanich Crop Planting and Menu Planning Roundtable, several restaurants identified challenges in sourcing more local food and potential solutions. Restaurants plan their menus months in advance, which limits their ability to purchase local items that are suddenly available. Restaurants find it hard to identify and connect with growers who are able to supply them. Restaurant operators said that having a “marketplace” (a collective place where people can come together to sell and buy for a time frame) would be helpful.

Farms identified several challenges and opportunities supplying local restaurants

At the 2022 Saanich Crop Planting and Menu Planning Roundtable several farms identified challenges and opportunities when trying to supply local restaurants. Long-term menu planning is not ideal for farmers, so further training and education is needed for buyers and growers. Organizations already exists to connect farmers and restaurants that need to be used, such as “Every Chef has a Farmer”, and possibly “Meet Your Maker” events. Growing a wider variety of crops for restaurants would require greater coordination between the two groups, but using ordering practices from restaurants could help smooth sales such as having orders come in on time and adding staple crops as consistent menu items.

Table 6.1 Results of survey of potential food hub users conducted December 2022 to January 2023

Type	Readiness	Days/year	Invest	R&D	Food testing	Marketing & brokerage	Co-packing	Tech Training	Labour training	Equipment rental	Storage space	Kitchen	Online store	Aggregation	Wholesale delivery	Home delivery	Biz incubator	Biz training	Store	Not interested	Other	Standard equipment	Dehydrators & freeze dryers	Meat smokers	Honey extractors	Egg graders	Produce prep	Label makers	Coolers/freezers	Blast freezer	Packaging	Not interested	Other				
CORE USERS																																					
Food security non-profit	Yesterday	>180	No													1																					
Food processing	Yesterday	>180	No	1	1	1	1			1													1	1				1				1					
Fruit and vegetable production	Not applicable	91 to 180	No										1	1	1	1			1				1	1						1							
Food processing	Almost	91 to 180	Yes			1				1	1	1			1								1					1	1		1						
Food processing	Today	91 to 180	No			1							1	1	1					1														1			
Food processing	Today	91 to 180	No							1	1	1	1			1							1	1				1		1		1					
Food processing	Today	91 to 180	Maybe	1			1			1	1	1											1							1							
Food processing	Yesterday	91 to 180	No				1			1	1	1			1								1		1			1		1		1					
			TOTAL	2	1	3	3	0	0	5	4	5	3	3	3	2	0	0	2	0	0	6	4	1	0	0	2	2	5	0	4	1	0				
SECONDARY USERS																																					
Food processing	Almost	31 to 90	No			1	1			1			1		1									1				1	1								
Fruit and vegetable production	Not ready	31 to 90	Yes							1	1	1	1	1									1	1				1	1	1							
Restaurant or food service	Not applicable	6 to 30	No																																1		
Food processing	Almost	6 to 30	No	1	1	1	1								1																				1		
Food retail	Not ready	6 to 30	Yes								1	1		1			1	1																	1		
Fruit and vegetable production	Today	6 to 30	Maybe							1	1		1		1								1	1					1	1		1					
Beekeeping	Not ready	6 to 30	No										1		1	1				1			1		1		1	1									
Restaurant or food service	Not ready	6 to 30	No						1																										1		
Community program	Almost	6 to 30	No							1	1		1			1											1	1	1	1	1	1	1				
			TOTAL	3	2	4	5	1	1	7	9	8	7	6	6	4	1	1	5	1	0	8	9	1	1	0	5	6	9	1	6	5	0				
TERTIARY USERS																																					
Community program	Not applicable	1 to 5	Maybe				1						1				1	1				1	1	1										1			
Fruit and vegetable production	Not ready	Unsure	Maybe										1	1						1				1													
Community program	Not applicable	0	Maybe	1				1	1																										1		
			TOTAL	1	0	0	1	1	1	0	0	0	2	1	0	0	0	2	1	0	1	1	2	0	0	0	0	0	0	0	0	0	1				
POTENTIAL USERS																																					
Community program	Not applicable	1 to 5	No	1												1	1		1				1	1													
Fruit and vegetable production	Not applicable	1 to 5	No													1								1	1							1					
Resident	Not applicable	1 to 5	No					1	1	1			1	1										1											1		
Fruit and vegetable production	Not ready	1 to 5	No		1								1	1						1	1			1				1			1						
Food processing	Almost	Unsure	No		1								1	1																					1		
Education	Not applicable	0	No	1	1		1			1	1														1					1	1	1	1				
			TOTAL	2	3	0	1	1	1	2	1	3	3	0	0	2	1	1	1	0	0	0	3	4	0	0	0	1	1	1	3	1	1				

Note: Names of individuals, businesses and organizations have been hidden from this report to protect confidential information. A list of respondents that filled out the survey can be found in Appendix C.

Appendix C: Examples of Related Enterprises

In this section, we provide information about food hubs or related enterprises relevant to the proposed food hub in the District of Saanich.

Commissary Connect, Vancouver



Figure 1 Commissary Connect. Photo courtesy of <https://commissaryconnect.com>

Commissary Connect is a for-profit, shared kitchen space enterprise operating from three locations in Vancouver. Food entrepreneurs typically rent about 100 square feet of space for general preparation and storage and then access kitchen equipment on a pay-per-use basis using pin codes. Pricing starts at \$450 per month for 10 hours of facility access. They have walk-in coolers and walk-in freezers as well as industrial dishwashers. Their equipment includes convection ovens, gas stoves, mixers, and small steam kettles³¹. This company demonstrates that it is possible to set up a very efficient system whereby food producers are charged only for the services and equipment that they use for their business. Commissary Connect has offered to install their system in any food hub location; however, the setup costs for their system (which doesn't include any production equipment) has been too expensive for some food hubs.

Venturepark Labs Kitchen, Toronto

Venturepark Labs Kitchen³² (formerly Food Starter) is a non-profit food incubator program in Toronto that includes a 20,000 square foot shared processing and packaging facility, business advisory services, and a structured training program to help entrepreneurs build and grow their food processing business. The facility is privately owned and operated by District Ventures--the business accelerator headed by Canadian businesswoman and TV personality Arlene Dickinson. District Ventures has been supporting early-stage food, beverage, and health and wellness companies in the consumer goods space in Canada since it launched in 2015. District Ventures has supported nearly 300 companies to date and helped create close to 1,000 jobs.

³¹ <https://commissaryconnect.com/our-kitchens/>

³² <https://www.ventureparklabs.ca/food-incubator>



Food Starter shut down in December 2018 after funding from the province dried up and organizers were unable to secure additional funding from other levels of government or corporate sponsors. It was re-launched as a non-profit organization under the name Venturepark Labs with private sector support from Sobeys and Chartwells Canada, as well as The Greenbelt Fund and City of Toronto.

The facility has eight shared-use kitchens for processing soups and sauces, prepared meals, salads and condiments, catering and food truck items, and commercial bakery products. The kinds of specialized equipment provided in these kitchens are listed in Table 3.1. They offer flexible hourly and monthly rates, plus storage rentals.

Figure 2: Venturepark Labs kitchen

Table 3.1. Selected equipment available through Venturepark Labs:

Kitchen equipment	Packaging equipment
<ul style="list-style-type: none"> • 57 litre bowl mixer • Reversible dough sheeter • Hot water bath for delicate foods • Immersion blender • 60-gallon steam kettle • Gas top braising pan • Hot and cold filler mixer • Two speed commercial blender • Heavy duty food cutter • Bottle and jar capper • Semi-automatic bun divider 	<ul style="list-style-type: none"> • Heavy duty weigh scale • Printer and labeler • Vacuum Sealer • Packing equipment

Canada's Smartest Kitchen, Holland College, PEI

Canada's Smartest Kitchen (CSK) is an offshoot of The Culinary Institute of Canada at Holland College. A number of staff at the institute identified a gap in the market from repeated requests from the industry to provide specialized fee for services. CSK, in partnership with Cavendish Farms, built a \$7m building that provides:

- R&D Kitchen
- Smart boardroom
- Sensory lab
- Photo studio
- Demonstration kitchen

CSK offers the following services to small and large businesses across a broad section of categories, including seafood, beverages, pulses, alcohol, flavour houses and edible cannabis:

- Food product development
- Sensory & consumer science
- Market insight
- Food styling
- Corporate chef services

CSK also has close partnerships with other organizations in the region that offer services and facilities the CSK does not provide (e.g. co-packers and processing facilities). About 50% of their clients are from Atlantic Canada and the remaining 50% are just outside this region, with contracts that range from \$2,000 to \$70,000. CSK relies on some grants for revenues and employs 12 highly qualified staff.³³



Niagara College Horticultural & Environmental Technologies Innovation Centre, Ontario

Niagara College Horticultural & Environmental Technologies Innovation Centre (NCHETIC) (formerly the Agricultural & Environmental Technologies Innovation Centre) was launched several years ago due to demand from the wine industry. NCHETIC, started off with 2 teaching rooms converted into food testing labs and has now grown into a purpose built 50,000 sq. ft. building with a winery, brewery, commercial kitchen and food labs. They also have a 16,000 sq. ft. greenhouse and an aquaponics setup. They offer market research, planning, analysis, e-commerce, and export consulting to mostly small to medium sized food enterprises in the region on a fee-for-service basis. Unlike CSK, NCHETIC has both the centre and school under its umbrella. The school employs 6 chefs, 2 bakers, 1 chocolatier, 3 food scientists, and 3 technicians. The centre employs 1 manager, 1 research project manager, 1 technician, 1

³³ <https://smartestkitchen.ca>

technologist, 2 main scientists, and ~10 students/research assistants/associates. The centre relies on fees, donations, and grants to cover its costs.³⁴

Okanagan College (OC)/ BC Beverage Technology Access Centre (BCBTAC)

BCBTAC³⁵ was established in Penticton with NSERC funding to serve the region's wine, beer, cider, spirits, and fermented beverage industries. It has been operating since Nov 2019. BCBTAC has state-of-the-art testing facilities that provide proof-of-concept production of wine, beer, spirits, cider, and other beverages, which complements the non-alcoholic beverage and food focus of the Food Hub. Their 120 sq. m. space has a demonstration kitchen with multi-media capacity, fully equipped catering kitchen, sensory tables, temperature-controlled wine cooler and educational spaces. It also houses analytical testing laboratories.

Figure 2 BCBTAC research and education classroom



Figure 3 BCBTAC analytical lab.



Culinary/Restaurant Incubator Examples

Hundreds of food hubs, commercial kitchens and food business incubators exist across North America to support food processing businesses. However, even though the restaurant industry is just as important as food processing, only a few culinary/restaurant incubators exist. Over 20% of restaurants cease operation within three years and with rising operational costs and the impacts of the COVID pandemic, business is only getting harder. Therefore culinary/restaurant incubators can play an important role in supporting the sector. Below are some examples that have had success in enhancing the survival and financial viability of the restaurant/hospitality sector in their regions.

- [Proof Bar and Incubator, Chattanooga, Tennessee](https://www.ncinnovation.ca/specializations/horticultural-environmental-sciences-innovation-centre) launched the Restaurant Recovery program in 2020 and is now expanding its business courses to more cities. They host between 6 to 8 food service businesses for between 6 to 12 months as they develop their concept. They also developed a local restaurant recovery program in the summer of 2020. In partnership with the Tennessee Small Business Development Center, they developed a free four-week Restaurant Recovery program to teach struggling restaurants how to keep their heads above water, with twice-weekly classes (and content available on demand), along with one-on-one sessions.

³⁴ <https://www.ncinnovation.ca/specializations/horticultural-environmental-sciences-innovation-centre>

³⁵ <https://www.okanagan.bc.ca/bcbtac>

Since then, the Proof team expanded their courses outside of Tennessee and began offering programs in multiple cities throughout the Southeast. Since June 2020, Robinson estimates that they've helped 250 restaurants and are in 15-20 counties, from Nashville to Mississippi and Northern Alabama. They keep the program cost-free for restaurants by partnering with local economic development offices, chambers of commerce and even the U.S. Small Business Administration. The course also extended from four weeks to eight weeks (four weeks for the educational program and four weeks for implementation), where they cover basic financial foundation (from supply chain costs to getting a business loan), workforce development, leadership, and communication skills, as well as crisis management.

- [Fishers Test Kitchen, Fishers, Indiana](#) is a non-profit, municipally sponsored “culinary launch pad” that rolls out 3 new concepts every 12 to 18 months. The chefs are provided with a fully kitted out restaurant with a kitchen and a seating area. Rent is structured as a revenue share, with chefs paying a percentage of sales to cover rent, utilities, maintenance charges, and other fees. Clients tend to be sous chefs wanting to open their own restaurant, current restaurants wanting to test a new concept or food trucks looking to step up and open their own restaurant.
- [La Cocina: San Francisco](#) is a non-profit organization founded in 2005 in San Francisco and is dedicated to supporting chefs and restauranteurs of colour from low-income backgrounds. In addition to providing a platform for entrepreneurs to showcase their products and gain visibility, the organization offers mentorship, education, and affordable kitchen space to help launch new food businesses. Through initiatives such as catering jobs, farmers market stands, and pop-up events, La Cocina has successfully incubated 120 businesses, with 55 entrepreneurs going on to open and operate their own restaurants and other food-related businesses. The non-profit now also operates the first women-led food hall in the US, which supports immigrant businesses and raises awareness of inequality in the food industry.



Figure 4 La Cocina commissary kitchen

Appendix D - Overview of Governance Models

Producer cooperative model

Producer cooperatives are owned by people who produce similar goods or services. The cooperative structure allows producers to work together to fund and operate a facility cooperatively. The cooperative is governed by a voluntary Board of Directors and often includes membership fees. The Board normally hires a CEO or General Manager, and that CEO hires staff as needed to operate the enterprise. In some cases, producers will set aside a percentage of their profits (between 20% and 40%) to cover operating costs of the cooperative or pay a fee for using the services (e.g. food processing, aggregation, distribution and marketing). If the co-op is financially successful, it can offer dividends back to its members. However, generally the cooperative sets the user fees at the lowest level to ensure that the Co-op is cash flow positive.

Cooperatives can face challenges. For example, if one member grows at a different rate than others, it can create an imbalance that needs to be addressed. For example, the larger business may need to use the facility and/or equipment to such an extent other producers can't access them enough for their business. Another challenge can be the work needed to manage several members of a coop that have different goals.

The benefit of coops is that producers are always in control of how the enterprise is run and how their products are handled and marketed. This helps to maintain a direct line between the customers and the producers. While co-ops can be structured as a non-profit or for-profit, most of them are structured as for-profits. For this reason, and because multiple members own co-ops, co-ops tend to be more entrepreneurial and have a stronger business focus than non-profits. They also tend to be quite egalitarian because they are owned by multiple parties who all get an equal vote no matter how much they invest or use the co-op. Cooperatives must follow the Cooperative Association Act of BC.³⁶

Examples of co-operatively run food processing facilities are limited. Co-operatively run food hubs include Western Montana Growers Co-op and Cow-op, Cowichan.

For-profit enterprise model

A for-profit enterprise model is a business owned by shareholders and led by a management team. For-profits are focused on making sure the organization is financially viable. They are also generally willing to take risks and therefore tend to be the most entrepreneurial of the governance models. Key decisions tend to be made by a small group of people or even one person (i.e. if that person is the majority shareholder). Most for-profits tend to put profit before social and environmental goals. However, there has been an increase in social mission for-profits in recent years. Some have even become B Corps (Benefit Corporations), in which they formally commit to strong social and environmental goals.

The main challenge with the for-profit food hub model is that it is harder to obtain grants. Apart from food hub grants from the Ministry of Agriculture and Food, few other grants are available to for-profit food hubs. Also, because food hubs typically generate modest profit margins, it can be challenging to raise money from investors. Also, a for-profit food hub, even a social enterprise, may not put as much priority on low revenue or loss-making services, which may be needed by start-up or small producers,

³⁶ [Cooperative Association Act of BC](#)

such as training and short-term rentals. Further, educational institutions are less likely to partner with a for-profit versus a non-profit.

Examples include: Commissary Connect, Vancouver and Plenty & Grace, Surrey

Non-profit model

A non-profit organization (NPO), as described by Revenue Canada as a club, society, or association that is not a charity and that is organized and operated solely for:

- Social welfare
- Civic improvement
- Pleasure or recreation
- Any other purpose except profit

To be considered an NPO, no part of the income of such an organization can be payable to or available for the personal benefit of any proprietor, member, or shareholder. An NPO is exempt from tax under Part I of the Act on all or part of its taxable income for a fiscal period if it meets all the above requirements for that period.³⁷ Food hubs require significant capital investment before they launch, and most food hubs require operational funds for the first few years to be viable. A variety of grants are only available to non-profits. If a non-profit owns and leases a building, it will still need to describe the purpose of its society (as required by the BC Society Act, Part 2, Division 1) and that purpose would need to be more than being a landlord unless it planned to use the proceeds for some social purpose. In this scenario, a non-profit would lease a building or portion of a building to operate the Food Hub. The non-profit would then manage the Food Hub and provide services, facilities, and equipment. Because it is a non-profit, any profits would need to be reinvested back into the Food Hub. The non-profit could also offer services at a loss if they are covered by grants. The non-profit is also eligible to raise funds through loans, memberships and sponsorships. The main challenge of this model is that the enterprise would not be able to raise funds through equity and couldn't be owned by any of its users.

Examples include: South Island Farm Hub, Victoria; Zest Commercial Food Hub, Salmon Arm; The Stir Food hub, Kamloops and Venturepark Labs Kitchen, Toronto.

Registered charity model

A registered charity is a type of non-profit organization. It refers to “a charitable organization, public foundation, or private foundation registered with the Canada Revenue Agency”. A registered charity is issued a Registration Number once approved. It is exempt from paying income tax and can issue tax receipts for donations it receives. It must be established and resident in Canada, operate for charitable purposes, and devote its resources to charitable activities”.³⁸

In a food hub governance context, a registered charity model may look like a food bank investing in new facilities and working with other agency partners to establish shared assets for warehousing, cold storage, and processing. It has the strong benefit of being able to pursue grant funding from a variety of

³⁷ https://www.canada.ca/en/revenue-agency/services/forms-publications/publications/t4117/income-tax-guide-non-profit-organization-information-return.html#C1_NPO

³⁸ <https://www.canada.ca/en/revenue-agency/services/charities-giving/charities/charities-giving-glossary.html>

sources. The drawback is that it relies on a volunteer board that can be risk-averse and more reluctant to pursue new, unproven revenue streams.

Examples include: The Stop in Toronto and Nanaimo Community Kitchens Society

University/government-led model

University and government-led food hubs are another way to own and operate a food hub. These initiatives usually are not revenue positive, with funding coming from long-term sources from the university and/or government. These hubs tend to have more of a focus on research and development. The governance model is similar to a non-profit, except that under the university/government model, a significant portion of funds would come from the university or government agency.

Examples include: Leduc Food Processing Centre, UBC Food and Beverage Innovation Centre, Centre for Seafood Innovation, University of Vancouver Is., Canada's Smartest Kitchen, Holland College, PEI, Niagara College Agriculture & Environmental Technologies Innovation Centre, Ontario and Okanagan College (OC)/ British Columbia Beverage Technology Access Centre (BCBTAC).

Social enterprise model

A social enterprise (SE) can be a for-profit or non-profit. SE is not yet defined by CRA, however the Centre for Social Enterprise defines social enterprise as, "revenue-generating businesses with a twist. Whether operated by a non-profit organization or by a for-profit company, a social enterprise has two goals: to achieve social, cultural, community economic and/or environmental outcomes; and, to earn revenue."³⁹

"A social enterprise is an innovative business model, whether not-for-profit or for-profit, that pursues a social, cultural or environmental mission through the sale of goods and services, with the majority of net profits directed back to its mission."⁴⁰

It could be argued the above not for profits and for-profit examples are social enterprises because they pursue social benefits by improving the economic situation of local food businesses.

Hybrid models

Some food hubs are beginning to explore hybrid models of governance that have both a non-profit and for-profit element. Under this scenario, the non-profit (often a Trust) is focused on raising funds and holding them in trust while the for-profit is focused on operating the food hub. For example, a for-profit enterprise could own or lease a building and use part of it for their own food processing. The remaining portion of the building could be leased by a non-profit which then charges other enterprises to use its facility and services. The non-profit and for-profit could share equipment such as walk-in cooler and/or freezer or even processing equipment and come to a financial agreement of who owns what and what compensation they receive. The benefit of the hybrid model is that non-profits find it easier to secure grants and offer loss-making services such as educational programs. A for-profit business tends to find it easier to raise more significant amounts of capital through loans, owner's capital and investments and therefore secure larger buildings.

³⁹ <https://www.centreforsocialenterprise.com/what-is-social-enterprise/>

⁴⁰ <https://www.canada.ca/en/employment-social-development/programs/social-innovation-social-finance/consultation-investment-readiness-stream/discussion-guide.html>

Another example is a Trust and non-profit partnership, where the Trust is governed by a government body (e.g. a Municipality) with the goal of obtaining and distributing grant money. The Trust then partners with a non-profit, which runs the food hub with oversight from the Trust. This allows governments to be involved with food hubs and help launch them but not be involved in operations.

Examples include: The Victoria Community Food Hub Society

Appendix E – Request for Expression of Interest

1. Introduction:

Through this Request for Expression of Interest (RFEOI), the District of Saanich (the “District”) invites interested individuals, organizations, or businesses to submit Expression of Interest with an interest to provide a location and/or a facility for a Saanich Food Hub (SFH), also referred to as the “Hub”, to be located in Saanich or nearby in the Saanich Peninsula with a view to launching the Hub in 2025.

2. Project:

2.1. Background:

The SFH is a regional collaborative project that focuses on expanding the local food economy and strengthening the food system. The Hub will act as a catalyst to foster collaboration among the many players along the food and agriculture value chain. The SFH is dedicated to growing the local food economy by offering shared access to facilities, equipment, and services that are currently missing from the value chain, including food processing and recipes and product development support.

The District, along with food hub experts and organizational collaborators, have acted as a host and facilitator of the process to establish a food hub in the District of Saanich. The District is now seeking a location and facility partner or partners to provide or develop a regional food hub facility in the Saanich Peninsula.

2.2. Anticipated process for developing the SFH

The anticipated process for developing the SFH is as follows:

- November 2023 – Hire consultants to develop feasibility study for the SFH (in progress)
- February 2023 - Issue RFEOI to develop or provide a facility for the SFH
- March 2023 – Review submissions and identify suitable parties and locations.
- March 2023 – Receive feasibility study report from consultants.
- March – December 2023 – Establish steering committee to select preferred party and location and secure required funding.
- March 2023 – March 2024 – Secure the funding from various sources.
- March 2024 – Once funding is secured, the steering committee will transition to become non-profit society (or some other entity) to administer the funds and operate the hub.
- March 2024 – May 2024 – Develop business plan.
- May 2024 - April 2025 – Construct and/or renovate facility, hire staff, and promote SFH.
- May 2025 – Launch the SFH.

2.3. [SFH Requirements, Anticipated Activities, and Business Case](#)

The Hub will need to be developed in two phases. This EOI is to seek responses from multiple proponents with the intent to conclude an agreement with a partner or partners that can meet Phase 1

requirements listed below, with capacity and resources to expand into Phase 2 after financial targets are met.

SFH Location and Facility Requirements:

Phase 1 Requirements:

- Main facility to be located within Saanich or nearby in the Saanich Peninsula.
- Building size: minimum 5,000 sq. ft., full build out size 8,000 – 10,000 sq. ft.
- Property size: minimum 8,000 sq. ft., up to 13,000 sq. ft.
- Lease rate: Base rate of \$20- \$25/sq. ft. gross rent plus triple net costs of \$4 - \$6/sq. ft.
- The Phase 1, 5,000 sq. ft. facility will need to accommodate the following elements (the leasehold improvements specific to a food hub will be the responsibility of the hub):
 - Office, administrative and meeting space.
 - A minimum of two washrooms (one accessible).
 - A 1,500 sq. ft. commercial/test kitchen with a packaging line.
 - Space for ambient, refrigerated, and frozen food storage on concrete flooring.
 - A food packing and distribution area (brokerage).
- Ability to meet health and safety standards⁴¹ and become a HACCP certified facility.
- Access to three-phase electrical power.
- Ability to connect to Municipal water and local utility power service.
- Available for occupancy May 1, 2025, or sooner⁴².
- Minimum 5-year lease term with an option to extend - the lease to remain in force even in the event of a change of ownership of the building.
- Good delivery/loading access with two loading bay doors (preferably dock level).
- Adequate parking for commercial vehicles and visitors.
- Good general accessibility for people with physical disabilities.
- Conforms to local and provincial land use policy including:
 - Municipal land use policy and other municipal and CRD bylaws.
 - Province of BC land use regulations for the ALR.

Phase 2 Requirements:

- An additional 3,000 - 5,000 sq. ft. (for a total of 8,000 – 10,000 sq. ft.) for expanding food processing and meal development services, storage, and equipment.
- Meeting rooms and classrooms for establishing a business accelerator (e.g., business advisory services, coach network, training and education, funding/investment, facility, and service coordination) and for partnerships with advanced education institutions (e.g. Camosun and UVic).

⁴¹ Including but not limited to: An Application for Health Approval, a detailed, labelled, to-scale Floor Plan and Specification Form, a general business model description (highlight responsibilities of parties), a Food Safety Plan, a Sanitation Plan (with specifics on any shared equipment), and a COVID-19 Safety Plan (depending on status of pandemic)

⁴² This date is approximate and can be negotiated with the successful proponent.

- Laboratory facilities for product development and applied research, unless provided by another party.

Additional features of land/building characteristics that are considered an asset:

- Access to Highway 17 for convenient distribution of food products.
- Easy access and egress for commercial vehicles.
- Building/land use compatible with surrounding uses.
- Room to expand the building or leasable space as the needs of the food hub expands.
- An option to purchase the facility at end of lease term.
- A central, retail-friendly location to create the potential for a retail component.

Anticipated activities of the SFH

Anticipated activities at the SFH include but are not limited to:

- Hosting multiple food businesses in a shared space.
- Use of the Hub 8 - 12 months per year.
- Receiving, washing, grading, storing, and preparing raw food for preparation and processing.
- Preparing and processing the food into recipes, meals and/or value-added products, including packaging and labelling.
- Storing food in walk-in freezers, walk-in coolers, and ambient temperature warehouse space.
- Packing and distributing finished orders.
- Rental of office and small group meeting space.
- Training and networking events, such as conferences and ‘learning days’.
- Research and development of food, meals and beverages and preparation techniques.
- Food business incubator
- Possible retail sales and agri-tourism site-visits.

Business case for developing the Saanich Food Hub

Developing the SFH provides unique opportunities to gain a competitive advantage in the highly competitive food and agriculture sectors as well as to expand the local food economy and improve food security. The business case includes, but is not limited to:

- Access to start-up funding through a partnership with the District of Saanich and/or other agencies.
- Access to a comprehensive business plan with extensive market research and financial projections, designed to allow the SFH to become self-funding with 5 years.
- Strong support from the District for a food hub to be developed in the community.
- The ability to leverage District relationships with Provincial and Federal partners.
- On-going shared costs with other businesses leading to cost savings.
- Improved economies of scale for producer procurement needs and potential access to larger buyers.
- Ability for the Hub to jointly market and distribute the products of its members, thereby improving access to a larger customer base.

Anticipated role of the District of Saanich:

- Broker an arrangement that allows the SFH to move forward in a tangible way in 2024.
- Apply for start-up grants for Phase 1.
- Share market research and business plan documents with the successful Proponent.
- Provide input on ownership and governance structures of the SFH.
- Eventually phase out its involvement after the Hub has been established and remain as a supporting agency.

Proponent Options

The District of Saanich is willing to entertain Expression of Interest from a wide range of parties, including the following:

- A party that owns a property & building that meets the above requirements and is willing to lease the property to the SFH.
- A party that owns land of a suitable size and location that is willing to lease or sell the land to a party willing to develop the building for the SFH.
- A party that is willing to lease or buy a suitable parcel of land and develop a building that meets the above requirements.
- A party that is willing to buy a building and/or property from a developer and become the landlord for the building.
- A party that would like to lease dedicated space for its own use in the same building as the SFH so that it can take better advantage of the services of the Hub. This type of party should specify how much space it needs as well as other building requirements (e.g., ceiling height, loading bay doors, power needs). In this scenario, SFH could serve as the master tenant for all tenants in the building or those tenants requiring their own dedicated space could lease directly from the landlord.

If multiple parties come forward to lease dedicated space in the same building, the aggregate total of their space requirements will be added to the space requirements for the Hub. For example, if three parties submit an Expression of Interest to rent 2,000 square feet each in the Hub, the size requirements will be increased by 6,000 square feet, provided there is space available or there is a developer willing to construct a building of this increased size and a property large enough to accommodate the increased size requirements.

2.4. Deliverables:

A strong interest to lease or own a building location secured through agreement for the placement of the SFH and to apply for funding with higher level governments (provincial and federal).

2.5. Requirements:

Proponents will be required to provide details of their business/organization and of their interest as outlined below.

3. RFEOI Process:

3.1. Contact Person:

The point of contact at the District of Saanich for any questions related to this RFEOI is:

- Mitchell Edgar, Economic Development Manager
- Email: mitchell.edgar@saanich.ca
- Phone: 250-475-5437

Proponents shall carefully review the RFEOI documents and ask any questions that will further their understanding of the request. Written questions may be submitted by email to the Contact Person. The Proponent is solely responsible to seek clarification from the District on any matter it considers to be unclear, and proponents are to rely on their own independent analysis in preparing a submission.

3.2. [Timetable:](#)

This RFEOI process will follow the timetable noted below and may be amended at the District’s discretion through the issuance of an addendum to this RFEOI.

Event	Date
Issue Date	February 8, 2023
Deadline for Questions	February 22, 2023
Anticipated Last Day to Issue Addenda	February 27, 2023
Submission Deadline:	March 6, 2023, by 2:00 PM Local Time

3.3. [Addenda Issued by District:](#)

At any time up until the Submission Deadline, the District may issue an Addendum to amend, clarify, or answer questions related to this RFEOI. Each Addendum will be issued at the same location and in the same manner as this RFEOI document. Each Addendum will form an integral part of this RFEOI. Proponents are solely responsible for checking for Addenda up until the Submission Deadline. Proponents are asked to confirm receipt of all Addenda on the Expression of Interest Form.

3.4. [EOI Contents:](#)

Proponents should complete the Expression of Interest Form included in Appendix A or provide the same information in a format of their choice.

3.5. [Sections and Submission of EOIs:](#)

Submissions should include the following sections:

- Proponent profile.
- Address(es) of any potential suitable land or buildings within the region.
- Describe how your business or organization can meet and/or exceed SFH requirements as described in section 2.3.
- Provide information on previous related experience.

EOIs may be submitted electronically to:

- Mitchell Edgar, Economic Development Manager
- Email: mitchell.edgar@saanich.ca

- Phone: 250-475-5437

Or, in the case of a paper submission, they may be submitted to the following address:

District of Saanich

770 Vernon Ave, Victoria, BC V8X 2W7

Attention: Mitchell Edgar, Economic Development Manager

Municipal Hall is open Monday through Friday from 8:30 am to 4:00 pm and is closed on weekends and statutory holidays.

The District shall not be liable to any Proponent for any reason an EOI is not properly received. If an EOI is sent by email, the Proponent assumes the entire risk that the District will properly receive it.

3.6. [Amendment or Withdrawal of EOIs:](#)

A Proponent may amend an EOI at any time up until the Submission Deadline. Amendments should be submitted in the same format and method as the original EOI. Amendments to an EOI must be clearly labelled as such and must contain the RFEOI reference number and title and the full legal name and legal address of the Proponent. Amendments must clearly detail which part(s) of the EOI is being amended or replaced.

A Proponent may withdraw an EOI that is already submitted at any time throughout the RFEOI process prior to the Submission Deadline by contacting the RFEOI Contact Person.

3.7. [Mandatory Requirements and Remedy Period:](#)

Prior to the evaluation of EOIs, the District will review each EOI submission to determine if it complies with the submission instructions and mandatory requirements provided in this RFEOI. If, in the sole discretion of the District, an EOI does not materially comply with the requirements set out in this RFEOI and/or the District determines that there is a material or perceived conflict of Information, the EOI will be disqualified from further consideration.

The District may, in its sole discretion, provide written notification to a Proponent that identifies any of the mandatory or recommended requirements not met and provides the Proponent with five (5) calendar days to remedy and supply the requirements. This option to remedy missing requirements shall be exercised at the absolute discretion of the District and does not apply to EOIs received after the Submission Deadline.

3.8. [Evaluation of EOIs:](#)

The District intends that all EOIs submitted in accordance with the submission instructions will be evaluated by District representatives to determine which EOI offers the best overall value to the District. All proponents must agree to meet the following mandatory requirements for the SFH:

- Willing to do business in the Saanich Peninsula

- Have the ability to complete construction (if required) and be ready for occupancy in April 2025, or sooner.
- In addition to the above mandatory requirements, proposals will be evaluated against the following weighted criteria:

Criteria	Weighting (Points)
Proponent profile (e.g. nature of organization, years in operation, areas of service, locations, etc.)	33%
Description of how the proponent can meet and/or exceed SFH requirements as described in section 2.3	33%
Proponents related experience (e.g. managing a commercial kitchen, food distribution, food business training, business services, etc.)	33%
Total:	100%

3.9. [Shortlist Interviews/Presentations:](#)

The District, at its sole discretion may shortlist the Proponents and may invite one or more Proponents to an interview or to present in order to further evaluate the EOIs.

3.10. [Qualifications:](#)

By submitting an EOI, the Proponent is representing that it has the competence, qualifications, and relevant experience to carry out the work and will employ experienced staff to meet the requirements of the Project efficiently and safely.

Appendix F: Indigenous Food Initiatives

Below we provide a brief overview of Indigenous Initiatives in BC and other areas that could collaborate with the Saanich Food Hub or serve as best practice examples of Indigenous Food Hub related initiatives.

Indigenous Initiatives in BC

The BC Indigenous Advisory Council on Agriculture and Food

This group, Chaired by Chief Byron Louise of the Okanagan Indian Band, has three core objectives:

- Strengthen Indigenous food security, food sovereignty, and build food system resilience.
- Address barriers and create economic opportunities.
- Foster inclusive Indigenous governance and support self-determination.⁴³

They have created a three-year strategic plan (2021-2024) with very useful information.⁴⁴ They have also created a map of Indigenous Food Sovereignty Initiatives of BC.⁴⁵

The Institute for Sustainable Food Systems

The Tsawwassen First Nation Farm School (TFNFS) is a partnership between KPU and the Tsawwassen First Nation is an immersion into integrated vegetable and livestock farming. The program incorporates a diversity of topics centered around regenerative agriculture including an Indigenous food systems perspective. The farm is both an educational and working farm that sells its products through various Vancouver Farmers Markets, restaurants, and a 100+ member CSA produce box program⁴⁶.

The Centre for Sustainable Food Systems at UBC

Four Indigenous initiatives are run at the UBC Farm: the Culturally Relevant Urban Wellness Program (CRUW), the Musqueam Garden, Tal A'xin: Maya in Exile Garden, and x^wc'ic'əsəm: Indigenous Health Research & Education Garden, part of LFS Indigenous Research Partnerships.⁴⁷

The ŚW,ŁENENITEL Indigenous Food Systems Initiative in Victoria

ŚW,ŁENENITEL is led by local Indigenous peoples, informed by place based Indigenous worldviews and frameworks. ŚW,ŁENENITEL supports Indigenous-led, community and place based initiatives through grants, programs, and resources within the territories of the WŚÁNEĆ, Lekwungen, Tsuk, and Pacheedaht. It is headquartered in Victoria, BC.⁴⁸

Indigenous tourism BC – Restaurants and Eateries

⁴³ https://www2.gov.bc.ca/assets/gov/farming-natural-resources-and-industry/agriculture-and-seafood/business-and-market-development/bc-indigenous-advisory-council/iacaf_strategic_plan-year_1_progress_report-final_with_layout.pdf

⁴⁴ https://www2.gov.bc.ca/assets/gov/farming-natural-resources-and-industry/agriculture-and-seafood/business-and-market-development/bc-indigenous-advisory-council/iacaf_strategic_plan.pdf

⁴⁵ <https://www.google.com/maps/d/u/0/viewer?mid=1TD4AmSztU7hUteib5bEYrggNYyOzFm3J&ll=52.82389587124726%2C-108.203229875&z=5>

⁴⁶ <https://www.kpu.ca/isfs>

⁴⁷ <https://www.google.com/maps/d/u/0/go?cid=mmv>

⁴⁸ https://www.indigenousfoodsinitiative.com/_files/ugd/c3d86a_3e3ff6fe5fdb47d9a021827e30ff8fc2.pdf?index=true

Indigenous tourism BC lists a number of Indigenous restaurants and eateries, including food trucks, cafes, restaurants, fine dining establishments, and outdoor cooking experiences. While none of them are located on Vancouver Island, they could provide inspiration for local Indigenous food entrepreneurs to develop similar concepts through the Saanich Food Hub⁴⁹.

Indigenous food collective (IFC) – Fort St. John

The IFC operates out of a fully licensed commercial kitchen built in 2021 at the Northeast Aboriginal Business Centre (NEABC) in Fort St. John. The Collective is open to Indigenous and non-Indigenous food entrepreneurs. The cost to install the commercial kitchen was about \$150,000 and is now being used by local entrepreneurs to make a variety of products. One of the objectives of the Collective is to pass on traditional food practices⁵⁰.

Industry Training Authority (ITA) – Indigenous Initiatives

Led by Chef Andrew George, the Indigenous Initiatives at ITA partnered with Okanagan College and the Okanagan Training and Development Council in the spring of 2022 to launch a pilot program incorporating traditional Indigenous knowledge and practices into the College’s professional cook training program. Chef Andrew George, a celebrated Indigenous chef who has written three Indigenous cookbooks, helped integrate Indigenous information and recipes into the Professional Cook Level 1 program.

Indigenous Chefs

Two leading indigenous chefs that provide advisory services and have done work with Chef Andrew George and the Ministry of Agriculture and Food include Chef Jared Williams and Chef Ben Genaille.

Indigenous Initiatives – Canada-wide

Indigenous Culinary of Associated Nations (ICAN)

ICAN’s purpose is to share the many facets of Indigenous food, culinary and cultural experiences across each region of the country. ICAN does this by connecting individual communities and regions while harnessing the entrepreneurial spirit of Indigenous people to build more genuine Indigenous culinary experiences.⁵¹

Indigenous Tourism Association of Canada (ITAC)

ITAC runs a Destination Indigenous program for travellers seeking authentic Indigenous experiences in Canada. Launched in 2020 by ITAC, Destination Indigenous markets the best Indigenous tourism experiences from coast to coast to coast. Including: Indigenous nature and wildlife tours, cultural sharing, accommodation and relaxation, culinary experiences, shopping and more.⁵²

Canadian Council for Aboriginal Business

⁴⁹ <https://www.indigenousbc.com/things-to-do/restaurants-eateries>

⁵⁰ <https://energeticcity.ca/2022/01/19/northeast-aboriginal-business-centre-builds-commercial-kitchen-for-local-food-producers-to-utilize/>

⁵¹ <https://indigenouculinary.ca/>

⁵² <https://destinationindigenous.ca>

CCAB builds bridges between Indigenous and non-Indigenous peoples, businesses, and communities through diverse programming, providing tools, training, network building, major business awards, and national events.⁵³

The Canadian Aboriginal and Minority Supplier Council (CAMSC)

CAMSC facilitates the growth of Aboriginal and minority owned businesses, by connecting them to procurement opportunities with companies and governments committed to a diverse and inclusive supply chain.⁵⁴

Indigenous Initiatives in other parts of the world

The Native American Agriculture Fund Food Hub program

This US-based organization is building 10 regional food hubs on indigenous lands to provide processing and distribution infrastructure for food grown and raised by Tribal farmers and ranchers. Each hub will feature:

- Meat processing facilities.
- Fruits, vegetables, and grains processing facilities.
- Processing facilities for poultry, egg, and dairy.
- Warehouse and storage for perishables and shelf stable products.
- Logistics and distribution infrastructure to support regional food economies to allow food to reach the people who need it.
- Technology and data infrastructure to support regional food economies.
- Finance and credit services for Native Producers.⁵⁵

It would be worthwhile to speak with them about the economics of each food hub and the process by which they were developed.

Indigenous Farm Hub

This is a non-profit Indigenous farm that offers a CSA program in southern New Mexico. They have seven staff. They receive funding from a wide variety of sources.⁵⁶

The US Department of Agriculture Indigenous Food Sovereignty Initiative

The USDA Indigenous Food Sovereignty Initiative promotes traditional food ways, Indian Country food and agriculture markets, and Indigenous health through foods tailored to American Indian/Alaska Native (AI/AN) dietary needs. They have links and videos on many traditional foods and how they can be transformed into delicious dishes.⁵⁷

The Global-hub on Indigenous People's Food Systems

⁵³ <https://www.ccab.com>

⁵⁴ <https://camsc.ca/about/#about-camsc>

⁵⁵ https://nativeamericanagriculturefund.org/wp-content/uploads/2020/10/NAAF_NativeFoodEcon_Spread.pdf

⁵⁶ <https://indigenousfarmhub.org>

⁵⁷ <https://www.usda.gov/tribalrelations/usda-programs-and-services/usda-indigenous-food-sovereignty-initiative>

This United Nations Group brings together indigenous and non-indigenous experts, scientists, and researchers to establish a knowledge-dialogue that will gather evidence-based contributions on Indigenous Peoples' food systems. The Global-Hub will support the well-being of indigenous peoples and the preservation of their ancestral territorial management practices and food systems that have fed indigenous peoples for centuries while preserving 80% of the remaining biodiversity in the planet.⁵⁸

⁵⁸ <https://www.fao.org/indigenous-peoples/global-hub/en/>

Appendix G Steering Cttee Terms of Reference

Purpose of Terms of Reference

The purpose of this Terms of Reference (TOR) is to develop clear guidelines for the creation and functioning of a multi-stakeholder Steering Committee that will guide development of the Saanich Food Hub (SFH) headquartered in Saanich over a period of 4 to 8 months. The Food Hub will serve the southern Vancouver Island region (“The Region”).

Purpose of the Steering Committee

The purpose of the Food Hub Steering Committee (The “Steering Committee”) is to:

1. Advance the vision for greater food production and a stronger local food economy in the Region
2. Finalize a location for the Food Hub, based on a clear set of criteria
3. Finalize who should own/operate the Food Hub
4. Begin implementing the Implementation Plan presented in the recently prepared Feasibility Study
5. Make a final decision about whether or not to proceed with the Food Hub
6. Facilitate a smooth transition of its duties to the ultimate Food Hub Owner

Duties of the Steering Committee

The duties of the Steering Committee are to:

- Meet monthly to work on the above objectives.
- Raise funds to support the work of the Steering Committee and the Food Hub.
- Review relevant information that will lead to a decision on whether to proceed with the Food Hub.
- Make recommendations about various aspects of the Food Hub, including its primary location.
- Be the primary group that liaises with municipal staff, other interested stakeholders, and the media, on issues related to the development of the Food Hub until a Food Hub Owner is established.

Membership of the Steering Committee

The Steering Committee will consist of at least 13 members reflecting a broad range of interests relevant to the proposed Food Hub. Represented interests include:

- 1 representative from the District of Saanich
- 1 representative from the Capital Regional District
- 1 representative from the BC Ministry of Agriculture and Food
- 2 primary producers
- 2 food processors

- 1 non-food producer or processor that relies on primary production inputs
- 2 local food buyers (grocery retail and/or restaurant)
- 1 representative from Chamber of Commerce
- 1 representative from a financial institution
- 1 representative from a local Indigenous community

Some members of the Steering Committee may hold dual roles, which could further enhance the breadth of community representation on the Steering Committee.

Key Roles within the Steering Committee

Key roles include the following:

A Chairperson. This person will be appointed from within the membership and will be responsible for preparing meeting agendas, chairing the meetings, reviewing minutes, meeting with key stakeholders interested in the Food Hub, and responding to media requests. Depending on the magnitude of work related to this role, it may be shared by two people.

A coordinator/ minute taker. If there is sufficient budget, a person will be hired on a part-time basis to coordinate Steering Committee logistics, record the minutes of each meeting, and distribute them. Additional duties may include research, preparation of updates, and social media tasks.

Fundraising Committee (optional): A three-member Fundraising Committee could be established to coordinate fundraising efforts for the Steering Committee. A Fundraising Committee chair would be appointed to lead this committee.

Membership Committee (optional): A three-person Membership Committee could be established to identify and recommend new members for the Steering Committee in the event of member resignations. A Membership Committee chair would be appointed to lead this committee.

Duties and Conduct of Members

The Steering Committee members are expected to:

1. Adhere to basic committee member code of conduct (see below)
2. Attend all meetings and participate in discussions. If a member misses three (3) consecutive absences, they will be asked to resign.
3. Provide input to and accept feedback from others, creating a culture of mutual respect during the meetings.
4. Carefully consider whether they are in a perceived or real conflict of interest on certain matters being discussed by the Steering Committee. In such an event, they agree to disclose their conflict of interest and to either avoid participating in the discussion on the matter or asking for guidance from the Steering Committee on whether to participate.
5. Work to identify locations for the Food Hub, oversee development of a business plan, and determine the governance and ownership structure of the Food Hub.
6. Help make the final decision on whether to proceed with the Food Hub.

Frequency of Meetings

The Steering Committee meets the third Monday of every month at 10am at a City Hall meeting room. 50% of members plus 1 person is needed to achieve a quorum at any given meeting.

Resources required

- A meeting room to host up to 15 members every month
- Funds to hire a coordinator, develop the implementation plan, etc.
- Modest office supplies

Decision-making

The Steering Committee will follow Robert's Rules of Order in making decisions and voting on issues, although the intent of the group will be to strive to reach a high level of consensus on most decisions.

Dissolution of the Steering Committee

The Steering Committee will be dissolved under the following conditions:

- The decision is made not to proceed with the establishment of the Food Hub.
- The decision is made to proceed with the Food Hub and a new organization takes over the duties of the Steering Committee.

Basic Committee Member Code of Conduct

- Strive to attend all meetings, sending apologies to the chair for necessary absences.
- Prepare for the meeting by reading the agenda, papers and any emails before the meeting.
- Talk to the chair before the meeting if you need to clarify anything.
- Arrive on time. Stay to the end.
- Participate fully in the meeting by:
 - Listening to what others have to say and keeping an open mind.
 - Contributing positively to the discussions.
 - Trying to be concise and avoid soliloquies.
- Help others concentrate on the meeting. Discourage side conversations.
- Have the best interests of the organization/beneficiaries in mind at all times
- Draw attention to any potential conflicts of interest that may arise in the meeting.
- Fulfill any responsibilities assigned to you at the meeting and be prepared to report back on your progress at the next meeting.

Appendix H: Hub Health & safety requirements

The following food hub health and safety requirements have been provided by the Island Health Environmental Health Officer, Department of Health Protection and Environmental Services (HPES), subject to the following caveats:

- These requirements are based on current information and could change.
- If food hub uses change, health and safety requirements may also change.
- There may be site-specific improvements beyond what is listed here. These would be identified through a site inspection and finalization of food hub uses.

General construction requirements

- **Non-food contact surfaces** (e.g. floors, walls, ceilings) need to be sealed, easy-to-clean, of sound construction, durable, and suitable for its intended purpose. Floors also need to be non-slip, sloped for drainage, and of a suitable material that can withstand regular wet washing.
- **Food contact surfaces** need to be made from easy-to-clean, durable, non-permeable/non-porous, non-toxic, food grade material(s).
- **Equipment** is fully functioning as per its intended use (e.g. refrigeration and freezer temperatures, specialized equipment etc.).
- The **flow** of the facility is designed in a sanitary manner that reduces the chance of cross-contamination and maximizes effective flow (eg. one-way flow from 'dirty/ unprocessed' to 'clean/ processed' as much as possible). Incompatible areas, particularly clean-up and chemical storage areas, are to be separated from any preparation or processing areas.
- **Storage areas**
 - Ensure adequate dry shelving (6+ inches off the floor, and 2+ inches away from the walls for pest proofing) made from durable, non-absorbent, easy-to-clean materials.
 - Have separation between food and non-food items.
 - Keep clean and pest free.
 - Keep at the appropriate temperatures for refrigeration and freezers.
- **Pest proofing** (eg. seal holes and gaps, have door sweeps/screens/pest control programs when appropriate, etc.).
- **Handwash stations** need to be located at a sufficient distance from areas of handling (# and locations will depend on the use of facility and set up).

The [Food Retail and Food Services Code from Health Canada](#) also provides basic guidelines for construction requirements.

Ownership and Oversight

Whatever governance model is established, the food hub will need an on-site manager to oversee day-to-day operations. This person will be responsible for operations including sanitation and emergencies. The chain of command and allocation of responsibilities needs to be clear, so that if there are any issues, they are corrected in a timely manner either by the producer or the relevant person in charge.

Health and safety approvals for the Central Saanich Food Hub

The food hub facility itself would need to obtain Health Approval, including:

- An Application for Health Approval.
- A detailed, labelled, to-scale Floor Plan and Specification Form.
- A general business model description (highlight responsibilities of parties).
- A Food Safety Plan.
- A Sanitation Plan (with specifics on any shared equipment).
- A COVID-19 Safety Plan (discuss current restrictions with inspector).

Health requirements for primary processing

From the perspective of the Health Protection and Environmental Services (HPES) Department of Island Health, if non-potentially hazardous foods (e.g.: common fruit and veggies) are being cleaned, sorted, graded, and packaged without being further processed (i.e.: they are kept whole and not cut, sliced, ground etc), then the producer does not need Health Approval from HPES. Producers and hub staff do need to follow appropriate sanitary and hygienic practices.

Health requirements for value added processing

If producers and processors want to do value-added processing (i.e. cutting into anything) then Health Approvals are required (similar to requirements for the food hub itself #2). Each producer would need to apply separately and would be required to submit:

- An Application for Health Approval
- A full product list
- A Food Safety Plan
- A Sanitation Plan
- Equilibrium pH/aW results for the final product (discuss with the inspector as there may need additional or waived testing depending on the product)
- A copy of their FoodSafe Certification
- Copies of the product label and information on the packaging
- A COVID-19 Safety Plan (discuss with inspector)

Washroom and janitorial

Washroom and janitorial areas need to be placed in a manner that prevents cross contamination.

Other Departments

Certain products also fall under the jurisdiction of other departments. For example:

- HPES does not oversee fish or seafood processing facilities. These processors would be need to approved by the Ministry of Agriculture and Food (see their [webpage here](#)).
- Any dairy processing would need to adhere to rules from the BC CDC (see [here](#)).
- Local government requirements (e.g. fire, bylaw, building, business licensing)