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Anishinaabek



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NORTHERN RECONCILIATION
RÉCONCILIATION DANS LE **NORD**

Research Report | Fall 2022

The Decision-Making Process Behind Urban Reserve Development

Nation Rebuilding Series, Volume 4

By: Charles Cirtwill, Dr. Ken Coates, and Rachel Rizzuto

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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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Partners

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 Authors

Charles Cirtwill



Charles Cirtwill is the founding President and CEO of Northern Policy Institute.

Charles joined NPI in September 2013 after twelve years with the Atlantic Institute for Market Studies.

His published works focus on government structure and organization, business-government relations, inter-governmental relations, performance measurement and accountability. He has spoken across Canada and the United States on the role of think tanks in society, the appropriate assessment of government activities, and the use of school performance data to improve classroom practice and fully engage all education stakeholders.

He has had leadership and Board roles in multiple organizations including Civitas, IPAC, Scouts Canada, the Rural Ontario Institute, the Mowat Centre, several local school associations, and local homeowner's associations. He attended Dalhousie University, earning a BA in Political Science, a LLB, and a MPA with a focus on quantitative and qualitative assessment of public policy and programs.

About the Authors

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.

He has served at universities across Canada (UNBC, UNB and Waterloo) and at the University of Waikato (New Zealand), an institution known internationally for its work on Indigenous affairs. He has also worked as a consultant for Indigenous groups and governments in Canada, New Zealand, and Australia as well as for the United Nations, companies, and think tanks. Ken has also served as the past president of the Japan Studies Association of Canada, and in November was inducted into the Royal Society of Canada.

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.

Rachel Rizzuto



Rachel Rizzuto is the Research Manager for Northern Policy Institute. Originally from the United States, Rachel attended the University of Guelph and the University of Waterloo, earning her B.A. (Honours) and M.A. (co-op) in Political Science, respectively. Throughout her academic and professional careers, Rachel has pursued the study of community and economic development, an enthusiasm borne out of travel throughout rural and urban China. Through her role at NPI, Rachel provides research expertise and passion for seeing northern communities thrive.

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Executive Summary

The creation of an urban reserve is not a copy and paste process. A multitude of decisions are involved that depend on a range of economic, social, legal, political, and financial factors. What a remote First Nation envisions and decides may look different than what a First Nation that is located only one hour outside of a large city centre wants.

There are five key decisions that will need to be made in the development of an urban reserve:

1. What is the overall objective or vision for your community and/or Nation?
2. Who are you engaging and/or partnering with (government-wise, business wise, etc)? How and when are you engaging and/or partnering with them?
3. How will the urban reserve be financed?
4. How will the urban reserve be managed to ensure long-term success?
5. How will costs and benefits be measured, both on a small-scale and on a broader community-scale? How will benefits be maximized?

By no means are these questions the only ones to answer. Nor do these questions exclude other key actors in the urban reserve process such as all three levels of government, local businesses, post-secondary institutions, chambers, and so on. These entities can and will play a role at various points as a First Nation carries on through this process.

Overall, with careful planning and smart decision-making, an urban reserve could be a transformative opportunity for First Nations, as well as contribute to the strengthening and health of reconciliation.



Introduction

“Indigenous peoples have the right to self-determination. By virtue of that right they freely determine their political status and freely pursue their economic, social and cultural development” (UNDRIP, Article 3).

In the pursuit of sustainable and prosperous community growth, not everyone is at the same starting line. Nor does everyone have the same tools to succeed. There are various reasons why this may be the case, such as location, human capital, or government relationships. These elements and others have been explored in the Nation Rebuilding series, which dives into some of the economic tools available to First Nations in Canada, such as urban reserves.

For First Nations that are considering the establishment of an urban reserve, it can be an attractive option; however, creating an urban reserve is a multi-step process and decisions must be made carefully. The decisions range from whether urban land is needed to achieve a First Nation's community goals, how to maximize an urban reserve's competitive advantage, and how to finance an urban reserve.

This paper will explore these types of decisions while utilizing a series of business scenarios. These scenarios were developed from in-depth interviews with a former CEO of a First Nation Development Corporation. The First Nation DevCorp in question had a staff of only three people, ran low overheads, and worked within a shared First Nation business workspace. It effectively used grants and investment partnerships to maximize its capacity to create and tackle business opportunities.

The short scenarios and excerpts have been anonymized with specific places and business names removed. They do, however, provide examples of concrete business decisions which address many of the issues that could be faced as interested First Nations consider an urban reserve development.

Finally, while case studies and the experience of other First Nations can provide directions/suggestions, the final determination must align with a First Nations' aspirations and priorities and must have a legitimate opportunity to succeed.



What's Your Objective?

First, what is the vision for your community?

It's not a particularly easy question to answer, as the response can lead to various paths, each with its own set of questions, opportunities, and challenges. In addition, there are external factors that may constrain or influence how a First Nation can answer this question. For example, there may be existing treaty rights to certain lands within a geographic boundary, or a desire to avoid conflict with other First Nations.

However, setting aside those factors for a moment, a First Nation can ask themselves: What is the overall objective? Is it more residential space? Is it an opportunity to generate own-source revenue? Is it a mix of both commercial and residential? The answer to this will determine location and commercial activities.

Let us say that a First Nation decides that they would like to pursue an urban reserve for commercial reasons and now they need to determine the location. The presence of an existing opportunity is one way to choose between available options.

Consider the case of a hotel that, by 2017, had fallen into poor shape after some 40 years of service, with severe management problems that were made worse by the loss of liquor and food licenses. This once-proud lodge-style hotel was soundly built and had once been well maintained and managed by the original builder/owner. Although small, with 12 double rooms, a lounge/bar and a non-commercial kitchen, the property was commercially zoned and covered some six acres in size with at least 60 per cent of the area unused. It was on the main road into town and close to a municipal airport.

The building inspector reported that it has good bones and was structurally sound, but it needed a major facelift externally and internally. The interested First Nation DevCorp began developing a business plan to acquire the hotel as a First Nation business asset from the non-Indigenous owners. The process included researching the current ownership and the owners' liabilities; reviewing possible approaches to acquiring the property through open discussions with the current owners; and, in time, as that approach failed, work with the mortgage holders. They also assessed the costs of bringing the existing hotel up to industry standards for safety, energy efficiency, management systems, and connectivity. Finally, an assessment was made of the larger property itself and how it could be more effectively monetized.

The existing owners were failing financially but were unwilling sellers due to the amount of money still owing on the mortgages they had enacted on the property. The original asking price was \$750,000 but independent evaluations estimated the market value at far less. Assessments of the costs to bring the hotel up to market and ensure health and safety standards indicated that the selling price would have to be greatly reduced. It was generally assumed by the original owners that the First Nation DevCorp could pay top dollars.

While the First Nation DevCorp wanted the property to be part of its urban business portfolio, and the location was perfect for its needs, the feeling was that patience would be best employed, and that the failing management team was unlikely to revive the hotel's business life. It was just a matter of time and gathering business information.

Meanwhile, the DevCorp management team started to explore the financial position of the hotel company and to develop hotel chain business partners who could move in to renovate and manage the hotel within their chain. At the end of 2018, almost 18 months since the project was initiated, they heard that the organization that held the mortgage on the hotel was in the process of foreclosing. Having built a partnership with a regional hotel chain, the DevCorp began negotiations with the owner of the hotel and acquired it at a distressed price of less than half of the original asking price.

Once acquired, the joint venture had to close the hotel down, undertake the renovations to the interior and exterior, using, where possible, First Nation contractors and labour, set up the hotel management and marketing tools, reposition the hotel with its first website, and finally, bring it into the hotel management team's international marketing services.



Relationships, Partners, and Engagement

When building an urban reserve, knowing who you want to engage with, how, and when are key. There are various groups that will likely be a part of this process, but it really boils down to other First Nations, government, and community actors (both Indigenous and non-Indigenous).

With regard to other First Nations, there are multiple ways that this engagement can be carried out. One example is whether there is a First Nation that is already close to an urban location. One example in Northern Ontario is Fort William First Nation, which is located next to the City of Thunder Bay. If another First Nation is scoping out potential locations and felt that proximity to the city was beneficial for their Nation, discussions with Fort William First Nation would be encouraged. Other examples in Northern Ontario include Nipissing First Nation near North Bay, various First Nations near Kenora, and Garden River First Nation near Sault Ste. Marie.

Engagement with the municipal and provincial governments would also occur (City of Winnipeg 2016, 3). During discussions with the municipality (if a location has been chosen), both parties could talk about areas of interest and concern, bylaws, servicing, and so on (ibid, 3). The goal here would be to work toward a Municipal Development and Services Agreement (MDSA), which "outlines the type of services that one party provides to another, and the corresponding fees that the receiver of services agrees to pay" (ibid, 3).

Consider the example of an innovative agricultural business. As a business deal, this was a winner. Almost 70 per cent of the costs of the project were covered by grants. The granting agencies have all toured the facility and eaten from it. The DevCorp has a winner that even during Covid-19 kept producing and feeding the people. Once acquired and up and running the facility became a commodity which the bank could evaluate as a working asset. An asset against which the DevCorp could borrow investment dollars for new projects. With a ROI of just three years, this working, high-tech business is an example of leveraging First Nation grants for innovation and healthy food, working with local technology developers, and finding a market niche for hyperlocal food which is rapidly expanding post Covid-19.

The DevCorps' grocery store (where the produce was to be sold locally) is, however, on fee simple municipal land. As such, any changes to the grocery store require municipal approval. This was a chance for municipal officials to block a First Nation business venture, and they did so effectively. So effectively that what should have been a healthy addition to the community ended up being relocated to a site in another city where it is now in full production and earning the projected revenue the DevCorp expected. The firm lost three months of revenue due to the municipal government's actions and the community lost a healthy food alternative.



The message here is not just about municipal intransigence. The DevCorp could have foreseen this problem and lobbied harder for support from the municipal government. The local First Nation government also could have stepped forward to support the idea, but it failed to engage for its own reasons. In all communities the introduction of new technology requires a concerted effort and broad-based support. Unanimity is not necessary, but going it alone is never an option.

Naturally, engagement with the Crown must also unfold. Deciding when and how to engage with the Crown and other affected parties about creating an urban reserve is a balance of need and opportunity. Community leadership may decide to engage the Crown earlier in the process or, in a more informal way, to test barriers to progress in various areas, or the openness to negotiation on certain points.

Finally, in addition to government and other First Nations, a First Nation can consider how they would want to work with other actors such as through business partnerships. Consider the experience of one, near bankrupt, First Nation DevCorp. Between 2016 and 2020, this DevCorp went from near-bankruptcy and loss of banking privileges to being a successful, award-winning DevCorp with assets in the millions and a net profit margin of nearly 40 per cent.

What did the DevCorp have going for it? Not much, other than one interesting and “paying” joint venture with a Canadian engineering firm, and a couple of Comprehensive Benefit Agreements (CBA) with mining firms. It also had increasing cachet due to Indigenous business relations, which settler society companies can acquire by partnering with Indigenous development corporations. This avenue was one that was extremely attractive to the DevCorp, especially given the limited resources at its disposal and the pressing need to get out of debt. Under the CBA agreements, firms owned by the First Nation or, from which the First Nation received benefits, have an advantage when bidding on contracts with resource development firms or, in other cases, government agencies or utilities working in their territory. With a little effort, this could be expanded to mineral exploration firms or forestry and fishery resources.

By partnering with the First Nation DevCorp, the settler society firms were able to acquire an element of legitimacy for their profit taking within the traditional territory. In turn, they received letters of support for their bids on projects, and lobbied support from the First Nation DevCorp.

Based on the advantages gained by both parties, the DevCorp quickly gained traction as a firm that western¹ or settler society firms wanted to partner with in the region. The DevCorp began by looking at the mining supply chain and assessing which local/regional firms could best fit into the business model that the DevCorp was developing. The mining supply chain is well articulated and includes dozens and dozens of specialist fields from camp catering to heavy equipment servicing, from drilling to earth moving, from expediting to trucking to charter airplane and helicopter services, from human resources to explosives, from underground mining equipment rentals to concrete encasements, and so on and so forth.

Within 18 months, the DevCorp had a list of partners that included some 40 revenue-sharing agreements in most of these fields as well as several new joint venture partnerships. In essence, a virtual corporation was created with revenue sharing of between one and four per cent of gross revenue, depending on the sector, on each contract/project. Assuming a contract of \$20 million with resource firms on the First Nations' traditional territory under CBA terms, and that the DevCorp acquired, on average, 2.5 per cent of the gross value of the contract, then the DevCorp, through its partnerships, would have earned \$500,000 on the value of the contracts in that year. This is a gross profit of \$500,000 for the DevCorp to cover operating costs, staff salaries and expenses such as banking fees, audit, and lawyers' fees.

¹ The term “western” typically refers to “Western lifestyle or European civilization, is a term used very broadly to refer to a heritage of social norms, ethical values, traditional customs, belief systems, political systems, and specific artifacts and technologies that have some origin or association with Europe” (Science Daily). In the context of this piece, it is referring to the traditionally mainstream culture and norms in Canada.



Show Me the Money

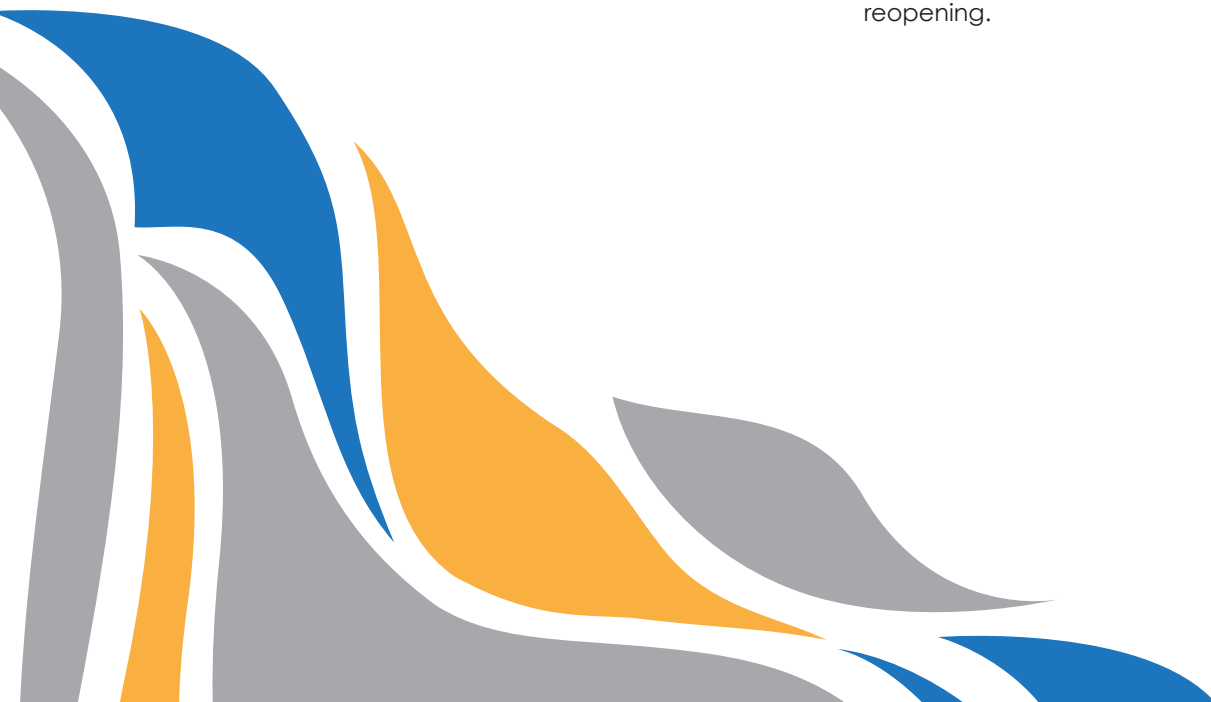
Depending on the intention of the urban reserve (commercial, residential, or both), the funding of these activities is one of the key pillars behind its success. Where and how the land is secured will also determine costs. Communities should have a sense of their preferred mix of funding sources and should also be aware of the need to compromise. Indeed, they should expect that, in the end, the ultimate funding mix will be dependent on negotiations. These negotiations will be driven by the priorities and capacity of the Crown, the capacity of individual communities, and external investors.

In the case of the reborn DevCorp discussed earlier, small grants were acquired (generally under \$20,000) that supported renewable energy planning for DevCorp's commercial properties, office technology acquisition, staff training in accounting, and a property land management and acquisitions feasibility study. The DevCorp also partnered with a business school university program that helped acquire a small exploration research grant which covered the costs of a management professor's time and resources on business planning. Some \$120,000 also covered the costs of installing solar panels on the roofs of the firm's commercial buildings in order to lower the cost of energy to the tenants and add asset value to the buildings. These commercial grants were low-hanging fruit, which added value to the existing buildings and provided evidence that the firm could deliver on time and on budget on projects funded by government agencies.

The DevCorp also applied for an Energy Audit of the hotel which, once completed, qualified the DevCorp for upwards of \$200,000 in renovations to upgrade boilers, windows, and doors, and add insulation to the building. This work, once accomplished, added additional value to the hotel at a rate of 51 per cent for the DevCorp and 49 per cent for the hotel management firm that oversaw the project management.

This creativity wasn't restricted to government financial arrangements either. As part of the deal with the hotel management team, the DevCorp created a joint venture with the hotel firm, maintaining a 51 per cent ownership position and control of the board of directors. A management contract was developed, allowing the hotel firm to manage the facility's day-to-day operations, earn rates on services provided, and share year-end revenue.

Using corporate liquidity, the DevCorp was able to immediately offer cash to the original owners to clear their mortgage debt. The DevCorp had access to a \$750,000 line of credit through its regional NACCA at 5.5 per cent, while the expected ROI on the hotel, based on a 65 per cent occupancy rate, would be closer to 10 per cent. To purchase its 49 per cent of the hotel's value, the hotel property firm paid for most of the immediate renovations to the hotel and ancillary buildings, which included staff housing and outbuildings, some \$350,000 in total. These changes were all required in order to bring the hotel up to the DevCorp's standards prior to reopening.



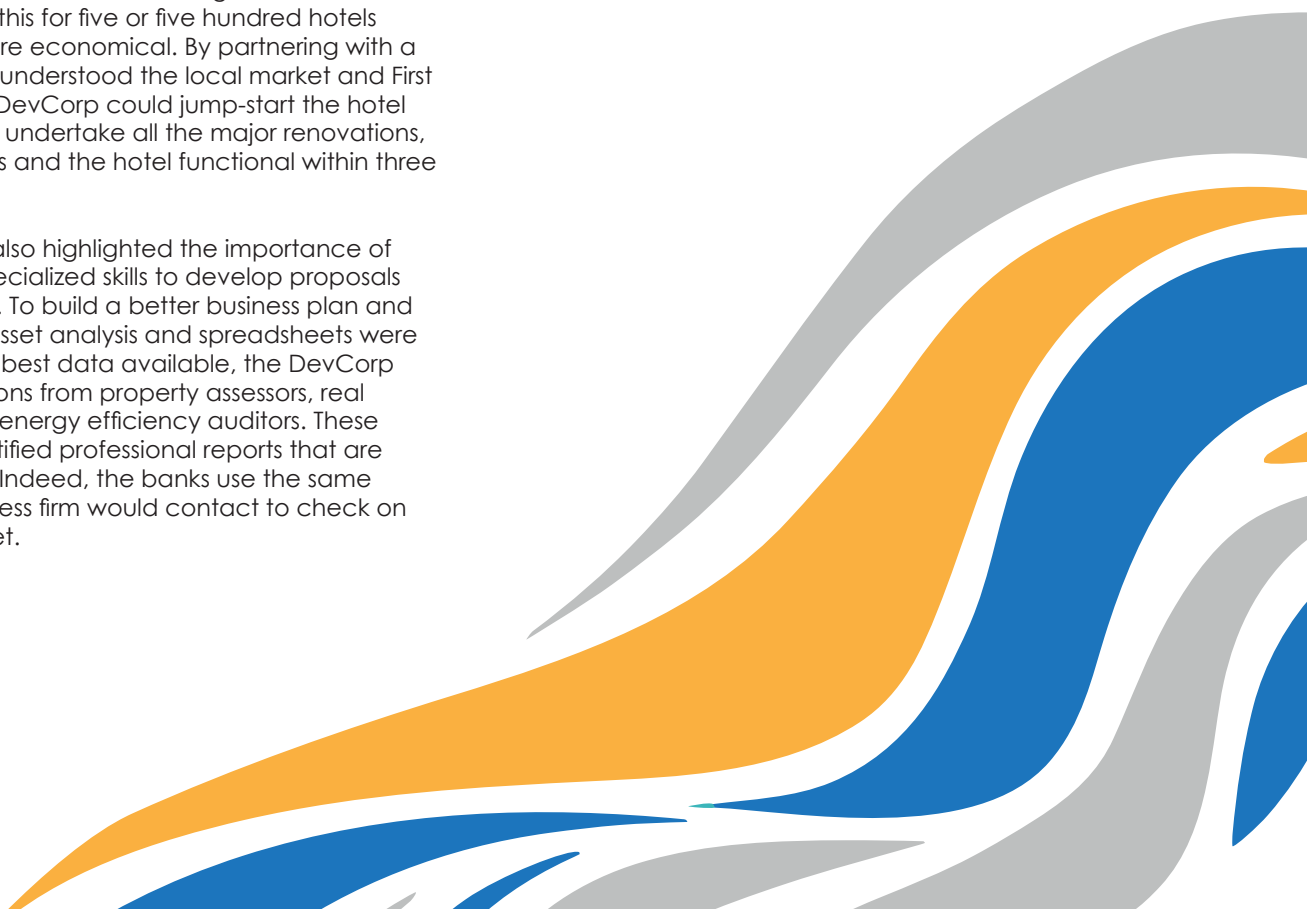
Management

Now that the bones of the urban reserve have been established, it's time to move onto the brain. How will it be managed to ensure long-term success? Aside from the internal management such as administration, there is the external aspect of selecting the partners and professional service providers with whom to work.

Consider again the well-built but poorly managed hotel. Key to this project moving forward, the DevCorp needed to build a business relationship with a recognized and successful hotel management team that understood property development and were First Nations friendly. Many western business groups understand the dynamic relationships that can be developed between western firms and Indigenous business opportunities. The firm selected an already jointly owned hotel in another community where a number of First Nations were invested in the firm's limited stock options. Hotel management is a very specialized business, and the margins are tight. Efficiency in managing staff and resources is essential and there are remarkably high returns for the scale of the economy. This is why very large international hotel and motel chains operate as they do. Buying for one hotel, developing plans for one hotel, training staff for one hotel is expensive. Doing this for five or five hundred hotels becomes much more economical. By partnering with a regional chain that understood the local market and First Nation culture, the DevCorp could jump-start the hotel acquisition process, undertake all the major renovations, and have the rooms and the hotel functional within three months.

The hotel scenario also highlighted the importance of bringing in other specialized skills to develop proposals and design systems. To build a better business plan and to ensure that the asset analysis and spreadsheets were populated with the best data available, the DevCorp sought expert opinions from property assessors, real estate agents, and energy efficiency auditors. These experts provide certified professional reports that are somewhat reliable. Indeed, the banks use the same experts that a business firm would contact to check on the value of an asset.

And on that note, building a strong working relationship with one's legal team and bankers is also an essential step in developing not just an individual business deal, but a longer-term business strategy and vision. A First Nation's corporate lawyer often has decades of experience in the realm of corporate planning, deal development, as well as First Nation business activity. These professionals are there to protect a First Nation's business interests and provide advice on options available in a deal. They often have a strong understanding of the business community and have networks that help support that knowledge. Finally, they can advise on tax law and how a new business deal might impact taxable income.



All too often, First Nation DevCorps do not have a meaningful relationship and dialogue with their bankers. This should not be the case because when a First Nation succeeds, bankers succeed. By keeping one's banker informed about business plans, by sharing plans with them in scheduled meetings, and by reviewing investments with them, one can start to build a stronger sense of what they can provide, and they can build a better idea of how a First Nation's firm operates and understand its principles. On the hotel project, the DevCorp worked with the regional NACCA organization and BMO Indigenous banking to secure financing and review the business plan for the hotel. One major outcome of the meetings with BMO Indigenous banking was their request that the DevCorp move all its banking operations to the local BMO branch. This allowed them to approve the DevCorp for a substantial line of credit for future investment based on existing cash flow.

While the hotel scenario ultimately highlights a successful banking relationship, let's not forget that during the rebuilding phase, the new DevCorp management team had to navigate rough waters with the banks, accountants, and auditors. The team was taking on a nearly divested company that was essentially penniless. The first two years were about building trust, communicating plans and ideas, and testing the waters for business opportunities and government support. Sadly, the past management team had an extremely poor track record, many incomplete projects, and unpaid creditors.

The first of the firm's annual audits - and one which was overdue by a few years - resulted in a multi-page set of recommendations for improving the firm's management and accounting practices. This was not unexpected; it was a welcome notification of the problems the new management team inherited. There was also a playbook for what needed to be done in the next few years and a strategy plan for business management. By the team's final audit, the multi-page document was reduced to two-line items, both of which related to the financial management of a subsidiary that the managers did not directly control.

Meanwhile, at the DevCorp's original charter bank, which they had been using for decades, the level of distrust, regardless of positive and audited profit and loss statements for three consecutive years was, apparently, just too deep a hole to dig out from. It was time to change bankers, and after interviewing several bankers, the management team decided to work with BMO Indigenous banking. Again, numerous conversations were had, research was undertaken and the decision to relocate was made. Bankers are a conservative and very demanding group to work with, but they are essential for business financing, and dispense solid advice. Once on board, they are a rich source of support for business development.



Measuring and Maximizing Benefits

The decision to start an urban reserve will likely be made, or at least heavily influenced by, discussions around other operational, legal, and technical details. As such, these details will be constant factors throughout the design and decision-making process.

On the accounting side, there are legal provisions to be made to share any profits from the urban reserve. Even defining net income (or profits) can be controversial as some community members may see certain items as costs, while others may see the same items as benefits. Once beyond that, decisions will need to be made in relation to factors such as percentage of income dedicated for maintenance and improvements, and wealth building.

Beyond that is the broader sense of community benefit, broader benefits that accrue even where the primary focus is a commercial operation. What the community wants must be central to the decision, not only to have an urban reserve, but also in how it is designed and how it operates.

Indeed, the previously mentioned agriculture business demonstrated how profit can be generated even where the community focus is on low-impact green investments. High-tech and distance solutions also abound in the scenarios discussed here. The business delivered a series of benefits to its host community:

- a community-owned grocery store
- discounts for Elders/Seniors
- discounts for corporate orders being ordered and shipped through Foods
- bulk orders for special occasions
- employment opportunities
- scholarships for First Nation staff
- free sales space for First Nations artists

Another example is the development of NMxCo, which was a long-term play by the DevCorp and one that was long overdue and should have been started 25 years ago when the First Nation firm was originally founded. Mining is a long-haul exercise. Investing in and proving out a resource can easily exceed ten years getting to market. Of course, negotiations with First Nations as well as environmental and water regulatory approval may add upwards of another five years or more. But clearly, the first step for a small First Nation, regardless of the wealth of mineral resources in their backyard, is to start a mineral exploration company that offers exploration crews and geologists to existing firms while it starts to stake and explore for its own resources.

Creating employment and training options in NMxCo for First Nation members was on the agenda, but the educational requirements for entry-level positions were generally beyond the level of those in need of jobs in the community. The search will be for second year students, or beyond, in geology or natural resources education at a university or specialist college. One of the firm's sister companies offered annual scholarships for First Nation students in the STEM and Engineering sectors, but candidates were few. If successful, NMxCo will in time start to focus on geology as an option for First Nation youth and provide summer jobs for them. In time, the DevCorp envisions NMxCo being managed by First Nation geologists and having most of its field crews composed of First Nation geology students.

Conclusion

Setting up an urban reserve could be a once-in-a-generation opportunity to set a new economic course for First Nations' citizens – although it will take a decade or longer to capitalize on its full potential. Decisions will have to be taken cautiously and carefully. Properly done, an urban reserve could transform the economic circumstances of interested First Nations and their citizens. It could, in the process, provide a much-needed shot in the arm for the host community or communities, and provide a physical foundation for reconciliation. But the path forward requires a series of choices, each of which will shape the future of First Nations wanting to take that step.



References

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About 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.

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