



Bingwi Neyaashi
Anishinaabek



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NORTHERN RECONCILIATION
RÉCONCILIATION DANS LE **NORD**

Research Report | Fall 2022

Urban Reserves in the context of Sustainable First Nation Prosperity

Nation Rebuilding Series, Volume 3

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Land Acknowledgement

NPI would like to acknowledge the First Peoples on whose traditional territories we live and work. NPI is grateful for the opportunity to have our offices located on these lands and thank all the generations of people who have taken care of this land.

Our main offices:

- Thunder Bay on Robinson-Superior Treaty territory and the land is the traditional territory of the Anishnaabeg and Fort William First Nation.
- Sudbury is on the Robinson-Huron Treaty territory and the land is the traditional territory of the Atikameksheng Anishnaabeg as well as Wahnapiatae First Nation.
- Kirkland Lake is on the Robinson-Huron Treaty territory and the land is the traditional territory of Cree, Ojibway, and Algonquin Peoples, as well as Beaverhouse First Nation.
- Each community is home to many diverse First Nations, Inuit, and Métis Peoples.

We recognize and appreciate the historic connection that Indigenous peoples have to these territories. We support their efforts to sustain and grow their nations. We also recognize the contributions that they have made in shaping and strengthening local communities, the province, and Canada.

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Animbiigoo Zaagi'igan Anishinaabek

Our people have been present in these lands for time immemorial. Our ancestors were strong, independent people, as we are today, who moved with the seasons throughout a large area of land around Lake Nipigon. We governed ourselves using the traditional teachings we still teach our children today. Now, our community members widely scattered throughout many communities, the majority of which are located in northwestern Ontario in and around the shores of Lake Superior. We are unified by our connection to the environment, our commitment to our traditional values, and our respect for each other.



Bingwi Neyaashi Anishinaabek

The people of Bingwi Neyaashi Anishinaabek – formerly known as Sand Point First Nation – have been occupying the southeast shores of Lake Nipigon since time immemorial. Our community is dedicated to fostering a strong cultural identity, protecting Mother Earth, and to providing equal opportunities for all. Furthermore, our community vision is to grow Bingwi Neyaashi Anishinaabek's economy and become recognized as a sustainable and supportive community where businesses succeed, members thrive, and culture is celebrated.



Lac des Mille Lacs First Nation

The community of Lac des Mille Lacs First Nation is located in Northwestern Ontario, 135 km West of Thunder Bay, and encompasses roughly 5,000 HA of Mother Nature's most spectacular beauty. Our people have held and cared for our Lands and Traditional Territories since time immemorial. To fulfill our purpose and in our journey towards our vision, we, the Lac Des Mille Lacs First Nation are committed to rebuilding a strong sense of community following a holistic approach and inclusive processes for healthy community development.

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Northern Policy Analytics

Northern Policy Analytics (NPA) is a community-inspired applied policy and research consulting firm based in the Yukon and Saskatchewan. Founded by Drs. Ken Coates and Greg Finnegan in response to rapidly changing conditions and opportunities in the Canadian North, NPA recognizes that Northern and Indigenous communities often experience poorer educational outcomes, higher unemployment rates, receive fewer public goods and services, and lack the economic stability needed to optimize community well-being and quality of life. Yet these communities are often located in direct proximity to some of Canada's most valuable natural resources, resulting in both opportunity and conflict.

We address both policy and economic development issues and strive to effectively bridge the gap between Indigenous communities and settler government agencies by supporting community and economic development planning, grant writing, facilitating meetings, and by supporting entrepreneurship and the development of businesses in the region. NPA also helps communities marshal the information and resources they require to improve community and economic outcomes, while mitigating the impacts of colonialism and the over-arching resource extraction sector that dominates the regional economy.



Northern Policy Institute

Northern Policy Institute is Northern Ontario's independent, evidence-driven think tank. We perform research, analyze data, and disseminate ideas. Our mission is to enhance Northern Ontario's capacity to take the lead position on socio-economic policy that impacts our communities, our province, our country, and our world.

We believe in partnership, collaboration, communication, and cooperation. Our team seeks to do inclusive research that involves broad engagement and delivers recommendations for specific, measurable action. Our success depends on our partnerships with other entities based in or passionate about Northern Ontario.

Our permanent offices are in Thunder Bay, Sudbury, and Kirkland Lake. During the summer months we have satellite offices in other regions of Northern Ontario staffed by teams of Experience North placements. These placements are university and college students working in your community on issues important to you and your neighbours.

About the Author

Dr. Ken Coates



Ken Coates is a Professor and Canada Research Chair in Regional Innovation in the Johnson-Shoyama Graduate School of Public Policy. He is also the Macdonald-Laurier Institute's Senior Policy Fellow in Aboriginal and Northern Canadian Issues.

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Ken recently published a book called *From Treaty Peoples to Treaty Nation* with Greg Poelzer. He has previously published on such topics as Arctic sovereignty, Aboriginal rights in the Maritimes, northern treaty and land claims processes, regional economic development, and government strategies for working with Indigenous peoples in Canada. His book, *A Global History of Indigenous Peoples: Struggle and Survival*, offered a world history perspective on the issues facing Indigenous communities and governments. He was co-author of the Donner Prize winner for the best book on public policy in Canada, *Arctic Front: Defending Canada in the Far North*, and was short-listed for the same award for his earlier work, *The Marshall Decision and Aboriginal Rights in the Maritimes*.

Ken contributes regularly, through newspaper pieces and radio and television interviews, on contemporary discussions on northern, Indigenous, and technology-related issues.

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Executive Summary

Although urban reserves have not been a 'magic bullet' for First Nations seeking economic opportunity and job creation, they have generally been a positive force for change. Including by improving relations with non-Indigenous peoples. The motivations of First Nations who have applied for an urban reserve are as varied as the Nations themselves.

Urban reserve plans are largely driven by the constraints and opportunities facing proponents and host communities. With outcomes from the urban reserves created across the country varying depending on size, location, and purpose (residential, commercial, governance, or a blend of all three). Equally, First Nations have shown substantial diversity in the design and operation of urban reserves, adopting the legal and financial structures to meet local needs and opportunities.

For investors, the calculus of whether to locate on an urban reserve is equally complex. For Indigenous businesses, there is the opportunity to capitalize on tax benefits, local relationships, and a welcoming community. For non-Indigenous businesses, it could be corporate social responsibility, access to new markets and labour, capitalizing on First Nation regulatory benefits and so on (Blackman 2017). Indeed, according to Indigenous Works, the Indigenous market's GDP is worth \$32 billion in Canada, accessing that market is one big reason to consider working with First Nations pursuing economic growth on an urban reserve.

Of all the economic tools a First Nation can use to provide revenue for their community, an urban reserve is certainly one of the stronger options. Especially for those communities not blessed with natural resource endowments or physical proximity to larger markets. At the end of the day, where economic opportunity, social timing, and the capacity of a First Nation can be made to align, an urban reserve can create opportunity where few existed before. The resulting socioeconomic benefits and spillovers are greater for a community than those that can be achieved using alternate tools. Although the case of Squamish First Nation is exceptional, for example, it highlights just how far an urban reserve can push the boundary of possibilities if the conditions are right.



Introduction

When the Government of Canada established formal First Nations reserves in the 19th century, officials gave little thought to the long-term economic viability of the local First Nations populations. The reserves were designed to provide a small measure of protection for First Nations being dislocated by advancing settlement, agriculture, and resource development, and being subject to increasing government regulation. As Prime Minister Wilfrid Laurier stated in Parliament, “where a reserve is in the vicinity of a growing town, as is the case in several places, it becomes a source of nuisance and an impediment to progress.” (House of Commons Debate, 9 April 1911, quoted in Barman 2007: 5)

By the 20th century, the perspective had changed dramatically. The country created 65 urban reserves through the Addition to Reserve Policy between 1981 and 2014—a dramatic and long-delayed shift in approach. It should be noted that not all urban reserves are created through the ATR process. Moreover, an ATR can be contiguous to or distant from a reserve. If it is noncontiguous, that addition can take place in an urban or rural setting. Some First Nations, such as Squamish First Nation near Vancouver, B.C., were already established next to an urban setting.

For generations, official First Nations reserves were a key instrument in assimilation and ‘civilization’ efforts, in that they provided government and the Christian churches with a physical location for converting and training Indigenous peoples in the ways of the newcomers. Across much of the rapidly expanding nation of Canada, including what is now Northern Ontario, Indigenous peoples continued to move freely across their traditional territories, doing so until changing economic realities and increasingly interventionist government programs in the 1950s compelled them to adopt a more sedentary existence. In the 1980s and 1990s, the federal government argued that “economic needs do not justify reserve status if the need can be met through other means, and that the tax advantage of reserve status alone will not justify granting that status.”

Jump forward to the 21st century. Indigenous populations are on the move. More than half of all status First Nations peoples live off their reserves. Many more move seasonally between their home reserve, other reserves, work camps, and towns and cities. With the reserves established for 19th century purposes and with little emphasis on economic or commercial possibilities, it is hardly surprising that the reserves rarely address contemporary needs. As Indigenous legal and political rights have expanded in recent decades, First Nations communities have become ever more innovative in identifying creative solutions to their economic and sociocultural challenges. Urban land reserves, specifically established under federal Addition to Reserve regulations to provide First Nations with a commercial foothold in towns and cities, are a comparatively recent innovation. But they have quickly become valuable tools for forging a new and more independent future for First Nations.

The reality is quite different from the standard media images, which emphasize issues of poverty and community despair Canada-wide. Major changes are underway in Indigenous affairs. Over 300 First Nations communities own Indigenous economic development corporations that hold First Nations trust funds, add Indigenous jobs, support local business development, and produce own-source revenues that provide a greater measure of First Nations autonomy from the Government of Canada. There are hundreds of Impact Benefit Agreements and collaboration accords between Indigenous communities and resource companies in the mining, forestry, and oil and gas sectors. Across the country, Indigenous-controlled business activity continues to expand at a dramatic pace. The number of Indigenous students continuing their education at college and university is growing. In the late 1960s, approximately 300 Indigenous people attended colleges and universities per year in Canada. That number now stands at over 30,000. While significant challenges remain, there have been important, but far from impressive, improvements in health outcomes and Indigenous self-government; many successful legal challenges against the Government



of Canada; the emergence of effective regional Indigenous organizations; and other manifestations of a renaissance in First Nations, Métis, and Inuit communities.

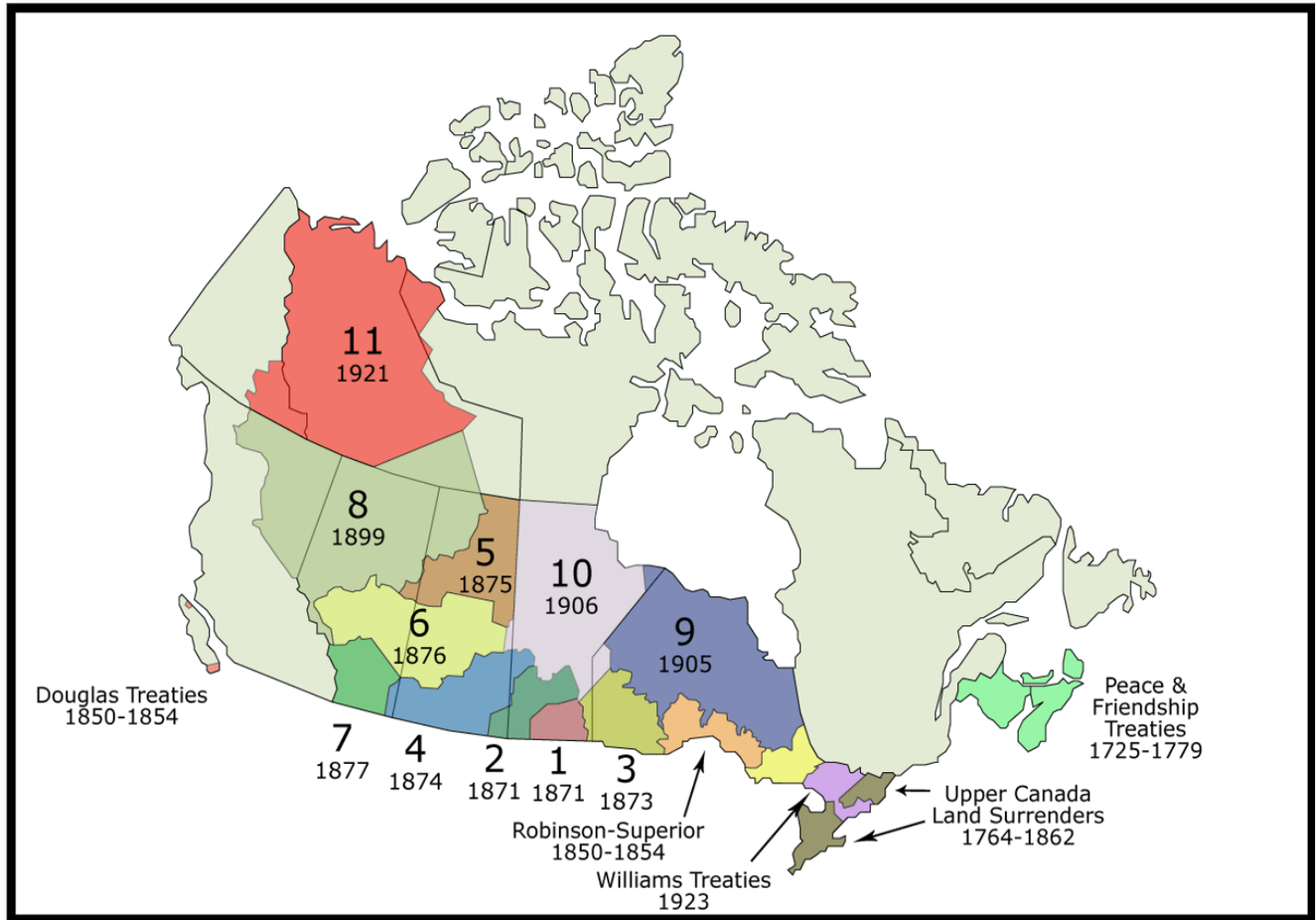
As Indigenous communities demand and exercise greater autonomy, building on new relationships with federal, provincial, and territorial governments, many Indigenous villages and towns still struggle with significant locational disadvantages. The communities are based in traditional First Nations territories. Populations that benefited from proximity to trading posts and fur trading routes—and later from access to forestry operations and mines—often found that the passage of time left them far removed from the economic mainstream. Large parts of Canada, including hundreds of Indigenous and non-Indigenous communities, lie outside of the urban ‘umbrella’ that spans approximately 100 kilometres around major cities (e.g., Toronto, Winnipeg) and regional centres (e.g., Thunder Bay, Sault Ste. Marie). The First Nations communities located outside of these umbrellas do not have ready access to the city environments that now dominate job creation and economic opportunity in Canada. In recent years, the largest six cities in the country have produced, in net job creation, 100 per cent of all the new jobs in Canada. This means that the other cities, smaller towns, and rural areas collectively accounted for a net loss of employment opportunities and, in most instances, declining economies. The decline has been most pronounced in rural and remote regions, with severe consequences for Indigenous peoples and communities.

One result of this trend—growing urban prosperity versus declining small town and rural life for both Indigenous and non-Indigenous peoples—has been an expansion of public debate about the future of reserves. Sparked in part by crises in communities such as Kashechewan and Attawapiskat, many non-Indigenous critics of First Nations policy in Canada have argued for decades that the remote reserves should be shut down and the people relocated to urban areas. First Nations react vehemently and appropriately to such suggestions. Given the cultural importance of traditional territories to Indigenous peoples, this simplistic notion of how to deal with Indigenous needs and aspirations is far from adequate. Furthermore, there is a growing number of examples—including the James Bay Cree, Old Crow in Yukon, the Inuvialuit in the N.W.T., the Tahltan in Northwest B.C., and English River in Sask—of remote communities that are prospering, economically and socially, despite their physical distance from major commercial centres.

The convergence of two realities—the economic challenges facing remote and isolated communities and the determination and resilience of Indigenous peoples who have encountered countless difficulties over the last two hundred years—has generated considerable interest in finding creative ways of connecting rural and isolated settlements with greater economic activities. First Nations governments are place-bound, in that the power and authority of the chief and council are limited primarily to the reserve, with additional ‘duty to consult and accommodate’ rights extending throughout their traditional territories. First Nations with modern treaties, including most located in the Yukon, Northwest Territories, Nunavut, northern Quebec, Labrador, and other areas, have comprehensive land and resource rights along with substantial investment capital through their settlements. But those who signed on to the pre-Confederation Robinson-Superior treaties and the numbered treaties (Treaty 1 to 11 with adhesions, including Treaty 3 and Treaty 9 in Northern Ontario) have much more limited authority over their homelands.



Figure 1: Treaties Across Canada



Source: Indigenous Awareness Canada, n.d.

Treaty-based First Nations participate in consultations with companies and governments and have secured substantial benefits from their relations with resource companies, but the pattern is uneven. Indeed, some of the most commercially successful First Nations communities in Canada —Fort McKay (Alta.), Fort Chipewyan (Alta.), English River (Sask.), La Ronge Indian Band (Sask.), Haisla (B.C.)— are in the northern reaches of the Prairie and Western Provinces. But the original First Nations reserve allocations, occasionally made with some measure of consultation with Indigenous peoples, were small, in sharp contrast to the large reservations in the western United States of America.

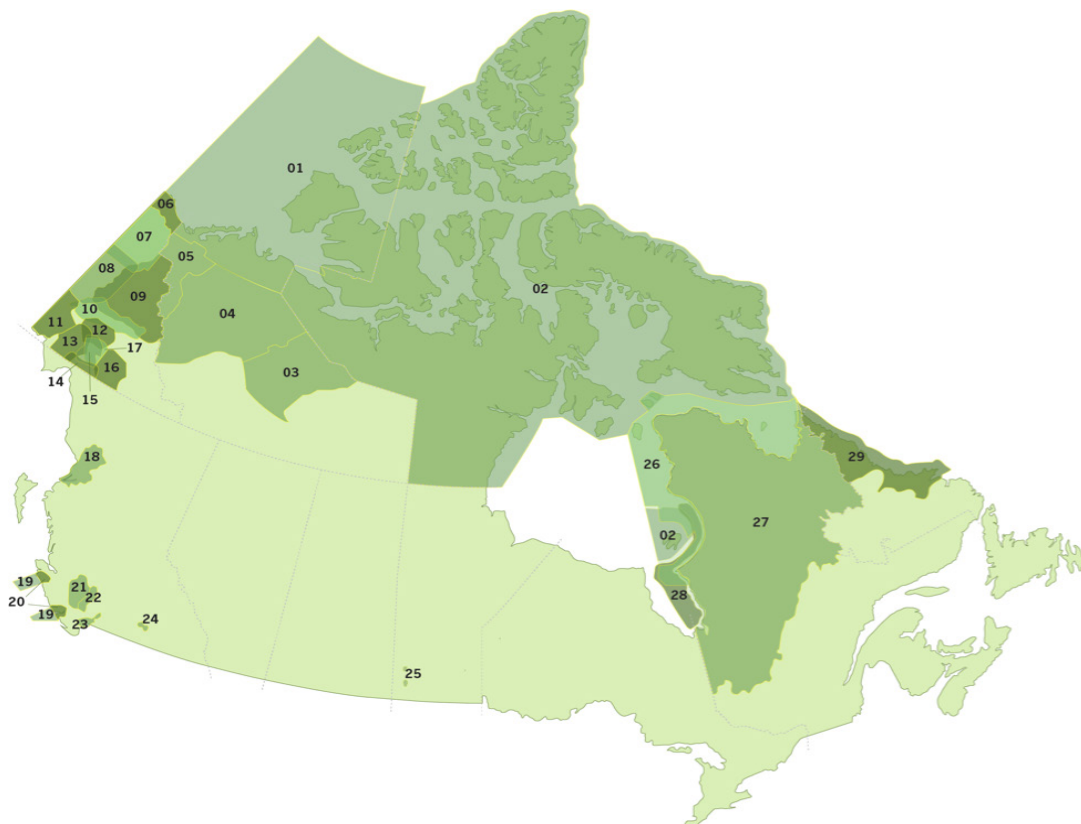
Figure 2: Modern Treaties and Self-Government Agreements in Canada



Modern Treaties and Self-Government Agreements

Different shades of green are used to differentiate locations where treaties overlap.

01	1994	Inuvialuit
02	1993	Nunavut
03	2005	Tl'cho
04	1994	Sahtu Dene
05	1997	Gwitch
06	1984	Inuvialuit YT
07	1992	Vuntut Gwitchia
08	1998	Tr'ondik Hwich'in
09	1995	Nacho Nyak Dun
10	1997	Selkirk
11	2004	Kluane
12	1997	Little Salmon/ Carmacks
13	1995	Champagne/ Alahihik
14	2005	Carcross/ Tagish
15	2005	Kwanlin Dun
16	1995	Teslin Tl'agat
17	2007	Ta'an Twach'an
18	2000	Niaga'an
19	2011	Maa-nulth
20	2003	Maa-nulth
21	2016	Tla'amin
22	1986	Sechelt
23	2009	Tsawwassen
24	2005	Westbank
25	2014	Sioux Valley
26	2008	Nunavik
27	1975	James Bay and Northern Quebec
27	1978	Northeastern Quebec
28	2012	Eeyou Marine Regio
29	1993	Labrador



Source: Clark et al, n.d.

The official reserves were often set some distance away from non-Indigenous settlements and distant from most short-term and longer-term commercial opportunities. Unless geographic 'luck' occurs—with a major resource development or infrastructure project unfolding nearby—First Nations in remote locations and away from roads and railways have struggled for decades to find a post-fur trade sustainable commercial base.

Recent observations by one Saskatchewan chief are relevant here. His reserve is located more than 200 kilometres from the nearest major city (and approximately 70 km from a small-sized city of approximately 15,000 people). There are few economic opportunities near or on the reserve. As he contemplates job and business creation opportunities for the community, the chief takes an expansive view of his First Nation's geographic scope. He remembers the movements and harvesting activities of his people. He knew that they ranged hundreds of kilometres east and west and almost the same distance north and south. He refuses to be constrained by the boundaries of a 19th century, government-imposed land allocation, which occurred at a time when his people faced enormous dislocations connected to the destruction of the bison herds, near-starvation, the imposition of Government of Canada authority and regulations, the arrival of the first large wave of European settlers, and the commercial transformation of the Prairies. For many community members, the reserve proved too confining, particularly after 1960, with numerous individuals and families migrating to nearby and distant cities. To this chief, the First Nations' economic and social vision is not limited to the reserve boundaries but, indeed, extends throughout their traditional territories and beyond, as in the generations before the newcomers arrived. He is investing his community assets in residential and commercial projects spanning several hundred kilometres and all within what he and his community know as their traditional territory. These commitments include several urban reserves.

The historic lands of First Nations, resting on historical and culture use, are well understood by Indigenous peoples but much less by non-Indigenous peoples. Governments are firm on technical boundaries and much less comfortable with broader, cultural-based definitions of homelands and traditional land use. Reserve boundaries, in comparison, are fixed and have been carefully charted. They have, for decades, defined many aspects of Indigenous life and, in less positive ways, shaped non-Indigenous understanding of First Nations' realities. Popular representations of Indigenous livelihoods are predisposed toward sensationalism and, in most instances, focus on hardship, disaster, and trauma. Much less known are the stories of successful Indigenous families and communities, and of constructive relocation to major towns and cities. The Indigenous realities in Canada have never been fully or even substantially defined by reserve boundaries, particularly in northern and remote regions, and that is becoming increasingly evident in recent years.

Newly created urban reserves, designed specifically to improve economic prospects for First Nations, emerged only in the 1980s as a tool in First Nations economic and social development. The concept is simple; establishing a First Nations property in a town or city, with full reserve status, creates a foothold within the more economically robust urban environments, providing a landing spot for Indigenous workers, organizations, and businesses. In a few instances, First Nations reserves had been located relatively close to settlements—Squamish First Nation (near North Vancouver, B.C.), Kamloops First Nation (B.C.), Westbank (near Kelowna, B.C.), St. Mary's First Nation (Fredericton, N.B.), and Tsuu T'ina Nation (near Calgary, Alta.). Typically, reserves were located some distance away to provide 'protection' for First Nations peoples from the disruptive effects of newcomer societies. Over time, the towns turned into cities and several of the cities into metropolitan areas. Reserves surrounded by the urban areas maintained their official status but were substantially off-limits to newcomer occupation. But most Indigenous peoples are separate from the towns and cities, in large measure because of a Government of Canada desire to 'protect' Indigenous peoples. Increasingly, First Nations realized that their commercial isolation from urban environments represented a serious economic liability.



First Nations had, from the beginning of the Canadian period, resisted efforts at government domination. As the decades passed, systematic attempts to transform Indigenous peoples through education, government domination of reserve life, and the steady erosion of traditional lifeways, forced First Nations into conditions of welfare dependency. The Indigenous peoples resisted, turning to the courts and political activism to defend their interests and to identify ways to improve their lives. Over time, the courts and governments recognized the many shortcomings of generations of government policy and the systematic lack of attention to the legal rights of Indigenous peoples, communities, and governments. This resulted in the proliferation of government policies and programs, creating a dramatically different legal and policy framework for First Nations' action.

Although a great deal remains undone in terms of Indigenous re-empowerment, equality of opportunity and circumstance, basic infrastructure, and support for First Nations' languages and culture, major improvements have occurred. Indigenous business development continues to expand faster than the national average. Educational outcomes are improving, making up for extreme deficiencies in this area. Indigenous communities are asserting their political autonomy and moving, when they deem themselves ready, toward self-government.

But the transitions are slow. First Nations pay, disproportionately, for delays in making improvements. The social disruptions, cultural and linguistic losses, and family struggles are real and often very painful. For good and logical reasons, many First Nations communities are searching for the best ways to accelerate economic development, create job opportunities and produce wealth for the First Nations. In many cases, overcoming geographic isolation and thereby gaining access to realistic economic prospects is among the highest priorities. First Nations seek advantage and opportunity wherever they can find it, through legal processes, government programs, resource development projects, and collaborative prospects. The creation of an urban reserve is one such tool available to First Nations seeking to expand economic opportunities. However, the concept has its detractors: as a municipal official explained, "the concern was about some kind of ghettoization, the imagery of what a reserve looks like and the ghettoization of communities in an urban reserve." (Tomiak 2017: 928-945)



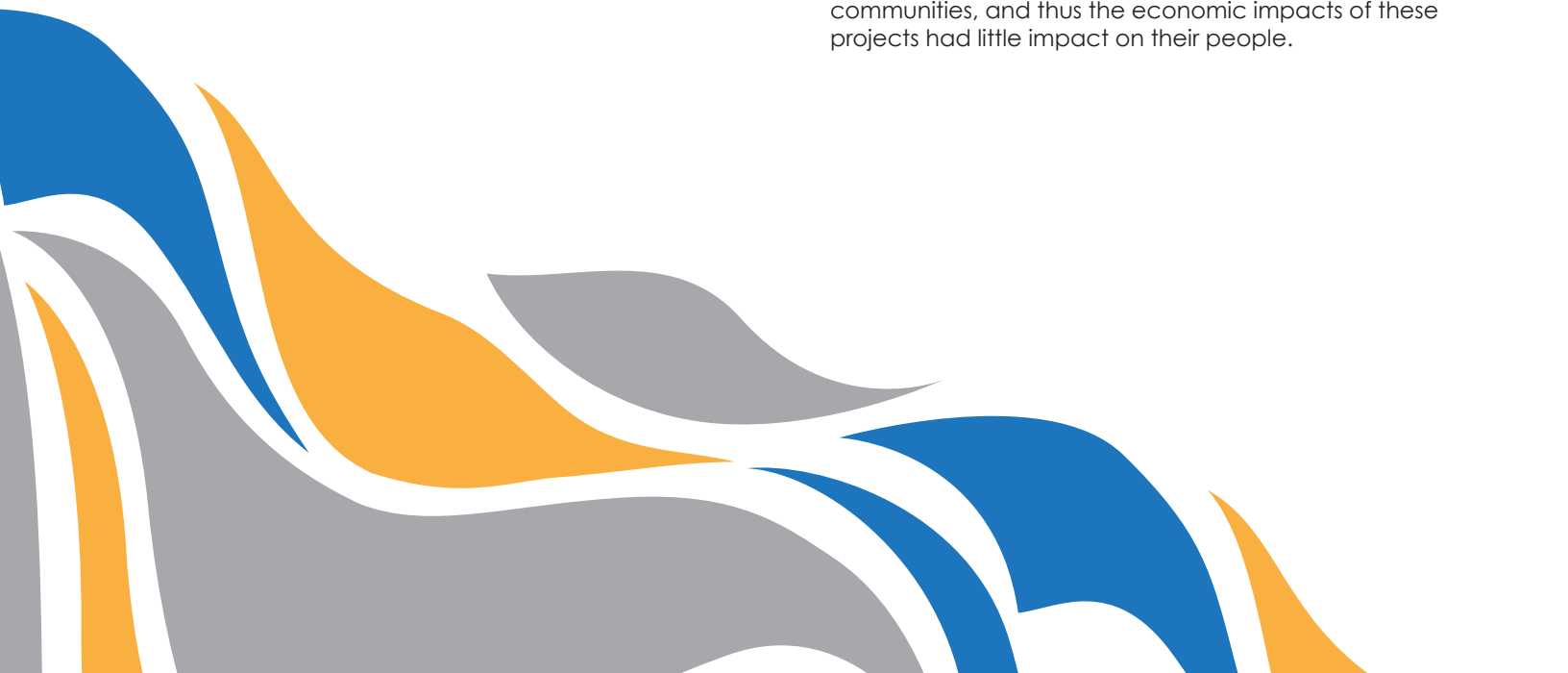
Urban Reserves and Business Development

The siting of the original reserves reflected two considerations: the economic and habitation patterns of specific First Nations at the time they were created and the administrative and practical priorities of the Government of Canada, which had to deliver services and programs to the people in these communities. Historical happenstance rather than careful planning resulted in some of these reserves being located near major population centres. Quirks of history, economic development, and politics, conversely, could result in once economically vital communities (particularly those originating in the pre-1900 fur trade era) being stranded far from substantial and sustained economic activity.

What outsiders saw as extreme isolation did not cause a great deal of difficulty for First Nations peoples so long as traditional harvesting activities remained strong. These were after all, their ancestral homelands and had been occupied continuously for thousands of years. But with the transition from a harvesting lifestyle to an existence based on the imposition of government-run reserves and the shift to welfare dependence—something that happened in most mid-north regions in the 1950s and 1960s—First Nations found themselves cut off from most economic activity. When development entered their territories, typically through forestry,

mining, hydroelectric projects, and road and railway construction, First Nations found themselves blocked from employment and business opportunities. Thus, the First Nations have a general shortage of skilled workers and established commercial and professional operations. They were further cut off from economic opportunity by a southern mindset that assumed that Indigenous peoples were ill-suited for the workforce and the technical challenges of the modern resource economy. In many instances, projects designed and completed without First Nations' input had negative and occasionally devastating effects on their neighbouring communities, exacerbating high levels of poverty and increasing welfare dependency.

First Nations peoples resent and reject the concept of welfare dependency and have spent half a century fighting against the sociocultural effects of overreliance on social welfare payments. They fought collectively as individual nations for a proper role in resource development revenues, and by the 21st century they secured a share of returns. They fought for a clear place in the approval and oversight of development in their territories, and through their persistence in the courts, they won 'duty to consult and accommodate' provisions that gave First Nations a role in planning and decision-making. For some communities, these provisions brought economic opportunity in the form of jobs, business, and revenue sharing. But for most of the First Nations, geographic 'bad luck' meant that developments occurred far away from their communities, and thus the economic impacts of these projects had little impact on their people.



Faced with these realities, which have been marked by excessive levels of unemployment, extreme poverty, and serious sociocultural dislocations, First Nations sought new opportunities. In many instances, the economic prospects had to be at some distance from their communities due to the small number of jobs and business prospects close at hand. Dozens of First Nations, particularly in the prairie west, explored the possibility of establishing urban reserves. This would give them a foothold in the urban and mainstream economies and would, importantly, provide job opportunities for the growing number of their community members who had relocated to large towns and cities. The urban reserve process in western Canada was expedited by a key historical reality: that the Government of Canada had significantly undercounted the number of eligible First Nations at the time of reserve creation. Through the Treaty Land Entitlement Process, the government started to compensate for the misallocation of reserve lands, meaning that many First Nations received sizeable lands or funds by way of compensation. Many First Nations have been using the funds to purchase urban land for transition into reserves.

First Nations carry their legal and political status with them to these new locations. There are select arrangements — the absence of income tax for status First Nations people, separate zoning regulations, and full decision-making control in the hands of the First Nations authority— that make an urban reserve attractive, but none greater than the opportunity to build an Indigenous economy in partnership with local authorities. For isolated reserves, the select arrangements available to First Nations simply have little to no effect; in or near a city, the urban reserve could have a major impact on Indigenous prospects.

Urban reserves emerged, therefore, as an addition to the First Nations economic toolbox, not as a central element (like natural resource development) and not as a long-term, preparatory initiative (like sending Indigenous youth to college or university). These reserves are a potentially vital undertaking that could serve a community—and its urban partners— well. There is nothing stopping any First Nation from investing in and owning urban real estate, purchasing a city-based business, or otherwise engaging in commercial activities off-reserve. There are many such activities underway across the country, most of which are enjoying considerable success. For example, a consortium of First Nations in Yukon purchased a set of hotels in Whitehorse, producing steady returns for the partner communities and establishing a solid Indigenous commercial presence in the region. A key issue, of course, is the ability of a First Nation community to bring reserve status with them to the urban location.



The idea of an urban reserve, although oft misunderstood by Canadians, is nonetheless an increasingly prominent feature in the country's economic life. The ability to create reserve status for a First Nation at a distance from their base reserve has been possible for many years through Addition to Reserve provisions. But these provisions were used primarily to make small additions to existing reserves in response to changing local realities. The idea of jumping geographically to distant locations did not factor prominently in the planning for quite some time. Indeed, there has been a marked change in recent years from First Nations approaching towns and cities requesting permission to establish an urban reserve to larger towns and cities actively recruiting First Nations to establish such a reserve within or nearby city limits. These changes have been made possible by successful urban reserves, greater non-Indigenous receptiveness to First Nations reserves, and the realization that Indigenous economic development benefit the community as a whole. The reason for the expanded use of urban reserves is simple: the system has improved economic opportunities for First Nations and boosted commercial activity for the non-Indigenous population. Once the concept had been tested in Saskatoon, Sask., the urban reserve idea gradually took hold across the country.

For First Nations, economic returns are clearly a means to an end and not an end itself. Producing jobs and commercial opportunities is fundamental to cultural and social well-being. Gambler First Nation in Manitoba is actively pursuing numerous urban reserves. As Chief David LeDoux commented:

Urban reserves are an opportunity for us to earn our own revenues which we can then re-invest back into the community in the form of health services, education, social and cultural programming, housing, and infrastructure. The Anishinaabe mindset is that we must plan for seven generations into the future. To do that, we need to have self-sufficiency and self-determination, to have the freedom to invest in language programming, skills development, and more for our young people. (Brandon University 2019)

The determination of First Nations leaders to connect economic development, urban reserves, and community renewal and revitalization is central to understanding the growing interest in developing reserve holdings in and around towns and cities.



Urban Lands and Modern Treaties

Although the Treaty Land Entitlement process supports urban reserve creation in areas covered by the numbered treaties, modern treaties provide land allocations in parts of Canada hitherto not covered by government-First Nations accords. These arrangements are dramatically different than the urban reserves being considered in this report. First Nations have secured access to urban lands in places like Whitehorse, Yukon, or, more dramatically, in Tsawwassen, B.C., but modern treaties involve Indigenous groups coming out from under the control of the Indian Act. Some of the allocated lands, called Treaty Settlement Lands, are in urban areas and are under First Nations control, but they do not carry the other benefits of reserve status, such as exemption from personal income tax.

These First Nations urban lands have proven to be economically important, albeit on a lesser scale in the Canadian North than in southern centres. This reflects the fact that there are different and more limited commercial opportunities in, for example Haines Junction, Yukon (Champagne-Aishihik First Nation) than in North Vancouver-Squamish, B.C. (Squamish First Nation). In the former case, a small Alaska Highway community west of Whitehorse, the prospects are more seasonal, tied to government services, tourism, and construction cycles; in the latter, geographic luck has placed the Squamish people in the middle of one of the world's most dynamic urban environments. Squamish First Nation, which fought in the courts for years to regain control over reserve lands confiscated by government more than 100 years ago, recently announced a multi-billion dollar residential development project on their land in the City of Vancouver. Because the land in question is reserve land, it is exempt from many of the property development restrictions that have slowed residential construction in the city.

The situation in Tsawwassen, B.C., is one of the most dramatic illustrations of the potential commercial impact of urban First Nations lands. The community is based a few kilometres south of Vancouver, near the Tsawwassen ferry terminal and in a fast-growing part of the Greater Vancouver area. The Tsawwassen First Nation signed a modern treaty in 2007, adding 400 hectares to their existing land and gaining important financial resources and governance rights (but surrendering their exemption from income taxes). Within half a decade, the First Nation had started construction on a large urban mall, substantial residential developments for First Nations and non-Indigenous peoples, and otherwise capitalized on the commercial potential of their land. The community is now able to provide work for any member looking for employment and the new arrangements have spurred the development of new businesses. Based on recent developments, Tsawwassen is on track to become one of the most economically successful Indigenous groups in North America without relying on Indian Act provisions to provide additional commercial opportunity.



Generating Non-Indigenous Support and Cooperation

Technically, Addition to Reserve applications are between the First Nations and the Government of Canada, with fair and appropriate treatment of all third-party interests. The reality is quite different. Indirect considerations, including support from rural municipalities, towns, cities, neighbouring landowners, and the public play a role in the informal approval processes.

Although contiguous additions to reserve are generally uncontroversial, the first proposals for urban reserves faced sharp and often intense criticism. People generally did not understand the concept when it was introduced in the 1970s. Critics of Indigenous rights saw the urban reserves as an extension of Indigenous 'special privileges' and protested the idea accordingly. As Brian Geisbrecht, a senior fellow with the Frontier Institute, wrote in 2008:

Federally subsidized municipal tax reductions are only a minor part of why urban reserves are a bad idea. Federal and provincial income and goods and services taxes are also lost. Status Indians who live, work or travel in urban reserves gain massive tax advantages. They pay neither income tax nor PST/GST. First Nations designate offices in cities as sub-offices of their reserves, workers with status pay no taxes. As taxpayers gain in understanding, tax-free urban reserves will cause deep resentment and divisiveness, the opposite of reconciliation.

There is a general and inaccurate perception that First Nations get things for 'free,' and a failure to understand the local and financial structures surrounding urban reserves. People who are upset about the fact that the urban reserves do not pay municipal taxes in the standard fashion are typically brought on board when the full 'fee for services' are explained. In recent years, the situation has been reversed. Towns and cities are often actively encouraging the creation of urban reserves, lauding the economic benefits to the community, and celebrating an act of collaborative reconciliation. As Greg Mason, a University of Manitoba economist, observed:

But the existing landowners and non-Indigenous residents of Winnipeg need to accept urban reserves as a tangible and legitimate expression of reconciliation. First Nations leaders should also view the urban reserve as an important foothold in the urban economy of the future and continue to work with other Winnipeg landowners who have valid interests in how that development proceeds. (Mason 2019)

As evolving practice makes the nature, reality, and impact of urban reserves better understood, negative or critical responses have declined, but not disappeared. Experience with existing urban reserves suggests that opposition turns quickly to support, and that criticism is generally limited to individuals who do not support the steady expansion in Indigenous legal and political rights. That said, the experiences of First Nations have revealed key elements that offset concerns and build support:

1. Urban reserve processes should be transparent, in so far as commercial and legal requirements permit.
2. Public education is crucial as there are many misconceptions about urban reserves. Non-Indigenous peoples often see urban reserves as taking away from non-Indigenous economic opportunities when the evidence suggests that the opposite is the case. The pattern and purpose of an urban reserve need to be explained to the public early in the process.
3. Local authorities should be brought into the discussions as soon as possible and appropriate.
4. Community engagement is essential and must emphasize both the short and long-term plans and the fee for service arrangements with the municipal governments.
5. Non-Indigenous advocacy and support are important. Most community members follow political and business leaders. Having high-profile people on board sends powerful signals to the community at large.
6. Ceremony is important. Local authorities and residents should be invited, as appropriate, to public events and celebrations. Urban reserves have become key elements in partnership building and reconciliation.

Urban Reserves in Operation

Thirty years ago, the urban reserves in Canada were almost all historically based—land allocated to First Nations, typically in the 19th century, that subsequently became integrated into the local urban economy. This typically happened because the community expanded to the point that a once-distant First Nation reserve was now contiguous to the city. Until recently, only a small number of these urban-based reserves had become commercially active, mainly due to local circumstances and economic oddities (e.g., Six Nations in Southern Ontario and a large market for tax-free cigarettes). But this has changed in recent decades, led by developments in the prairie provinces. The idea of having an economically empowered First Nation—capitalizing on the availability of land and the Addition to Reserve Policy of the Government of Canada—attached to a largely non-Indigenous community has become increasingly common. Many of these reserves have prospered, while also fostering positive and mutually beneficial relationships between Indigenous and non-Indigenous peoples.

Much attention has been focused on the first major urban reserve, established in Saskatoon, Sask., by Muskeg Lake First Nation. The 35-acre reserve was created in 1988, establishing a benchmark for subsequent developments. The land houses the Saskatchewan Indian Gaming Authority, the main offices of the Federation of Sovereign Indigenous Nations, the Saskatoon campus of the First Nations University of Canada, and numerous commercial establishments and professional offices. The City of Saskatoon soon got fully behind the concept, subsequently adding another five reserves in the community and another a short distance out of the city. An additional set of communities own 'fee simple' land in Saskatoon and have plans to establish official reserves. The services provided to the urban reserves are covered by municipal services and land use compatibility agreements, which provide for policing, fire protection, snow and waste removal, and water and sewer. Arrangements are also in place to cover contributions to school taxes. The agreements put constraints on First Nations' use of the urban reserve, requiring comparability to general city regulations and plans.

Not surprisingly, city officials in Saskatoon speak positively about the experience with urban reserves:

The creation of Urban Reserves in Saskatoon has resulted in benefits to the City in the capacity of financial, political, and social advantages. Financially, the City benefits directly from revenue generated through services it provides to Urban Reserve developments and indirectly from taxation revenue and job creation generated by off-reserve spin-offs. Politically, the creation of reserves within Saskatoon has created positive relationships between First Nations and the City. Socially, Urban Reserves within the City stand as a symbol that First Nations people are making a positive contribution to the community. (Peters 2007, 4)

Peguis First Nation in Manitoba took a comparable step in 2019, signing an agreement to establish a sizeable (3.7 acre) urban reserve in Winnipeg. As Chief Glen Hudson said of the development: "It means jobs, it means opportunities, it means growth not only for First Nations here in Winnipeg, but non-First Nations and the economy." The First Nation invested \$12 million in the initiative, which will eventually include a pharmacy and a recreational cannabis shop (CTV News 2019). Initiatives like that of Little Pine First Nation in Lloydminster (casino and residential complex) have become increasingly commonplace as First Nations seek economic and wealth-creating opportunities.

Lessons Learned

Urban reserves, established for the express purpose of promoting Indigenous economic development, have become a significant feature of contemporary First Nations planning and operations. There have been studies by scholars, government officials, and Indigenous organizations, with the resulting work outlining many of the key contributions and challenges associated with the adjustment to this new urban element. A study by Julie Tomiak, which described urban reserves as a “pathway out of poverty,” recognized the contributions the urban reserves made to Indigenous self-determination but explained that the urban reserves remained part of a colonial system (Tomiak 2017). First Nations had to purchase the land at market rates and were restricted to properties available for sale. She points out that reactions to the concept, which range from considerable municipal enthusiasm in Saskatchewan to hostility in British Columbia, impose limits on Indigenous peoples. Tomiak highlighted the success of the Muskeg Lake Cree Nation's 35-acre reserve in eastern Saskatoon and the Long Plain First Nation's \$1.1 million purchase of a commercial property. As she noted, “it has been the experience of those involved in the creation of Saskatchewan's urban reserves that any fears subside once the municipality begins to realize the economic benefits.” In the end, Tomiak identified a series of advantages, including the addition to own-source revenues, job and business development, and improvement in Indigenous capacity (Tomiak 2017).

An investigation of Saskatchewan's urban reserves by Tom Flanagan and Lee Harding (2017) provided further evidence of the economic value of the Treaty Land Entitlement and urban reserves processes, looking specifically at their impact on community well-being. They reviewed the establishment of 51 urban reserves in Saskatchewan. Flanagan and Harding recognized that the urban reserves provide access to larger markets and tax-free status for First Nations employees. The results outlined in Table 1 suggest that establishing a First Nations reserve could accelerate a community's economic development by as much as ten years. The urban developments could not overcome all the socioeconomic gaps with the non-Indigenous population, Flanagan and Harding concluded, but nonetheless represented a significant economic advance.



Table 1: Saskatchewan First Nations with Intensive Use Urban Reserves

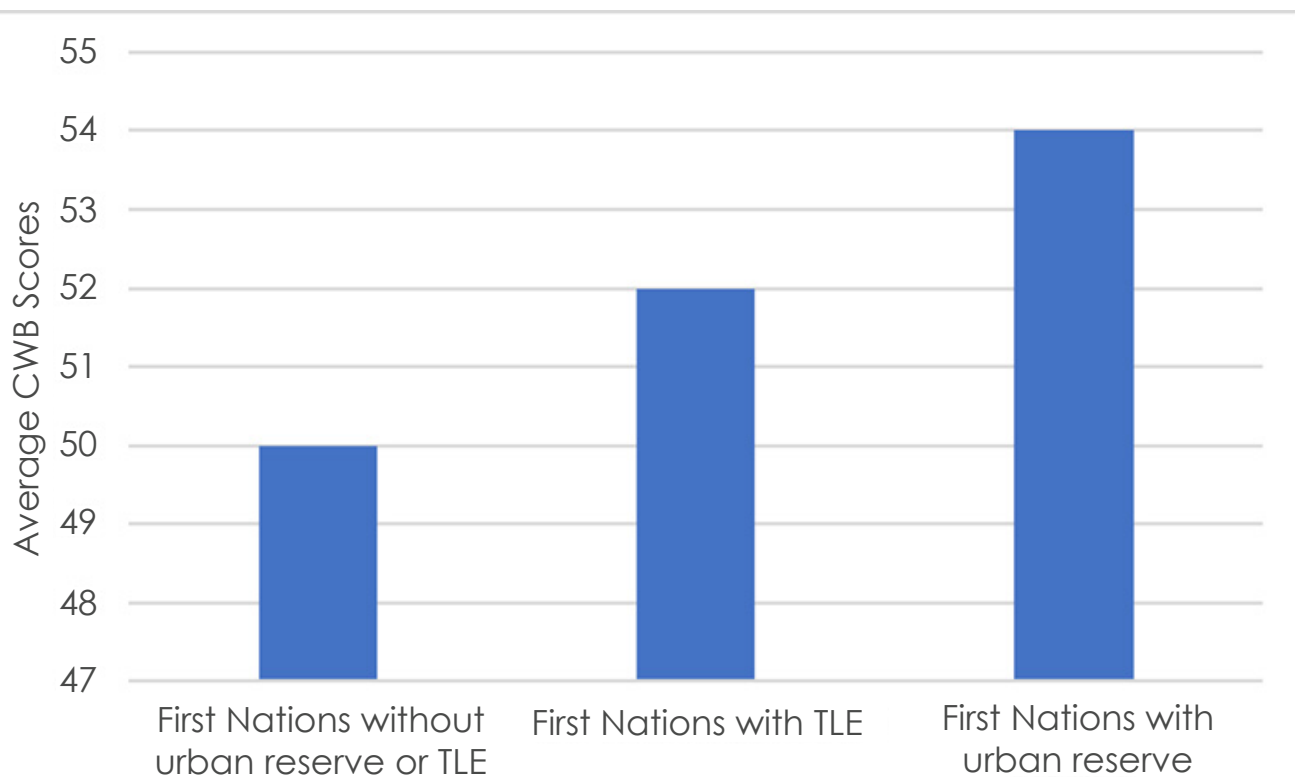
First Nation	City	Uses
English River	Yorkton	<ul style="list-style-type: none"> • Gas bar • Restaurant • Grocery store
Kahkewistahaw	North Battleford	<ul style="list-style-type: none"> • Painted Hand Casino with lounge and restaurant • Gas bar and convenience store • Yorkton Home Inn & Suites • Broadway Shopping Centre
Mosquito, Grizzly Bear's Head, Lean Man	Saskatoon	<ul style="list-style-type: none"> • Gold Eagle Casino • Kihiw Restaurant
Muskeg Lake	Swift Current, Regina	<ul style="list-style-type: none"> • Three commercial facilities housing 40 businesses by lease • CreeWay Gas East
Nekaneet	Prince Albert, Creighton	<ul style="list-style-type: none"> • Living Sky Casino • Commercial properties • Office building with law offices • Gas station and convenience store (in development)
Peter Ballantyne	Yorkton, Regina	<ul style="list-style-type: none"> • Northern Lights Casino • Three gas bars with convenience stores • Administrative offices • Prince Albert Grand Council's executive office • Peter Ballantyne Health Services • Education facilities • Office complex • Newspaper office • Fitness centre • Retail store
Sakimay	Saskatoon	<ul style="list-style-type: none"> • Painted Hand Casino (until 2008) • Office complex • Gas bar, convenience store and car wash
Whitecap		<ul style="list-style-type: none"> • Dakota Dunes Casino • Dakota Dunes Golf Links • White Cap Trail Gas Bar & Confectionary • Dakota Dunes Hotel & Spa (opened 2015)

Holli Poholka's report (2016) examined the broad effectiveness of urban reserves for First Nations. The work identified significant challenges:

- An unclear Addition to Reserve Policy, poor management of the process at the federal level, and restrictions on First Nations' freedoms;
- A lengthy process from land purchase to urban reserve creation that often spans several years;
- The complexities of negotiating land purchase prices from the municipality to the First Nation; and,
- Friction during the negotiation of municipal service agreements between the First Nation and municipality.

Despite these difficulties, Poholka concluded that the urban reserves improved economic self-sufficiency and quality of life but carried no guarantees of success. Community Well-Being (CWB) scores (which compare communities against national norms based on income, educational outcomes, housing, health indicators, and other metrics) provide a less-than-ideal measure of local success. But they provide a useful general indication of socioeconomic transitions in Indigenous and non-Indigenous communities.

Figure 3: Average CWB Scores, Saskatchewan First Nations (2011)



Source: modified from Flanagan and Harding, 2017.

Table 2: Benefits in Creating Urban Reserves

Benefit	Description
Benefits for Band Members	<ul style="list-style-type: none"> • Band members benefit from "tax exempt status" and access to funding "that are contingent on living or working on reserve" (p. 33). • Urban reserves often see residential development, which can foster safer, healthier, more affordable, and culturally inclusive communities.
Benefits for Band Councils	<ul style="list-style-type: none"> • Urban reserves give band councils: <ul style="list-style-type: none"> o "(E)xtensive controls over many...planning and development matters that have implications for both them and for their members" (p. 34); o A central location to locate community organizations and service to both on-reserve and off-reserve members; and o The ability to generate revenue.
Benefits for Municipalities	<ul style="list-style-type: none"> • Financial benefits include revenue from service provisions. • Political benefits include positive relationships between First Nations and the city. • Social benefits are that "the City stand(s) as a symbol that First Nations people are making a positive contribution to the community." (Sully & Emmons, 2004, as cited in Garcea, 2004, p. 35)

Source: modified from Garcea, 2004, as cited in Poholka, 2016.

Poholka's report summarized the benefits and challenges succinctly. The challenges emphasized the often tense internal and external dynamics, including lengthy negotiations with municipal authorities and community-level disagreements about the costs and impacts of the establishment of an urban reserve.

The report emphasized the importance of open communication and clear negotiations with municipal authorities. It emphasized the financial risk and the shortage of cash available to most First Nations, and the realities of discrimination and non-Indigenous resistance. It also highlighted the value of having more than First Nations communities participate in a collaborative urban reserve and emphasized the economic returns to the host First Nation.



Table 3: Challenges in Creating Urban Reserves

Challenge	Description
Fiscal Capacity	<ul style="list-style-type: none"> Many First Nations have limited financial resources to both purchase and develop infrastructure.
Cost Versus Benefits	<ul style="list-style-type: none"> "The estimation of costs and benefits [of urban reserve development] is very difficult because there is a vast array of variables which could impinge on any calculations of the same." (p. 41) The financial risk of failed development on-reserve can be substantial.
Band Member Consensus	<ul style="list-style-type: none"> Urban reserve development fragments band members geographically, as some live on the parent reserve and some in the urban reserve, and socioeconomically, as income of members can vary drastically. Fragmentation can cause "a lack of consensus among leadership and membership..." (p. 42) about where and how to invest money.

Source: modified from Garcea, 2004, as cited in Poholka, 2016.

The leading scholar of the urban reserve process, Evelyn Peters, argued that getting access to urban land was not enough for commercial success (Peters 2007). She summarized the impacts of the reserves:

First Nations can receive economic benefits from urban development through avenues that do not require the creation of urban reserves, for example through economic ventures on urban, non-reserve land owned by band corporations. These forms of land tenure may avoid some of the negative aspects associated with the development of urban reserves including the complexity and cost of negotiations and the often lengthy time frames associated with the development of urban reserves.

Urban reserves offer a number of advantages for economic development that may compensate for the challenges involved in setting them up and creating economic development opportunities. However, First Nations contemplating the possibility of acquiring an urban reserve should consider their capacity at the time, as well as the possibility that another form of land tenure may meet their current needs.

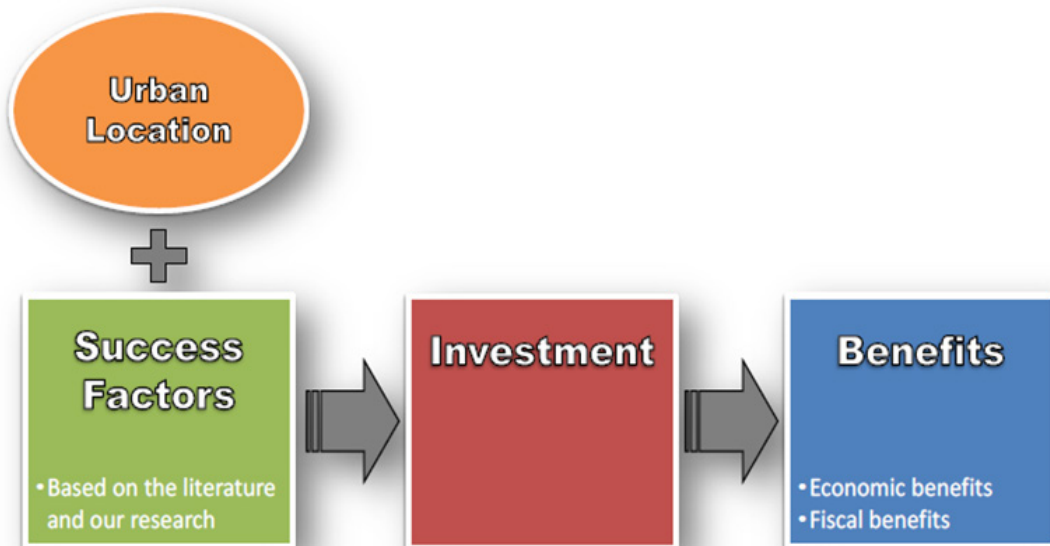
Her main conclusion that gaining control of urban land was not enough, on its own, to ensure prosperity is an important corrective to the overenthusiasm that often accompanies discussions of urban reserves.

A 2014 study on urban reserves by the National Indigenous Economic Development Board provides helpful commentary on the main attributes of urban reserves (NIEDB 2014). The following is a list of the 12 factors they cite as vital to greater investment:

1. developable land
2. infrastructure and services
3. own-source revenues
4. community support
5. land management regime
6. governance
7. relationships with local governments
8. financial management systems
9. land use planning
10. partnerships
11. administrative capacity
12. access to capital

The review examined six of the best-known examples of urban reserves, including Shuswap near Invermere, B.C.; Opaskwayak Cree Nation and The Pas, Man.; Whitecap Sioux First Nation near Saskatoon, S.K.; and Madawaska near Edmundston, N.B. The report summarized some of the primary benefits and issues at play.

Table 3: Challenges in Creating Urban Reserves



Source: Fiscal Realities Economists, 2014, prepared for National Indigenous Economic Development Board.

A follow-up report from the same agency compared the economic impacts of 'near urban' and 'actual urban' reserves (NIEDB 2015). The work concluded that the success depended on the location of the selected lands; the land management capabilities of the First Nation and the local municipality; tax arrangements; and assistance for individual businesses seeking to establish on the reserve. Specific best practices were summarized as follows:

- Emphasizing leveraging opportunities for relationship building between First Nations and nearby municipalities and their residents;
- Communicating with non-First Nations ATR stakeholders regarding land management and economic development on reserve;
- Considering the increasing importance of the Crown's duty to consult in the context of ATR;
- Developing a dispute resolution/negotiation mechanism for concerns raised by municipalities and third parties;
- Finalizing INAC's draft ATR policy and then developing a First Nation-specific additions process that is aligned with the new policy;

- Allowing for additions to take place, despite ongoing negotiations with municipalities and third parties to resolve concerns;
- Focusing on the addition of urban lands specifically for First Nations involved in the ATR process;
- Using land management policy to support economic development;
- Using taxation and fee structures on reserve to support economic development; and
- Providing active support to businesses operating on reserve.

All the studies, including a specific examination of municipal-Indigenous relationships by Ryan Walker, emphasized the importance of strong collaboration with the local governments (Walker 2008). Walker highlighted the importance of citizen engagement, strong municipal-First Nations collaboration, the promotion of Indigenous culture as a local strength, prioritizing economic and social development, and well-prepared service agreements and urban reserve systems. The establishment of advisory community and collaborative decision-making bodies, local chamber of commerce/ board of trade support for Indigenous business, and the maintenance of open and flexible arrangements with local authorities are all deemed essential.

The Urban Reserve Balance Sheet

Urban reserves are not a guaranteed solution and certainly will not address all the challenges facing any First Nation. Implemented successfully, urban reserves can create jobs and commercial opportunity and can improve relations with non-Indigenous peoples. The establishment of an urban reserve is best understood as an investment decision, requiring a combination of Indigenous rights and financial contributions to create ongoing economic opportunities. There are issues and questions that must be understood from the outset and that must be approached carefully and cautiously as an individual First Nation moves forward with a potential implementation. Ontario has challenges in terms of connecting First Nations communities to the broader economy, particularly outside of southern Ontario. British Columbia, where many reserves are located near towns and cities, and the prairie west, where new urban reserves are being created, are producing stronger results, in part because of Indigenous access to urban economies.

Opportunities Associated with Urban Reserves

There are real and substantial opportunities presented by the urban reserve option.

- **Indigenous Business Creation:** Urban reserves provide an appropriate and potentially valuable setting for commercial and professional activities, offering important tax and administrative advantages. This is, obviously, the core benefit and attraction of an urban reserve.

- **Indigenous Job Creation:** First Nations regularly prioritize the creation of well-paying, stable jobs. Urban reserves provide an opportunity, not yet defined statistically, for Indigenous companies to hire Indigenous employees, sparking a virtuous expansion of economic opportunity. In many cases, such as the establishment of casinos and hotels, job creation can be considerable. In the case of Yukon First Nations, the government employs approximately 1,600 workers annually out of a population of approximately 7,500 First Nations peoples. Many of these jobs are in the City of Whitehorse as well as offices in the communities, creating spin-off job growth (Finnegan 2013). When Indigenous government offices are relocated to a base reserve, few incremental jobs are developed.

- **Creating an Urban 'Landing Spot':** More than half of all First Nations now live off-reserve, often seeking personal, educational, or employment possibilities that are not available in their home territories. When they relocate to a town or city, they often have difficulty finding an obvious First Nations setting. An urban reserve provides a clearly identified and proudly Indigenous First Nations territory. The aggregation of activity also creates an advantageous 'economy of scale' that makes it difficult to ignore the Indigenous presence in the urban environment.

- **Accelerating Economic Diversification:** Where First Nations have substantial economic engagement with non-First Nations communities, work and opportunity tend to be focused on a small number of sectors, particularly relating to natural resources. Urban reserves enable First Nations to expand their engagement into a wide variety of areas: professional services (e.g., medicine, law, business services), retail operations, First Nations institutions and offices, and various industrial and commercial ventures. Access to the greater resources in urban areas provides opportunities to develop 'new economy' activities.

- **Improvement of Indigenous–Non-Indigenous Relationships:** Mutually beneficial cooperation—one of the core elements in urban reserve operations—is an important foundation for better Indigenous–non-Indigenous engagement. In the case of urban reserves, business organizations such as chambers of commerce often lead the process. Individual businesses follow, particularly Indigenous-owned firms that can capitalize best on the urban reserve opportunities. The chance for Indigenous–non-Indigenous business collaboration—a sharp departure from generations of social distance and misunderstanding—is a major contribution of the urban reserve. Urban reserves do not represent a zero-sum situation. In other words, Indigenous economic gains do not come at the expense of non-Indigenous businesses or employees. Indeed, urban reserves contribute substantially to broader community well-being.



• **Own-Source Revenues:** Given the extent of the socioeconomic and infrastructure challenges facing First Nations, it is hardly surprising to point out that they need money. First Nations are eager to develop own-source revenues or funds that are under their direct control and that do not require application or reporting to the Government of Canada. Well-managed urban reserves have produced solid cash flow for their communities, providing First Nations with the money needed to address urgent priorities.

• **Developing Effective Government-Owned Businesses:** First Nations economies are different than the mainstream economy. First Nations develop businesses as a means to specific ends: creating jobs, alleviating poverty, generating revenue to address Indigenous priorities, saving for future needs, and, perhaps most significantly, strengthening culture, language, and traditions. Urban reserves provide an excellent opportunity for First Nations governments to develop the community-owned enterprises that produce the possibility of a better economic future.

• **Overcoming the Locational Disadvantages of Remote, Non-Urban Reserves:** The primary rationale for an urban reserve is that it enables rural and remote First Nations to overcome their limited economic opportunities. The establishment of an urban reserve can give a community located hundreds of kilometres from a major economic centre access to the commercial, financial, human, and other resources needed to build real and sustainable opportunities.

Issues Associated with Urban Reserves:

Urban reserves are not without their challenges, both in Ontario and further afield. Communities must complete a careful assessment of real-world situations, not conceptual or theoretical opportunities. They must go into the review process with a full awareness of the issues involved. There is no standard approach and, consequently, no standard outcome from these processes. Opportunities are greater in or near major cities, but so are costs and process delays. Local collaborations between a First Nation and nearby town might produce less spectacular economic results—a gas station and pharmacy rather than an office town or residential housing complex—the chance to improve local relationships and collaborations could have substantial long-term benefits. Local collaborations between First Nations and smaller municipalities may produce less than spectacular results—gas stations and pharmacies, rather than offices and housing complexes—which may not have substantial long-term benefits. The issues at play, obviously, vary dramatically depending on such factors as the size of the reserve, the use of the urban lands, distance from the home reserve, and the receptiveness of the local community. Some of these issues are:

• **Complex Legal and Technical Processes:** The establishment of an urban reserve requires extensive legal and administrative work. Negotiations with the Government of Canada are rarely straightforward or fast. Careful discussions must be had with municipal authorities. Third-party interests, involving land matters and commercial considerations, can complicate discussions, adding to the time and cost of what seems, on the surface, to be a simple process.

• **Managing Community Expectations:** First Nations that get involved with urban reserve development, particularly at a considerable distance, often struggle to contain community expectations. The impact of urban reserves generally expands over time, and they rarely produce immediate economic prosperity. Community members need to focus on the long-term possibilities and not expect immediate or short-term results. Urban reserves are investments in First Nations' futures.



- **Accelerating Migration to Urban Areas:** A successful First Nations urban reserve is a powerful magnet for individuals and families. The creation of jobs and Indigenous-owned companies provide opportunities for individuals who often see few, if any, prospects close to home. An urban reserve established to provide economic resources for the home territory could have the effect of encouraging local families to relocate to towns and cities.

- **Fragmentation of Governance and Commercial Focus:** It takes time to set up an urban reserve correctly. Developing the land and commercial opportunities takes money and entrepreneurial expertise. Time, access to First Nations officials, commercial ability, and money are in short supply in most First Nations communities. Resources allocated to an urban reserve—while often in the best long-term interest of the community—invariably take attention and talent away from important local needs and opportunities.

- **Fee for Service versus Reserve Status:** First Nations have the option of holding urban lands in fee simple (i.e., in the standard ownership model) or as reserve lands. There are advantages with the fee simple approach, in that the land can be used as collateral for mortgages and business loans. Reserve lands, in contrast, cannot be sold or otherwise alienated and therefore are not available to be used as collateral.

- **Possibility of Commercial Failure:** Like all commercial ventures, the establishment of an urban reserve carries the risk of failure. Broad forces outside the control of the First Nation—the decline of an economic sector, a change in government policy, or investments by private non-Indigenous companies—can undermine an otherwise well-planned and appropriate investment strategy. Any urban reserve plan must include a careful analysis of risks and benefits and must account for the possibility that the initiative may not work.

- **Complicating Indigenous-Non-Indigenous Relationships:** Although the establishment of an urban reserve can bring major improvements in Indigenous–non-Indigenous relations, the creation of an urban reserve often generates hostile or unfriendly reactions. The establishment processes spark comments from those who do not support the extension and exercise of Indigenous rights. Debates about services, development plans, and specific activities can produce unfriendly outbursts and alignments against Indigenous interests.

- **Difficulties Associated with Managing Prosperity:** First Nations in Canada have endured the political and socioeconomic realities of poverty for generations. A steadily increasing number, however, are now experiencing a burst of prosperity and opportunity, sometimes attached to the activities on an urban reserve. Not all First Nations discuss in advance how they propose to manage the profits from successful commercial operations and, when real income is produced, find themselves in intense community debates about how to use the money. Some favour additional long-term investments and business creation; others want the profits distributed equally among the First Nations membership. Many community members support disbursements to elders or investments in language, culture, and traditional activities.



Concluding Comments

Based on the above benefits and drawbacks to urban reserves, an important question still remains: So what? Of all the economic tools a First Nation can use to provide revenue for their community, why should an urban reserve be the preferred option? At the end of the day, if the conditions are right (e.g., economic and social timing, capacity of First Nation, etc.), there are strategies in place to counter each of the identified challenges. And the resulting socioeconomic benefits and spillovers are greater for a community than those that can be achieved using alternate tools. Although the case of Squamish First Nation is exceptional, it highlights just how far an urban reserve can push the boundary of possibility if the conditions are right.

Another key observation is that the success of an urban reserve involves multiple entities, including the First Nation(s), the local municipality, government, and potential investors. As for investors, one important question to consider is why a business would want to invest in or be located on an urban reserve? For Indigenous businesses, there is the opportunity to capitalize on tax benefits; for non-Indigenous businesses, it could be corporate social responsibility, access to new markets and labour, capitalizing on First Nation regulatory benefits and so on (Blackman 2017). Indeed, according to Indigenous Works, not only is the Indigenous market's GDP worth \$32 billion in Canada, "[t]he purchasing power of Indigenous people is expected to increase by a factor of four as education and employment outcomes trend upwards." (Indigenous Works n.d.)

Below is a preliminary checklist of key elements that can help kickstart one or more First Nations communities into serious reflection on what they can achieve and how to overcome the obstacles because, ultimately, the creation of an urban reserve is a business proposition and must be approached and understood in that context:

- Is the First Nation supportive of investment in a reserve at a considerable distance from the host reserve or does it want a reserve close at hand?
- Is the proposed host community (local government and business community) supportive of the idea or at least willing to explore jointly the possibility?
- Are there commercial partners, Indigenous and non-Indigenous, actively and seriously interested in the development of the urban reserve?
- Is the proposed urban reserve location commercially valuable and viable, as reviewed by financial institutions, investors, and prospective commercial partners?
- Does the First Nation understand the human resource requirements of the reserve creation and operations process and is there a training and recruitment strategy in place to prepare Indigenous peoples for the positions?
- Does the Government of Canada support the Addition to Reserve application and will it agree to expedite the application?
- Does the property proposed for the reserve have the potential for medium and long-term commercial growth?
- Does the First Nation have the financial resources needed to pay for the development of reserve infrastructure and support early-stage commercial operations?
- Does the First Nation have a preliminary strategy for the use and/or reinvestment of urban reserve profits and has this plan been shared with the community as a whole?

As recent developments have shown, urban reserves can play a major role in economic revitalization and can build bridges for Indigenous peoples into the broader Canadian economy and with non-Indigenous peoples and governments in larger centres.

Evelyn Peters, one of Canada's foremost urban geographers and a specialist on urban Indigenous issues, summarized the possibilities and impact of urban reserves nicely in 2007:

Urban reserves can represent an important economic development opportunity for First Nations. They represent access to urban markets with high-income consumers, more skilled labour, and lower transportation (costs) than on rural reserves. They also create employment opportunities for First Nations people and allow First Nations to capitalize on both rural and urban economies. They also provide an environment where First Nations' members can interact as entrepreneurs, clients, and public citizens, and a centralized location for the interaction of First Nations government businesses and organizations. Hopefully, as more First Nations investigate the possibility of creating urban reserves, the process will become more familiar to First Nations, governments, and the general public, and urban reserves will become a taken-for-granted part of the urban fabric in Canada. (Peters 2007, 17)

Establishing an urban reserve is, for any First Nation, a major and potentially valuable initiative. It is to be done with careful planning and full community engagement.



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