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Lessons from the Yukon for Northern Ontario?

First Nations, Tourism and Regional Economic Development

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Author's calculations are based on data available at the time of publication and are therefore subject to change.

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About the Author

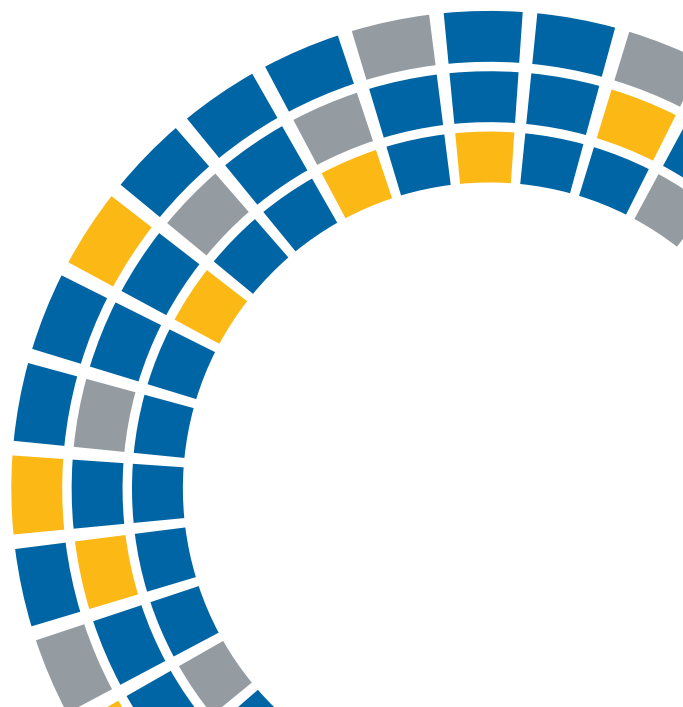
Justin Ferbey



Justin Ferbey is Deputy Minister of Economic Development of the Yukon Government and President of the Yukon Development Corporation, the crown corporation responsible for promoting economic development of Yukon. He is also former Chief Executive Officer of the Carcross Tagish Management Corporation, where his efforts resulted in the 2013 Innovator of the Year Award from the Tourism Industry Association of the Yukon and made him an Innovator of the Year finalist in the 2013 Canadian Tourism Awards.

Justin is a federal appointee to the Joint Public Advisory Committee of the North American Agreement for Environmental Cooperation, and former president of Skookum Jim's Friendship Centre. He was previously a federal fiscal advisor in the British Columbia treaty process, director of the Yukon Energy Corporation, vice-chair of the Yukon Chamber of Commerce, and an executive of the Carcross/Tagish First Nation.

Born and raised in the Yukon, Justin is a citizen of the Carcross/Tagish First Nation. He holds a Bachelor's degree in neuroscience and an MBA from the University of Liverpool. He is also a 2007 Action Canada Fellow and an alumnus of the US Department of State International Visitor Leadership Program (2013).



Purpose

This commentary was transcribed from a presentation that Justin Ferbey gave on January 7, 2016 at the Goring Family Lecture Series on Sustainable Northern Economic Development in Sudbury, ON. The event was hosted by Laurentian University, Northern Policy Institute, and the Greater Sudbury Development Corporation. The editor has adapted some of the text for the sake of structure and narrative.

This presentation is viewable on Northern Policy Institute's YouTube channel.



In 1870, two traders navigating the Yukon River toward Dawson encountered a group of Tlingit warriors standing along the river bank. The warriors began shouting, which made the traders nervous, in part because they had read that the Tlingit warriors used poles to crush their opponents in battle. The traders grew more apprehensive when the warriors approached them in canoes, to the point where one trader reached for a firearm. But before he could retrieve it, a Tlingit warrior broke the tension of the moment, offering up some freshly caught fish in the hopes of exchanging them for tobacco.

This encounter was not the first interaction between my people, the Carcross/Tagish First Nation, and non-Indigenous people. In fact, our community, Carcross, has long been a crossroads for traders, businessmen, and travellers alike. First Nations people traditionally established winter camps along the shores of Nares River to fish and to hunt caribou. Starting in the seventeenth century, we engaged in trade with the people of modern-day Russia just off the shores of Alaska. In 1898, thousands of miners from across North America travelled to Carcross to seek their fortune in the Klondike gold rush. And in the early twentieth century, Carcross was the site of the last spike which forged a rail link between the Yukon interior and the coast. These activities demonstrate our very long history of trail and trade, entrepreneurship, and self-sufficiency.

That spirit of self-sufficiency and entrepreneurship was considerably damaged by the arrival of the residential school system in our community. Today, we are reclaiming that legacy, drawing on Carcross' continued status as the gateway for tourists who want to learn about the Klondike and the Yukon. This is a place where people can connect not only with First Nation culture and heritage but also with natural beauty and outdoor experiences such as hiking, biking, and paddling. It also is the perfect destination for anyone looking to experience relaxation and renewal.

Through strategic investments and marketing, we are establishing Carcross as a highly desirable destination, creating a strong, sustainable engine of economic development, and rediscovering our sense of self. In so doing, our community has become a model for generating investment, employment, and growth—and for pursuing cultural reclamation—for other First Nation communities.

Although Carcross has long attracted trade and visitors, it has only been over the past decade that we have been promoting our community in a strategic way. The catalyst for this more focused approach was the 2005 ratification of a self-government agreement that saw 11 of 14 First Nations in the Yukon united in removing ourselves from the vestiges of the Indian Act to reclaim our self-sufficiency.

Through **strategic** investments and marketing, we are establishing Carcross as a highly **desirable** destination, creating a **strong**, sustainable engine of economic development, and rediscovering our **sense of self**.



*Killer Whale Totem Pole, Carcross/
Tagish First Nation, Yukon*

Once we restored strong self-governance to our community, the Carcross/Tagish First Nation had the ability to pursue economic development on our terms, and to explore the opportunities that tourism provides.

Our first step was to bring the community together to develop a prosperity mandate. We sat down with everyone, particularly our elders, to determine how we could invest in our community, address risks, and develop a strategic plan to create opportunities for everyone in Carcross. The consensus was clear that we should develop outdoor experiences that attract tourists, and we should pursue more private investment and trade.

Having determined our economic development path, we established the Carcross Tagish Management Corporation, which was charged with growing a private sector economy not just for our community or our region but also the entire Yukon. Through our self-government agreements, we had access to approximately \$40 million in low-cost capital, and used that to establish two trust funds: a \$30-million fund for investments in the global financial markets and a \$10-million fund for venture capital-type investments in Carcross.

With the management corporation in place, we created an economic development strategy focused on tourism. Carcross already had achieved success in the sector, but we realized the tourists who traditionally visited us travelled by cruise lines and buses—all of which were owned and operated outside our community. As a result, visits tended to be relatively short in duration, with tourists having just enough time to look around Carcross, purchase a souvenir or two, and then enjoy an ice cream. Our goal was to attract visitors through our own efforts—visitors who would plan extended stays and experience our community, resulting in significant economic returns for us.

What we wanted was to establish Carcross as a truly unique travel destination built on a triple-P economic strategy: people, planet, and profit. We wanted to address poverty in the community through training and promoting entrepreneurship. And we wanted to embrace distributive justice so that everyone would have the same chance to succeed. We would invest in infrastructure and experiences that embraced both our culture and sustainable business practices. Our services and accommodations would encourage extended stays. And we would explore opportunities for generating economic activity during the off-season.



Skookum Jim House, Carcross/Tagish First Nation, Yukon

The management corporation's first step was to create tourism experiences that would reconnect our people with our culture. Our goal was to restore a legacy of welcoming visitors to our community, entrepreneurship, and stewardship of our land, and we consulted with our elders for their advice on how best to do this.

It is said that you protect what you love, you love what you know, and you know what you are taught. If we were going to have a trail system that would encourage tourists to visit Carcross, we would need to involve our youth in creating and maintaining it. We launched Single Track to Success, a trail development program with a focus on fostering a connection between our young people and nature. By taking on the responsibility of protecting the land, they would carry on the work of their ancestors and enjoy the benefits of our economic strategy for years to come. They would also gain a stronger sense of culture, character, work ethic, and achievement that we hoped would convince them to pursue other goals, such as earning an education or starting a business. Ten years on, the program has engaged its third group of young people to work on the Carcross Montana Mountain Trail. These are youths who are fourteen and fifteen-years-old, and they are gaining invaluable skills and knowledge from previous program participants who continue to work on the trail.

Our second step in realizing our economic development strategy was to develop Carcross Commons, a retail village that would maximize economic benefits for our community and help make tourism a sustainable industry by providing goods and services that encourage extended stays. This undertaking was not without its share of challenges. Because this is the north, buildings must be built to specific codes so they can withstand the relatively harsh winter conditions we experience. Construction projects by grace of the northern environment require considerable capital—approximately \$200 to \$250 per square foot. Furthermore, given that the economy is relatively immature, returns are generally modest. We needed to make a case for top-down investment to potential investors, and to find ways to mitigate risks and costs.

Our management corporation decided that Carcross Commons would consist of mini-trailers. This gave us small pop-up retail spaces that we could build and adapt to highlight our heritage and culture. We chose a design that embraces the spirit of the Tlingit longhouse, one that incorporates the symbols of the six clans in our region. In keeping with our desire to stimulate and maintain economic activity during the off-season, the management corporation broke ground on the project in winter. This posed considerable challenges in terms of weather and cost, but winter traditionally has been a time of high unemployment for our people. As a result, we created approximately 10,000 labour hours, vital jobs, and economic activity in a season that otherwise would

have been difficult for our community. To mitigate financial risk, our management corporation secured the Yukon government as a Carcross Commons anchor tenant. With that contract in place, we focused on encouraging community members to start retail operations by offering a relatively low monthly rent of \$150. We had hoped this would inspire our young people in particular to become entrepreneurs, but it was our community elders who stepped up first, launching businesses dedicated to traditional crafts.

Since we set a low monthly rental fee to remove barriers to entrepreneurship, the management corporation decided to provide all marketing services for the Carcross Commons, promoting our businesses and community in travel publications. Several successful ventures have been launched to date, including Caribou Coffee, Frisky Fresh Fish, and the Bistro on Bennett, but we also set aside studio space at the Carcross Commons where our community could learn the art of totem pole carving. In this way, we have struck a balance between generating a profit for one and all and pursuing activity that further revitalizes our culture.

The next step in establishing Carcross as a distinct tourism destination with a vibrant economy was to create five-star accommodations in keeping with our culture, which we are working on. The final step was to ensure that we could generate year-round economic activity. Our management corporation identified residential development as a means to achieve this, and to displace the percentage of government money invested in the community with private sector capital. We chose Lake Bennett Beach for our residential development, which has been named one of the best in the world by magazines such as Reader's Digest and National Geographic. We envisioned a residential community that was unique and reflective of our heritage, and we reached out to architects and designers with an offer of \$2,500 for housing concepts in keeping with our culture. We then began to sell property along the beach with a caveat: our community will build your home for you. To do this, we would need to provide extensive home construction training to our people, but we recognized that this was an investment in their future, and the future of Carcross.

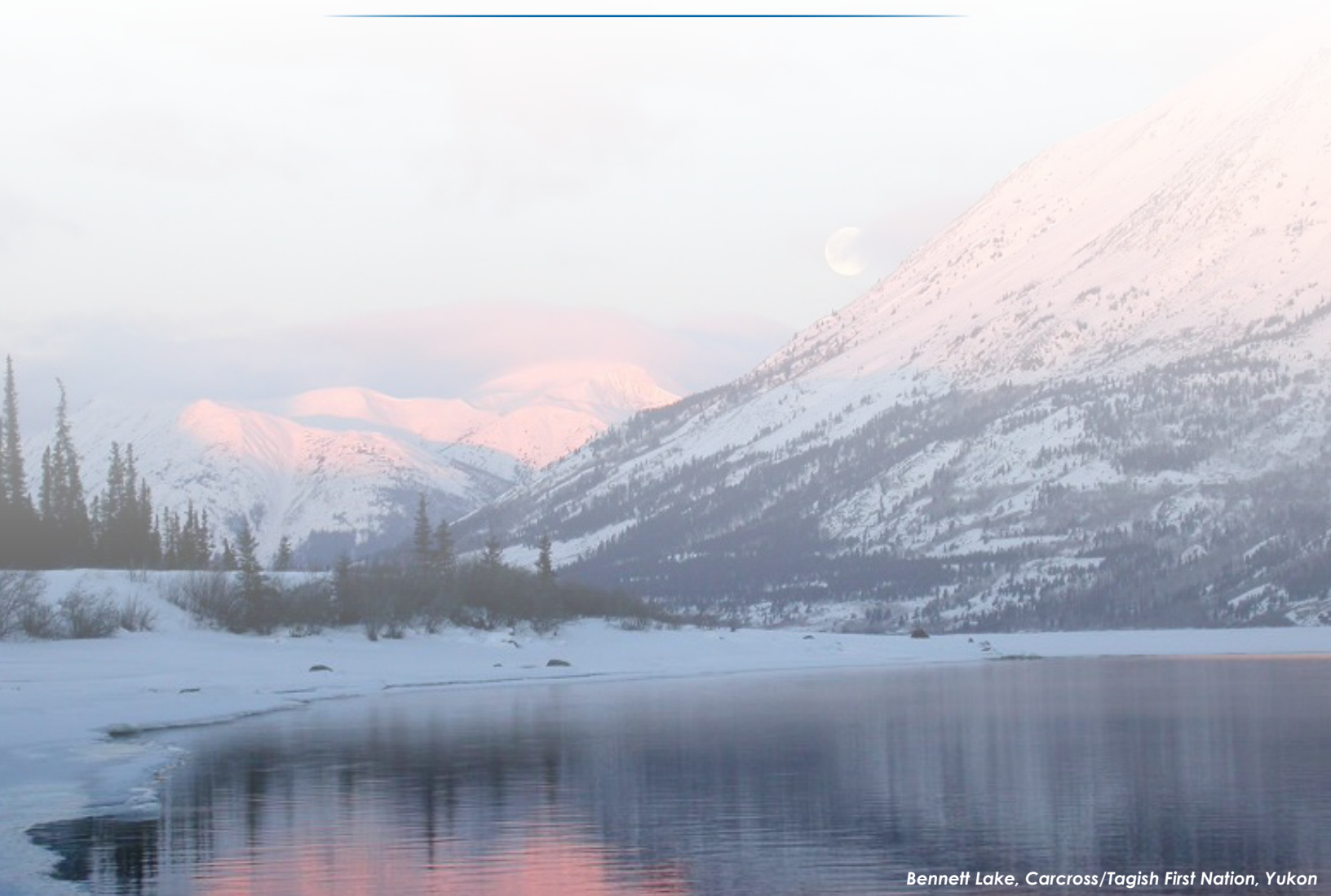
It soon became clear that the main challenge to our training plans was not imparting skills, but a legacy of residential schools and long-time abuse that resulted in addiction and employability issues. Realizing that the key to a healthy population is employment, Carcross/Tagish First Nation launched Tiny Homes, a skills development program designed to give our people the knowledge and support they need to graduate, to participate in the workforce, and to build houses that can withstand our northern climate. To date, the program has produced sixteen graduates who are all qualified to work in the construction sector.

The lakefront properties that we are developing are resulting in a new tax base for Carcross, and we retain fifty per cent of the personal income tax of everyone who lives on our land because we have self-government. That money is being invested back in our community, as are the earnings of our people through the goods and services they purchase. We are seeing the profit we wanted to see in part because we made it possible for our people to succeed—to leave behind dysfunction and dependency for paths that take them to universities and rewarding careers.

There are other achievements we take great pride in. We built a theatre here where our heritage and stories are coming to life thanks to the First Peoples Performances production company. We have attracted new partners to invest in our community, many of them Indigenous, and we are spending considerable time and effort in servicing their needs. But more important is the fact that the people of Carcross have been working as a group, bringing all ages, genders, and experiences together to achieve our goals, just as we have done for generations. In short, this is a true community success story and it demonstrates how you arrive at phenomenal ideas, and results, when you engage everyone in talks and planning.

The land here in Carcross has kept our people alive for thousands of years. But things change, and you can either have a say in how that happens or get swept aside by it. We have always taken on change, making a living one way or another. It is not easy. Not now, not ever. It takes passion, persistence, and the willingness to bring the community together to talk about what could and should be done. But if you take the time to do that, if you take the time to foster communication, I guarantee you will come up with the right solutions.

Our community has become a model for generating
investment, employment, and growth



About Northern Policy Institute

Northern Policy Institute is Northern Ontario's independent think tank. We perform research, collect and disseminate evidence, and identify policy opportunities to support the growth of sustainable Northern Communities. Our operations are located in Thunder Bay, Sudbury, Sault Ste. Marie, and Kenora. We seek to enhance Northern Ontario's capacity to take the lead position on socio-economic policy that impacts Northern Ontario, Ontario, and Canada as a whole.

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