Peguis First Nation
TLE Selection, Acquisition and Development
Background Report & Strategic Framework
This document has been strongly informed through consultation with the Peguis First Nation Community and the Peguis TLE Land Selection and Advisory Committee.

August 15, 2011  First Draft Submission of Background Report
September 6, 2011 Feedback on First Draft and Revisions
October 14, 2011 Presentation to LSAAC: Background Report and Initial Strategic Recommendations. Feedback and Revisions
December 20, 2011 Inclusion of Strategic Framework
January, 2012  FINAL: Background Report & Strategic Framework

The Institute of Urban Studies (IUS) is an independent research arm of the University of Winnipeg. Since 1969, the IUS has been both an academic and an applied research centre, committed to examining urban development issues in a broad, non-partisan manner. The Institute examines inner city, environmental, Aboriginal and community development issues. In addition to its ongoing involvement in research, IUS brings in visiting scholars, hosts workshops, seminars and conferences, and acts in partnership with other organizations in the community to effect positive change.
Executive Summary

“Which lands are selected for which purposes will have a huge impact on the social and economic future of the Peguis people for generations to come.”

Peguis Comprehensive Community Plan, p.60

This report sets out a framework on which Peguis First Nation can build their land acquisition strategy. The purpose of the framework will be to provide the conceptual and analytical tools the TLE Advisory Committee needs to select land for purchase and development. These tools will help articulate Peguis’ land development strategy in terms of objectives, principles, criteria and priorities. This document is the Background Report that outlines major concepts, principles and statutory bases for land acquisition and development, and findings from selected case studies, all of which will form the basis of further consultations with the TLE Advisory Committee and other stakeholders. It will be followed by a final Land Acquisition Strategy. Both of these reports will consider issues related to governance, evaluation criteria, substantive priorities and process.

This report reviews planning documents provided by the Peguis First Nation, including its Draft Comprehensive Plan; statutory documents; relevant literature related to land acquisition and development by indigenous peoples, particularly in the Canadian context; case studies of successful land acquisition and development.

For the purposes of this report, the Institute of Urban Studies considered the Draft Comprehensive Community Plan in regards to the question, How do land development considerations relate or contribute to each of Peguis’s community objectives as expressed in the Plan?

A review of the Plan reveals that most of the objectives in it are social, economic and program-related in nature, and less focused on the acquisition and development of land. However, given that all activities of the community must occur on land there is inevitably some significant correspondence with land acquisition and development concerns. Discussion points follow each CCP element related to land. While there are not clearly-stated linkages in the CCP between stated planning objectives and land use considerations, it should be recognized that all Band activities imply a physical location, and as such will be affected by the acquisition and development of lands.

However, one area that is referred to in multiple sections is that of housing, both on-reserve and off. Land-use planning can facilitate the more efficient creation of housing – for instance, by restricting in advance the construction of housing on the flood plain, and by planning appropriate locations for differing housing types. Housing considerations will also relate to other economic development activities and energy planning.

To undertake these land acquisition and developments, Peguis has at its disposal funds association with its Treaty Land Entitlement Settlement as well as its Surrender Agreement. There are restrictions on the use of the funds that Peguis has available. The Land Purchase Fund of $55 million appears to be restricted to the purchase of land only.

For guidance, the report offers an extensive review of key books and articles covering such issues as contrasting cultural attitudes towards land and systems of Aboriginal land tenure. Structural barriers – such as the provisions of the Indian Act – are considered, as are alternatives such as the First Nations Land Management Act (FNLMMA), which allows First Nations to opt out of the land provisions of the Indian Act and develop their own land code, removing all land decisions from the Crown. The major issue considered in the review relates to governance and leadership, and in establishing the necessary institutions, bureaucracy and cultural match to provide the foundation for economic development. The Harvard Project in the United States and the Commerce Board of Canada are relied on extensively to support these arguments.
The review of the literature shows profound interconnections between land development, forms of governance, culture and economic strategies, to the extent that planning in one area cannot be undertaken successfully, or realistically, without addressing the others. As stated in the CCP, “land selection must never be separated from the process and outcomes of community development, community governance, and comprehensive community planning.”

Broader economic strategies are also considered, which can help a First Nation in their ability to access financing and markets. Internal assets would include natural resources, human capital, and institutions of governance and people’s culture. External opportunities have also been taken advantage of. Indian gaming is seen by many as a viable strategy, and is worth considering – but only as part of a broader economic development strategy. Given its inherent risk, gambling should not be the foundation, or only element of, a First Nation’s economy.

One way to minimize the risks associated with economic development is through the pursuit of joint ventures, or strategic partnerships with other existing businesses. This is the single most successful economic strategy seen in the case studies.

Five case studies demonstrate the principles that emerged from the literature. Muskeg Lake Cree Nation in Saskatchewan; Osoyoos Indian Band in B.C.; Lac La Ronge in Saskatoon; Membertou in Sydney, Nova Scotia and Long Plain First Nation, Manitoba are examined as they provide excellent examples of successful First Nations. Not all of these have acquired their wealth through land development, but some have. All have economic development corporations and one – Membertou – actually reorganized itself as a corporation. The extensive use of joint ventures also figures prominently.

Development based on the use of land is a common strategy, but not the only option. The Harvard project emphasizes that development is primarily a political problem. Location of development, however, is key: business or industrial parks, commercial centres or hospitality must be along major transportation routes and/or near existing population centres. Use of zoning and property taxation on reserve lands can also provide an income stream. For those Bands that pursue gaming, it must be reconciled with the Band’s culture and balanced against negative social effects.

Based on the literature and case studies, this report develops an organizational structure and a Strategic Framework that will give some assistance to the LSAAC when evaluating opportunities as they arise. The organizational structure can assist Peguis in moving through the process of Land Selection and Acquisition, as well as economic development. The Framework provides sound guidelines for decision-making when considering opportunities. The key element of this framework is the need to be adaptive, as the TLE Agreement stipulates that Peguis has a 25-year window in which to make purchases on the private market. Therefore, the resulting Framework is not prescriptive and rigid, but rather offers guidelines and criteria by which to judge opportunities. These criteria are expected to evolve as development occurs and circumstances change.

The Strategic Management and Planning of land opportunities and economic development is the critical missing piece. Recommendations focus on the need for an overall development strategy to guide land acquisitions. Also strongly recommended is the recruitment of experienced, skilled people to assess land opportunities as they arise, to run businesses, and guide economic development.
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Glossary

Acquire: in the context of the Treaty Entitlement Agreement, land that is acquired by Peguis must be purchased on a willing-buyer, willing-seller basis.

Select: in the context of the Treaty Entitlement Agreement, land that is selected by Peguis is available Crown land that Peguis will gain at little or no cost.

Acronyms

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<th>Meaning</th>
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<td>Aboriginal Affairs and Northern Development Canada</td>
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<td>CCP</td>
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Studies & Plans

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Chapter 1:

Introduction

“Our lands are selected for which purposes will have a huge impact on the social and economic future of the Peguis people for generations to come.”

Peguis Comprehensive Community Plan, p.60

The resolution of the Peguis Treaty Land Entitlement Claim and the Illegal Surrender Claim, have presented the Peguis people with an enormous opportunity to profoundly alter their lives and those of their descendents. Once completed, the TLE process will make Peguis First Nation one of the biggest landholders in Manitoba, with as much as 166,794 acres under ownership. The Selection, Acquisition and development of land will afford Peguis space for residential, cultural, recreational and economic opportunities. What must be balanced are the immediate needs of the community with the potential for long-term investments. As stated in the Peguis Draft Comprehensive Plan, “land Selection must never be separated from the process and outcomes of community development, community governance, and comprehensive community planning”.

The Peguis Band, recognizing the importance that such opportunity be used to its full potential tasked the Peguis TLE Land Selection and Advisory Committee with the duty of selecting land that furthers the objectives of the community. The TLE Advisory Committee’s mission statement reads, “The committee will identify lands that will strive to meet the requirements of the Peguis Treaty Entitlement Agreement and more importantly, to meet the goals and objectives of the community with respect to the Treaty right to land.. the committee will be mindful of the borrowing of the land from generations to come”.

To aid in fulfilling this responsibility, the TLE Advisory Committee has partnered with the University of Winnipeg’s Office of Government, Indigenous and Community Affairs, The Institute of Urban Studies (IUS) and the Community Renewal Corporation in the task of identifying a feasible process whereby land can be identified, purchased and developed. Working with stakeholders from both the TLE Advisory Committee and the University, a draft framework from which to build their Land Selection & Acquisition Strategy (LSAS) will be developed. The purpose of the framework will be to provide the TLE Advisory Committee with the research and planning tools to consider for land purchase and development. These tools will help shape Peguis’ Land Acquisition Strategy in terms of establishing:

- Objectives
- Principles
- Criteria; and
- Priorities.

A key element of the framework is that it must be adaptable, as the TLE Agreement stipulates that Peguis has a 25-year period in which to make purchases on the private market. Therefore, the resulting Framework requires flexibility and must be open to new information as well as be capable of adapting to changing circumstances – to which the processes of land Selection & Acquisition and development will themselves contribute.

1.1 Deliverables

To provide the TLE Advisory Committee with the necessary information, two reports will be prepared. The first is considered a foundation paper that will help establish the context from which to proceed to the more details final report. Each report is described as follows:

1. A Background Report (present document) which outlines major concepts, principles and the legal bases for land Selection / Acquisition and development, and findings from existing First Nations examples presented in selected case studies, all of which will form the basis of further consultations with the TLE Advisory Committee and other stakeholders (Due August 15th); and
2. A Land Selection and Acquisition Strategic Framework which will report back on these consultations, detailing Objectives, Principles, Criteria and Priorities for land Acquisition, as well as scenarios describing various development options, based on existing case studies and an analysis of relevant literature; and recommendations.

1.2 Methods

In order to undertake this scope of work, the research draws from the following areas:

- planning documents provided by the Peguis First Nation, including its Draft Comprehensive Plan;
- statutory (legal) documents;
- relevant literature related to land Selection, Acquisition and development by indigenous peoples, particularly in the Canadian context;
- case studies of successful land Selection & Acquisition and development; and
- key stakeholders, particularly the TLE Advisory Committee (LSAAC).

Each report is oriented according to the following guidelines:

1.2.1 Report Objectives

The main objective of this report is to provide the Peguis First Nation with a framework to develop their Land Selection & Acquisition Strategy (LSAS). The intent is to not produce an overly prescriptive formula for land Acquisition and development, but instead the focus will be to outline and recommend a process by which Acquisition should occur, emphasizing, objectives, principles, criteria, structures and purposes.

The report adopts a Land Development lens oriented on the following two questions:

- How can land development practices and processes contribute to addressing community aspirations and needs and
- What community needs and aspirations can be addressed through land development?

The first question is largely drawn from Draft Comprehensive Community Plan that identified needs, aspirations and strategies, leaving it for this report to consider how these might be realized through the LSAS.

1.2.2 Report Orientation

The report has a geographic orientation, such that it will consider land development from the following scales:

- On Reserve
- Off-Reserve
- Rural
- Small urban
- Urban

This structure forms the basis of assessing the potential purpose to which land might be put, as well as the costs associated with each scenario. Adjacent land use will also be a significant factor. These factors are considered in combination, rather than separately.

1.2.3 Report Context (see p.22)

Land Selection, Acquisition and development is considered part of a larger community development plan, one that includes economic development and social welfare provision. Land development is not, of course, exclusive to these areas but the task of mapping out their particular requirements will be left for others. The final report will stress connections between land Selection & Acquisition and development and the various social
and economic development areas identified in the Draft Peguis Comprehensive Community Plan.

1.2.4 Research Domains
The Background Report and the pending LSAS consider:
- Governance - what is the statutory basis for Treaty Land Entitlements? What kinds of structures are needed to ensure transparent, effective decision-making?\(^1\)
- Evaluation criteria - on what basis should decisions be made?
- Substantive elements - what would be examples of sound land use decisions in a First Nations context?
- Process - how can the community and stakeholders of Peguis First Nation be engaged and consulted so as to ensure meaningful debate, and avoid unnecessary conflict? How should the process be communicated? How should potential community outcomes be measured?

1.3 Outline of the Report
In subsequent sections, this Background Report reviews the contexts of the Peguis First Nation, including its geography, population and land use issues. Then it examines basic governing principles of Treaty Land Entitlement, as well as the Surrender settlement, and the different parameters involved with these pools of monies. Chapter Three reviews selected literature to identify relevant themes and guidelines, while Chapter Four presents the finds of selected case studies that demonstrating both innovations in land development and the processes whereby they were carried out.

The selected case studies are:
- Muskeg Lake Cree Nation, Saskatchewan
- Osoyoos Indian Band, B.C.
- Lac La Ronge Indian Band, Saskatchewan
- Membertou Indian Band, Nova Scotia
- Long Plain First Nation, Manitoba

Chapter Five sets out a Strategic Framework that will give some assistance to the LSAAC when evaluating opportunities as they arise. This chapter presents an organizational structure to assist Peguis in moving through the process of Land Selection and Acquisition and economic development. The framework provides sound guidelines for decision-making when considering opportunities.

\(^1\) This information would be presented for “information only” and would not constitute legal advice.
Chapter Six offers material on the overall Strategic Management and Planning of land opportunities and economic development. The chapter brings together many of the recommendations of this current report with a focus on the need for an overall development strategy to guide land acquisitions. This chapter also strongly recommends recruiting experienced, skilled people to assess land opportunities as they arise, to run businesses, and guide economic development.

Additional information on Energy Sovereignty as well as additional Case Studies are located in the Appendices.

1.4 Governance: TLE and Surrender Monies

In 1998, the Government of Canada agreed that the 1907 surrender of the St. Peters reserve was legally invalid and agreed to pay compensation for lost economic opportunity as a result of lack of access to the land. On September 7th 2007, Peguis First Nation signed its Treaty Entitlement Agreement with the Government of Canada and the Province of Manitoba. Through this Agreement, Peguis is eligible to ‘Select’ up to 55,038 acres of available Crown Land. While this land may be chosen from within Peguis’ traditional Treaty Area, the Band may also, on a case-by-case basis, Select land from anywhere within the Province of Manitoba, provided the request can be justified on the grounds of reasonable social or economic development objectives. Guidelines in the TLE agreement stipulate that these parcels be of 1,000 acres or more, and also delineated by as few, longer and straight borders as possible. The Agreement also stipulates that Peguis is eligible to Acquire land through purchase of up to 111,758 acres, on a “willing-buyer, willing-seller” basis. To support this process of land Acquisition, the Treaty Entitlement Agreement provides a $56,372,215.00 Land Purchase Fund and a $5,000,000.00 Community Fund, which is to be used for defined “community purposes”.

Surrender compensation of $126,094,903 was paid by the Federal Government to the Band and after negotiation loans and legal services were repaid, $118.75 million was deposited in the Surrender Claim Trust. Out of this money, an individual per capita payment was made to each member of $1000 and $1500 for elders. This payout will total about $9 million. All remaining Surrender money, and investment income has been placed in the Trust Fund.

A board of trustees has been formed to supervise the use and expenditures of this remaining money and revenues from the Trust for purposes that will benefit the community. Potential expenditure areas include improvement and development in medical services, education, recreation, infrastructure, housing and social services.

There are some restrictions on the use of the funds that Peguis has available. The Land Purchase Fund of $56 million appears to be restricted to the purchase of land only. All Surrender money resides in Trust, only the investment income can be used for community development. This Surrender investment income has fewer restrictions than is the case with the TLE monies.

During the creation of the present document several questions were raised about the possible uses of the TLE and Settlement monies, including land-flipping and large investments over the funds available. The use of these monies is strictly controlled through the Surrender Trust Agreement, the Treaty Entitlement Agreement and the TLE Trust. These documents, in their entirety, should be referred to for guidance to specific questions.
The Surrender investment income has fewer restrictions than is the case with the TLE monies. In fact, any use that can be argued as benefiting the community is allowable,

“...by making payments or applications of funds out of the Trust Property for any other activity, undertaking, project or initiative which the Community Fund Trustees may recommend or approve as consistent with the general guidelines for Community Purposes as provided in this Agreement…”

(Surrender Trust Agreement, 8.2(b))

This includes using Surrender monies to make improvements on TLE acquired land.

Two recommendations flow from this discussion:

- Peguis needs an economic development strategy to inform its investment strategy. The Draft CCP has outlined in broad terms some of the priority areas related to economic development, but much remains to be done in this regard, and independent of the present report.

- Based on an economic development strategy, Peguis’ investment strategy should then be in a position to set out goals – which may be irrespective of the funds currently available.
Chapter 2:

Community Context

The Peguis First Nation is a community of persons of Cree and Ojibway descent. The community numbers about 8800 people. Approximately 3500 people live on-reserve, with the remainder living in various non-reserve communities.

The main reserve land of the Peguis people today lays 190 km North of Winnipeg in the area of Manitoba under Treaty 2. This is where the Band was relocated to in 1907, after the surrender of its original lands, St. Peters, near the current site of Selkirk (figure 1). Under the original Treaty 1 signed by Chief Mis-Koo-Kinew, Peguis would be entitled to, and given, 160 acres of land for each family of five people.

However, in 1907, members of Peguis were coerced and deceived by the Government of Canada into surrendering their original land in order to make way for incoming European settlers. After decades of appeals, the Government of Canada agreed in 2007 that the 1907 surrender was legally invalid and agreed to pay compensation for lost economic opportunity from Peguis’ inability to use the land. Compensation of $118.75 million was paid by the government to the Band and put into a Surrender Trust (for more on the details of the Treaty Land Entitlement and Surrender agreements, please see Chapter Three below).

Currently, Peguis has nine areas of reserve land, located throughout the area ranging from Selkirk and the mid-Interlake totaling 75,749.2 acres: Peguis 1B, Peguis 1C, Peguis 1D, Peguis 1E, Peguis 1F, Peguis 1G, Peguis 1H, Peguis II and St. Peters Fishing Station 1A.

Figure 1: location of Peguis Lands and Claim Land from: http://www.peguisfirstnation.ca/surrender.html
2.1 Peguis Comprehensive Community Plan

In March 2011, the Four Worlds Centre for Development Learning (FWCDL) submitted to the Peguis community a Draft Comprehensive Community Plan (CCP). The Plan was based on consultation with approximately 600 community members of Peguis First Nation, and in collaboration with the Community Trust, the Financial Trust of the Treaty Land Entitlement Trust and the Peguis First Nation Band Administration. The plan covered a broad spectrum of community concerns ranging from the economy to health and wellness to education, housing and infrastructure.

For the purposes of this report, the CCP is reviewed through the question, “How do land development considerations relate or contribute to each of Peguis’s community objectives as expressed in the CCP?”

A review of the CCP reveals that most of the objectives are social, economic and program-related in nature, and less focused on the Selection, Acquisition and development of land. However, given that all activities of the community must occur on land there is inevitably some significant correspondence with land Selection, Acquisition and development concerns.

Of special note with regard to this issue, divisions within the Peguis nation are highlighted several times in the Comprehensive Community Plan. These divisions are explicitly outlined in Chapter Three: Health and Wellness and Chapter Four: Community Development:

“The community has been deeply divided by religion, politics and family differences. These differences have made it very difficult for the community to come together to work on its challenges and issues” (p.18).

And in Chapter Four,

1. Peguis has been deeply divided for a long time between those who moved to the current location of the Peguis Reserve and those who stayed in the Selkirk area, as well as between religious and spiritual beliefs, between political factions and between families who have found themselves on one side or the other of any or all of these fault lines.

2. This disunity has been identified by an overwhelming majority of community members as a problem of the highest priority that is affecting every aspect of Peguis life, including the quality and effectiveness of programs and services, the ability of the community to solve fundamental problems or address key issues, the effectiveness of community governance and the ability of the Peguis First Nation to develop its economy and its businesses. (p.28)

These divisions within the community may have a profound impact on land Selection / Acquisition and economic development.

The CCP is inclusive of the entire community, of members living both on reserve and off. However, emphasis is often placed on the needs of members living on the Home-Reserve (1-B). This is apparent in discussions on unemployment; health and addictions; and the need for housing. It must be remembered that the majority of members live off-reserve. Planning based on the point of view of a minority of members (Home-Reserve members) will alienate off-reserve members from the process and exasperate conflict within the community. This is a very important issue. How the objectives of these two groups are brought together so each feels they are involved and benefiting from land Selection, Acquisition and economic development will be critical.
As a part of this, it is important that there is a unified vision of what the Nation is and is going to be; and how land Selection & Acquisition will achieve these objectives. Presently, it is difficult to plan for these two disparate groups (e.g.: are homes provided for all members or just those on the Home-Reserve?). Moving forward on any land Selection, Acquisition or development without such a unified vision and plan for the Nation has the danger of benefiting one group over the other and causing further harm to the unity of the Nation.

The CCP also points out that these divisions have been clearly identified by the community, and progress has been made in resolving the conflict. Therefore, the resolution of these divisions, and the creation of a unified vision should be seen as an important step in land Selection, Acquisition and development because such development requires the wide support of the community.

Resources are available to Peguis to move forward on this issue.

**Recommendations:**

- Land Acquisition processes should ideally be based on a unified vision for the future of the Nation. In particular, the role of the Home-Reserve in the Nation in relationship to members who live off-reserve is an important point of contention.

- Peguis should pursue efforts at conflict resolution and healing divisions within the community.

- If housing is an issue between the communities, then Peguis might pursue control of their land through the First Nations Land Management Act (reviewed in section 3.1.2). This would improve the Nation’s ability to treat all Members equally. A possible next step is to then create an institution to furnish mortgages to any member, whether on or off reserve, on an equal basis.

**2.2 CCP Review and Analysis**

The Comprehensive Community Plan contains fifteen chapters and the following summarizes relevant materials. Discussion points follow each CCP element related to land Selection and Acquisition.

**Chapter One: Prosperity Development**

- **Build on existing businesses; there are about 25 existing businesses, most are not successful** p. 3-4

Creation of an urban reserve can provide significant opportunities for commercial development. Tax advantages can make these enterprises highly competitive in the marketplace. A systematic analysis of current businesses (and success/failures) has not been done.

- **Bingo and VLTs provide $2-3 million to the economy** p. 5

Gaming is a common development strategy for Aboriginal Peoples and has been suggested by Peguis as a possible route. Gambling is profitable, but not without drawbacks (see Literature Review, below). Land Selection & Acquisition impacts on a gambling development strategy would revolve around strategic locations for a casino. A location close to the market is critical. Therefore an urban-reserve would likely be desirable. Linking gaming development to other development objectives (such as training) is also an important consideration.

- **“Set up business training and technical assistance center. Use the Peguis Development Corporation to operate.”**
- **“Develop Small Business Development Incubation Centre”** p. 6-7

The home reserve may be the best location for a training centre, or a mobile centre would also be good. Neither have significant land requirements.
• “Take over electrical service from MB. Hydro” p 7

This would require strategic land Acquisition for energy production, and attainment of the distribution system from Hydro. Note that all potential sites for large hydro-electric generation are not available for development without agreement by Manitoba Hydro (TEA 12.09). This would mean electrical generation would be of a different form than large-hydro.

The Federal Government has initiated programs to help northern and aboriginal communities reach energy independence. For a review of energy sovereignty, see Appendix A.

• Create Peguis College p. 8

The ‘college without walls’ concept requires little or no land. Future planning for the college should try to link its programming to other objectives of the CCP (and therefore may require land). For instance, life planning that includes training may be linked to skills courses from Red River College, which may require student housing near the Red River campus as well as other support services.

Chapter Three: Health and Wellness

Improvement to housing is a critical component to improving the health of the community, as is access to health services. It is not stated in the CCP to what extent new lands are required for housing. However, Peguis has stated that insufficient land is available for housing because of susceptibility to flooding. Peguis may need to provide further information on their health care infrastructure needs and its relationship to land Selection and Acquisition.

Chapter Four: Community Development

Repeatedly the CCP speaks of divisions within the community between those who stayed in the Selkirk area and those who moved to the Peguis Reserve. It has been identified as a problem of the highest priority, but one that is beginning to be resolved. Selection and Acquisition of land (possibly in the Selkirk area) may be seen as a significant or symbolic step in the resolution of this divide. Exploring the underlying causes of this rift and finding some middle-ground may prove a useful step in community healing.

Chapter Five: Life-long Education

The CCP has identified life-long education as essential to the ongoing development of the community. There is great need for training in literacy, life-skills, and developing the professional skills needed by the community for the next ten years. Peguis may take notice of the Long Plain First Nation (LPFN) development of the Former Manitoba Hydro building at 480 Madison, Winnipeg. This building is being refurbished and leased to Yellowquill College. Here, land Selection and Acquisition by LPFN has been tied to economic development and education objectives.
Chapter Six: Cultural Development

There is no explicit content in this section related to land use. However, to the extent that Peguis’ culture is connected to the land, then land Selection, Acquisition and development can contribute to connecting – or reconnecting – the community to its history and traditions on the landscape. This would suggest land in the area of their traditional lands near Selkirk.

Chapter Seven: Housing

- “develop a housing policy and plan” where “the revenue from new or existing housing generates enough profit to build more homes” and produce a variety of housing options. p. 41

This objective supports both on and off reserve development. It is not stated in the CCP to what extent...
new lands are required for housing. Peguis has stated that insufficient land is available for housing because of susceptibility of the land to flooding. This conclusion is supported by the 2009 *Fisher River Watershed Hydrodynamic Model and Economic Analysis Study*, conducted by AECOM Engineering for Manitoba Water Stewardship. The Fisher River, which passes through Peguis IR-1B, creates a flood-zone covering most of the Reserve in 1-in-100 flood year conditions. Flooding is common due to the topographical features of the Fisher River, aggravated by grade changes, rapids, ice damming and overland flooding (pp. 40, 66, Appendix B-8). As well, some land is leased out by Certificate of Possession owners, leaving it unavailable for housing. Many existing houses are built on flood-prone land, so presumably these will need to be relocated.

Peguis could use its Surrender Trust profits for the construction of necessary housing, but this would be a short-term strategy. A more long-term view would have Peguis invest in profit-generating developments, and use some of the profits to build and improve housing. Peguis might also consider various housing types that more closely match their long-term needs including housing for singles, large families, seniors and assisted living.

Off-reserve, homes may be needed by Peguis community members. The Selection and Acquisition of land for housing off-reserve could serve several functions. It would provide a service to the community, but could also be run as a profitable enterprise for Peguis, especially in the tight housing market existing in Winnipeg (less than 1% vacancy for apartments). A prudent strategy for Peguis would be to link any Selection and Acquisitions to other objectives of the CCP and to ensure occupancy.

### Examples:

One possible way to link land Selection and Acquisition to the CCP would be through an integrated housing strategy – one that would include job training, employment opportunities and the construction of new housing. Peguis may consider acquiring (or building) a small multi-family building close to an education facility for use as student housing. This could also be linked to training & economic development by training community youth in the construction trades at Red River College. This would allow Peguis to pursue the CCP vision of creating a construction business that is community owned, perhaps dedicated to constructing housing.

Peguis is interested in sustainable housing models. Again, this could involve Red River College as a partner. A construction business would be more useful to Peguis on the home reserve, but it would take time to develop such a company (because of a need for skilled employees and management). Consider partnering with a private construction company and with Red River, to train community members and guarantee them jobs with the company to build on reserve (see the Literature Review, Ch. 4, on joint ventures).

- “develop service companies: mould cleaning, replacing furnaces & hot water tanks, pest control, fire alarm installation, etc.” p. 44

Each of these construction-service companies could be staffed and operate under the model above. Note: one additional danger is developing a completely insular construction economy on-reserve. There is a need to bring “new dollars” into the community. The need to bring new money into the community is a concern that has been expressed by the LSAAC. True development will occur with engagement and trade with the larger
Chapter Eight: Infrastructure

The Peguis CCP has identified many infrastructure projects that are needed in the community, but these are not prioritized. Most of the infrastructure projects mentioned would not generate revenue. It may be strategically beneficial to pursue infrastructure projects that contribute to economic development and produce profits before investing in community services.

• “Create a small business incubation centre and industrial park.” p. 47

The creation of industrial parks has been used successfully by several First Nations (see Case Studies, Ch. 5). For example, the Sutherland Urban Reserve of the Muskeg Lake Cree Nation is located within the city of Saskatoon and close to a major transportation route. It contains a gas-bar and small office complex and is highly profitable for the community. The Chippewa Industrial Park of the Aamjiwnaang First Nation (Sarnia, ON) is located close to the American border and major transportation routes and has a dozen successful businesses operating on it. The Portage Economic Zone (Keeshkeemaquah Reserve) of the Long Plain First Nation is located next to Portage la Prairie and along the Trans-Canada Hwy. It currently houses a dozen highly successful businesses.

In each of these cases, the strategy has been to ensure the location of lands intended for use as an industrial park / economic zone are located close to both a large population centre and major transportation routes. This is in contrast to the remote location of most reserves, which has been identified in the research as a major impediment to economic development. Considering the historic location of the St. Peters Reserve, it may be a good cultural fit for Peguis to acquire land for an economic development zone in the Selkirk area. The proximity to Winnipeg also makes this a good choice. Selection /or Acquisition within the city of Winnipeg would also be strategically sound, if the location is near transportation routes or existing industrial parks.

• “Create a post-secondary education and training facility” p. 47

This too, would have specific land use needs, and would be best situated in such a way to be contribute to other strategic goals, through being located close to businesses and residences.

• “create a Peguis-owned electricity generation utility” p. 47

An interesting idea, especially when linked to environmental objectives. But what form would an energy utility take? There are many possible energy solutions available to Peguis, and all necessitate strategic land planning. See Appendix A for more information on energy sovereignty.

• Peguis wants to construct new Seniors centre, daycare centre, Band office and a new community centre near Selkirk. p. 47

These facilities would contribute greatly to addressing social planning goals. However, it will be important for Peguis to begin prioritizing its infrastructure demands. The Community Centre project near Selkirk has land Acquisition implications. Again, a community centre could be a substantial project utilizing funds that could be used for development. It should not be forgotten that the Selection / Acquisition of lands near Selkirk could be explored by Peguis as a way to heal rifts in the community.
Chapter Ten: Lands and Resources
This section of the CCP is largely devoted to recommending processes related to land development, (including the present report as well as establishing a land use plan and associated environmental legislation) rather than actual land Selection, Acquisition, use or development objectives. An important issue raised in this section is that some families have no lands allotted to them.

Chapter Eleven: Recreation
- “the construction of a multiplex recreational centre that includes an indoor arena and a variety of other recreational facilities (including a swimming pool if feasible), …Identify priority outdoor recreation facilities (e.g. parks, trails, skateboard park, and outdoor arena)” p. 69

These projects will necessitate land-use planning, and may be required in multiple locations as new lands are acquired and developed.

Chapter Twelve: Off-Reserve Band Members
No explicit statements in this section on land use. However, the issue of land for housing and maintaining equity between on and off reserve members should be kept in mind.

Chapter Thirteen: Emergency Response
The most significant land-related issue here is clearly the risk of flooding, and the need to Select / Acquire lands that will not be so prone to this risk.

Ch. Fourteen: Public Sector Management
The need to connect land use planning with all Band management functions will be essential. The lack of a land-use plan prevents a clear understanding of land needs, and complicates the Selection & Acquisition strategy. The Land Selection and Acquisition Strategy needs experts in property management and business.

Chapter Fifteen: Governance
As will be discussed below in the Literature Review (Chapter Four), having a solid foundation of effective and transparent governance is essential for the articulation and successful implementation of an economic development strategy.

2.3 Top Points from the CCP
The review of the Comprehensive Community Plan notes the following key priorities:
- Housing
- Infrastructure
- Job creation
- Education
- Community development

While there are not clearly-stated linkages in the CCP between all stated planning objectives and land use considerations, it should be recognized that all Band activities imply a physical location, and as such will be affected by the Selection, Acquisition and development of lands. The CCP clearly supports the need for a Land Selection and Acquisition Strategy.

However, one area that is referred to in multiple sections is that of housing, both on-reserve and off. Land-
use planning can facilitate the more efficient creation of housing – for instance, by restricting in advance the construction of housing on the flood plain, and by planning appropriate locations for differing housing types. Housing considerations will also relate to other economic development activities and energy planning, particularly the goal of creating a Peguis-owned electricity generation utility.

If Peguis is considering undertaking a major building program of housing on-reserve, the community may consider it an opportunity to design housing more closely suited to their needs. The CCP identifies many issues associated with the housing available on-reserve and implies other problems. There is currently a lack of options in housing types, including multi-family housing, small apartments, seniors housing, assisted living spaces, and homes suitable for extended families. Input from the community would help identify the types and amount of housing needed. Land use planning will help organize and prioritize these needs. It is important that a specific housing policy and plan be developed as was noted in the CCP.

Off-reserve Selection / Acquisition of land for housing will also have broader implications. Again, the strategic Acquisition of land should be linked to other development objectives identified within the CCP. For instance, the design and construction of housing represents a major opportunity for economic development and capacity building in terms of training and certification in trades. Peguis may consider partnering with Winnipeg’s Red River College for various employment-training programs. If significant numbers of Band members are coming to the Red River campus, it might be advantageous for the community to purchase or construct housing near the campus for use as student housing. (A strategy pursued by CHARD on the Neeginan campus for instance.)

This strategy provides housing, aids with educational objectives, and builds on the property management experience and skill sets the CCP has identified as needed.

However, training community members in the necessary trades and developing a construction company (which was identified as a long-term objective) will take time. In the interim, Peguis might consider ways to increase the housing stock on-reserve at affordable prices. An option might be the purchase of pre-fabricated homes (this could also be linked to training and development through partnership with the homebuilder.) This is the ‘quick-win’ of housing that may show the community advances being made while long-term planning and investment is undertaken. Another example of linking housing to other development would be to link the creation of an industrial park or economic zone with housing. If Peguis pursues an economic zone it may consider it strategically relevant to acquire land for housing nearby. This is the strategy pursued by Osoyoos (please see the Case Study).

These are some areas in which a holistic housing policy can relate to planning goals in the CCP.

2.4 Review of Land Selection and Acquisition Advisory Committee (LSAAC) ‘Goals and Objectives’

The LSAAC has already established a set of draft objectives and criteria for the purpose of identifying TLE land Selections and Acquisitions; these are divided into the two categories of Economic Development and Social Development. The objectives came from input of the Chief, Council and community members; and, as an expression of what the community desires, should be
followed by the Committee. These LSAAC criteria are detailed in the document *PFN--TLE Land Acquisition & Selection Objectives--2010*. These criteria and objectives are listed in no hierarchy of importance:

**Economic Development:** Main objective is for significant economic and human resource benefits, these include:
- Commercial/Industrial/Institutional
- Real Estate Development/Subdivision/
- Cottages
- Agricultural
- Tourism Development
- Natural Resource Development
  - Forest Harvesting
  - Mineral and Aggregate
  - Fishing
  - Water
  - Green Energy
  - Crown Consultation

**Social Development:** Main objective is for enhanced social benefits, which include:
- Traditional/Cultural
- Residential
- Health/Education/Governance and other services
- Recreation
- Historical
- Environment and Wildlife

**Comments:**
These lists don’t represent prioritized goals and objectives; at this point they are just lists. In their present underdeveloped state they are limited in their use as judgment measures when Selection / Acquisition opportunities present themselves. They require more detail and prioritization in order to be operable objectives or to provide criteria for actual investment decisions.

Peguis might give some thought to strategizing these objectives, perhaps by relating them to the CCP, and likely by how an objective fulfills multiple criteria in the CCP. Peguis might look for crosscutting, or integrated opportunities. For instance, a development opportunity that provided training for Band members as well as creating a business as well as providing housing would be rated higher than a simple land purchase to build housing.

The draft top three priorities identified by the Advisory Committee are helpful, but provide little criteria by which to judge opportunities as they arrive. It may be useful to flesh out how these priorities were arrived at so that prioritization can occur on projects as they come up.

For instance, it is assumed that the highest priority item: **Residential Development** has been chosen because it presents a pressing need. The CCP notes that 600 families do not have their own home in Peguis (p.42). If each of these families were provided a home at $200,000 each, the cost would be $120 million, all the funds that Peguis has in the Surrender Trust. Obviously, this is not a realistic long-term strategy. The question arises then as to whether Peguis’ strategy is to work on all immediate needs first; or whether longer-term strategies might be pursued even if some immediate needs are deferred.

Because of the poverty and housing situation of many of Peguis’ members, it is important to be clear about why and how an item is prioritized, in order to defend the long-term development decisions.

**Recommendations:**
- A true set of criteria needs to be developed to guide Acquisitions, as the current set is a non-prioritized and undeveloped list.
Criteria need to be clear, strong and justifiable to the community.

2.5 Principles, Criteria & Objectives

The mission of the current report is to strengthen the criteria developed by the LSAAC, and provide additional principles to help ensure positive results in Peguis’ Selections, Acquisitions and development. Additional principles cover issues such as sound governance and business acumen.

The principles for Selections/Acquisitions developed by the LSAAC flow from the input of the Council and community. Likewise, the principles coming from this report flow from the CCP as well as information from the case-studies and literature review. It is envisioned that these principles will inform the criteria by which land is selected/acquired and development occurs. But the development of specific criteria must be done in conjunction with the LSAAC.

An important and missing component of the current report is the development of sound financial criteria to guide Acquisitions and development. This was hinted at in Section 1.4. Financial criteria are beyond the scope of this report and must be developed in association with a financial manager/financial plan.

Recommendations:

- Continue the development of specific criteria to guide the Selection/Acquisition of land.
- Develop sound financial criteria to guide investment and development based on an economic development strategy.
Chapter 3: 

Literature Review

Tremendous opportunities may be achievable for Peguis First Nation through the implementation of an effective land Selection, Acquisition and development strategy. Like many First Nations, Peguis is a potentially wealthy landowner. At the same time, there are significant challenges ahead, both in terms of community conditions and in the task of preparing the Land Selection and Acquisition Strategy. This literature review is intended to position the case studies and discussions in terms of current thought on development. In this way, ideas emerging in the case studies will be highlighted.

The literature examined is primarily Canadian, although significant and broader ideas come from American sources as well. The Canadian literature emphasizes the experience thus far with Treaty Land Entitlement processes, and provides a basis for understanding the Case Studies presented in Chapter Four. The American content is primarily derived from the Harvard Project on American Indian Economic Development ii, which, for more than two decades has undertaken comparative analyses of American Indian reservations, with a view to determining what has worked, what hasn’t and why. iii

The literature covered was produced primarily between 1995 and 2010. The review is organized thematically, and considers themes from the broader, more general and strategic down to the more specific and procedural.

3.1 Treaty Land Entitlement

The TLE process represents a significant change in the relationship between the Government of Canada and First Nations, as it facilitates land development and equity-building enterprises in which it was, until recently, extremely difficult for First Nations to engage. Crown control over First Nations lands means that there is essentially a lack of property ownership – or the chance to earn equity on property and develop it economically. Land is held by the Crown for the benefit of First Nations, but without their actual control: Any significant economic transactions as a result have to be reviewed by Aboriginal Affairs and Northern Development Canada (AANDC) and often become bogged down in bureaucracy.

In addition to these structural factors, there are also powerful belief systems (and some popular misconceptions) about Aboriginal relationship with land and property that have interfered with the ability of First Nations to engage in land markets.

3.1.1 Philosophy of Land

It is widely recognized that there are different value systems between Aboriginal and Western worldviews, particularly where land is concerned. In a 2008 article iii, Stephen Roulac articulates these as, respectively, property culturalism and property modernism. To the property culturalist – associated by Roulac with Indigenous peoples – the people and the land are not separate things, and this relationship extends through time from the past to the future. With history, symbolism and shared

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ii Based at the Malcolm Wiener Center for Social Policy at the John F. Kennedy School of Government, Harvard University.

iii It will become apparent to the reader that the literature being reviewed was produced by a handful of authors. The literature on property ownership and development by First Nations is small and written recently by non-Aboriginal authors who refer to one another’s work have.
lore key elements of the relationship with the land, the property culturalist sees the land as sacred and integral to individual and group identity.

To the property modernist, on the other hand, there is no inherent relationship between people and land. They are completely separate, leaving the buyer free to become attached to any land based on financial means and opportunity. Use and ownership on any given property is dictated by legal documentation, so is bounded by time and can involve a variety of interchangeable players, depending on interests and economic goals. All that matters is the use to which the land can be put, with the result that history, lore, symbolism and sacredness are generally considered irrelevant, except when these factors may be put to some use through development.

In Roulac’s view, however, one of the great challenges of the new century will be, in his words, “the efficacious reconciliation of the spirituality of sacred places with profit-seeking property involvements.” Each perspective, he writes, has much to learn from each other: property modernists can learn the holistic (cultural) values that make a property financially valuable in the first place, and culturalists the skill set of the modernist that can lead to financially rewarding land use.

These respective views may be held by individuals or a group as part of their identity; they may also be seen as competing values within a single community, leading to possible conflicts.

Yet it should also be pointed out that these differences need not be seen as entirely oppositional, and that the combination of these views may be seen in the history of Aboriginal people themselves. As Flanagan, Alacantara and Le Dressay point out Aboriginal cultures across Canada historically expressed some notions of both individual and collective ownership of both property and land, in contrast to the widespread belief that they were always “proto communists.” They write,

“Indian property rights were never static. The prairie hunters abandoned ownership of land in river valleys when the acquisition of horses made buffalo hunting more profitable. When the buffalo were exterminated, they returned to agriculture and created customary landholdings on their reserved lands. The forest hunters intensified their familial and individual control of trapping grounds when the fur trade made pelts more valuable. The agricultural tribes of the American southeast adopted European practices of agriculture and institutions of ownership, including large plantations and slavery. The fishers of the Pacific Coast entered the commercial salmon fishery and even today make up a significant portion of boat owners in that industry.”

Despite these traditions, the potential for competing visions between cultural and modernist perspectives will persist. Any First Nation pursuing actions in which land Selection, Acquisition and development will be taking on a much larger role than previously, should be prepared to have this conversation. However, debate amongst the people about the land and culture is just one of the challenges facing First Nations contemplating land development.

3.1.2 Addressing the Challenges of Land Development

Contrary to the popular misconception that all land on reserves are held in common, First Nations do have a sophisticated system of land tenure, generally in the form of customary rights (an informal designation which
has no statutory basis and varies from community to community), Certificates of Possession (CPs) and leases. The most prevalent type of individual property right on reserve is the CP, which indicates the rights of holders to a tract of land on a reserve. However, as Alcantara (2007) explains, CPs do not grant what is universally recognized in common law as “fee simple” ownership, meaning that any attempt to subdivide or transfer the land is subject to lengthy and costly Band jurisdiction. These significant differences between CPs and off-reserve private ownership result in high transaction costs and uncertain tenure security:

“The ability to transfer possession, the legality of wills, the right to an equitable division of property after divorce, the power to lease, and the ability to use property as equity are different from off reserve practices. As well, Indian private property rights are subject to the exclusive power of Parliament, and to the discretionary will of the Minister of Indian Affairs.”

Leases under conventional reserve rules also bring complications. They must be approved by the entire community and Band Council (in the case of CP-held leases), or else the council and the Minister in the case of customary-held leases), both of which can be time-consuming.

At a broader level, these complex and lengthy procedures concerning reserve lands can diminish their value compared to non-reserve lands. Matters are further complicated by the fact that there has been until recently very little information-sharing between Bands on a regional or national level regarding innovations in land management, with the result that there is a significant lack of knowledge on effective land development practices.

Bands face a major structural barrier to efficient land development in the form of the Indian Act itself, which has a limited and inadequate framework for property rights at the collective and individual level. The result is a difficult and costly approval process that requires Aboriginal Affairs and Northern Development Canada (AANDC) approval. An uncertain investment climate may also result, as well as unfulfilled potential as projects drag out or get cancelled altogether.

An alternative may lie in the First Nations Land Management Act (FNLMA), which allows First Nations to opt out of the land provisions of the Indian Act and develop their own land code, removing all land decisions from the Crown. Passed into law in 1999, the FNLMA enables First Nations to gain greater control over their own resources, a key element of nation-building as advocated by the Harvard Project (see below). In developing its own unique land code, the First Nation can set the stage for land development according to its own customs and rules. For example, customary rights can be made more formal, with additional rights granted, such as the ability to use property as collateral to obtain mortgages. Once drafted, the code must be approved by the Minister to form the basis of a funding agreement, and then put before the community for a vote. Unfortunately, this process can be difficult and lengthy, which is why relatively few have done so.

To date 58 First Nations have gone through this process, and 90 more have made inquiries. Operating under the FNLMA can bring many positive results. Without the need to clear development decisions through Aboriginal Affairs, approvals can be had in weeks and leases no longer require federal approval. Despite its ability to reduce bureaucratic “drag” on development, Alcantara cautions that, because each Band is free to establish its own land code, there is no guarantee that each (or any) regime will afford a forceful set of property rights, as
the legislation doesn’t require it\textsuperscript{15}. The LSAAC has also expressed concerns over use of this Act, do to issues of ownership on defaulted mortgages. If a homeowner defaults under this Act, the property may return to the bank and therefore out of Reserve status. This can result in a checkerboard pattern to Reserve Lands. The solution is that provision and policy must be in place to ensure that default property goes to Band or Band-owned financial institution.

Another equally important aspect to consider concerns external stakeholders: what role will (or should) their attitudes and expectations play in the development of land? According to Carmichael\textsuperscript{16} the attitudes of external stakeholders are important, despite the fact that they do not have the same sort of influence in terms of zoning that they would have were the development to occur outside of First Nations lands. At the same time, it is important in their view to understand what factors influence these attitudes. In their case study of the enormous and famous Foxwoods casino development in Connecticut, the authors identify concerns over “hidden” costs of development on outside communities (traffic, noise, crime, impacts on nature) co-existing with positive attitudes towards opportunities for employment and boosting the local economy through increased real estate values and tax bases. They stress that, particularly if there is an existing tourism industry in the region, impacts on the physical environment rank high among concerns, as well as the extent to which a tribe’s development will affect them personally\textsuperscript{17}. This is central to the need for a well-developed communications strategy.

Other barriers to economic development derive from the approaches to governance taken in many First Nations communities. The Harvard Project identifies conditions for successful development by comparing two models of development. The first model is called the “jobs and income” approach and is marked by short-term thinking. A problem is identified, such as lack of jobs, poverty, or dependence on social assistance. A solution is proposed, generally in the form of creating a business to generate jobs. Typically, this approach doesn’t work because the businesses often turn out to be unsuccessful, or have to be supported by the Nation, becoming a drain on resources. Reasons for failure are varied and include: the ending of grant monies that supported the business; investors/partners withdrawing because of Band politics; profits being used by Band government instead of being put back into the business; the business being used as an employment service making it uncompetitive; patronage of positions leading to ineffective management; and many others. Whatever the reason, when the business fails the community is in a worse position and has to start over. This is the model followed by most American Indian communities studied by the Harvard Project and they find that such development universally fails\textsuperscript{18}. By contrast, the Harvard Project cites the “nation building” model as the best pathway to success.

### 3.3 The Harvard Project: Nation Building Model

The Harvard Project on American Indian Economic Development has been working with American Indian communities for 30 years. More recently, the Project has begun to engage with First Nations development in Canada. Over that time, the Harvard Project has identified conditions for successful development; as well as strong models to emulate and identifies challenges to development.

In their comparative analysis of American Indian reservations, Harvard Project researchers have found that
those communities that were able to successfully engage in economic development did not owe their success to having an exceptional resource base, but rather to having developed the proper foundations for economic development in the form of sound and transparent institutions of governance.

A focus on creating businesses and jobs as described above is bound to fail, they argue, if the necessary structures are not yet in place. What they did find, by contrast, was that successful communities shared the following characteristics:

**Successful First Nations control their own affairs:** no matter how well intentioned, outsiders cannot devise and implement the institutions necessary for effective governance and economic development better than can those who live there. A successful First Nation will have assumed control over its own affairs and planning functions.

**Successful First Nations establish long-lived institutions:** Self-determination in these matters will amount to little if there are not institutions that take responsibility. The Harvard Project defines institutions as the ‘constitutions, charters, laws, codes, and procedures, and through informal but established practices and norms, a society establishes relationships among its members and between the society and outsiders, distributes rights and powers, and sets the rules by which programs, businesses and even individuals operate.’ They are, in fact, the ‘rules of the game’ by which individuals, businesses, and society play. Changes to the governing institutions result in uncertain rules, which in turn results in people being unwilling to invest in the community. It is important for everyone, especially businesses, to know what to expect in dealings with tribal government, and if elected officials change the rules for their own interests or those of their supporters, such stability will be difficult to achieve. In addition to being effective, such institutions and rules must therefore be enduring, so they will survive into subsequent administrations and thrive regardless of the managers in charge. In this way, potential investors and lenders can have confidence in the community. According to Taylor, several important sub-points should be considered:

a) **insulate dispute resolution from political interference** so that judgments on economic and legal matters can be made objectively by an independent judicial system in a non-politicized fashion, which is essential for creating an environment where development can happen; and

b) **govern nation-owned enterprises** so that businesses are isolated from political forces. In other words, there should be no conflicts of interest between business and government. The Harvard Project warns that in many communities, the council runs Band businesses, despite the fact that the skills of governance and running a business are different. Political matters should be kept out of businesses so that the best business people may run them competitively, according to business criteria. As well, businesses should not be run as ‘employment services,’ which can make them inefficient.

c) **First Nations must build capable bureaucracies** so that matters of governance are handled competently and transparently. Competent bureaucracy provides credibility and legitimacy to a First Nation pursuing economic development. It provides strength in negotiation and confidence that the bureaucracy can get things done, and done well. Requirements for good bureaucracy include, “Attracting, developing, and retaining skilled personnel; establishing effective
civil service systems that protect employees from politics; putting in place robust personnel grievance systems; establishing regularized bureaucratic practices so that decisions are implemented and recorded effectively and reliably23.”

**Successful First Nations root their institutions and activities in indigenous culture.** This considers what the Harvard Project researchers refer to as “cultural match” – that the high-level principles governing the First Nation are consistent with the corresponding activities and measures in the community and not existing as separate entities. “Cultural match refers to the match between governing institutions and the prevailing ideas in the community about how authority should be organized and exercised24.” When the match between the institutions and the community is close, then there is a high degree of support for those institutions.

These aspects of governance are critical for success, and their absence is correspondingly characteristic of reserves with poor economic opportunities and multi-generational poverty: corrupt Band politics, factionalism and little sense of ownership in the community. The lack of separation between politics and business in particular creates opportunity for corruption that can destroy both stability and legitimacy, and creates a risky environment for investment25. Case studies from the Harvard Project are presented in Appendix C.

We can see then, that matters of governance are essential for land development processes; however, land development in turn needs to be consistent with and support a wider economic strategy.

### 3.4 The Conference Board of Canada report: *Creating Wealth and Employment in Aboriginal Communities*

The suggestion put forward in the present report—that Peguis First Nation must ground their TLE Land Acquisition and Selection strategies within a context of sound economic development planning—is not only confirmed in the American based Harvard Project, it is also discussed at length in a 2005 Conference Board of Canada report titled *Creating Wealth and Employment in Aboriginal Communities*26. The Conference Board of Canada is a not-for-profit organization dedicated to researching and analyzing economic trends, as well as organizational performance and public policy issues of interest to Canadians.

The *Creating Wealth* report shines a light on the state of economic development initiatives within ten diverse Aboriginal communities in Canada in order to highlight the common strategies and factors that are contributing to successful wealth and employment creation. The case studies highlighted in the *Creating Wealth* report are an excellent addition to the case studies already provided in our report and should be taken into consideration by Peguis First Nation as they pursue economic opportunities through land Acquisition and development.

All of the communities featured in the *Creating Wealth* case studies have traditionally suffered from high unemployment, rapidly growing work-age population and the attendant challenges that come with attempting to create wealth and employment within an Aboriginal community context. In addition to these challenges, however, what each community shares in common is a desire to become self-reliant by charting a course
towards economic independence. To achieve this goal, the Conference Board report has shown that Aboriginal communities are pioneering a form of community-driven enterprise that blends the best of private enterprise with traditional Aboriginal values:

“The values of respect, pride, dignity, sharing, hospitality and mutual aid are at the root of Aboriginal culture in all its expressions. These values are reflected in the desire for Aboriginal communities to balance their traditional communal ownership of land and resources with the capitalist tradition of private property ownership.”

The report goes on to identify six key factors that have been shown to contribute to the success of Aboriginal community-owned businesses across the board. These include: Strong leadership and vision; a strategic community economic development plan; access to capital, markets and management expertise; good governance and management; transparency and accountability; the positive interplay of business and politics. It is telling that these six factors, concluded through research and in consultation with Canadian First Nations, align closely and build upon the principles identified by the Harvard Project as essential for successful Aboriginal economic development.

Taken all together these principles begin to lay the structure for a road-map of Aboriginal led economic success. It is important to note, however, the unique additions to this road-map that the Canadian experience of Aboriginal enterprise offers. Most significantly, the Conference Board report emphasizes the challenging situation the political landscape plays in First Nations decision-making. Comparing the American to Canadian reality, the Conference Board report states:

“American research has found that Aboriginal community-owned business enterprises in the United States that are subject to undue political influence frequently fail to thrive. This finding suggests that separating business and politics leads to more effective business operations. For Aboriginal community-owned enterprises in Canada, the interplay between business and politics is complex and dynamic. There is an ongoing effort to use politics to promote the profit goals of a development corporation. Leaders support businesses through effective intervention and lobbying of industry and government.”

For Aboriginal communities pursing economic development in Canada, the Creating Wealth report finds that politics and enterprise are intimately inter-connected and mutually invested. This is in contrast the Harvard Project which has found that the intermixing of politics and enterprise is often a recipe for disaster. It would appear this connection is at the heart of what is unique about the community-driven take on capitalism that is being pioneered in Aboriginal communities in Canada. While the report does confirm that the arrangement is ultimately less than favorable, experience (and the case studies presented in our own report) confirms that in many cases a complete division of powers and responsibilities along strictly political and economic lines might not be possible given the human-resource capacity within some communities. Experience also teaches us that community-driven enterprise is always inherently politically motivated to some extant and that this motivation is an important force that should be acknowledged and though managed and directed towards positive ends. The Creating Wealth report suggests that due diligence in administration and management, in particular the creation of protocols for making business decisions such as how to make investments and allocate profits, need to made openly and enforced consistently if
success is to be found. Case Studies from the *Creating Wealth* report are found in Appendix B.

### 3.5 Economic Development Strategies

With these high-level governance measures in place, Aboriginal communities have demonstrated considerable success in a wide range of initiatives and enterprises, as documented by the Harvard Project and the Conference Board of Canada. However, before any such initiatives can be carried out, there must first be a business strategy that can help shape these elements.

As Major puts it,

“There are two elements to this ingredient: the first being the overall economic system, which is the organization of the reserve economy, and the second being the choice of development activity. These two elements go hand-in-hand as the type of development activity can influence the type of business strategy chosen, and also because the type of reserve economy can determine if the First Nation decides to get involved with a particular business or development opportunity. A business strategy must be chosen, and it must coincide with the beliefs or visions of the community to ensure community support of the business.”

Major further identifies a critical component for successful development that links governance with economic development: The economic framework must be constructed upon a foundation of Aboriginal values and worldview, the “cultural match”...

“Not only does the economic strategy have to match the Band’s economic development needs, but they should be intertwined to match the Bands’ cultural development needs as well. If a Band can select a strategy that integrates elements of their own culture, a confidence in the economic strategy can be developed, and the business or economic development has a better chance of success.”

The ingredients on which a First Nation can draw should therefore guide development strategies. These can be an external opportunity, internal assets or a development strategy, and are connected to pragmatic concerns such as the ability to access financing and proximity to local markets. Internal assets would include natural resources, human capital, and institutions of governance and people’s culture. Strong governance and confidence in decision making is important for choosing the economic development strategy, as are locations close to industrial areas and links to transportation infrastructure.

When planning and pursuing land and economic development opportunities, it is essential to recognize that First Nations are communities and not corporations, and therefore are more vulnerable to economic misfortune. As such, community control over enterprises is seen as critical, as is the intimate connection between the Band’s economy, culture, the environment and society.

The connections – and tensions – between economic strategies and culture have informed debate over gaming as an economic strategy for First Nations. Seen by some as a fully mainstream and modern enterprise and a break with traditions, First Nation casinos have been criticized as bringing with them a loss of Aboriginal authenticity. However, as Belanger argues, casinos are just another way in which Aboriginal peoples have adapted to the

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iv Although this is not always the case; see the Case Studies, Chapter 5.4 below.
Indian gaming has of course been hugely successful both in Canada and the United States, where over the past couple of decades casinos have contributed tens of millions of dollars to their respective states through tax revenues generated by the tourism industry. Belanger stresses however that despite the common perception that Indian casinos were a universally successful strategy, this has not been the case, and many tribes start operations only to see them fail; indeed, as Joseph Kalt of the Harvard Project told the National Gambling Impact Study Commission in 1996, the majority of gambling revenues were generated by only 8 tribes.

In Manitoba, the 1997 First Nations Gaming Policy Review (Bostrom Report) recommended provincial support for First Nations casinos, and in 1998 the First Nations Casino Project (FNCP) initiated a process of selection and review to determine which First Nations would be the first to develop their own casinos. Subsequently, successful proponents Opaskawayak Cree Nation (OCN) built their Aseneskak Casino, which opened in 2002, and Brokenhead their South Beach Casino, which opened in 2005. The contrasting fortunes of these operations are instructive: The Aseneskak Casino was located remote from major tourist traffic, and lost almost a million dollars in its first year, while South Beach, being closer to Manitoba’s cottage country, has had better success.

What Belanger argues is that gaming is not risk free, but is worth considering – but only as part of a broader economic development strategy. Given the risk involved, it should not be the foundation of, or single element of a First Nation’s economy.

One way to minimize the risks associated with economic development is through the pursuit of joint ventures, or strategic partnerships. Fraser describes them this way:

“Joint ventures are unlike royalty agreements or Impact and Benefit Agreements in those joint ventures are collaborative; the partners in a joint venture may form an independent business or informally agree to cooperate using contributions from each party. Control, revenues, and other benefits [shared control of projects, access to capital, technology, management capacity, and market access] are divided between the partners based on a negotiated agreement and the proportion of shares held by each partner.”

Joint ventures have the benefit of partnering the First Nation with a corporation that has access to much greater resources: for the corporate partner, the First Nation brings access to government programs, funding opportunities and tax exemptions, as well as access to otherwise inaccessible natural resources or special markets, such as socially responsible investors. On the other hand, because it is a partnership, joint ventures can diminish the extent to which the community as a whole has control over the business. Fraser points out other risks as well, including the potential for conflict over the management of the enterprise, hiring practices or differences in priorities.

### 3.6 Conclusion

From the above discussion, one may see that there are important connections between land development, forms of governance, culture and economic strategies, to the extent that planning in one area cannot be undertaken successfully or realistically without addressing the
others. While First Nations have traditions and forms of land and property ownership, these are largely limited by federal laws and oversight that results in costly delays and an inability for First Nations and their peoples to participate fully in the mainstream economy. Economic development, as well, cannot flourish without the proper foundations in governance, sovereignty over land, effective and transparent institutions and a competent bureaucracy. All these must be matched with the culture in the First Nation or there will be little confidence in the leadership or in the economic ventures being pursued.

Recent innovations in federal-First Nation relations present significant opportunities to address these issues in a holistic manner. The Treaty Land Entitlement process is enabling eligible First Nations to obtain redress for the loss of lands and economic opportunity, and the First Nations Land Management Act facilitates full control over land development and removes it from the Crown.

With these new assets, resources and powers, First Nations will be positioned to fulfill the criteria outlined by the Harvard Project: to assert authority over their own resources and establish the necessary institutions to develop appropriate and rewarding economic activities for their communities.

With these foundations in place, we now turn to an examination of some selected case studies that illustrate these principles in action.
In this section, we review important examples of successful First Nation land Acquisition and development. The table below summarizes the case studies and their significance:

<table>
<thead>
<tr>
<th>BAND</th>
<th>LAND USE TYPE</th>
<th>ECONOMIC DEVELOPMENT</th>
<th>BEST PRACTICE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Muskeg Lake Cree Nation, Saskatchewan</td>
<td>TLE (1983); urban reserve</td>
<td>McKnight Commercial Centre; worth $20 million (2006)</td>
<td>Business mgt. separate from Band politics; Band formed Aspen Development Corporation; is sole taxing authority.</td>
</tr>
<tr>
<td>Osoyoos Indian Band, B.C.</td>
<td>Land base expanded through land claims process, fishery and forestry rights. Extensive commercial developments, including winemaking, industrial park, prison, and a 4½ star hotel.</td>
<td>Aggressive economic development plan; use of joint ventures with “buy back” opportunities; diverse economic ventures; strong linkages between culture and economic development goals.</td>
<td>Strong governance and cultural match; formed “Osoyoos Indian Band Development Corporation” and OIB Holdings (leasing). Now economically self-sufficient after 20 years of development.</td>
</tr>
<tr>
<td>Lac La Ronge Indian Band, Saskatchewan</td>
<td>Have found success identifying development opportunities within traditional northern land base. For example: wild rice/mushroom harvesting.</td>
<td>External opportunity (mining); gravel supply. Expanded into joint ventures/partnerships with existing companies – “Kitsaki Model”.</td>
<td>Formed the Kitsaki Development Corporation (later Kitsaki Management) to build strategic partnerships</td>
</tr>
<tr>
<td>Membertou First Nation, Sydney, NS</td>
<td>Urban reserve; Trade and Convention Centre (2004), a Heritage Centre and a business park for its own and other businesses (long-term leases).</td>
<td>Joint-ventures; profit-sharing, access to markets, training and internship opportunities.</td>
<td>Band structured as a corporation; INAC is an investor; formed holding company Membertou Corporate Division, which owns all businesses. Has ISO-9000 certification.</td>
</tr>
<tr>
<td>Long Plain First Nation, Portage La Prairie, MB</td>
<td>Traditional lands located near present-day Portage La Prairie; making significant purchases in urban and small-urban areas.</td>
<td>Negotiated a $20 million “loss of use” Trust in addition to TLE claim to invest in specifically social and economic development projects.</td>
<td>Successfully acquired land for commercial and institutional development in an urbanized core.</td>
</tr>
</tbody>
</table>
4.1 Muskeg Lake Cree Nation, SK

Background/Local Context
Muskeg Lake Cree Nation (MLCN) is located in central Saskatchewan in territory covered by Treaty Six. MLCN signed Treaty Six in 1876 and were given a reserve of 26,880 acres. It currently has a population of about 1,950 people. Like many First Nations in the prairies, they were persuaded into surrendering over 8,083 acres to the government for use by incoming European settlers in 1919.

MLCN initiated one of the earliest TLE claims in Saskatchewan. They were recognized by the federal government as having a valid claim of a shortfall of treaty land and based on population counts from 1976 and were awarded 48,640 acres in 1983. The early success of MLCN in gaining reparations from the government has been attributed to the persistence of Band leadership.

“[E]very generation of leader of the Muskeg Lake Cree Nation [has] consistently held the Government to account for falling short in providing what was promised in the treaty, the land surrender, or according to their inherent rights as the first peoples of Saskatchewan.”

Land Acquisition Efforts and Results
As part of its TLE claim, MLCN selected 35 acres of surplus federal land in a suburb of Saskatoon and a transfer of land agreement was reached in 1988. MLCN’s Asimakaniseekan Askiy in Saskatoon was the first urban reserve in Canada that was specifically created to house a First Nations economic development project. Previous “urban” reserves were existing ones that were surrounded by expanding municipalities.

Although resistance from the existing community did exist, most of the concerns had been previously addressed when an urban reserve was set up by the Peter Ballantyne Cree Nation in Prince Albert, Saskatchewan. This set the precedent paved the way for subsequent successful negotiations and the acceptance to urban reserves of other municipalities.

Using assets from their TLE Settlement and a TLE Land Selection plan focused on economic development which kept business separate from Band politics, MLCN have broken their dependency on the Crown. Confidence in the Band’s economic endeavours has been vital to their economic development, which was strengthened by the Band’s ability to incorporate its worldview in a mix of business strategies.

MLCN formed an economic development corporation called ‘Aspen Developments’ which is wholly Band-owned (this roughly follows the collective-owned business strategy as laid out in the Harvard Project). The mission of Aspen Development “is to create collective wealth and to provide opportunities for individuals to create wealth.” Along these lines the Band pursues development on acquired land collectively, and also provides funding to community members for small business opportunities. This individual ownership is congruent with the third Harvard Project Strategy of tribal members owning a business.

The 35-acre parcel of land in Saskatoon was converted to reserve status in 1991 and the development located on the reserve is known as the McKnight Commercial Centre (MCC). The MCC currently hosts 40 businesses employing over 300 people. The MCC development started with a gas station and today the MCC occupants include retail outlets, small business offices, as well as medical, insurance and legal offices. MLCN is the sole...
taxing authority on the reserve and charges property and sales tax that are equivalent to that would be paid on a non-reserve property. For civic services to the land, MLCN pays an annual lump sum to the city equivalent to what non-reserve landowners pay. The value of the land, infrastructure and buildings on the urban reserve as of 2006 was estimated at about $20 million, from an initial value at time of Selection of $750,000.³⁹

Muskeg Lake Cree Nation’s efforts in Saskatoon represent a model of success for economic development on an urban reserve. It has provided employment opportunities for members of the Band, supported the start-up of First Nation-owned businesses and provided substantial tax/levy revenues that are directed toward improvement of housing and infrastructure on the Muskeg Lake home reserve.⁴⁰

Muskeg Lake Key Points:

- Band history of the last century and a half speaks of struggle with the government for recognition of rights and entitlements.
- After receiving TLE settlement, focused on economic development forming a Band-owned economic development corporation.
- Main TLE Acquisition was a 35 acre urban reserve in Saskatoon, where they developed a successful commercial centre.
- Kept Band politics separate from business pursuits and built confidence in Band businesses.

4.2 Osoyoos Indian Band

“The Band does not owe its membership dependency—it owes them opportunity.”

Chief Clarence Louis, 1993 speech

The Osoyoos Indian Band (OIB) is located in the Okanagan Valley in British Columbia. It has 599 members (2006), most of whom live on reserve. They have a land base of 32,000 acres, to which they have been adding hundreds of adjacent acres through land claim settlements.⁴¹ As well, compensation has been made for unrecoverable reserve land. The Nation has aggressively pursued an economic development plan led by Chief Clarence Louis. OIB’s development strategy is closely tied to their land, with projects focused on winemaking and eco-tourism. More recently, Osoyoos has built an industrial park, resort housing, and is currently involved in prison construction. By 2005 the Band was reporting that, in just twenty years of development, income from Band enterprises had surpassed government transfer payments, and the Band was self-sufficient.⁴²

The development strategy of Osoyoos displays many characteristics that may be informative to Peguis. Osoyoos acknowledges the link between economic development and true self-determination. The OIB specifically sites the Harvard Project model in its experience, especially regarding development, self-determination, sound governance and proactive leadership. The OIB strategy has focused on leadership, good governance, sound business principles, education of youth, and a close matching between economic development activities and social objectives. Joint ventures have formed the majority of initial development activities and allowed the Band to develop skills and capacity as well as opportunities to ‘buy-back’ enterprises at a later date. There is recognition
by the Band that development occurs over long-periods, that it is an incremental process.

Strong leadership is a primary characteristic of Osoyoos’s success. Since his election, Chief Louis has emphasized entrepreneurship and business development linked to their lands and culture, as the best way for the Band to achieve sovereignty. Chief Louis has worked hard to change what he calls the “social dependency formula” by creating jobs and providing good, transparent and accountable governance. These characteristics closely follow the Harvard Model. In 1995, the Band won a court decision stopping the Province from taxing the Bands leases. They now have their own Taxation Bylaw and revenues are spent on community maintenance and improvements.

OIB businesses are required to be run profitably. Band members hold over half of all the jobs created by their development corporation. There is an emphasis on creating jobs, training youth and helping people move to a self-supporting lifestyle. The Band embraces working with non-Band members (joint-ventures and leases) to build capacity, to grow businesses, and for youth training. The Band’s focus on youth also has a strict focus on discipline, featuring statements such as, “Join the Real World... Go to school or get a job” and, “Evaluate your current lifestyle.” The OIB has closely looked at population data and have a clear understanding of the number of youth in the community they need to provide jobs for by 2020. The OIB have pledged to create the needed jobs through economic development, not grant-funded positions. Osoyoos has also identified the need for year-round employment, to break cyclical employment problems. Because of these two factors, the Band built their resort and conference centre.

The Band conducts its development through the Osyoyoos Indian Band Development Corporation (OIBDC), formed in 1988. The OIBDC owns and operates nine enterprises employing hundreds of people. The OIB have recently completed a group of business activities called the Nk’Mip Project bringing all of their tourism/recreation activities under one umbrella. The ventures are: Nk’Mip Desert & Heritage Centre, Nk’Mip Canyon Desert Golf Course, Nk’Mip Cellars, Nk’Mip Vineyards, Nk’Mip Resort Campground and RV Park, and the Nk’Mip Convenience Store. The projects are all in the tourism/recreation market and reinforce each other. Other OIBDC businesses include the Nk’Mip Construction Company, Oliver Ready Mix, and OIB Holdings Ltd.

OIB Holdings (Leasing) is “the Backbone of Band revenue and financial well-being.” Land Leases are a critical component of their development: It has leasing and partnership agreements with Vincor Winery, industrial park leases, Band business leases, and two Band-developed housing estates. Growth from 1985 to 2003 has been a spectacular 1,469%. OIB leases land to non-Band businesses, then works with the company to develop the skills of Band Members to manage that business, and then buy back the business at a future date. This displays the close link between training, economic investment, and joint ventures. This has been the case with the Canyon Desert Golf Course, and the Campground & RV Park.

The Nk’Mip Cellars, which opened in 2002, is North America’s first Aboriginal winery and the second in the world. The Band had been involved in the wine industry since 1968 when it created 234 acres of prime vine land. Nk’Mip Cellars is built on these forty years of grape growing knowledge. The Band now controls approximately 1230 acres of vineyards in the Okanagan valley, almost 25% of the total. Nk’Mip Cellars is a joint
venture with Vincor Canada, a sub-company of the world's leading premium wine producer Constellation. The Band holds controlling interest in the venture providing the land and Vincor provides expertise. The Cellars not only produce high quality wine, but also grapes for other wineries, and attracts a significant number of tourists.

The Nk’Mip Conference Center is a joint venture with Bellstar Hotels and Resorts and opened in October 2009. It is a full-service conference centre providing conference and meeting spaces for as many as 350 people and is the only 4.5 Star First Nation resort in Canada. It is adjacent to the Nk’Mip Resort and helps to expand business for the resort into the shoulder seasons of spring and autumn. The Conference Center’s business strategy focuses on the meetings-market and especially on Aboriginal business conferences and seminars, a niche market they have cornered. Events at the Conference center are closely tied into other OIB developments, with accommodation provided at the Spirit Ridge Vineyard Resort & Spa, and tours to the Desert Cultural Centre, wine tours and tasting at Nk’Mip Cellars, golf at the Sonora Dunes course, spa treatments at the resort’s spa, and dining at the resort’s restaurant. Meetings and events generate $2.5 to 3 million a year for the Osoyoos area. Total development costs of the Spirit Ridge Vineyard Resort & Spa exceed $80 million.\(^\text{50}\)

In 2010, began construction of the second phase (of seven) of their industrial park in Oliver, BC. It is a 207-acre development at the north end of the Osoyoos Indian Band reserve and is projected to be the most environmentally sustainable industrial and commercial park in Canada with green features throughout the development. 72 acres of the development will be wetlands and natural habitat area. OIB had tried to develop the property 40 years ago without success, but now has an anchor tenant with its winery. The southern edge of the property is planned to be developed as a residential area.\(^\text{51}\) Oliver Readi-Mix was purchased in 2000 as the first off-reserve business, an important step for the community. It is a small concrete and aggregate business serving the south Okanagan and employing six people.

The OIB’s commercial activities have grown from $1.3 million in 1994 to $12 million by 2002. 60% of all profits go back into social programs in the community, funding education and health care facilities. Unemployment rates have fallen from 30% to 9% between the 1980s and 2001. The Osoyoos Indian Band is now recognized as the leading First Nation in economic development in Canada.

**Osoyoos Key Points:**

- Have added substantial adjacent land to existing reserve through successful land claims and also received compensation for surrendered land.
- Aggressively pursued economic development under strong leadership of Chief.
- Development is closely tied to their land, focusing on winemaking and eco-tourism, more recently the Band has developed an industrial park and resort housing.
- Development has benefited from effective leadership and governance, sound business principles, youth education, and a close linking of economic development and social objectives.
4.3 Lac La Ronge Indian Band – Kitsaki Management Limited

With a 2011 population of 9,247, the Lac La Ronge Indian Band (LLRIB) is the largest First Nation in Saskatchewan and one of the 10 largest in Canada. Lac La Ronge Indian Band reserve lands are located in north-central Saskatchewan and encompass 18 reserves totaling approximately 106,872 acres. These lands extend from farmlands in central Saskatchewan, all the way north through the boreal forest of the Churchill River and beyond. The largest of the Lac La Ronge reserves is located on the shores of Lac La Ronge adjacent to the northern community of La Ronge. The other five communities, scattered throughout the surrounding region, are Grandmother’s Bay, Hall Lake, Little Red River, Nemeiben River, and Stanley Mission. The Lac La Ronge Indian Band are signatories to Treaty 6, signed in 1889 when the Band was called the La Ronge & Stanley Mission Band of Woods Cree Indians.

Early Challenges to Economic Development

In the late 1970’s, the Lac La Ronge Indian Band faced a number of seemingly insurmountable social and economic challenges. The traditional trapping economy that had been the life line of the Band for generations was no longer economically viable. Other resource based activities such as fishing and logging provided some seasonal work, but competition from neighbouring communities, fluctuating market prices, the rising cost of equipment and strict new regulation controls imposed by Ottawa and Regina on trapping, fishing and forestry made work in these sectors unviable.

In the post-war era, Lac La Ronge Indian Band members, like other First Nations across Canada, were subject to systematic assimilation policies in an attempt to integrate the people of Lac La Ronge into “Canadian society.” By the early 1980’s the Lac La Ronge Indian Band was facing a triple challenge: high unemployment, low labor force participation, and rapid labor force growth. In 1981, the Lac La Ronge Indian Band embarked on a transformative new economic strategy that would set the First Nation on a course towards greater financial independence and social and economic wellbeing.

A mining boom taking place in northern Saskatchewan presented Lac La Ronge community leaders with an opportunity to capitalize on these developments by providing employment and training opportunities for Band members. Incentive also came from the provincial government who insisted that mining companies wanting to operate in the north needed to build financial opportunities for northern residents into their development plans as a condition for obtaining a mining lease agreement. The Lac La Ronge Indian Band’s main reserve was ideally situated to take advantage of the new economic boom in the region due to its close proximity to the regional centres of La Ronge and Prince Albert and connection to the highway with the Key Lake uranium mine. With the construction of Key Lake mine underway, the Band under the leadership of Chief Myles Venne saw an opportunity to get involved in producing and supplying crushed aggregate to the mine. However, in order to embark on this plan the Band first needed to raise capital to purchase trucks and rock-crushing equipment and develop essential management and technical skills. In the 1980’s banks would not loan money to First Nations Bands, so in 1981 the Lac La Ronge Indian Band Council created the Kitsaki Development Corporation.

Kitsaki Development Corporation

Through the Kitsaki Development Corporation, the Lac
La Ronge Indian Band obtained a bank loan, formed a strategic partnership with local construction firm Brodsky Construction Ltd., and together were awarded a gravel contract with Key Lake. The joint venture provided crucial early support for Lac La Ronge Band members to gain onsite technical training and backend management level skills. Overtime, as Band members expanded their skill sets, more gravel contracts were awarded to KDC and new partnerships and business ventures were formed. In 1986, a partnership with Calgary based trucking company Trimac Transportation Systems, resulted in the formation of the Northern Resource Trucking (NRT) enterprise to provide trucking services for all the uranium companies in northern Saskatchewan. This unique joint venture was formed with Kitsaki Development Corporation and the Band owning a 51 percent share in the company and Trimac owning 49 percent share. While the Band maintained the majority interest in the company, Kitsaki arranged for a management contract with Trimac, giving the Calgary firm the authority to run the company. This arrangement was a strategic step towards self-sufficiency as it allowed Kitsaki to build internal capacity in crucial management skills by learning from Trimac. This strategy has proven to be a successful way for First Nation’s looking to take first steps into enterprise and has been replicated by Kitsaki and other First Nations Bands.

The “Kitsaki Model”

From its creation in 1981, the Kitsaki Development Corporation has always recognized two important bottom lines: profit and social responsibility towards the wellbeing of the Band community. The Kitsaki Development Corporation strategy for improving the socio-economic circumstances of the Lac La Ronge Indian Band has always been to form “sound, secure partnerships with other Aboriginal groups and successful world-class businesses in order to generate revenue for Kitsaki and employment for Band members.” This tactic of forming partnerships with established businesses to create training and employment opportunities for Band members while working towards building internal capacity and knowledge is indicative of a unique development strategy that is being pioneered by First Nations across Canada.

“In implementing this strategy, Kitsaki seeks to create and manage a portfolio of active business investments rather than the individual companies. We try to obtain a majority interest in a business with a highly motivated entrepreneur or a strong corporate partner. We then work with that partner to maximize profits, employment, and training opportunities.”

The Kitsaki Development Corporation has been extremely successful, establishing or investing in at least a dozen business ventures between 1981 and 2004. Reflecting this emphasis on investment, in 1991 the Kitsaki Development Corporation underwent a restructuring and now operates as Kitsaki Management Limited Partnership.

The success of the Kitsaki Management Limited has been closely studied by Raymond A. McKay of the University of Saskatchewan. Over several years of extensive research and conversation with the Lac La Ronge Indian Band Council, community members, Kitsaki business leaders, partners and employees, McKay has distilled his observations of the Kitsaki into three key components that he identifies as the “Kitsaki Model” of Aboriginal led economic development.
According to McKay, the central components of the Kitsaki model are:\(^61\)

- Development of a diverse network of profitable enterprises with proven partners.
- Maintain a multi-sectoral family of enterprises allows Kitsaki the flexibility to adapt to evolving markets;
- Maximize the Aboriginal employment in Kitsaki and Band enterprises through a “working and learning culture”;
- Maintain and support traditional Aboriginal knowledge that provides value added advantages to the Kitsaki family of businesses.

One of the most successful and high profile of the Kitsaki Management Limited owned enterprises is Northern Lights Foods, the largest grower of organic wild rice in the world and a major supplier of beef jerky to markets in Europe, the United States and Japan. In 2001 Northern Lights Foods was awarded the prestigious Canadian Export Award and Aboriginal Business Achievement Award in recognition for its exceptional success as an international exporter and marketer of Canadian-made food products.\(^62\)

In 1986 the Kitsaki businesses earned revenues of $5 million. By 1989, within only three years, Kitsaki company revenues more than doubled to over $10 million per year, making the Kitsaki Development Corporation the third fastest growing company in the province of Saskatchewan. In 2001 the combined revenues of the renamed Kitsaki Management Limited Partnership totaled $23.4 million. Employment figures are also impressive. In 2004 Kitsaki businesses employed almost 450 people with an annual payroll of almost $6 million, and now pays out a total of $7 million in salaries and contract payment annually.\(^63\)

Kitsaki has also been able to contribute to the community by financing the Band’s land-claims proceedings. Notably, in 1994, Kitsaki financed the Band’s land-claims legal fees at a cost of almost $2 million. While the relationship between the Band and the corporation remains strong, and Kitsaki is itself owned by Lac La Ronge First Nation, the council does not interfere with the operations of the corporation and its holdings. Respect for this division and independence of powers is essential for any First Nation considering a development strategy like that of Lac La Ronge.

**Land Use Dimension**

The Lac La Ronge Indian Band economic development strategy could not have been as successful as it has been without the Band articulating a comprehensive vision of the role of the land. Despite the Band’s northern and relatively remote location, the Kitsaki Management Partnership Limited has been very successful at identifying and exploiting economic opportunities within the region. In many ways, Kitsaki’s strategy has been to identify niche services (for example, gravel supply for mine development, financial services for Saskatchewan First Nations, or environmental auditing for government) and move aggressively through partnerships and investments in training to corner and widen the market. What is unique about the economic development strategy of the Lac La Ronge Indian Band is that they have been able to exploit development opportunities within a framework that regards the spiritual and cultural significance of traditional lands and have found ways to create jobs and economic activity through the responsible maintenance of those lands. As stated by Chief Harry Cook:

“The Lac La Ronge Indian Band views its Traditional Lands as a heritage resource for future generations of
its people. Our forest lands are for hunting, trapping, travelling, gathering of special forest products, and for spiritual and cultural purposes. But we also view them as a renewable resource for sustainable, long-term economic growth and employment for our people. We shall ensure that our people are fully educated, trained, and counseled to participate in the development of our natural resources. We have made a commitment to develop the timber resources of our Traditional Lands according to the principles of Sustainability, Environmental Protection, Multiple Use of Resources, Preservation of Traditional Activities, and Public Participation and Consultation.64

A more extensive Case Study of Lac La Ronge can be found in Appendix D.

**Lac La Ronge Key Points:**

- Formed a Band-owned development corporation to secure loans for investments in early enterprises such as gravel production and trucking. Opportunistically pursued strategic partnerships and investments in established businesses to connect Band members with training and employment.
- Key to the success of Lac La Ronge has been the early visionary leadership of chief Myles Venne and the proactive management practices of the Kitsaki Management Limited board.

4.4 Membertou First Nation

Membertou First Nation in Syndey, Nova Scotia makes an interesting counterpoint for the Harvard Model of development. Although the economic development of Membertou has not been based on land Acquisition, it shares aspects of Peguis’s situation.

The Membertou Band has about 1150 members, 750 of whom live on reserve. It is one of Canada’s few urban reserves. The Band was removed from its home lands in 1926 and its claims to these lands as well, as treaty rights for traditional uses of surrounding lands were upheld by the Supreme Court of Canada in the Donald Marshall decision.65 It has the smallest land base, per capita, in the country and has no natural resources on its land.

In 1995, the Membertou Band faced significant challenges including the financial difficulties of a high unemployment rate, high deficits and soaring debt. The administration of the Band was chaotic and ineffective. The Band was in danger of being placed in co-management status. Chief Terrance Paul blamed this situation in part on the reliance on federal grants that created a dependency cycle.66

The solution pursued by Chief Paul was to recruit Band members that had previously left the reserve to pursue an education, and were now employed in senior positions in both private business and government off reserve. The critical first step was the recruitment of Bernd Christmas as Chief Executive Officer whose background was in aboriginal and corporate law. This new leadership built a model of development for Membertou based on a corporate structure. They re-organized the Band like a business, treating Band members as shareholders and INAC as an investor, not a funder. The Band was reorganized with nine corporate departments.
Band businesses must be run according to best-practices: transparency, accountability, profitability, and aboriginal values.

All enterprises are wholly owned or joint ventured through its holding company, Membertou Development Corporation. CEO Bernd Christmas states,

“We consciously have modeled our organizational structure as a corporate structure, and sought qualified people to fill roles and made them accountable. Chief and Council are the Board of Directors.”

The first order of business was to put its financial house in order while embracing transparency and accountability. This included clear administration, communications and policy. The Band learned from failed development attempts made in the 1980s, and began to “apply more rigorous tests to what we did.”

The leadership determined that the missing piece was a real transfer of business skills and capacity building. This is the same development strategy as used at Osoyoos. The focus has shifted to training and internship experiences, joint-venture structures, profit sharing, and access to markets. The corporate orientation can also be seen the in location of the development offices in downtown Halifax and in the Band’s achievement of ISO-9000 certification (internationally-recognized standards for excellence in management). They are the first aboriginal government to attain this standard. Finances are audited and published yearly, rare for a First Nation. These initiatives provide a level of accountability and legitimacy with the business community and opportunities for development with large corporate partners.

Yet the Band has incorporated aboriginal values into its business model and uses its business approach to government to achieve social objectives. The model rests on four value pillars: conservation, sustainability, innovation, and success. Extensive consultation with the community is also normal.

“There’s no dishonour in measuring success through profit and return on investment, but it has to occur within a native cultural values framework.”

Christmas calls it “First Nations progression model, based on using a business approach to government, management and economic development to achieve social objectives.” The goal is to achieve self-sufficiency and self-determination. The Membertou Corporate Division mission-statement reads:

“The Membertou Corporate Division is committed to creating and enhancing business relationships between the Membertou First Nation and the Canadian and international business community. The corporate strategy is built on the foundations of integrity and fairness, and a dedication to maximizing financial benefits for its partners and the Membertou Community.”

This Mi’kmaq community has gone from massive operating debt and welfare to labour shortages, budget surpluses, capital reserves, and annual dividend payments to Band members. It has formed partnerships with large corporations to provide jobs and training, and formed seven of its own companies, usually as joint ventures. Initial success was derived from gaming revenues that now bring in $14 million a year (2010), run through the Membertou Gaming Commission. The Band has expanded its development activities with commercial projects including gasoline retailing, a Trade and Convention Centre (built in 2004), a Heritage Centre (2007), and has built a business park providing space for its own and other businesses and revenues through long-term leasing. Their newest project is the development of a hotel in partnership with Hampton Inns and Suites. Current Band revenues are approaching $50 million a year with surpluses of $2.5 million.
Gaming was a success for Membertou, but was used as a first step on a long term development strategy.

Membertou has formed strategic partnerships with a series of major corporate partners that offer training and profit participation to the Band. These include some of the largest corporations in the world, Lockheed Martin and Sodexho-Marriott. It has partnered with Clearwater Fine Foods for the Membertou Fisheries and with SNC-Lavalin on the monitoring and clean-up of the Sydney Tar Ponds. In addition to the restorative work, Membertou is developing its engineering and project management skills. It has created an Economic Development Fund to assist Band members who are interested in establishing or expanding a business enterprise. The development of human capital has also been a priority, with increasing numbers of the Band’s students going on to post-secondary education. The goal is to reach a 20% of the Band with post-secondary education, up from the current 4%.

The successful economic development story of Membertou has been attributed to several Key Points:

**Leadership:**
- Very small, tight Band of leaders driven to achieve their long-term goals.
- Long-term, visionary leadership of Chief Terry Paul.
- Recruiting highly skilled business people to return to the community.

**Human Capital Development:**
- Focus on post-secondary education- strategy is to send youth away for education then recruit them back to the reserve.
- Goal of 20% post-secondary educational attainment (currently 4%)
- Scholarships, summer employment, Career Day
- Training programs

4.5 Long Plain First Nation

As signatories to Treaty One at Lower Fort Garry on August 3, 1871, the First Nation known as Portage Band was promised reserve land equivalent to 160 acres for each family of 5 or 32 acres per person in exchange for surrendering its claim to a vast tract of the prairies. Despite a promise to move quickly to create the reserves, the federal government did not act until after the treaty was revised in 1876 when the Portage Band was split into two Bands, the Long Plain and Swan Lake Band with a third Band gaining recognition as the Sandy Bay Band. Despite the promises outlined in the Treaty, when reserve lands were surveyed for Long Plain there was a significant shortfall of land for its population.

In the 1970s, Long Plain filed a claim for compensation for this shortfall but it was not until 1982 that Canada accepted the First Nation’s TLE claim for negotiations under the Specific Claims policy. In spite of continued efforts by successive Chiefs over the following decade, little progress was made until the members took a more aggressive approach outside of negotiations. In September, 1992 Canada agreed to sit down at a negotiation table to resolve the treaty land entitlement claim. The negotiations focused on determining the scope of the shortfall and the compensation to be provided to the First Nation to make up this shortfall.

Negotiations continued until early 1994 when an agreement was reached which provided the First Nation with $16,500,000 compensation for its Treaty land entitlement claim. In addition to this settlement, however, Long Plain also made the case that they deserved compensation for the accumulated shortfall or “loss of use” incurred by not having access to the land.
that was promised. The federal government refused to provide compensation for the loss of use of the shortfall land and so Long Plain First Nation asked the former Indian Claims Commission to intervene. In 2000, the ICC agreed that Canada was obliged to compensate the First Nation for loss of use as it claimed.78

On November 23, 2005 Canada agreed to appoint a negotiator to resolve the First Nation’s claim for loss of use. On November 18, 2010, after 5 years of negotiations, 28 years after accepting the TLE claim for negotiation and 134 years after failing to provide sufficient reserve land, Canada offered $20 million to settle the loss of use claim.79

**The Long Plain First Nation Settlement Trust - More than Land**

Since the TLE settlement in 1994, Long Plain First Nation has demonstrated significant economic, social and political leadership in the management of settlement monies. In the early years, Long Plain was eager to use its settlement monies to acquire land. Today, as the leadership looks to the future, Long Plain has identified needs and opportunities that go far beyond simple land Acquisition.

It established a new Trust which it sourced from the $20 million “loss of use” settlement it was awarded in 2005. Whereas the 1994 TLE settlement monies are restricted for purchasing land, the loss of use monies have been earmarked for social and economic development such as health care, education, recreation, housing and the improvement of infrastructure such as roads, bridges, water and sewer services. This new trust has been established in such a way that through responsible investments, a guaranteed flow of income (approximately $600,000 per year) will be secured for the Council to direct towards community benefit projects while maintaining a minimum of $17.5 million in capital (adjusted for inflation). Projections show that if the trust continues to be managed responsibly in this way over the next 40 years, Long Plain will have received over $40 million for community projects and there will still be $42 million (both figures adjusted for inflation) in trust capital remaining. In 2011 dollars, Council will have spent $26 million and still have $16 million in capital. In other words, the original capital will be intact.80

Other so-called urban reserves in the province are in actual fact located on the periphery or just within the boundary of an urban area’s outer edge.
the near future with a proposal to establish an Urban Reserve through the Treaty Land Entitlement (TLE) process. There has been some interest expressed in vacant industrially zoned land owned by the City. If suitable terms are reached and a sale occurs, the eligible First Nations community has notified us, that they will ask the federal government to convert the site to an Urban Reserve.81

The report goes on to lay out a framework for the city to work collaboratively with First Nations to facilitate the creation or urban reserves and situates this within the City’s own Municipal Aboriginal Pathways strategy for improving social and economic conditions for Aboriginal citizens. While Long Plain awaits confirmation from the federal government on the conversion of 280 Madison Street to official reserve status, the First Nation has been working closely with the City of Winnipeg to establish a Municipal Development & Services Agreement that will outline the role of the city in supplying services for a payment of an annual fee in lieu of paying taxes. With this agreement in place it is expected the reserve status appointment will follow shortly.

**Components of Long Plain First Nation’s 1.4-hectare economic zone:**

Plans for the 3.5 acre parcel of land are ambitious and build on Long Plain’s objectives to provide training and employment opportunities for their people. This objective is demonstrated explicitly through the language Long Plain has chosen to describe their urban reserve as a “Winnipeg economic zone.” More than $15 million in development and upgrades are planned for the site.

Presently a 25,000-square-foot building, formerly an office belonging to Manitoba Hydro, will be refurbished and leased to Yellowquill College. Yellowquill college,
Institute of Urban Studies

Re-investment of business profits provide further growth and opportunities.

established in 1984 by the Dakota Ojibway Tribal Council, is Manitoba’s first aboriginal-controlled post-secondary institution. Yellowquill College delivers culturally relevant programs for the 9 member communities, representing more than 19,000 First Nation members. The college delivers programs for up to 225 students and employing 25 staff each year and a graduation rate of over 1,500 since its inception. This type of development will be of special interest to Peguis in fulfillment of their desire to establish a college for their people as expressed in chapter five (Life-Long Education) and eight (Infrastructure) of the Community Plan. There may be opportunities to partner with Yellowquill or to replicate its model entirely.

Other developments include a new five-storey, 80,000-square-foot office building that Long Plain hopes will serve as a focal point for aboriginal-led businesses and community initiatives. Long Plain says it has already received commitments from First Nations child and family services agencies to rent half the space. A gas bar and convenience store are also slated for development as well as a tax-free delivery depot to serve all Manitoba First Nations. Items delivered to the Madison Street property will gain reserve status allowing Manitoba First Nations community members to arrange to have retailers deliver goods, such as furniture or larger items like vehicles, tax free.

The Long Plain Winnipeg economic zone property will be managed by Keeshkeemaquah Limited Partnership, the same group responsible for managing the Keeshkeemaquah conference and gaming centre at it’s Portage economic zone near Portage La Prairie. In fact, the entire $15 million project will be financed by profits from the Keeshkeemaquah centre. Long Plain believes the economic zone will spur tangible spin off economic benefits for surrounding businesses.

Long Plain First Nation Key Points:

- In addition to successfully negotiating a Treaty Land Entitlement settlement, Long Plain secured a “loss of use” settlement for $20 million which they have secured as a Trust. Funds from this Trust are used to support and stimulate social and economic development initiatives
- Almost all of Long Plain’s TLE settlement monies have gone towards acquiring land in urban areas. Their most recent Acquisition of land in downtown Winnipeg and its impending conversion to reserve status has charted a path for other First Nations to do the same.

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Chapter 5

The Strategic Framework

This report has considered a wide range of factors related to the Selection and Acquisition of land. This process has involved the articulation of objectives, priorities, and criteria based on work originally developed by the Land Selection and Acquisition Advisory Committee (LSAAC), as well as community consultations undertaken as a part of the comprehensive community planning process. The LSAAC has completed initial planning as well as initiating the Selection and Acquisition of some lands. Each of these steps have been important for Peguis, but have been completed in absence of an overall strategy. We now shall set out a Strategic Framework that will give some assistance to the LSAAC when evaluating opportunities as they arise.

The strategic framework will allow the LSAAC to pursue land opportunities while referring to sound guidelines and the stated desires of the community, and using these as decision-making criteria. The framework establishes flows of authority and information (i.e., governance) as well as suggests a normative sequence in which long-term Land Selection and Acquisition should occur. The diagram helps to describe the relationship between the various actors, the role each plays, and the linkages between various types of planning processes and the Selection and Acquisition of land. As such, it indicates the specific reports (existing and future) to which the committee should refer at each stage.
Due Diligence as per Strategic Framework

MANAGE
- Develop expertise
- Manage Trust Funds
- Financial management
- Leases and rents
- Re-invest profits from new and existing land and businesses
- Re-invest Trust Funds into new and existing land and businesses

DEVELOP
- Develop strategic land needs through economic, social and physical planning
- Identify land for Selection or Acquisition
- Evaluate these opportunities according to Strategic Framework
- Make recommendations to Council
- Respond and adapt to changing conditions, circumstances and needs owing to ongoing land development

IDENTIFY & ACQUIRE
- Develop land
- Develop comprehensive community plan
- Develop economic development strategy
- Identify land for selection

DETERMINE STRATEGIC LAND NEEDS
- Economic, social and physical planning
- Create jobs & opportunities
- Develop capacity, skills and development activities to address social well-being
- Seek synergies between businesses and land management and existing uses
- Work with, support and develop of compatible, beneficial and profitable land uses

PLAN
- Plan
- Comprehensive Community Plan
- Economic Development
- Strategic Framework
- Land Acquisition Strategy

REPORTS
- Long-term plans
- Economic Development
- Strategic Framework
- Chief and Council

PLAYERS
- Peguis First Nation Trust
- Chief and Council
- Land Selection, Acquisition and Development Committee
- Trust Advisory Committee

STRUCTURE
- L.S.A.S. ORGANIZATIONAL STRUCTURE
- L.S.A.S.
As in shown in the diagram, all decisions flow from the support and desires of the Peguis community as expressed through the Comprehensive Community Plan (CCP). Authority for the selection and acquisition of land derives from Chief and Council, on the advice of the Land Selection and Acquisition Advisory Committee. Financial means for land purchase and development flow from the Peguis Development Corporation. As well, we anticipate two future entities, a Real Estate Division to bring needed capacity in assessing and Acquiring land, and an Investment Corporation which will be dedicated to managing Peguis’ investments.

The activities outlined fall under the broad headings of Plan; Identify; Develop & Grow; and Manage. In the first stage, planning is required to determine the range and specific types of economic and social development needs that may be made possible and supported though an increased land base. Once these have been established through an economic development plan, land appropriate to (and commensurate with) these needs maybe identified. Potential options for land acquisition and development should then be reviewed and analyzed according to the criteria established in this Framework. Decisions made in this stage are undertaken with a view to addressing economic, social and environmental objectives through land development. With an expanded land base, Peguis leadership and residents may now begin the long process of developing and growing through compatible, beneficial and profitable land uses that address a wide range of community needs. Over the long term, then – and informed by future planning processes – Peguis will be able to manage their land and economic development investments for the benefit of its citizens, both on-reserve and off.

Along the right hand side of the diagram, we indicate “due diligence as per the strategic framework”. By this we mean that decision making is being undertaken according to a transparent and previously established set of guidelines consisting of:

**Vision:** The desired outcomes or future for the community, if the Committee carries out its work successfully.

**Mission:** Statement of purpose for the committee.

**Goal:** Long-term aims that would represent success for the Committee.

**Objectives:** Measurable and specific targets.

**Principles:** On what ethical, moral, financial and pragmatic bases will decisions about land Acquisition and development be made?

**Priorities:** What specific community needs may be satisfied and supported through the Acquisition and development of land?

**Criteria:** On what basis will Peguis evaluate its land Acquisition and development decisions and opportunities as they concern different types of land and land uses?

Based on previously-published documents from, as well as consultation with, the LSAAC, we propose the following Framework elements:

**VISION**
Land selections and acquisitions that provide sound economic and cultural opportunities for Peguis First Nation and contributes to the long term well-being of community members.
MISSION
The purpose of the TLE Land Selection and Acquisition Advisory Committee is to make recommendations to Chief and Council on potential TLE Crown Land Selections and private land Acquisitions and to assist with the TLE land planning.

GOAL
To contribute to achieving the goals outlined in the Community Plan through land Selection, Acquisition and development.

OBJECTIVES
To enable the LSAAC to:
- Evaluate opportunities as they arise
- Apply consistently the goals of the CCP to any land acquisition decisions
- Identify cross-cutting opportunities (ensure decision meets multiple CCP goals)
- Evaluate long-term impacts/outcomes
- Produce cost-benefit analysis of opportunities
- Negotiate with government and landowners
- Assess compatibility of proposed development with land, existing uses
- Identify and address political problems
- Manage competing interests
- Ensure process is self-sustaining
- Communicate decision-making processes with community
- Negotiate with external stakeholders
- Identify potential barriers
- Respond to plans and planning processes
- Evaluate financial and practical feasibility
- Determine indicators of success
- Practice due diligence
- Evaluate success and failure to inform future Acquisitions

PRINCIPLES
Decisions on land Acquisition and development should accord to:
- Participatory decision-making
- Proactive
- Equity of outcomes
- Comprehensiveness
- Sustainability
- Holism
- Financial rigor, viability and soundness
- Inclusion of Elders and Youth
- Diligence
- Rights of future generations to land
- Preservation (leaving some land undeveloped)
- Integration of CCP, Treaty rights, etc
- Balanced decision-making
- Continuity and political stability
- Transparency
- Cultural relevance

PRIORITIES
As was discussed during consultations, the following lists of economic development areas should only be viewed as preliminary. They will need to be elaborated upon, defined and prioritized as a part of an economic development planning process. With such planning in place, it should then be possible to apply the above principles and criteria, as well as the proposed Land Selection and Acquisition Checklist, which follows the criteria. Priorities as identified by the LSAAC are:

Economic Development:
- Commercial/Industrial/Institutional
- Real Estate Development / Subdivision / Cottages
- Agricultural
- Tourism Development
- Natural Resource Development
  - Forest Harvesting
  - Mineral and Aggregate
  - Fishing
  - Water
  - Green Energy
  - Crown Consultation

Social Development:
- Traditional/Cultural
- Residential
- Health/Education/Governance and other services
- Recreation
- Historical
- Environment and Wildlife

Priorities:
- Social Development - Residential
- Economic Development - Natural Resources
- Economic Development:
  - Commercial/Industrial/Institutional

CRITERIA
These may vary according to each development project and priority area. Examples:
- Suitability for development (building)
- Proximity to transportation infrastructure
- Proximity to urban areas (economic base)
- Availability of natural resources
- Assessment of natural hazards (e.g. flooding)
- Financial cost/benefit

Land Selection & Acquisition Checklist

When evaluating a possible land purchase, decision makers should consider:

- Will the acquisition of the land contribute to the well being of Peguis?
- Is it compatible with goals of the CCP?
- Does it meet the objectives of economic development priorities? (economic development plan)
- Is there a plan for how that land will be used/developed in place prior to purchase?
- Does it address multiple needs?

It could prove useful to use the following as a template; to ask the following questions when evaluating a potential land development opportunity:

For PROPERTY X, the property...
- Contributes to community by:
- Meets worldview of community?:
- Is consistent with goals of CCP by:
- Meets economic objectives by:
- Contributes to meeting the objectives of an existing plan?:
- Addresses multiple needs by:
- Meets financial objectives by:
- Is it practically feasible?:
- Does the community have capacity in this area?:
- Is there reasonable chance of success?:
- How would success feed back into the community?:
It remains for Peguis to choose the best way forward... to pursue land based on its goals and objectives.

Once these foundational steps are completed, it will then be necessary to engage in more technical processes:

- Land feasibility studies
- Land title review
- Mapping
- Option and lease reviews
- Land acquisition
- Soil analysis
- Records
- Consultation
- Conflicts with utilities or other land owners
- Easement issues
- Others.

What this framework illustrates is the “how” and “who” of land selection and acquisition. **What it cannot do at this point is answer the “what.”** However well the CCP set out the complex issues facing the community, it remains for Peguis to produce and implement specific strategies for addressing them. Chief among these will be an economic development plan (as indicated in the diagram) -- without which, in our belief, land Selection and Acquisition processes will be significantly hampered. With an economic development plan in place, by contrast, it becomes much more feasible to answer (in a transparent way) questions such as, what types of land can support our economic and social objectives. The Framework is also flexible, in that it recognizes – and indeed encourages – the need for adaptation and responsiveness on the part of decision-makers. It is therefore important – and indeed - essential to consider the processes associated with Land Selection and Acquisition as taking place within the broader activities of strategic planning and management. This is the topic of the final chapter.
Chapter 6:

Strategic Management and Planning

“Because of the recent settlement of our treaty land entitlement claim, we now have the opportunity to build the future that we want, as we see it and on our own terms.”

The Peguis Community Story, 2010

What in meant by the terms, ‘Strategic Management’ and ‘Planning’? Poister & Streib (1999) put it this way:

The Role of Strategic Management is the:

1. Continual monitoring of the “fit” between the organization and its environment and tracking external trends and forces that are likely to affect the organization;

2. Shaping and communicating to both internal and external audiences a clear vision of the type of organization the (agency) is striving to become;

3. Creating strategic agendas at various levels and in all parts of the organization and ensuring that they become the driving force in all other decision making; and

4. Guiding a long term management process in an integrated manner to support and enhance those strategic agendas.82

This sort of broad, system-wide thinking will greatly enhance the ability of the Peguis First Nation to pursue Land Selection and Acquisition. As was demonstrated in the literature review and case study portions of this report, matters of governance, policy and process are key to overall successful community planning efforts. The themes and recommendations emerging from this report move from general requirements for economic development and governance matters, to more specific recommendations on Land Selection, Acquisition and project development.

General Governance:

As was discussed in the literature review, the Harvard Project has identified the following five principles to be essential for a successful socio-economic development in aboriginal communities:

- Stable institutions and policies
- Fair and effective dispute resolution
- Separation of politics from business management
- A competent bureaucracy
- Cultural “match”

These aspects of successful First Nation development are relevant to Peguis as they are touched on in the Draft Comprehensive Community Plan. Each will be examined in turn with links to the CCP.

Stable Institutions and Policies:

The Harvard Project stresses that the ‘rules of the game’ by which individuals, businesses, and society play must be stable and transparent so as to encourage confidence. Changes to the governing institutions result in uncertain rules for society, which in turn results in people being unwilling to invest time or money in that society.

The need for such changes is referenced several times in the Peguis Comprehensive Community Plan. In Chapter 14 for example, it refers to program managers feeling undermined by political interference in their work83, while in Chapter 15 there are reports of political retaliation against individuals who have spoken out, in the form of loss of employment or benefits or even physical threats and intimidation. Such conditions are not only socially corrosive but work against creating a positive environment for confident outside investment.84

The CCP also acknowledges large improvements have been made in the public sector and governance areas. Measures underway include more participatory
Land Selection and Acquisitions should be oriented to pursuing an overall economic development strategy, which in turn should be informed by the Comprehensive Community Plan.

decision-making, transparency and accountability. These improvements are commendable and their continuation is essential for any economic development in the Peguis community including land-based development. In order for land Selection, Acquisition and development to be effective, Peguis should continue their efforts towards sounder governance in conjunction with their development plans.

Fair and Effective Dispute Resolution:
The Harvard Project singles out an independent judicial system as key to non-politicized dispute resolution. This aspect of good governance is perhaps less applicable to Peguis. However, Peguis has also noted the need for constructive conflict resolution and a community restorative justice program. These would greatly improve community relations and the reintegration of offenders into the community. This may improve the overall human-capital available to the Nation for development. The Harvard Project emphasizes creating an environment where development can happen. Peguis may look to these programs as furthering the development of an investment environment.

Separation of Politics from Business Management:
This may be the most important aspect of good governance for Peguis. The Peguis CCP suggests that such political interference has been problematic in the past stating, “Ensure that all key decisions are made on the basis of business fundamentals and performance outcomes, and not on political or family ties, or any other non-business related basis.”

This report, the Peguis Land Acquisition Background Report, has looked at various models of economic development for First Nations. The degree of separation between politics and business varies in each model and case study. As Peguis has acknowledged this separation to be problematic, it is recommended that the Band follow the recommendations of the Harvard Project. That Band “owned businesses be formally insulated from political interference—typically by a managing board of directors and a corporate charter beyond the direct control of council members or the tribal president.”

A Competent Bureaucracy:
A competent bureaucracy provides credibility and legitimacy to a First Nation pursuing economic development. It provides strength in negotiation and confidence that the bureaucracy can get things done, and done well. Requirements for good bureaucracy include, “Attracting, developing, and retaining skilled personnel; establishing effective civil service systems that protect employees from politics; putting in place robust personnel grievance systems; establishing regularized bureaucratic practices so that decisions are implemented and recorded effectively and reliably.” These objectives are closely aligned to those identified in the CCP. Identified problems of political interference, lack of inter-departmental cooperation, poor staff accountability, low staff skill levels and unclear program targets undermine the public sector and impede development prospects.

Cultural “Match”:
In both the literature reviewed and each of the case studies, there has been an identified need for a strong cultural match between the development project undertaken and the worldview of the First Nation or American Indian Tribe. This match varied in each case but existed nonetheless. For instance, in the case of the Membertou, gaming was originally rejected by the community on fears that benefits would accrue to only a few people in the community. The project was accepted once the development had been altered so that profits went to the Band for the benefit of the community. The
The Economic Development Strategy is needed to identify best opportunities for Peguis.

development of gaming was dependant on the support of the community and for that to happen required the project to match the ethics and worldview of that community.

Peguis First Nation will need to identify the opportunities available to them that most closely match their worldview and culture. In any development project, the Band should look for widespread support from the overall community as indicative of support.

**Other Recommendations:**

Peguis would be well served by having a unified vision for the future of the Nation. In particular, the role of the Home-Reserve in relationship to members who live off-reserve is an important point of contention. Peguis should pursue efforts at conflict resolution and healing divisions within the community towards this end. Peguis should explore how the opportunity of Land Selection and Acquisition can be used to help heal divisions within the community.

Peguis should pursue development on its own, as much as possible. Development is about capacity building. This is oft-repeated in the literature and is an underlying theme of the case studies. Seek help for technical and business matters where necessary; but vision, direction and implementation must be Peguis’ own.

Strong leadership has also emerged from the case studies as the single most critical factor in development, not land or resources.

Successful leaders have shown common characteristics:

- **Visionary:** A belief in what the community can achieve, and the drive to bring the community there.

- **Long-term:** Provides consistency in the approach to investment and business development. True development takes time. Successful leaders require decades to implement change.

- **Challenging dependency:** Leaders recognize that federal grants and welfare create a culture of dependency that impedes economic development.

Peguis might consider planning its Land Selections, Acquisitions and development irrespective of the current controls on Trust funds. Peguis should pursue options to better access the Trusts for development, when necessary. Such a strategy should be considered higher risk and done within the parameters of the overall investment/development strategy.

Peguis needs an **economic development strategy**. Such a strategy should include the identification of the best opportunities for Peguis. Peguis might consider obtaining professional advice in developing this strategy independently of the current report.

Peguis needs **professional advise in the pursuit of land**. This report has laid out broad strategic objectives for the community, as well as a framework for accessing development and land opportunities as they occur. It is for Peguis to determine which opportunities to pursue. This is the above mentioned **economic development strategy**, which should include a thorough **assessment of assets and resources**, while considering both **internal and external opportunities** to pursue.

**Businesses need to be run by experienced, skilled business people.** Think strategically about business. A business can’t be run just to employ people but must turn a profit to be invested back into the business and the community. This requirement appears in the Harvard
Model, the First Nations Progression Model, the case studies, and is identified as a challenge in the CCP.

Setting aside political issues between the chief, council and community is important for consensus and success. Muskeg Lake cites the separation of politics from business as critical to their success.

Because development is about Peguis building its capacity to create the future, Peguis should pursue every available extension on time for land Acquisition and Selection. This is to give the Band the time for the necessary capacity building.

To resolve concerns over equity in housing decisions between on and off reserve members, Peguis might pursue control of their land through the First Nations Land Management Act. This would improve the Nation’s control over land and its ability to treat all Members equally. A possible further step is to create an institution to make mortgages available to any member, whether on or off reserve, and on an equal basis.

Start small. Again, the emphasis is on skills development, capacity development, and business creation. There is always inherent risk in developing businesses. Minimize risk by starting small.

Development takes time and there is a long learning curve. Even the Bands that have shown remarkable success in the last 10-20 years acknowledge the time it takes for development to happen. Osoyoos has enjoyed remarkable success but it must be remembered that it first planted vineyards in 1968, which became the foundation for its current winery. Chief Paul of the Membertou has stated that it took ten years of work to change attitudes, and recruit a CEO before things began to change in 1995 with the development of a gaming facility.

Joint ventures are the most effective business development tool. Focus on working with companies you trust and ensure that training and skills development is part of the deal, not just a paycheck. Osoyoos and Membertou are the best examples of the use of joint ventures.

Training and education are critical for long-term success. This appears in a variety of ways, from the Lac la Ronge “working and learning culture”, to Osoyoos’ assertive stance on putting youth in school or a job; to requirements by Membertou that joint-ventures include training and the Band’s strategy of sending youth out of the community for education then recruiting them home.

Inter-band trade can be an effective tool. Osoyoos focuses on Aboriginal meetings for its Conference Centre. Membertou have partnered with other Bands in Nova Scotia to build fisheries businesses. Kitsaki Development Corporation mission states “form sound, secure partnerships with other Aboriginal groups.”

Use of zoning and property taxation on reserve lands can provide an income stream. Taxation should match, or be close to what would otherwise be charged by a municipality.

Local small business development should be encouraged, but this usually occurs after some other development has happened. This is because small business development is risky with high rates of failure. Initial development of the community should be based on success.

Research has shown that gaming has had a significant economic impact in a few cases. Membertou is a success story. However, the majority of First Nations and Indian casinos are neither profitable nor effective strategies and not true development (because of little training or
capacity building). For those Bands that pursue gaming, it must be reconciled with the Band’s culture and balanced against negative social effects. The pursuit of gaming by Peguis would require a strategic site, close to high population centre and far from other casinos. This will likely be a contentious and political issue.

If development plans include the creation of an urban reserve, an industrial park, or an economic zone, the most important factor will be to ensure the location of lands are close to both a large population centre and major transportation routes. This has been vital in all case studies reviewed. Distance from population centres has also been identified as a main cause of failure in First Nations businesses.

**Conclusion:**

With this Strategic Framework in hand, we can see a number of recurring themes and commonalities that, while not constituting a recipe for success or a mandatory sequence of steps, are nonetheless strongly suggestive in terms of guidance. These are:

- **Attend to Band governance**: create effective, transparent and durable institutions, management and bureaucracy to provide secure foundations for investment and economic development;
- **Manage strategically, for the long-term,**
- **Recruit qualified people to pursue land based on an economic development strategy,**
- **Recruit experienced business managers,**
- **Create an economic development corporation,** to whom lending institutions can provide financing and with which other businesses can form partnerships;
- **Engage in long-term planning,** integrating economic and social development goals;
- **Be prepared** to respond to external opportunities;
- **Engage in joint ventures,** to share economic risk and take advantage of the skills and resources of other businesses and entities;
- **Acquire land that holds economic potential** by virtue of its proximity to urban areas and/or transportation routes; strongly consider developing an Urban Reserve.
- **Seek niche markets**;
- **Develop and/or lease land** so that lease payments and taxes provide a reliable and sustainable revenue stream; and
- **Develop an economic development plan** that first engages in a thorough assessment of assets and resources, while considering both internal and external opportunities to pursue.

Peguis has already taken steps consistent with these and others as laid out by the Harvard Project. Peguis has:

- Considered matters of governance in its Draft Comprehensive Plan;
- Has since 1984 utilized the Peguis Development Corporation;
- Encouraged joint ventures (e.g., in its 2009 Finance Policy);

Furthermore, Peguis First Nation is thinking about development over the long term, and is exercising the sovereignty necessary. As was seen in the literature review, successful development requires four building blocks: sovereignty, effective institutions, strategic direction, and decisions/action. Peguis is sovereign, but it should be remembered that true sovereignty is “not simply the assertion of sovereignty—a claim to rights
and powers—it will require the effective exercise of the sovereignty (emphasis added).”

Land Selection and Acquisition is symbolically and culturally important as well as a huge opportunity for the Band. Development based on the use of land is a common strategy, but not the only option. The Harvard project emphasizes that development is primarily a political problem. The experience of the Membertou band, with little land or resources bears this out, as does extensive academic research. Gordon Shanks, a senior INAC official also confirms that resources are not required for socio-economic development stating, “the single real predictor of success appears to be leadership.”

For the land Selections and Acquisitions Peguis does make, what will be important is the strategic use the Band can get from the land. This will require long-term strategic planning. It is for Peguis to decide what development strategy to pursue, which projects to undertake and which land will fulfill their objectives.

Peguis continues to strengthen its institutions and has strategic direction from its Comprehensive Community Plan. The CCP has begun to lay out the community’s priorities and challenges; moving forward with implementation of objectives and programs in the CCP is Peguis’ challenge, and one that should be closely linked to all land Selection and Acquisition strategies.
Appendices

Endnotes

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80. Ibid.


83. Cornell & Kant (2005), 82

84. Peguis Comprehensive Community Plan, 6.

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Appendices

Sources

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Appendices

A: Energy Sovereignty

In its CCP, Peguis has expressed a strong interest in energy sovereignty to relieve the Nation of their Hydro electrical cost burden. There are strong precedents for Peguis to move in this direction. Aboriginal Affairs and Northern Development Canada (AANDC), through its ecoEnergy Program, has funded Community Energy Plans, energy efficiency projects and renewable energy projects in Aboriginal and northern communities across the country. AANDC has outlined some of its success stories in its publication Sharing Knowledge for a Better Future: Adaptation and Clean Energy Experiences. This publication reviews seven current ecoEnergy Projects as well as updates nine previous projects. These projects demonstrate how First Nations have achieved energy sovereignty success pursuing technologies as diverse as: Run of River Hydro, District Heating Systems, Solar Hot Water, Solar Photovoltaic, Solar Thermal, Wind Power, and Demand-Side Management. These projects may be informative for Peguis First Nation. For Peguis’ convenience two of the projects are reviewed here. More information can be obtained in the Sharing Knowledge for a Better Future publication as well as on AANDC’s energy website: http://www.ainc-inac.gc.ca/enr/oge/index-eng.asp. This website also provides information on obtaining funding for energy projects through the ecoEnergy Program.

Energy Planning is beyond the scope of this report, however, the Selection of land appropriate for energy development will be crucial for Peguis’ objectives. A key point for Peguis will be an understanding the potential energy resources they have and those they wish to acquire. Sharing Knowledge for a Better Future concludes with “Steps in Developing Renewable Energy” and “Key Issues”. These ‘first steps’ will be important for Peguis. Both were developed by the Pembina Institute and are reproduced below.

Steps in Developing Renewable Energy and Energy Efficiency Projects

1. Develop a community energy plan that examines current energy uses, costs, future needs and opportunities for conservation and renewable energy.

2. It is always cheaper to use less energy than it is to develop new sources of energy! Look for ways to reduce wasted energy and improve the efficiency of the energy that is used.

3. Ensure that new buildings (both homes and community infrastructure) will be built as energy efficiently as possible.

4. Complete a pre-feasibility study to lay the economic groundwork for pursuing a renewable energy project. If it is positive, consult with the community about the opportunity.

5. Monitor the quality of the local resource in question and ensure that it is possible to access it for a long-term period.

6. Make sure that you can access the local electricity distribution system. Set up a business structure for buyers of the electricity in order to finance the project.

7. Obtain the necessary permits, including environmental impact studies.

8. Engage in construction and commissioning. Commissioning is the process used to test and verify that a facility or plant functions according to its design objectives or specifications.

9. Plan for operation, monitoring and maintenance well in advanc
Key Issues When Developing Renewable Energy

1. Local Leadership and Engagement
   One of the key factors in successful energy projects is that the local community is engaged early and often on its development, and that the goals of the project match the needs of the community.

2. Monitor and Understand Your Local Resource
   Renewable energy resources are dependent on the amount that is available at your site. It may sound obvious, but wind turbines need lots of wind and small hydro systems need consistent flows of water. These can vary with the time of day, the season and from year to year and will impact your economic return. Getting high quality and long-term data is essential before making decisions to invest.

3. Explore Alternatives
   In every community there are many different opportunities for energy alternatives that will save money and reduce energy consumption. Often the best project may not be the one you initially pursue.

4. Use Only Proven and Cost Effective Technologies and Partners
   There are many proven, reliable technologies for renewable and efficiency upgrades. Be wary of technologies and partners that do not have a long track record.

5. Be Patient
   Energy projects involve many jurisdictions and many people. They will therefore frequently span several years between when they are envisioned and when they are implemented. The goal is to develop long-term solutions, so it is key not to rush decisions on projects that will be on the ground for several decades.

6. Look for Creative Funding Approaches
   There are many Federal and Provincial programs that can lend support or be used to leverage other money.

7. Be Persistent
   Pursuing alternatives may require some “outside of the box” thinking by you, your partners and your funders, as it is a break from business as usual. Doing things differently than they have been done in the past can take some convincing. Don’t give up!

Source: The Pembina Institute
Appendices

B: Case Studies from: 
Creating Wealth and Employment in Aboriginal Communities

In 2005, the Conference Board of Canada conducted a study looking at the factors that contribute to successful employment and wealth creation in Aboriginal communities. Many of these factors mirror those cited by the Harvard Project. The report conducted case studies of ten communities across Canada. One, the Osoyoos, has already been looked at in depth (see Chapter Four). The other nine are reproduced verbatim here to generate further ideas for Peguis.

WASWANIPI CREE, QUEBEC
Waswanipi Cree leaders realized that given their young and growing population, there was a strong need to create jobs for young people who were just entering the labour force. They decided that their community economic development strategic plan, based on existing forestry, silviculture and traditional economic activities, would not be sufficient to sustain their communities over the long run. They were originally interested in building a lumber mill, but the cost of establishing one was beyond the community’s means. In addition, funding sources demanded a demonstration of technical expertise and management experience in running a commercially viable mill. The Waswanipi Cree came up with a creative and successful solution: to expand their forestry operations by entering into a joint venture with Domtar Inc., a large forestry company based in Montréal. The Waswanipi Mishtuk Corporation is the forestry business arm of the Waswanipi community. It is responsible for forest management, silviculture and timber harvesting. The corporation’s activities attempt to strike a balance between the need to create jobs and the need to maintain the Cree’s relationship with the land and traditional activities such as trapping. The Waswanipi Mishtuk Corporation’s joint venture with Domtar is called Nabakatuk Forest Products. Nabakatuk’s board of directors includes three directors from Domtar and four from Waswanipi.

The joint venture with Domtar has provided much needed equity capital, management expertise and access to markets. Funding came from the Waswanipi Band, Domtar and Industry Canada. The venture operates to generate profit while addressing the needs and expectations of the community: employment and training, and respect for trapping and burial sites. As part of their strategic community economic development plan, the Waswanipi Cree are selling some community owned businesses to individual entrepreneurs in the community. They want to generate the equity needed to enable the community to pursue economic development through community-owned businesses that cater to tourists.

(Loizides 2005, pg 10)

PRINCE ALBERT GRAND COUNCIL, SK
The Prince Albert Grand Council represents eight First Nation communities in northern Saskatchewan. The Prince Albert Grand Council follows a strategic planning approach that accommodates internally generated ideas and external opportunities to promote economic self-sufficiency. To improve the socio-economic situation significantly in these communities, the Council hopes to create 585 jobs per year for 10 years, guaranteeing 50 per cent employment. It took the Prince Albert Grand Council more than 24 years to establish a business culture. It has taken the past decade to establish real trust among the various community stakeholders, as well as a track record of successful partnerships and the training and retention of professional management. There has been continuity in board leadership; a long record of re-election has translated into consistency in
the approach to investment and business development. The board includes chiefs from each of the First Nations that makes up the Council. The grand chief acts as the chair and works with the chief executive officer of the development corporation to identify and cultivate investment opportunities. Investment guidelines and policies guide the work of the development corporation. The Prince Albert Grand Council is currently focusing on youth and education. It targets industries with high employment needs, such as hotels, and fast-tracks interested youth into suitable educational opportunities. Today, more than 400 Band members are employed in community-owned businesses.

(Loizides, 2005, pg 10)

**DOGrib Nation Group of Companies, Northwest Territories**

The Dogrib Nation Group of Companies was established to create wealth and employment for Aboriginal people and to develop business partnerships with corporations. The Group works for, and on behalf of, the communities of the Dogrib Nation. Proximity to natural resource development sites is a considerable advantage on which the Dogrib Nation is capitalizing. In particular, the Dogrib Nation Group of Companies is tapping into the business opportunities created by diamond mines, the oil and gas industry, and pipeline development in the region. The Group is involved in hydroelectric generation, forestry, heavy equipment supply, aviation, and construction and catering in the Northwest Territories. It has used impact and benefit agreements as mechanisms to build relationships with industry players. The Group’s accomplishments are prime examples of what can be done to establish and operate businesses successfully. These businesses employ top-quality managers and operate at arm’s length from political leaders. In addition, the board of directors representing the Dogrib Nation communities provides governance oversight, ensuring accountability to the communities.

The Nishi-Khon/SNC-Lavalin joint venture provides access to capital, technology and management knowhow. In 2002, this joint venture and Diavik Diamond Mines Inc. were awarded the Canadian Council of Professional Engineers’ National Award for Engineering Achievement for the design and construction of a 3.9- kilometre dike. The Dogrib Nation Group of Companies has been responsible for significant wealth and employment creation in the Dogrib communities. Profits made by the Group are reinvested either to improve or expand their business operations or to address community needs.

(Loizides, 2005, pg 11)

**MOOse Deer Point First Nation, On**

Niigon Technologies Inc. was the result of a vision and plan developed by the chief and Council of the Moose Deer Point First Nation. With the encouragement and financial support of Robert Schad, chairman of Husky Injection Molding Systems Ltd., the Nation decided on a business in which community members could work year-round instead of being seasonally unemployed and dependent on welfare. (Most of the other employment opportunities were seasonal, such as small businesses that serve cottages.) Niigon produces quality injection molded products. The manufacturing facility is state-of-the-art, with minimum impact on the environment. Over time, the firm has specialized in fewer products in order to exploit economies of scale. Niigon has five directors on its board who have business experience and expertise but who are not part of the Moose Deer Point First Nation community. The other two directors are the chief and the president of the community trust fund, both elected by members of the Moose Deer Point community.
Niigon’s general manager and production supervisor are also from outside of the community, only because the technical expertise and business management knowledge required for the job did not exist within the community. Niigon has been in operation for two and a half years, and is still running at a loss. However, the company expects to break even next year. Management is trying to convince workers that if their wages increase too much, Niigon will not be as competitive as other suppliers. Niigon’s main challenge is training employees in the technical aspects of the operation as well as building employees’ self-confidence in their abilities to run and manage the business.

(Loizides, 2005, pg 11)

**KAKIVAK ASSOCIATION, NUNAVUT**

The Kakivak Association is the community economic development division of the Qikiqtani Inuit Association, representing the interests of the Inuit of the Baffin Region, High Arctic and Belcher Islands. Despite the remoteness of these communities, Kakivak staff visit communities to find out what their needs and expectations are and to establish programs to meet those needs. Kakivak provides financial, technical and marketing assistance to help Inuit people establish businesses. In addition, Kakivak helps to train the Inuit to own, manage and expand their businesses. Kakivak has established a skilled technical team, good management and political leadership, and strong community support. The Kakivak board of directors is diverse and reflects the community’s expectations, values and needs. Kakivak has contributed to smallbusiness entrepreneurs business skills, preparing them to make sound investment decisions. These entrepreneurs are using capitalist management principles that are compatible with Inuit values and culture. Many of these business people need help gaining access to markets beyond their communities. Art businesses require marketing support, while tourist sector businesses need an improved infrastructure that will enable tourists to visit their communities.

(Loizides, 2005, pg 11)

**WHITECAP DAKOTA FIRST NATION, SK**

Chief Darcy Bear of the Whitecap Dakota First Nation described the rationale for creating wealth and employment in his community when he explained that [without hope and opportunity, you can have all the social programming you want, but if people don’t have a job at the end of the day, how are you going to create a healthy lifestyle?...We are opening our borders and saying, we want to be part of that economy, we want to be part of that solution, and we are going to be part of that solution. ‘ I think that is what it’s going to take in order for us to move ahead as First Nations.

This First Nation community is forging ahead to get things done. It consulted community members and drew up a strategic plan designating land for residential and commercial development. The community then pushed ahead on large projects, including a golf course, a casino, RV parks, a hotel and a training centre. These projects produced a total of 600 jobs and were made possible through partner investments and lease opportunities. Whitecap’s recent economic success is the result of a long period of reconstruction coming after the community experienced serious financial difficulties. Through wealth and employment creation, the basic needs of the community are now being met. Because Whitecap members have access to good careers, they can provide comfortably for their families. Whitecap continues to charge a goods and services tax on fuels, cigarettes and alcohol in order to maintain the tax base it requires to address community needs.

(Loizides, 2005, pg 12)
**TRIBAL COUNCIL INVESTMENT GROUP, MANITOBA**

The Tribal Council Investment Group (TCIG) is owned by the seven tribal councils of Manitoba (representing their First Nation communities) and is dedicated to the economic development of its member communities. It invests in businesses that provide a reasonable return, generate wealth and employment, and create a capital pool for community economic development. These businesses include food and beverage services, health benefits and health management services, financial services, and food and dry goods distribution and retailing. The TCIG is a tightly run, lean management company with an intimate knowledge of community needs, a stable board and a dynamic management team. It acts as a vehicle to gain access to larger investment projects through joint ventures. Each tribal council appoints a member responsible for economic development to the TCIG’s board. The board and management team work together to achieve unity of purpose. The TCIG’s efforts have generated a solid foundation of wealth and employment and created a capital pool of more than $40 million for community economic development. Among its most successful investments is a Pepsi franchise that has grown across northern Canada. It has expanded the product lines to include water and juice, as well as diversified into frozen dairy products. Philip Dorion, chairman of TCIG, comments on the performance of his organization: -Is it making a big profit? Is it providing adequate returns to shareholders? Is it achieving financial independence? Is it generating wealth? Is it doing all of those? I think we have done all of those. We want to continue doing all of those things in order to be successful in working with our First Nations. We want to build on our respect in the business community and be recognizable, too. We are proud when we say Tribal Council Investment Group.

(Loizides, 2005, pg 12)

**MILLBROOK MI’KMAQ FIRST NATION, NOVA SCOTIA**

The Millbrook Mi’kmaq First Nation is located in four reserve areas in and around Truro, Nova Scotia. Millbrook is the largest of the four communities. The nation has been very successful in pursuing economic independence and has established a number of enterprises that create wealth and employment. Millbrook’s biggest business initiative is the Truro Power Centre, a commercial development in the middle of the Halifax–Moncton growth corridor. This centre has been highly successful in attracting a number of businesses and jobs to the area. As Millbrook Chief Lawrence Paul said, -We are going forward in the field of economic development and free enterprise, and we are going to continue to go forward and expand. I think, in about five years, things are going to look completely different at the Power Centre. There is no doubt in my mind it will be a mini Bayers Lake development. I would predict success after success after success.

The Millbrook Council’s approach to the management of their economic development is entrepreneurial in nature. The Council has a very impressive record of business development that enables it to attract private sector investors. Millbrook Council members believe that it is important and useful to combine business and politics. Although they are aware of the potential difficulties of this approach, they emphasize good governance and the need to build sustainable business enterprises. The community’s faith and trust in the Council’s members is reflected in their continued re-election. The combination of good location with the dynamic leadership of the Chief and Council has proved to be the catalyst for the Nation’s economic success. Other factors include: being flexible about emerging opportunities; being involved in regional business networks; taking risks; hiring people who have
the right skills; and building business management capacity. Millbrook has created more jobs than needed for the size of the available labour force. The community is closing the socio-economic gap between itself and other Canadian communities. Recently, the Council distributed the profits from Band-owned enterprises to members of the community, both on- and off-reserve.

(Loizides, 2005, pg 13)

**KTUNAXA/KINBASKET TRIBAL COUNCIL, BRITISH COLUMBIA**

The Ktunaxa/Kinbasket Tribal Council represents the five Ktunaxa Bands and their respective First Nation communities. Chief Sophie Pierre, leader of the Tribal Council, believes that self-determination through economic self-reliance works to reduce poverty.

Chief Pierre and the five Bands of the Tribal Council have undertaken a huge project to convert a residential school into a first-class holiday resort. The St. Eugene Mission enterprise is a public–private partnership whose stakeholders include: investors (the five Ktunaxa Bands, Columbia Basin Trust and the Government of Canada); lenders (Royal Bank of Canada, Western Economic Diversification Canada, Delta Hotels and Peace Hills Trust); and operators (Delta Hotels and the BC Lottery Corporation). The enterprise is owned by the five Ktunaxa Bands through two trust corporations of which the Bands are the sole beneficiaries. The resort is managed by Delta.

The resort’s board of directors includes an equal number of members from each Ktunaxa Band. To promote consistency in decision making, each Band shares rights and obligations, has an equal share (20 per cent interest) in the resort, and has a voice in how it is run and managed. The resort’s ownership and management principles encourage the separation of business and politics. The St. Eugene Mission enterprise has generated up to 240 direct and 240 indirect jobs—and a stream of cash flows from the business. However, the enterprise faces financial difficulties due to its inability to service its debt. The board is now discussing an equity partnership with two other organizations. They point to several lessons learned: investment in a business carries risk, so it is important to know the industry and your comfort level with risk; leadership should have ongoing communication and consultation with the community; and it is crucial to ensure that the enterprise has sufficient working capital for the first few years.

(Loizides, 2005, pg 13)

Note: The Ktunaxa/Kinbasket Tribal Council is now called the Ktunaxa Nation Council. The partnership structure for the resort is now with the Samson Cree First Nation and the Mnjikaning First Nation.

**SIKSIKA NATION, ALBERTA**

The Siksika Blackfoot community in Alberta occupies a reserve of 70,985 hectares and is situated 80 kilometres east of Calgary. It is a member of the Blackfoot Confederation, which comprises the Blood, Peigan and Blackfoot First Nations. The Siksika community has nearly 6,000 members, slightly more than half of whom live on the reserve. The 2001 Census data show that the community’s unemployment rate was 23.5 per cent, while the provincial rate was just 5.2 per cent. The Siksika Nation has two strategic community goals in relation to wealth and employment creation. First, the Nation hopes to achieve self-governance and control over key areas of jurisdiction such as economic development and taxation.
Second, the Nation plans to establish business enterprises that will enable it to become self-reliant. Siksika Resource Development Ltd. (SRDL) was established by the Siksika Nation to manage the Band’s renewable and non-renewable resources through business and investment strategies, including joint ventures. SRDL has been successful in establishing and managing a number of community-owned business enterprises that create wealth and employment for the community. SRDL has maximized the return on its investment by establishing joint ventures and partnerships with corporations. SRDL management balances stakeholder interests through a representative board of directors.

The board’s investment and audit committees review select and vet investment opportunities before submitting proposals to the Nation. Various checks and balances relating to business decisions and SRDL’s relationship with the Nation are built into the company’s organizational structure. It also has a system of internal controls in place to prevent errors, fraud and the inefficient use of resources. SRDL recognizes the importance of community ownership and participation to the success of its business strategy. SRDL has successfully created employment opportunities for the members of the community through its business involvement in the commercial, industrial, tourism and hydrocarbon sectors. It is profitable, and survives independently of government or other funding sources. SRDL’s good working and business relationship with the Siksika Nation ensures the separation of Nation politics from Nation-owned businesses.

(Loizides, 2005, pg 14)

AAMJIWNAAANG BUSINESS DEVELOPMENT PARK

Aamjinaang First Nation is located within the boundary of the City of Sarnia adjacent to the St. Clair River in South-western Ontario which is heart of an industrial petro-chemical valley that extends between Canada and the USA borders. The community has a population of approximately 2000 members with approximately half residing on the reserves 3000 acres. Its location provides onsite links to highway, rail and water transportation routes. The Mission of the park is that Aamjiwnaang’s movement toward these ends is to enhance the social economic environment of the community and to foster economic growth for our future. The mission is pursued through the following development goals and objectives:

- Employment opportunity for community members;
- Revenues for further development;
- Self sufficiency of the Band;
- An environment for partnerships and joint venture opportunities;
- An environment to enhance Aboriginal Entrepreneurship; and
- Opportunity to participate in the mainstream Economy.

The Chippewa’s of Sarnia Industrial Developments (CIDL) is a Band-owned company that oversees the development and management of the Industrial Park on lands owned by Aamjiwnaang First Nation. The Park’s location within the major industrial region of the City of Sarnia and adjacent to the St. Clair River, positions the Chippewa’s Industrial Park as a prime site to establish business.

The Chippewa Industrial Park was established in 1971, by Chippewa Industrial Developments Limited
(CIDL), to create business opportunities and long-term employment for Band members. Twenty-six of the park’s acres (hectares) of fully developed and serviced land are currently occupied. The first phase of the industrial park was completed in 1991 and today its 17 tenants provide jobs for Band members and other residents of the area. The park includes a gas bar and plaza which accommodates a restaurant and supports native small business and entrepreneurship. With the first phase of the Chippewa Industrial Park now full, development of another 235 acres in Phase 2 is well underway.

CIDL leases land and buildings to industry with rates based on a combination of the land’s market value and the value of the buildings. Leases may run for as long as 20 years with increments to the leases every two years. The park appeals to tenants who prefer to lease their buildings and land and channel their investments directly into equipment including highway, water, rail and air routes.

**Aamjiwnaang Trust**

A Trust Agreement has been entered into between Aamjiwnaang First Nation and Aamjiwnaang Development Corporation. The income flow will be directly forming the company(s) through The Trust and ultimately to the Band Council, who will then decide on where such may be directed.

Aamjiwnaang’s Human Resource Strategy is driven by a partnership with private and public sector to foster greater social economic growth in First Nation communities and is seen as a key component of the First Nations mission statement to create employment for Band members. Tenants within our Industrial Park are encouraged to participate in Human Resource Strategy. This strategy has contributed to a low unemployment rate and participation of other local First Nation in the job opportunities being created by Aamjiwnaang. The community emphasises that this approach has taken 20 years to arrive at its current state, but is making a significant contribution to:

- Employment opportunity for community members;
- Revenues for further development;
- Self sufficiency of the Band;
- An environment for partnerships and joint venture opportunities;
- An environment to enhance Aboriginal Entrepreneurship; and
- Opportunity to participate in the mainstream economy.

**ANISHINABEK NATION CREDIT UNION**

The Anishinabek Nation Credit Union has been established to be a sound financial institution that meets the unique needs of the Anishinabek in accordance with the ANCU Spirit and Intent Declaration. That declaration asserts that the ANCU:

- values above all our ability to serve the Anishinabek, with the highest degree of compassion, care and trust, in the language and culture of our members.
- is an organization which lives by its values, led by the quality and diversity of services which best meet the needs of our membership.
- is the financial institution of choice which is committed to seeking out ways of sharing thus maximizing the leverage potential of our membership’s trusts.
- is committed to the economic empowerment of Anishinabek communities that matches technology to the needs of our membership.
is in the business of improving Anishinabek life and all our actions must be measured by our success in achieving this desired end.

accepts that stemming from these tenets, are our by-laws, code of conduct, policies and procedures and other management instruments we may employ to achieve our objectives.

The Anishinabek Nation Credit Union is the very first on reserve Credit Union ever to be granted a charter by the Province of Ontario. The Anishinabek Nation Credit Union is highly regarded within the Ontario industry and works closely with regulators to ensure compliance with the Act and to maintain deposit insurance. ANCU currently does not offer small business loans due to its size, but does service many small business accounts.

Since opening in 2001, the Anishinabek Nation Credit Union has grown in assets to just under $7 million and has churned out loans to members exceeding $6 million. Its goal over the next year is to increase our assets by an additional $3 million and we believe this is achievable. Over the next two years ANCU will work to greatly reduce or eliminate the accumulated deficit and be in a position to pay a dividend on its Class A and B shares. This can only be accomplished through continued deposit growth, which will result in positive overall growth.
For more than thirty years the Harvard Project on American Indian Economic Development at the J.F. Kennedy School of Government, Harvard has been studying Indian community development. The Project has documented several success stories as well as studied the reasons for success. Four stories are reproduced here from the following articles:


*Two Approaches to Economic Development on American Indian Reservations: One Works, the Other Doesn’t.* Stephen Cornell and Joseph P. Kalt (2005)


**Choctaw**

In March 1978, Chief Phillip Martin of the Mississippi Band of Choctaw Indians would not take no for an answer. He had waited for hours outside the office of the head of the federal Bureau of Indian Affairs (BIA—the agency responsible for implementing federal Indian policy in the United States). He wanted the agency to tell General Motors that the Mississippi Choctaws were a good investment risk. He finally got into the office and demanded action. The BIA vouched for the tribe, and General Motors invested in a wire harness assembly plant on Mississippi Choctaw land. For its part, the tribe backed up its ambitions with changes in government and policy that made the reservation a place where both outsiders and tribal members wanted to invest. This was the beginning of an economic renaissance. Today the Mississippi Choctaws have virtually eliminated unemployment on their lands and must turn to non-Indians by the thousands to work in Choctaw-owned factories, enterprises, schools, and government agencies. A great resurgence in well-being and cultural pride is well underway. The Mississippi Choctaws are one of the largest employers in the state of Mississippi. Several thousand non-Indians migrate onto the reservation every day to work in the Choctaws’ manufacturing, service, and public sector enterprises. The Choctaws are importing labor because there aren’t enough Choctaws to fill all the jobs they’ve created. Choctaw unemployment has fallen dramatically.

**Apache**

After decades of living under the thumb of the BIA, in the mid-1960s the White Mountain Apache Tribe in Arizona told federal officials they were no longer needed at meetings of the tribal council; they could attend only upon invitation.
The tribe would let the Bureau know when it needed its advice. The tribe also barricaded a road and guarded it with armed men to stop the BIA from renewing non-Indian homesite leases on the shores of a tribal lake at a fraction of market prices. The Bureau backed down. These and other tribal actions launched a renewal of tribal sovereignty that led to two decades of economic growth. The White Mountain Apaches’ forest products, skiing, recreation, and other enterprises have made it the economic anchor of the economy of east-central Arizona. Towns there look to the Apaches as the motor force that pulls them through the winter and as a major player in the regional economy. Their timber operation is one of the most productive in the western United States, regularly outperforming private operators like Weyerhaeuser.

**Flathead**

During the 1980s, the Confederated Salish and Kootenai Tribes of the Flathead Reservation in Montana made key reforms to their tribal government, stabilizing the rule of law and professionalizing their management. Armed with both the necessary institutions and the desire to run their own affairs, they gradually took over many of the tasks of reservation governance previously carried out by—or under the close supervision of—the United States government. In the process they began building one of the most effective tribal governments in the United States, reclaiming control of their lands and community and moving the tribe toward sustainable, successful economic development.

**Potawatomi Nation**

In the late 1970s, the material assets of the Potawatomi Nation consisted of 2½ acres of trust land, $550 in the bank, and an old trailer that served as the tribal headquarters. Today, CPN’s assets include a bank, a golf course, a recently-opened casino, restaurants, a largediscount food retail store, a tribal farm, a radio station, and more than 4,000 acres purchased by the Nation. CPN eschews per capita payments and, instead, channels its resources into services for citizens – from health care to educational and child development support, from a pharmacy to an award-winning small business development program. The directory of CPN businesses lists scores and scores of private citizen businesses, and CPN is the economic engine of the Shawnee, Oklahoma region.
From its creation in 1981, the Kitsaki Development Corporation has always recognized two important bottom lines: profit and social responsibility towards the wellbeing of the Band community. The Kitsaki Development Corporation strategy for improving the socio-economic circumstances of the Lac La Ronge Indian Band has always been to form “sound, secure partnerships with other Aboriginal groups and successful world-class businesses in order to generate revenue for Kitsaki and employment for Band members.” This tactic of forming partnerships with established businesses to create training and employment opportunities for Band members while working towards building internal capacity and knowledge is indicative of a unique development strategy that is being pioneered by First Nation’s across Canada.

“In implementing this strategy, Kitsaki seeks to create and manage a portfolio of active business investments rather than the individual companies. We try to obtain a majority interest in a business with a highly motivated entrepreneur or a strong corporate partner. We then work with that partner to maximize profits, employment, and training opportunities.”

The Kitsaki Development Corporation has been among the most successful in this game, establishing or investing in at least a dozen business ventures between 1981 and 2004 (see table 1). Reflecting this emphasis on investment, in 1991 the Kitsaki Development Corporation underwent a restructuring and now operates as Kitsaki Management Limited Partnership.

<table>
<thead>
<tr>
<th>COMPANY</th>
<th>OWNERSHIP PERCENTAGE</th>
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</thead>
<tbody>
<tr>
<td>Athabasca Catering Limited Partnership</td>
<td>20%</td>
</tr>
<tr>
<td>Northern Lights Foods Limited Partnership</td>
<td>100%</td>
</tr>
<tr>
<td>Dakota Dunes Golf Links Limited Partnership</td>
<td>16.7%</td>
</tr>
<tr>
<td>Canada North Environmental Services Limited Partnership</td>
<td>100%</td>
</tr>
<tr>
<td>First Nations Insurance Services Ltd.</td>
<td>91%</td>
</tr>
<tr>
<td>Keewatin/Procon Joint Venture</td>
<td>22%</td>
</tr>
<tr>
<td>La Ronge Industries Limited Partnership</td>
<td>51%</td>
</tr>
<tr>
<td>La Ronge Motor Hotel Limited Partnership</td>
<td>100%</td>
</tr>
<tr>
<td>Northern Resource Trucking Limited Partnership</td>
<td>30%</td>
</tr>
<tr>
<td>Wapawekka Lumber Limited Partnership</td>
<td>16.3%</td>
</tr>
<tr>
<td>Woodland Cree Resources</td>
<td>33%</td>
</tr>
<tr>
<td>La Ronge Wild Rice Corporation</td>
<td>25%</td>
</tr>
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</table>
The success of the Kistaki Management Limited has been closely studied by Raymond A. McKay of the University of Saskatchewan. Over several years of extensive research and conversation with Lac La Ronge Indian Band Council, community members, Kistaki business leaders, partners and employees, McKay has distilled his observations of the Kistaki into three key components that he identifies as the “Kistaki Model” of economic development. According to McKay, the central components of the Kistaki model are:

1. **Development of a diverse network of profitable enterprises with proven partners.** Maintaining a multi-sectoral family of enterprises allows Kistaki the flexibility to adapt to evolving markets.
   - Kistaki has built upon the strengths of northern Saskatchewan’s economic sectors. Goods and services are provided to the mineral sector through Northern Resource Trucking, Athabasca Catering, Canada North Environmental Services, and Keewatin Procon for contract mining services. Ventures in the forestry sector include the Wapawekka Lumber mill in Prince Albert and partnerships with local La Ronge forestry operations. Dakota Winds Kistaki Mechanical Services is a partnership with an industrial partner and an Aboriginal partner to provide support to the mechanical infrastructure of industries, offices, and homes in the North.
   - The hospitality sector is served by the Lac La Ronge Motor Hotel and partnerships in three other hotels in Prince Albert. Ventures in the agriculture sector include Kistaki Meats and La Ronge Industries for wild rice. The highly profitable, value-added development of specialty organic food items such as wild mushrooms and berries is being explored.
   - The key principle here is to pursue diversification of enterprises to ensure stability over changing markets.

2. **Maximizing the Aboriginal employment in Kistaki and Band enterprises.**
   - The key principle is that viable, sustainable Aboriginal participation in enterprises can be achieved only when the employees and management are qualified, motivated, and productive. Kistaki’s human resource strategy is to maintain a corporate philosophy of a “working and learning culture” in the job environment. This philosophy is realized through sponsorship of literacy and academic upgrading to facilitate job retention and upward on-site job mobility, continual mentoring and counselling, and career path development for upper management Aboriginal candidates. An example of how this principle is realized is in the management-advancement strategy for the La Ronge Motor Hotel. The Motor Hotel serves as a hospitality industry training centre for its predominantly Aboriginal employees in which they obtain industry recognized credentials. Under this strategy, the operation provides competitive service for its clients and self-confidence, credibility, and job mobility for its workers.
   - The key principle here is that job advancement must be based on recognized standards of performance and achievement; to compromise standards, in academics or skills, is to jeopardize the credibility of Kistaki’s commitment to Aboriginal employment. Kistaki supports a business
incubator approach to provide training that will enable Aboriginal workers to take advantage of opportunities to become self-employed. Kitsaki’s NorthernResource Trucking partnership trains truck drivers and assists them become owner-operators.

3. **Maintaining and supporting traditional Aboriginal knowledge that provides value added advantages to the Kitsaki family of businesses.**

- Kitsaki and the Lac La Ronge Indian Band have long recognized that Band members possess Traditional Knowledge and Skills that can provide value-added benefits to Kitsaki’s enterprises. As an example, special knowledge of the products of northern forests will enable our enterprises to better obtain, process, and market high-profit commodities like wild rice and gourmet mushrooms. Building on the knowledge and skills of Band members gives Kitsaki enterprises a competitive advantage. Our Traditional Knowledge and cultural links to our Traditional Lands enable us to be effective, efficient, and prudent stewards of the natural environment. Because the resources of the land are both a business asset and a part of our heritage, we strive for their sustainable economic development.

**Interesting Development Initiatives**

**Northern Lights Foods:**

One of the most successful and high profile of the Kistaki Management Limited owned enterprises is Northern Lights Foods. Northern Lights Foods has grown to become the largest grower of organic wild rice in the world and a major supplier of beef jerky to markets in Europe, the United States and Japan. In 2001 Northern Lights Foods was awarded the prestigious Canadian Export Award and Aboriginal Business Achievement Award in recognition for it’s exceptional success as an international exporter and marketer of Canadian made food products.

Like many Kistaki enterprises, Northern Lights Foods began as a joint partnership in 1983 between Lac La Ronge First Nation and a Saskatoon entrepreneur. The early company, known as Kistaki Meats Ltd., found success producing, packaging, and shipping high quality beef jerky and also providing manufacturing and packaging services for numerous private label companies out of its processing plant in La Ronge. With the early success of Kistaki Meats Ltd. established, many Band members started to express interest in pursuing more traditional resource-development opportunities. Responding to this need, Kistaki Meats turned it’s attention to the harvesting, packaging, and marketing of wild rice. Although wild rice is not a traditional crop of the Lac La Ronge Indian people, it’s cultivation in shallow lakes and rivers across hundreds of remote sites in northern Saskatchewan, many within Lac La Ronge Band traditional territories, provides seasonal employment for more than 1000 individuals and opportunities for Band members to engage their traditional lands. For the past three years, Kitsaki Meats Ltd. has marketed their wild rice product as
a gourmet, organic food under the label “Northern Lights.” Along with Kitsaki’s own production, Northern Lights purchases wild rice from over 100 independent organic producers in Northern Saskatchewan, providing an important economic stimulus and source of livelihood for the region. The organically certified wild rice is sold primarily to markets throughout Europe and the United States where there is a fast growing consumer demand for organic foods. In recent years Northern Lights has expanded there product offering to include organically certified wild mushrooms. The mushrooms are harvested in the boreal forests of Northern Saskatchewan and provide yet another source of seasonal employment for local people.

Key Socio-economic Outcomes


In 1986 the Kitsaki businesses earned revenues of $5 million. By 1989, within only three years, Kistaki company revenues more than doubled to over $10 million per year, making the Kistaki Development Corporation the third fastest growing company in the province of Saskatchewan. In 2001 the combined revenues of the renamed Kitsaki Management Limited Partnership totaled $23.4 million. Employment figures are also impressive. In 2004 Kistaki businesses employed almost 450 people with an annual payroll of almost $6 million (see table 2). In addition an estimated 300 Band members were paid $120,000 for picking wild mushrooms, and 200 other aboriginal people were paid $80,000. Further, 300 Band members members were paid $637,000 to harvest wild rice, and 200 other aboriginal

<table>
<thead>
<tr>
<th>TABLE 2</th>
<th>Kitsaki Companies, Employees, and Salaries</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NAME OF BUSINESS</strong></td>
<td><strong>ESTIMATED SALARIES</strong></td>
</tr>
<tr>
<td>Athabasca Catering</td>
<td>40</td>
</tr>
<tr>
<td>Canada North Environmental</td>
<td>0</td>
</tr>
<tr>
<td>First Nations Insurance</td>
<td>1</td>
</tr>
<tr>
<td>Kitsaki Mgmt. Ltd. Partnership</td>
<td>8</td>
</tr>
<tr>
<td>Northern Lights Food</td>
<td>15</td>
</tr>
<tr>
<td>Keewatin Procon</td>
<td>0</td>
</tr>
<tr>
<td>La Ronge Industries</td>
<td>1</td>
</tr>
<tr>
<td>La Ronge Motor Hotel</td>
<td>52</td>
</tr>
<tr>
<td>La Ronge Wild Rice Corp.</td>
<td>5</td>
</tr>
<tr>
<td>Northern Resource Trucking</td>
<td>5</td>
</tr>
<tr>
<td>P.A.N.S. Joint Venture</td>
<td>0</td>
</tr>
<tr>
<td>Wapawekka Lumber</td>
<td>N/A</td>
</tr>
<tr>
<td>Woodland Cree Logging</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>129</td>
</tr>
</tbody>
</table>
people were paid $275,000. Combining these payments with the payroll of the companies in table 2, Kitsaki now pays out a total of $7 million in salaries and contract payment annually.

Kistsaki has also been able to contribute to the community in another important way through the financing of the Band’s land-claims proceedings. Notably, in 1994, Kistsaki financed the Band’s land-claims legal fees at a cost of almost $2 million. Prior to the emergence of Kistsaki, this level of legal involvement would have been unthinkable, and the Band’s land claims might have remained unresolved. While the relationship between the Band and Kistsaki remains strong, and Kistsaki is itself owned by Lac La Ronge First Nation, the council does not interfere with the operations of Kistsaki and its holdings. Respect for this division and independence of powers is essential for any First Nation considering a development strategy like that of Lac La Ronge.

Land Use Dimension:

The Lac La Ronge Indian Band economic development strategy could not have been as successful as it has been without the Band articulating a comprehensive vision of the role of the land. Despite the Band’s northern and relatively remote location, the Kistaki Management Partnership Limited has been very successful at identifying and exploiting economic opportunities within the region. In many ways, Kistsaki’s strategy has been to identify niche services (for example, gravel supply for mine development, financial services for Saskatchewan First Nations, or environmental auditing for government) and move aggressively through partnerships and investments in training to corner and widen the market. What is unique about the economic development strategy of the Lac La Ronge Indian Band is that they have been able to exploit development opportunities within a framework that regards the spiritual and cultural significance of traditional lands and have found ways to create jobs and economic activity through the responsible maintenance of those lands. As stated by Chief Harry Cook:

“The Lac La Ronge Indian Band views its Traditional Lands as a heritage\resource for future generations of its people. Our forest lands are for hunting, trapping, travelling, gathering of special forest products, and for spiritual and cultural purposes. But we also view them as a renewable resource for sustainable, long-term economic growth and employment for our people. We shall ensure that our people are fully educated, trained, and counselled to participate in the development of our natural resources. We have made a commitment to develop the timber resources of our Traditional Lands according to the principles of Sustainability, Environmental Protection, Multiple Use of Resources, Preservation of Traditional Activities, and Public Participation and Consultation.”
Sources: the Kitsaki Model


ii Ibid., 3-5

iii Ibid., 1


v McKay, Robert A. “Kitsaki Management Limited Partnership.” pages, 4-5


vii Harry Cook, Presentation at Native Studies 312 Class