

Improving the Economic Success of Urban Additions to Reserves

Achieving Benefits for First Nations and Local Governments



Stage II

**Economic and Fiscal Benefits
Generated in Urban ATRs**

Prepared For:
The National Aboriginal Economic Development Board

Table of Contents

Executive Summary	1
Introduction.....	3
Investment	6
Assessment of Benefits.....	10
Evaluating the Success of Urban ATRs	13
Framework for Evaluation	13
Benefits Generated and Relative Size.....	13
Comparison of Economic Benefits.....	14
Regional Benefits	15
Comparison of Fiscal Benefits.....	16
Regional Benefits	18
Approach to Development Comparison	19
Analyzing the Influence of the Five Most Important Factors.....	21
Factors Identified in Stage I.....	21
Infrastructure and Services.....	22
Governance	24
Land Management Regime	27
Own Source Revenues.....	30
Community Support	35
Summary of Analysis	36
Conclusions and Recommendations	38
Recommendations.....	41
Appendix A: Chief Joseph Custer Reserve I.R. #201	A43
Overview	A43
Investment	A45
Benefits	A47
Appendix B: Asimakaniseekan Askiy I.R. #102A	B51
Overview	B51
Investment	B53
Benefits	B54
Appendix C: Northern Lights I.R. #220	C60
Overview	C60
Investment	C62
Benefits	C63
Appendix D: Kahkewistahaw I.R. #72 A-1	D68
Overview	D68
Investment	D71
Benefits	D73
Appendix E: Kistapinanihk I.R. #231	E79



Overview	E79
Investment	E80
Benefits	E81
Appendix F: Piapot Urban Reserve	F85
Overview	F85
Investment	F87
Benefits	F87
Appendix G: Chief Philip Morin I.R. #232	G91
Overview	G91
Investment	G92
Benefits	G93
Appendix H: Long Plain Madison I.R. #1	H97
Overview	H97
Investment	H99
Benefits	H101



Executive Summary

Urban reserves can generate significant economic and fiscal benefits. The NAEDB is interested in identifying opportunities to increase these benefits and have them realized sooner through faster ATRs. The first stage of the study was completed in August 2014. Six First Nations near urban communities were examined to identify (a) potential fiscal and economic benefits to First Nations, regions and local governments from successful First Nation land development and (b) the factors that led to successful First Nation economic development. There were two important findings in Stage I, including:

- First Nations economic development near urban locations can generate economic and fiscal benefits for First Nations, regions and local governments.
- There are five important factors for generating First Nation and regional economic and fiscal benefits, including (i) Infrastructure and Services, (ii) Governance, (iii) Land Management Regime, (iv) Own Source Revenues, and (v) Community Support.

Stage II builds on these findings by comparing eight actual urban ATRs to these six successful First Nations near urban locations. We tested the hypothesis that the five success factors identified in Stage I influence the economic and fiscal benefits generated in urban ATRs. Stage II provided five important findings, including:

- Stage II urban ATRs generate greater economic benefits for First Nations and local governments on a per acre basis than the reserves near urban locations in Stage I.
- Four of the five success factors identified in Stage I (including Infrastructure and Services, Governance, Land Management Regime, and Community Support) are evident in the Stage II urban ATRs so these strongly influence the generation of economic benefits from investment on urban ATRs.
- The Stage II urban ATRs reviewed in this study generate more fiscal benefits per acre for other local governments, relative to Stage I urban reserves.



- The Stage II urban ATRs reviewed generate fewer fiscal benefits for First Nation governments on a per acre basis than the Stage I urban reserves. The primary reason for this is that only one of the urban ATRs reviewed has implemented tax powers under the First Nations Fiscal Management Act (FMA) or other tax powers. The perceived timeframe required to establish the necessary legislative framework to realize fiscal benefits may be a reason for limited use of tax powers in the urban ATRs we reviewed.
- It takes too long before benefits are generated from urban ATRs due to the length of time it takes to implement an ATR. In the cases we examined, the average length of time to complete an urban ATR was 4.2 years. Compare this to the estimated time required for a municipal council to approve a boundary extension of six months to one year.

These conclusions lead to three implications for urban ATRs and AANDC's ATR Policy, including:

- Complete Urban ATRs More Quickly – More benefits can be realized sooner by First Nations, regional economies and local governments if urban ATRs are completed sooner.
- Increase Fiscal Benefits to First Nations – The urban ATRs reviewed are not generating sufficient fiscal benefits to First Nations. This may be the result of First Nations not being aware of these benefits.
- Continue to Achieve and Raise Economic Benefits from Urban ATRs – The urban ATRs studied are achieving significant economic benefits for their communities and regions.



Introduction

Urban additions to reserve (ATRs) can offer significant potential economic and fiscal benefits to First Nations, regional economies and local governments. This study was undertaken by Fiscal Realities on behalf of the National Aboriginal Economic Development Board with a view to examining what the economic and fiscal benefits of urban Additions to Reserve are for both First Nations and adjacent municipalities.

Stage I was completed in August 2014. Six First Nations near urban communities were examined to identify (a) potential fiscal and economic benefits to First Nations, regions and local governments from successful First Nation land development and (b) the factors that led to successful First Nation economic development. The first key finding from Stage I was that First Nations economic development near urban locations can generate economic and fiscal benefits for First Nations, regions and local governments. These benefits are summarized in the table below:

Type of Benefit	Estimate of Average Impact
Economic Benefits Attributable to Investment on Urban Reserves	Average Economic Benefits (Realized by Reserve Residents) <ul style="list-style-type: none">• In addition to construction phase jobs, an estimated 450 ongoing jobs Average Economic Benefits (Realized by Off Reserve Residents) <ul style="list-style-type: none">• In addition to construction phase jobs, an estimated 730 ongoing jobs• An estimated \$13 million annually in support of economic activity off reserve
Fiscal Benefits Attributable to Investment on Urban Reserves	Average Fiscal Benefits (Accruing to First Nation Governments) <ul style="list-style-type: none">• An estimated \$5 million annually¹ Average Fiscal Benefits (Accruing to Local Governments) <ul style="list-style-type: none">• Fees collected by local governments for the provision of services on reserve• An estimated \$800,000 annually in property taxes

The second key finding is that there are five important factors for generating First Nation and regional economic and fiscal benefits, including:

- i.** Infrastructure and Services – identified as most important in six cases;
- ii.** Governance – identified as most important in six cases;
- iii.** Land Management Regime – identified as most important in five cases;

¹ This includes property tax, payments in lieu of property tax, goods and services tax, motive fuel tax, development cost charges, and revenue from First Nation-owned business operations. These are in addition to other First Nation government revenues like land leasing, liquor consumption tax, tobacco tax, and gaming revenue.



- iv. Own Source Revenues – identified as most important in four cases; and
- v. Community Support – identified as most important in four cases.

In August, Stage I results were released by the NAEDB and AANDC and were reported on by media.

First Nations Growth Benefits

“When First Nations reserves gain land not only can they economically benefit but everyone else in the region can too.

That's the thrust of a new report released by the National Aboriginal Economic Development Board, geared to – as their press release notes -- “Canadians who worry about the social and economic implications to their communities.”

So not only does this report say don't go all NIMBY when you hear the local reserve is growing, but it says do so at your own peril. You may risk losing a share of the spoils.”

Source:
The London Free Press, Oct 15, 2014
Anthony Furey, QMI Agency

Stage II builds on these findings by comparing actual urban ATRs to successful First Nations near urban locations. Specifically we tested the hypothesis that the five success factors identified in Stage I influence the economic and fiscal benefits generated in urban ATRs. Testing the hypothesis allowed not only an assessment of the fiscal and economic benefits generated in specific urban ATRs, but also informed our recommendations about how to ensure future urban reserves created under AANDC's ATR Policy maximize the economic benefits available to First Nation members and fiscal benefits available to First Nation governments.



Our comparison found that the Stage II urban ATRs we examined generate more economic benefits and fewer fiscal benefits per acre of land intended for economic development purposes than the economically successful First Nations near urban locations from Stage I. The reason for this, based on our comparison of success factors, is that urban ATRs in our sample are utilizing those elements important to economic success but are not implementing revenue options common for First Nations near urban locations. This reduces fiscal benefits to First Nations from urban ATRs and could contribute to slower ATR processes. Interestingly, we also found that fiscal benefits to local governments were higher from urban ATRs because of the higher economic benefits.

This report is divided into five sections. The first section presents our model for assessing fiscal and economic benefits in the eight urban ATRs examined in this study. The second section provides the benefit assessment for the eight urban ATRs. The third section evaluates the economic and fiscal success of urban ATRs compared to First Nations near urban locations. The fourth section analyzes the impact on the urban ATRs of the five success factors. The final sections summarize findings, conclusions and recommendations based on our analysis.

Eight appendices to this report are attached describing the eight urban ATRs examined in this study.



Investment

Cases studied include the following eight urban reserves created under AANDC's ATR Policy in recent years.

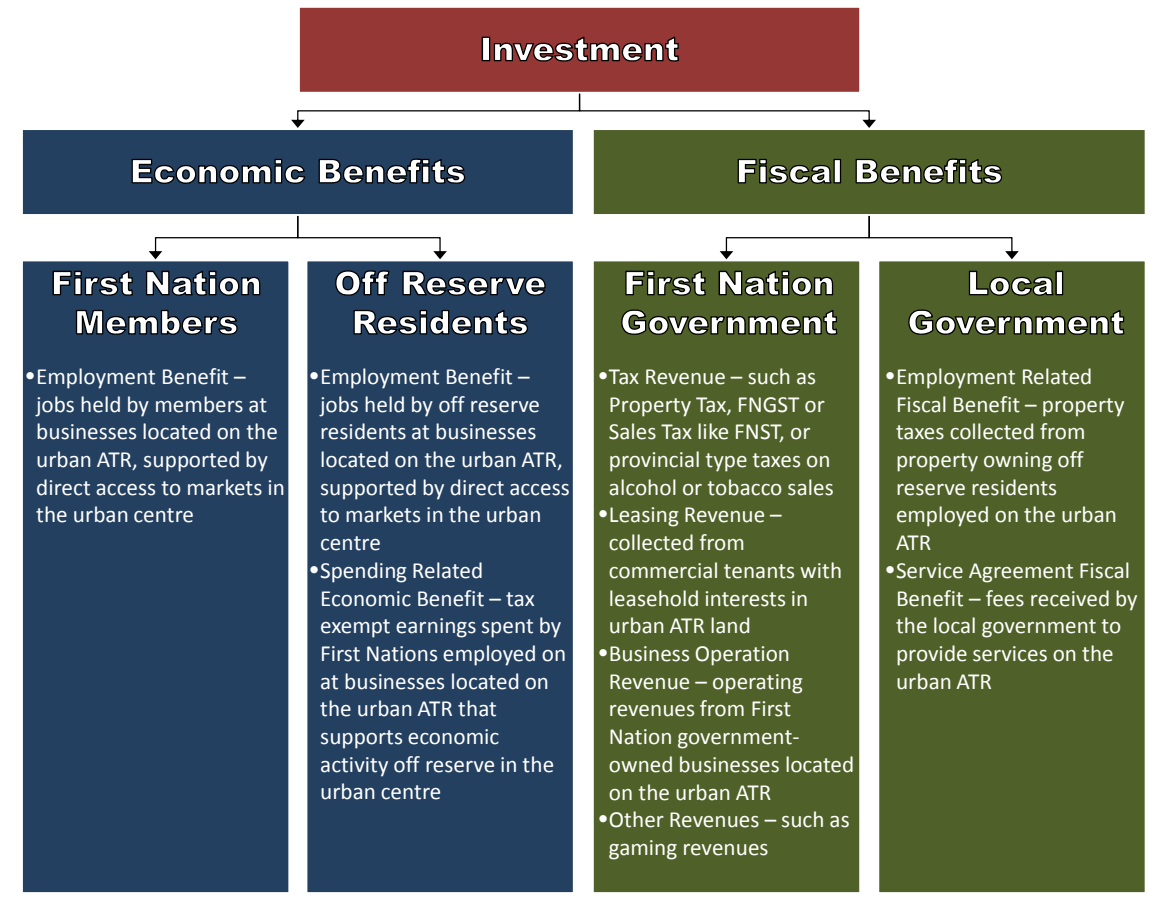
- 1) The Peter Ballantyne Cree Nation's 16.64 ha (41.12 acre) urban reserve in the City of Prince Albert, called Chief Joseph Custer Reserve I.R. #201 The PBCN first expressed its interest in owning the parcel in 1978. The reserve was created by Order in Council about 4 years later on Aug 2, 1982. The urban reserve includes a 5.99 ha (14.81 acre) addition (added Feb 6, 2003).
- 2) The Muskeg Lake Cree Nation's 14.30 ha (35.33 acre) urban reserve in the City of Saskatoon, called Asimakaniseekan Askiy I.R. #102A. The MLCN placed their claim with the federal government on the parcel in Aug 1984. The reserve was created by Order in Council about 4.1 years later, on Sep 29, 1988.
- 3) The Peter Ballantyne Cree Nation's 2.02 ha (5.00 acre) urban reserve in the City of Prince Albert, called Northern Lights I.R. #220. The ATR application was dated Sep 4, 1997. The reserve was created by Order in Council about 3.8 years later on Jun 14, 2001.
- 4) The Kahkewistahaw First Nation's 4.15 ha (10.26 acre) urban reserve in the City of Yorkton, called Kahkewistahaw I.R. #72A-1. The ATR application was dated Apr 28, 2000. The reserve was created by Order in Council about 2.3 years later on Aug 8, 2002. The urban reserve includes a 0.28 ha (0.69 acres) addition (added Jun 18, 2003).
- 5) The Peter Ballantyne Cree Nation's 0.95 ha (2.36 acre) urban reserve in the City of Prince Albert, called Kistapinanihk I.R. #231. The ATR application was dated Apr 28, 2000. The reserve was created by Order in Council about 5.5 years later on Oct 25, 2005.
- 6) The Piapot First Nation's 0.58 ha (1.44 acre) urban reserve in the City of Regina, called Piapot Urban Reserve. The ATR application was dated Apr 13, 2005. The reserve was created by Ministerial Order about 2.9 years later on Mar 14, 2008.
- 7) The Peter Ballantyne Cree Nation's 0.23 ha (0.58 acre) urban reserve in the City of Prince Albert, called Chief Philip Morin I.R. #232. The ATR application was dated Dec 5, 2007. The reserve was created by Ministerial Order about 4.3 years later on Mar 15, 2012.
- 8) The Long Plain First Nation's 1.14 ha (2.71 acre) urban reserve in the City of Winnipeg, called Long Plain Madison I.R. #1. The ATR application was dated Sep 1, 2006. The reserve was created by Ministerial Order about 6.7 years later on May 14, 2013.



Fiscal Realities Economists received direction from the NAEDB on the selection of these urban ATRs. The average length of time for urban reserve creation through AANDC's ATR Policy, among these eight cases, was about 4.2 years. Appendices A through H contain maps, pictures and background information on these urban ATRs.

The Stage I paper provided a list of 12 success factors that contribute to greater investment on First Nation lands. It is generally accepted that urban First Nations that develop, address or establish a greater number of these success factors, will have a higher likelihood of attracting greater amounts of investment onto their lands.

As described in the Stage I paper, economic and fiscal benefits flow from investment on urban reserve land. The diagram below illustrates how (i) the economic benefits of this investment flow to First Nation members and off reserve residents, and (ii) how the fiscal benefits of this investment flow to First Nation governments and local governments.



The diagram above provides the framework for our benefit assessment in each of the eight cases. The benefits described in Appendices A through H follow this framework. These are the economic and fiscal benefits we considered when examining each urban ATR.

The table below briefly summarizes investment on the eight urban ATRs. The column on the left identifies the First Nation and its urban ATR, and the column on the right provides a summary of the investment on the urban ATR.

Urban ATR	Summary of Investments on Urban ATRs
Chief Joseph Custer Reserve I.R. #201, Peter Ballantyne Cree Nation	A number of PBCN administrative offices, the Prince Albert Grand Council's executive office, Peter Ballantyne Health Services, some education facilities, an office complex, a newspaper office, a fitness centre, and a retail store (Walking Smoke Confectionary) are located on the urban ATR.
Asimakaniseekan Askiy I.R. #102A, Muskeg Lake Cree Nation	Three commercial facilities are located on the urban ATR, including McKnight Commercial Centre (35,000 sq ft), Cattail I (44,000 sq ft), and Cattail II (11,000 sq ft). There are over 40 businesses located in the three commercial facilities. CreeWay Gas East is also located on the urban ATR.
Northern Lights I.R. #220, Peter Ballantyne Cree Nation	The Northern Lights Casino is located on the urban ATR.
Kahkewistahaw I.R. #72 A-1, Kahkewistahaw First Nation	The Painted Hand Casino, the Kahkewistahaw Gas & Convenience Store, and the Yorkton Home Inn & Suites are located on the urban ATR.
Kistapinanihk I.R. #231, Peter Ballantyne Cree Nation	A Petro-Canada Gas Bar and Convenience Store, known as Petro-Can West, is located on the urban ATR.
Piapot Urban Reserve, Piapot First Nation	The Cree Land Mini-Mart & Gas Bar is located on the urban ATR.
Chief Philip Morin I.R. #232, Peter Ballantyne Cree Nation	A Petro-Canada Gas Bar and Convenience Store, known as Petro-Can East, is located on the urban ATR.
Long Plain Madison I.R. #1, Long Plain First Nation	Yellowquill College is located on the urban ATR. There are also plans for an office building, tax depot, and Petro-Canada gas bar and convenience store.



Varying degrees of investment have occurred on the urban ATRs in this study. Some, like Muskeg Lake's Asimakaniseekan Askiy I.R. #102A in Saskatoon, have extensive commercial investment, with many non-First Nation tenants, located on the urban ATR. While others, like Piapot's Urban Reserve in Regina and Peter Ballantyne's Kistapinanihk I.R. #231 and Chief Philip Morin I.R. #232 in Prince Albert, have only a single First Nation government-owned gas station.



Assessment of Benefits

The table below summarizes the estimated economic impacts generated on the urban ATRs. The table consists of three columns. The column on the left identifies the First Nation, its urban ATR, and the city in which the ATR is located. The other two columns provide a summary of estimated economic benefits. According to the framework described earlier, these estimated economic benefits are divided into those realized by First Nation members and those realized by off reserve residents.

Urban ATR	Economic Benefits (to First Nation Members)	Economic Benefits (to Off Reserve Residents)
Chief Joseph Custer Reserve I.R. #201, <i>Peter Ballantyne Cree Nation</i> (Prince Albert)	<ul style="list-style-type: none"> About 93 jobs held by PBCN members. 	<ul style="list-style-type: none"> About 309 jobs held by Prince Albert residents. About \$2.3 million in annual tax exempt earnings of First Nations employed on the urban ATR spent off reserve in Prince Albert.
Asimakaniseekan Askiy I.R. #102A, <i>Muskeg Lake Cree Nation</i> (Saskatoon)	<ul style="list-style-type: none"> About 120 jobs held by MLCN members. 	<ul style="list-style-type: none"> About 400 jobs held by Saskatoon residents. About \$3 million in annual tax exempt earnings of First Nations employed on the urban ATR spent off reserve in Saskatoon.
Northern Lights I.R. #220, <i>Peter Ballantyne Cree Nation</i> (Prince Albert)	<ul style="list-style-type: none"> About 129 jobs held by PBCN members. 	<ul style="list-style-type: none"> About 430 jobs held by Prince Albert residents. About \$3.4 million in annual tax exempt earnings of First Nations employed on the urban ATR spent off reserve in Prince Albert.
Kahkewistahaw I.R. #72 A-1, <i>Kahkewistahaw First Nation</i> (Yorkton)	<ul style="list-style-type: none"> About 112 jobs held by KFN members. 	<ul style="list-style-type: none"> About 374 jobs held by Yorkton residents. About \$3 million in annual tax exempt earnings of First Nations employed on the urban ATR spent off reserve in Yorkton.
Kistapinanihk I.R. #231, <i>Peter Ballantyne Cree Nation</i> (Prince Albert)	<ul style="list-style-type: none"> About 7 jobs held by PBCN members. 	<ul style="list-style-type: none"> About 22 jobs held by Prince Albert residents. About \$216,000 in annual tax exempt earnings of First Nations employed on the urban ATR spent off reserve in Prince Albert.
Piapot Urban Reserve, <i>Piapot First Nation</i> (Regina)	<ul style="list-style-type: none"> About 13 jobs held by PFN members. 	<ul style="list-style-type: none"> About 43 jobs held by Regina residents. About \$422,000 in annual tax exempt earnings of First Nations employed on the urban ATR spent off reserve in Regina.



Urban ATR	Economic Benefits (to First Nation Members)	Economic Benefits (to Off Reserve Residents)
Chief Philip Morin I.R. #232, <i>Peter Ballantyne Cree Nation</i> (Prince Albert)	<ul style="list-style-type: none"> About 3 jobs held by PBCN members. 	<ul style="list-style-type: none"> About 11 jobs held by Prince Albert residents. About \$104,000 in annual tax exempt earnings of First Nations employed on the urban ATR spent off reserve in Prince Albert.
Long Plain Madison I.R. #1, <i>Long Plain First Nation</i> (Winnipeg)	<ul style="list-style-type: none"> About 75 anticipated jobs are expected to be held by LPFN members. 	<ul style="list-style-type: none"> About 251 anticipated jobs are expected to be held by Winnipeg residents. About \$1.7 million in potential annual tax exempt earnings of First Nations expected to be employed on the urban ATR spent off reserve in Winnipeg.

The table below summarizes the estimated fiscal impacts generated on the urban ATRs. The table consists of three columns. The column on the left identifies the First Nation, its urban ATR, and the city in which the ATR is located. The next two columns provide a summary of estimated fiscal benefits. According to the framework described earlier, these estimated economic benefits are divided into those accruing to First Nation governments and those accruing to adjacent municipal governments.

Urban ATR	Fiscal Benefits (to First Nation Government)	Fiscal Benefits (to Local Governments)
Chief Joseph Custer Reserve I.R. #201, <i>Peter Ballantyne Cree Nation</i> (Prince Albert)	<ul style="list-style-type: none"> Limited fiscal benefits. 	<ul style="list-style-type: none"> Annual fees for the provision of services to the urban ATR. About \$348,000 annually in property taxes for the City from Prince Albert property owners employed on the urban ATR.
Asimakaniseekan Askiy I.R. #102A, <i>Muskeg Lake Cree Nation</i> (Saskatoon)	<ul style="list-style-type: none"> About \$398,000 annually in property taxes. Significant leasing revenue. Possibly some business operations revenues. 	<ul style="list-style-type: none"> About \$208,000 annually in fees for the provision of services to both urban ATRs. About \$338,000 annually in property taxes for the City from Saskatoon property owners employed on the urban ATR.
Northern Lights I.R. #220, <i>Peter Ballantyne Cree Nation</i> (Prince Albert)	<ul style="list-style-type: none"> Annual revenues under the liquor consumption tax agreement. About \$120,000 annually in leasing revenue. Gaming revenue. 	<ul style="list-style-type: none"> Annual fees for the provision of services to the urban ATR. About \$484,000 annually in property taxes for the City from Prince Albert property owners employed on the urban ATR.



Urban ATR	Fiscal Benefits (to First Nation Government)	Fiscal Benefits (to Local Governments)
Kahkewistahaw I.R. #72 A-1, <i>Kahkewistahaw First Nation</i> (Yorkton)	<ul style="list-style-type: none"> Annual revenues under the liquor consumption tax agreement. About \$219,000 annually in leasing revenue. Gaming revenue. 	<ul style="list-style-type: none"> Annual fees for the provision of services to the urban ATR. About \$421,000 annually in property taxes for the City from Yorkton property owners employed on the urban ATR.
Kistapinanihk I.R. #231, <i>Peter Ballantyne Cree Nation</i> (Prince Albert)	<ul style="list-style-type: none"> Limited fiscal benefits outside of some gas station net revenues. 	<ul style="list-style-type: none"> Annual fees for the provision of services to the urban ATR. About \$25,000 annually in property taxes for the City from Prince Albert property owners employed on the urban ATR.
Piapot Urban Reserve, <i>Piapot First Nation</i> (Regina)	<ul style="list-style-type: none"> Limited fiscal benefits outside of some gas station net revenues. 	<ul style="list-style-type: none"> Annual fees for the provision of services to the urban ATR. About \$48,000 annually in property taxes for the City from Regina property owners employed on the urban ATR.
Chief Philip Morin I.R. #232, <i>Peter Ballantyne Cree Nation</i> (Prince Albert)	<ul style="list-style-type: none"> Limited fiscal benefits outside of some gas station net revenues. 	<ul style="list-style-type: none"> Annual fees for the provision of services to the urban ATR. About \$12,000 annually in property taxes for the City from Prince Albert property owners employed on the urban ATR.
Long Plain Madison I.R. #1, <i>Long Plain First Nation</i> (Winnipeg)	<ul style="list-style-type: none"> Outside of tobacco tax, limited legislative framework to support significant tax revenues at this time. May be some net revenues associated with the planned tax depot and gas station. 	<ul style="list-style-type: none"> Annual fees for the provision of services to the urban ATR. About \$282,000 annually in property taxes for the City from Prince Albert property owners employed on the urban ATR.

Appendices A through H contain assumptions and detailed descriptions of the estimated benefits summarized in this table.



Evaluating the Success of Urban ATRs

Framework for Evaluation

The benefit framework developed in Stage I can be utilized to evaluate the success of these urban ATRs. The premise of this framework is that economic and fiscal benefits flow from investment on urban reserve land (either long existing reserve land or reserve land newly created through the ATR process). In terms of definitions, economic benefits are those that flow primarily to individuals. This includes both on and off reserve residents as well as First Nation members and non-members. Fiscal benefits are those that flow primarily to First Nation governments and local governments.

Benefits Generated and Relative Size

The difference in scale (with respect to land area) must be accounted for to facilitate a fair comparison between the benefits generated from investment on existing reserve land near or adjacent to urban centres and the benefits generated from investment on newly created urban reserves under the ATR Policy. Benefits generated will be evaluated on the basis of area of land intended for economic development purposes.

This is a straightforward process for Stage II cases. The entire area of each urban reserve was assumed to be land intended for economic development purposes in all Stage II cases.

The entire land area of Stage I urban reserves are not intended for economic development purposes. Much of the land is simply not developable, or is set aside for community, cultural, traditional, or other purposes. As a proxy for the area of land intended for economic development purposes in Stage I cases, the area of land set aside by land designation for economic development purposes was used.²

² One exception was the Westbank First Nation, where the entire area of Tsinstikeptum I.R. #9 and #10 was assumed to be intended for economic development purposes.



This methodology may provide an overestimate of the area of land intended for economic development purposes in Stage I cases. To confirm our findings, we created a second scenario in which the potential overestimate was as high as 50% of the land area. In this scenario we used only 50% of the area of the land designation. In all cases, this second scenario confirmed our findings using the methodology described.

Comparison of Economic Benefits

Among the cases we evaluated, investment on Stage II urban ATRs generated significantly greater economic benefits than investment on Stage I urban reserves on average, per acre of land intended for economic development purposes. Our evaluation considered two types of economic benefits, as described in the benefits framework graphic presented in an earlier section.

Employment Benefit – The number of jobs generated by investment on reserve, per acre of land intended for economic development purposes was found to be about 35.9 jobs per acre and about 18 times higher, on average, among the Stage II urban ATR cases than among the Stage I communities.³

Spending Related Economic Benefit – Increased off reserve spending, attributable to on reserve employment, per acre of land intended for economic development purposes, was found to be about \$283,901 per acres, about 10 times higher, on average, among the Stage II urban ATR cases than among Stage I communities.⁴

³ At 50% of the land area of the designation (for Stage I urban reserves), the average number of jobs generated by investment on reserve per acre was found to be about 9 times greater among the Stage II urban ATR cases.

⁴ At 50% of the land area of the designation (for Stage I urban reserves), the average spending related economic benefit generated by investment on reserve per acre was found to be about 5 times greater among the Stage II urban ATR cases.



The table below summarizes these results.⁵ The column on the left identifies the type of economic benefit being compared. The next column provides the estimated average benefit among Stage I urban reserves. The last column provides the estimated average benefit among Stage II urban ATRs. This column also notes the factor by which the benefit is greater among Stage II urban ATRs, relative to Stage I urban reserves.

Benefit Type	Estimated Economic Benefit Per Acre for Stage I Urban Reserves (at 100% of land area of designation)	Estimated Economic Benefit Per Acre for Stage II Urban ATRs (at 100% of land area of addition)
Employment	<ul style="list-style-type: none"> • Average: 2.0 jobs • Standard Deviation: 1.8 jobs 	<ul style="list-style-type: none"> • Average: 35.9 jobs (18 times greater) • Standard Deviation: 34.4 jobs
Spending Related Benefit	<ul style="list-style-type: none"> • Average: \$27,201 • Standard Deviation: \$35,780 	<ul style="list-style-type: none"> • Average: \$283,901 (10 times greater) • Standard Deviation: \$245,383

Regional Benefits

It is also important to note that these economic benefits generated by investment on urban reserves created under the ATR Policy, principally flow off reserve to city residents and city based businesses.

Employment Benefit – The number of jobs generated by investment on Stage II urban ATRs held by off reserve residents was found to be about 34 times greater than the number of jobs generated by investment on Stage I urban reserves held by off reserve residents, on a per acre of land intended for economic development purposes.⁶

The table below highlights the greater employment benefit realized by city residents in Stage II urban ATRs. The first column shows that the table is measured in jobs held by off reserve residents. The middle column provides the estimated number of jobs generated by investment in Stage I cases. The last column provides the estimated number of jobs generated by investment in Stage II cases.

⁵ This table, and other presented later in this section, also provides standard deviations. Standard deviation measures how concentrated the data is around the average. When the data is more concentrated, the standard deviation is smaller. If every number in a dataset was the same, the standard deviation would be zero. But, when the data is more widely varied, the standard deviation is larger. In some cases, the standard deviation is even larger than the average. Our analysis found relatively high standard deviations in most cases. This is a consequence of the differing investment types, which result in highly varied employment levels per land area. These relatively high standard deviations prevent us from conducting statistically significant comparisons between Stages I and II. However, additional cases and data would allow for meaningful statistical analysis in the future.

⁶ At 50% of the land area of the designation (for Stage I urban reserves), the average number of jobs held by off reserve residents generated by investment on reserve per acre was found to be about 17 times greater among the Stage II urban ATR cases.



Benefit Type	Estimated Economic Benefit Per Acre for Stage I Urban Reserves (at 100% of land area of designation)	Estimated Economic Benefit Per Acre for Stage II Urban ATRs (at 100% of land area of addition)
Employment (Jobs Held by Off Reserve Residents)	<ul style="list-style-type: none"> • Average: 1.1 jobs • Standard Deviation: 0.6 jobs 	<ul style="list-style-type: none"> • Average: 35.9 jobs (34 times greater) • Standard Deviation: 34.4 jobs

Spending Related Economic Benefit – This is an economic benefit that is realized entirely by off reserve residents and city based businesses. Those employed on an urban reserve spend a significant portion of their earnings off reserve (in the city), which benefits city based businesses and residents. The spending related economic benefit associated with urban ATRs is greater owing to the tax exemption. Essentially, First Nation workers are left with more money in their pockets to spend in the adjacent cities. Among the Stage II urban ATRs, the increased spending related economic benefit flowing off reserve was estimated to be about \$1.8 million annually, on average.

Comparison of Fiscal Benefits

Among the cases we evaluated, investment on Stage II urban ATRs generated fewer fiscal benefits for First Nation governments than investment on Stage I urban reserves. However, there is evidence to indicate the potential for the generation of greater fiscal benefits from urban ATRs is present. But, the First Nations we looked aren't taking advantage of all the fiscal powers available to them.



Tax Revenue: Property tax is collected on 14 of the 15 urban reserves in the Stage I cases; while property tax is only collected on one of the eight Stage II urban ATRs. We estimate annual property tax revenues and payments or grants in lieu of property taxes generated by investment in the Stage I cases and collected by First Nation governments to be in excess of \$900,000 per urban reserve. In the single Stage II case, investment on the urban ATR generates about \$400,000 annually in property tax revenue. But, on a per acre of land intended for development basis, investment in the single Stage II case actually generates about 4 times more property tax revenue than the 14 property tax collecting cases in Stage I on average. This suggests that urban ATRs have the potential to exceed existing urban reserves in terms of fiscal benefits available to First Nation governments. But First Nations, at least the cases we looked at in Stage II, simply aren't taking advantage of the fiscal powers available.

Four of the six Stage I First Nations collect First Nations Goods and Services Tax, First Nations Sales Tax, or have a sales tax sharing agreement with the particular provincial government. None of the Stage II First Nations collect or share in sales tax.

Leasing Revenue: All of the Stage I First Nations collect lease revenue from tenants on the urban reserve. Five Stage II cases have no leases even registered. Leasing revenue was confirmed in only three Stage II cases. This is due to the nature of investment in Stage II cases – primarily in public ventures. Asimakaniseekan Askiy I.R. #102A stands out as the exception among Stage II cases, with a significant number of private tenants and leasing revenue.

Revenue from Business Operations: In most Stage I cases, the approach to fiscal benefits is based on land development generating leasing and taxation revenues. Only one case, ITUM, pursues First Nation government-owned business development as a significant source of fiscal benefits. Net revenues from gas stations are presumed to be the sole source of fiscal benefits in five Stage II cases.

Other Revenues: Both Stage I and Stage II have two cases with gaming revenues.



The table below provides a summary of the comparison of fiscal benefits. The first column identifies the type of fiscal benefit. The next column provides a summary of fiscal benefits realized in Stage I cases. The last column provides a summary of fiscal benefits realized in Stage II cases.

Benefit Type	Stage I Urban Reserves	Stage II Urban ATRs
Tax Revenue	<ul style="list-style-type: none"> Property tax collected in 5 of 6 cases. FNGST or Sales Tax collected in 4 of 6 cases. 	<ul style="list-style-type: none"> Property tax collected in only 1 case. FNGST or Sales Tax collected in 0 cases.
Leasing Revenue	<ul style="list-style-type: none"> Leasing revenue collected in all cases. 	<ul style="list-style-type: none"> No leases found in registry in 5 of 8 cases.
Revenue from Business Operations	<ul style="list-style-type: none"> Significant fiscal benefit in only 1 case. 	<ul style="list-style-type: none"> Net revenues from gas station presumed sole source of fiscal benefits in half of cases.
Other Revenue	<ul style="list-style-type: none"> Gaming revenues in 2 cases. 	<ul style="list-style-type: none"> Gaming revenues in 2 cases.

Regional Benefits

Contrary to the relative fiscal benefits generated for First Nation governments, investment on Stage II urban ATRs generated greater fiscal benefits for local governments than investment on Stage I urban reserves, among the cases we evaluated.

Employment Related Fiscal Benefit – In each of the Stage II cases, the city’s tax base is larger owing to city residents employed on the urban ATR. On average, we estimated the employment related fiscal benefit realized by municipal governments to be about \$190,000 annually, among Stage II cases. On a per acre of land intended for economic development purposes basis, this is greater than the estimated employment related fiscal benefit realized by adjacent local governments in Stage I cases by a factor of about 26.⁷

The table highlights the greater fiscal benefit flowing to local governments from investment on Stage II urban ATRs. The first column the table is measured in increased property tax revenues collected by city governments (based on off reserve homeowners and tax payers employed on reserve). The next column provides the estimated average annual benefit to local governments in Stage I cases. The last column provides the estimated average annual benefit to cities in Stage II cases.

⁷ At 50% of the land area of the designation (for Stage I urban reserves), the average employment related fiscal benefit generated by investment on reserve per acre was found to be about 13 times greater among the Stage II urban ATR cases.



Benefit Type	Estimated Fiscal Benefit Per Acre for Stage I Urban Reserves (at 100% of land area of designation)	Estimated Fiscal Benefit Per Acre for Stage II Urban ATRs (at 100% of land area of addition)
Employment Related Fiscal Benefit (Increased Property Taxes Collected by City)	<ul style="list-style-type: none"> • Average: \$1,122 • Standard Deviation: \$582 	<ul style="list-style-type: none"> • Average: \$29,042 (26 times greater) • Standard Deviation: \$32,570

Approach to Development Comparison

The Stage II cases provide a good deal of evidence to suggest the potential to generate economic benefits from investment on urban reserves created under the additions to reserve process is significant. In fact, in terms benefits per land area, economic benefits generated by investment on urban ATRs can exceed those available from existing reserves near or adjacent to urban centres widely accepted as models of economic success.

However, the Stage II cases also provide evidence to suggest First Nation governments are not capturing all the fiscal benefits potentially available from investment on urban reserves created under the additions to reserve process. Among the Stage II cases examined, this appears to be a function of the approach to development.⁸ In very general terms, Stage II First Nations seek access to urban markets in order to develop or assume management of First Nation government owned and operated or managed businesses, including those developed in partnership with other public and private partners and those managed through First Nation owned subsidiaries.

The primary focus in these cases appears to be the generation of economic benefits. By and large, capturing fiscal benefits does not appear to be among the primary objectives.

⁸ The perceived timeframe required to establish the necessary legislative framework to realize fiscal benefits may influence a First Nation's approach to development.



The Muskeg Lake Cree Nation's approach to the development of Asimakaniseekan Askiy I.R. 102A is a clear exception. The MLCN has attracted a significant level of private investment onto this urban ATR. This investment generates fiscal benefits for the MLCN, as described in Appendix B. The MLCN realizes property tax revenues of about \$400,000 annually and also collects significant leasing revenues from the commercial centre.

It is important to note that no property tax, no FNGST or sales tax, and no or only very limited leasing revenues are being realized in the other Stage II cases. The ATR Policy can influence the approach to development. AANDC can adjust the ATR Policy to support improved investment climates and promote a focus on private investment attraction. The ATR Policy can be adjusted to support an increased focus on realizing fiscal benefits from investment on urban ATRs.



Analyzing the Influence of the Five Most Important Factors

Factors Identified in Stage I

In Stage I we examined six First Nation communities near urban centres that have successfully integrated into their regional economies and achieved fiscal and economic benefits for both themselves and their regions (including the local governments within those regions). We conducted interviews to investigate the factors, elements or conditions believed to be the most significant in terms of the economic impacts and fiscal benefits generated. We found five factors to be the most important in terms of generating fiscal and economic benefits in an urban reserve setting. This section discusses the influence of these factors within the Stage II cases.

The table below identifies the basis of our analysis for each of the five factors. The first column lists the factor identified in Stage I. The second column provides a brief note on how we evaluated the influence of the particular factor.



Factor Identified in Stage I	Basis of Evaluation of Influence in Stage II Cases
Infrastructure and Services	Local services provided under a municipal services agreement with the City.
Governance	Develop some mechanism to ensure good governance and separate operation of government from business operations.
Land Management Regime	Develop a land management system that provides potential investors with certainty.
Own Source Revenues	Utilization of various revenue options, including tax revenues, leasing revenues, First Nation government-owned business operations revenues, and other revenues.
Community Support	Voting results for land designation provide a proxy to gauge community support.

Infrastructure and Services

The generation of fiscal and economic benefits requires infrastructure and ongoing local services. In some urban ATR cases, basic physical infrastructure such as water, sewer, and roads, important prerequisites for investment, are already in place. But, good assets alone cannot generate productive capital. The provision of services is required to add value to those assets in order to generate benefits. In each of the Stage II cases, this issue was solved via a servicing agreement, as summarized in the table below.

Urban ATR	Infrastructure and Services
Chief Joseph Custer I.R. #201	Municipal services agreement with the City of Prince Albert.
Asimakaniseekan Askiy I.R. #102A	Municipal services agreement with the City of Saskatoon.
Northern Lights I.R. #220	Municipal services agreement with the City of Prince Albert.
Kahkewistahaw I.R. #72 A-1	Municipal services agreement with the City of Yorkton.
Kistapinanihk I.R. #231	Municipal services agreement with the City of Prince Albert.
Piapot Urban Reserve	Municipal services agreement with the City of Regina.
Chief Philip Morin I.R. #232	Municipal services agreement with the City of Prince Albert.
Long Plain Madison I.R. #1	Municipal services agreement with the City of Winnipeg.

Further information is provided below.

- Chief Joseph Custer Reserve I.R. #201 – Through an informal agreement at first, the City of Prince Albert provided municipal services to the Chief Joseph Custer Reserve I.R. #201, and the Peter Ballantyne Cree Nation paid a fee for the provision of those services on an ongoing basis. Upon the later addition of the southern portion of the urban reserve, the city and the PBCN formalized the municipal services agreement.



- Asimakaniseekan Askiy I.R. #102A – The urban reserve was created in 1988 and designated 1991. In 1993, the City of Saskatoon and the Muskeg Lake Cree Nation completed a municipal services agreement. Under the agreement, the City provides municipal services, such as garbage collection, snow removal, and fire and police protection, and direct services, such as water and sewer.
- Northern Lights I.R. #220 – A municipal services agreement between the Peter Ballantyne Cree Nation and the City of Prince Albert was established in 1997. The urban reserve was created in 2001.
- Kahkewistahaw I.R. #72 A-1 – In anticipation of urban reserve creation, the Kahkewistahaw First Nation and the City of Yorkton signed a municipal services agreement in 2001. The urban reserve was created by two ATRs, completed in 2002 and 2003.
- Kistapinanihk I.R. #231 – The urban reserve was created in 2005 and services are provided by a municipal services agreement between the City of Prince Albert and the Peter Ballantyne Cree Nation.
- Piapot Urban Reserve – The City of Regina and the Piapot First Nation signed a municipal services and compatibility agreement in 2007. Later that year, while the parcel was in pre-reserve status, it was designated for commercial leasing purposes for 99 years. The reserve was created the following year, in 2008.
- Chief Philip Morin I.R. #232 – In 2008, prior to the purchase of the parcel, the City of Prince Albert and the Peter Ballantyne Cree Nation negotiated a servicing agreement. The urban reserve was created in 2012.
- Long Plain Madison I.R. #1 – In 2006, the Long Plain First Nation bought the parcel property in the City of Winnipeg. Then, in 2010, the LPFN and the City of Winnipeg signed a municipal development and services agreement. The urban reserve was created in 2013.



Each of the Stage II cases demonstrates the importance of municipal service provision in terms of investment attraction. In each case the provision of municipal services was key to the generation of economic benefits. These service agreements provided confidence to investors regarding the quality, continuity and pricing of local services within each of the urban ATRs. However, as shown in these Stage II cases, urban infrastructure and the provision of municipal services does not necessarily contribute to significant fiscal benefits for First Nation governments in urban ATRs.

Governance

Good governance is essential to attracting and maintaining economic development, creating trust within the community and providing certainty to development partners and investors. The economic role of government administration is to help facilitate and support private investment at the lowest cost and least amount of time. Some features of good governance practices include maintaining consistency through policies and procedures that account for regime changes, separating the operation of government and business, and separating political and administrative roles. In most of the Stage II cases, this issue was addressed by the creation of some type of separate entity, as summarized in the table below.

Urban ATR	Governance
Chief Joseph Custer I.R. #201	Separation via the Peter Ballantyne Group of Companies.
Asimakaniseekan Askiy I.R. #102A	Separation via Muskeg Lake Property Management and holding companies.
Northern Lights I.R. #220	Separation via the Peter Ballantyne Group of Companies and Prince Albert Casino Ventures.
Kahkewistahaw I.R. #72 A-1	Separation via Kahkewistahaw Economic Management Corporation, the Kahkewistahaw Management Limited Partnership, and a variety of other limited partnerships.
Kistapinanihk I.R. #231	Separation via the Peter Ballantyne Group of Companies and PBCN PA Fuel & Convenience.
Piapot Urban Reserve	Could not identify the mechanism.
Chief Philip Morin I.R. #232	Separation via the Peter Ballantyne Group of Companies and PBCN PA Fuel & Convenience.
Long Plain Madison I.R. #1	Separation via the Arrowhead Development Corporation.

Further details are provided below.



- Chief Joseph Custer Reserve I.R. #201 – The Peter Ballantyne Group of Companies (PBGOC) is a fully owned company of the Peter Ballantyne Cree Nation. The PBGOC, which operates as a for-profit business development entity of the PBCN, provides a separate means for investment and management services for the First Nation government. The PBCN community initiatives are separate from the PBGOC's corporate entity and its responsibility in business development.
- Asimakaniseekan Askiy I.R. #102A – Muskeg Lake Property Management provides property management services to Creek Investments, a wholly owned company by Muskeg Lake Cree Nation, and Cattail Holdings, a partnership with the Saskatoon Tribal Council. Muskeg Lake Property Management is responsible for the day-to-day operations and maintenance of the three commercial facilities on the urban reserve. This ensures the separation of Muskeg Lake government operations and the day-to-day operations and business decisions of commercial property management.
- Northern Lights I.R. #220 – Prince Albert Casino Ventures is 100% owned by the PBGOC (the wholly owned business development entity of the PBCN). PACV developed and owns the Northern Lights Casino building. The building and property is leased to the Saskatchewan Indian Gaming Authority who operates the casino.
- Kahkewistahaw I.R. #72 A-1 – The Kahkewistahaw Management Limited Partnership (KMLP) was established in 2003 to provide management oversight to Kahkewistahaw's companies and limited partnerships. The Kahkewistahaw Economic Management Corporation (KEMC) was set up to serve as the General Partner of the KMLP. KEMC is 100% owned by the Kahkewistahaw First Nation. KEMC owns 0.1% of KMLP and 99.9% of KMLP is owned by the KFN. The Kahkewistahaw Development Limited Partnership (KDLP) was set up to be the owner of the various operating enterprises. Kahkewistahaw Development Corporation (KDC) was established as the General Partner of KDLP. KDC General Partner, and all of the other General Partners, is owned 100% by the KMLP, so that it can exercise management control over the group of operating companies. KDLP is owned 99.9% by the Kahkewistahaw First Nation, and 0.1% by the KDC General Partner.



- Kistapinanihk I.R. #231 – PBCN PA Fuel & Convenience is the owner and operator of both Petro-Canada stations in the City of Prince Albert. PBCN PA Fuel & Convenience is 100% owned by the PBGOC. This provides for the separation of PBCN government operation and the business decisions and day-to-day operations of the business entities.
- Chief Philip Morin I.R. #232 – The PBCN uses the same model for the Petro-Canada station on this urban reserve. PBCN PA Fuel & Convenience is the owner / operator, which provides the separation of PBCN government operation and the business decisions and day-to-day operations of the gas and convenience store.
- Long Plain Madison I.R. #1 – The LPFN operates a number of business enterprises owned by its economic development arm, the Arrowhead Development Corporation (ADC), which was created in 1996.⁹ The ADC is a share capital corporation with Chief and Council as the board of directors. The Chief holds the shares in Trust for and on behalf of LPFN members. ADC is responsible for the economic and business development aspects of the community. Presently, ADC oversees the operation of a number of LPFN business ventures that operate for the benefit of the community. It is possible that ADC will be used to manage the development of the Madison urban ATR and possibly operate any LPFN business ventures on the ATR.

In each of these cases, the First Nation has found a mechanism to ensure good governance. That is, a mechanism to ensure the separation of the operation of government and business and the separation of political and administrative roles. These cases demonstrate how good governance contributes to investment attraction and the generation of economic benefits. However, these cases also show how this does not necessarily generate fiscal benefits for the First Nation government.

⁹ Arrowhead Development Corporation, Canadian Business Journal, available at http://www.cbj.ca/business_in_action/february_10/arrowhead_development_corporation.html



Land Management Regime

The impact on economic development related to how reserve lands are managed cannot be understated. Well-built land management laws will make the rules regarding the development, conservation, protection, management, use, and possession of First Nation lands and resources clear to potential investors. Essentially, First Nation lands can be managed via the *Indian Act* or through a community developed land code under the *First Nations Land Management Act*. Under either method, the land management regime must provide developers with certainty over processes, recourse, land tenure, returns to investment and service quality. In each of the Stage II cases, this issue was addressed, as summarized in the table below.

Urban ATR	Land Management Regime
Chief Joseph Custer I.R. #201	Land management sections of the <i>Indian Act</i> and a 99-year land designation.
Asimakaniseekan Askiy I.R. #102A	Lands are managed under a community land code and associated land laws enacted under the authority of the FNLMA.
Northern Lights I.R. #220	Land management sections of the <i>Indian Act</i> and a land designation enabling a lease to Peter Ballantyne Cree Nation Band Development Limited Partnership, a sublease to Prince Albert Casino Ventures Limited Partnership, and a sub-sublease to the Saskatchewan Indian Gaming Authority.
Kahkewistahaw I.R. #72 A-1	Lands are managed under a community land code and associated land laws enacted under the authority of the FNLMA.
Kistapinanihk I.R. #231	Land management sections of the <i>Indian Act</i> and a 99-year land designation.
Piapot Urban Reserve	Land management sections of the <i>Indian Act</i> and a 99-year land designation.
Chief Philip Morin I.R. #232	Land management sections of the <i>Indian Act</i> .
Long Plain Madison I.R. #1	Currently, under land management sections of the <i>Indian Act</i> and a 75-year land designation. FNLMA developmental First Nation.

Further details are provided below.



- Chief Joseph Custer Reserve I.R. #201 – The PBCN manages its lands under the land management sections of the *Indian Act*. Chief Joseph Custer Reserve I.R. #201 was designated for commercial leasing purposes in 2008. The 99-year designation has an effective term of November 2009 to November 2108. Under the designation, long-term leasehold and sub-leasehold interests in portions of the urban reserve are possible. Further, the granting of easements, rights-of-way, permits, options, licenses, and other rights or interests as necessary is also possible. Through this designation, the PBCN has provided the necessary clarity to potential investors about the rules in place around the development, conservation, protection, management, use, and possession of the urban reserve lands.
- Asimakaniseekan Askiy I.R. #102A – The MLCN manages its lands under a community developed land code enacted under the authority of the FNLMA. In 1991, the urban reserve was designated for leasing purposes. The term of the designation was 86 years. The designation also included a lease to Aspen Developments Inc. for a term of 85 years. Aspen is Muskeg Lake’s wholly owned development company. There are three headleases, encompassing the various lots and parcels of the designated reserve, all of which are held by Aspen Developments. Aspen Developments subleases a number of lots and parcels to a variety of tenants.
- Northern Lights I.R. #220 – The PBCN manages its lands under the land management sections of the *Indian Act*. In 2001, upon creation of the urban reserve, the PBCN designated it for leasing purposes. The designated reserve was leased to Peter Ballantyne Cree Nation Band Development Limited Partnership. The limited partnership subleases to Prince Albert Casino Ventures Limited Partnership. Prince Albert Casino Ventures developed and owns the Northern Lights Casino building. The building and land are subleased to the Saskatchewan Indian Gaming Authority, who operates the casino.



- Kahkewistahaw I.R. #72 A-1 – The Kahkewistahaw First Nation manages its lands under a community developed land code, enacted under the authority of the FNLMA. In 2004, the reserve was designated for leasing purposes. The term of the 99-year designation is 2004 to 2103. The urban reserve was designated in order to lease to the Kahkewistahaw Economic Management Corporation's holding company, Mamawi Holdings Limited Partnership. Mamawi, through its general partner, Mamawi Holdings Corporation, holds the headlease to all the designated lands. Mamawi subleases three parcels. Mamawi subleases to PHC Holdings Limited Partnership (through its general partner, PHC Holdings Ltd), who sub-subleases to SIGA, to operate the Painted Hand Casino. Mamawi subleases to Penipa Hotel Limited Partnership for the Home Inn & Suites. The other is for the gas station.
- Kistapinanihk I.R. #231 – As previously stated, the PBCN manages its lands under the land management sections of the *Indian Act*. As described above, Chief Joseph Custer Reserve I.R. #201 was designated for commercial leasing purposes in 2008. This designation also covers all of Kistapinanihk I.R. #231. The 99-year designation has an effective term of November 2009 to November 2108.
- Piapot Urban Reserve – The PFN manages its lands under the land management sections of the *Indian Act*. In 2007, when in pre-reserve status, the urban reserve was designated for commercial leasing purposes. The effective term of the designation is 2008 to 2107. Under the designation, the PFN can grant long-term leasehold and sub-leasehold interests in portions of the urban reserve in support of economic development.
- Chief Philip Morin I.R. #232 – As previously stated, the PBCN manages its lands under the land management sections of the *Indian Act*. This reserve is not designated.



- Long Plain Madison I.R. #1 – Long Plain is an FNLMA developmental First Nation. As such, the Long Plain community is currently developing its land code under which its lands will be managed upon enactment. Currently, Long Plain manages its lands under the land management sections of the *Indian Act*. The urban reserve was designated in 2012. The 75-year designation has an effective term of 2013 to 2088. The designation is for leasing purposes.

In each of these cases, the First Nation has found a means of land management to support their economic development objectives. These cases demonstrate how an effective land management regime contributes to investment attraction and the generation of economic benefits. The long-term leasehold tenure available in these Stage II cases enable these First Nation governments to collect leasing revenues. However, these cases also show how this does not necessarily lead to the generation of other significant fiscal benefits for these First Nation governments.

Own Source Revenues

First Nations require independent revenue sources to develop the necessary elements to facilitate economic development. Own source revenues can come from taxes, royalties, business revenues or other sources. The more secure and stable the revenue source, the better it can be utilized to establish suitable property rights and land tenure, build investment-grade infrastructure, create legal frameworks to support markets and develop responsive administrative structures. These revenues provide a means for community members to benefit from development and a way to further improve the investment climate in order to attract additional investment and development.

In each of the Stage II cases, this issue was addressed, as summarized in the table below.

Urban ATR	Own Source Revenues
Chief Joseph Custer I.R. #201	<ul style="list-style-type: none"> • Tax: No property tax. No FNGST. • Leasing: No leases registered. • Business: The generation of some net revenues from PBCN-owned businesses may be possible, but this information is not reported.
Asimakaniseekan Askiy I.R. #102A	<ul style="list-style-type: none"> • Tax: Property tax collected (described in Appendix B). • Leasing: Significant leasing (described in Appendix B). • Business: Some net revenues from gas station may be possible, but this



	information was not available.
Northern Lights I.R. #220	<ul style="list-style-type: none"> • Tax: Liquor consumption tax administration agreement. • Leasing: Leasing revenue on the casino (described in Appendix C). • Other: Gaming revenue under SIGA formula.
Kahkewistahaw I.R. #72 A-1	<ul style="list-style-type: none"> • Tax: Liquor consumption tax administration agreement. • Leasing: Leasing revenue on the casino and hotel (described in Appendix D). • Other: Gaming revenue under SIGA formula.
Kistapinanihk I.R. #231	<ul style="list-style-type: none"> • Tax: No property tax. No FNGST. • Leasing: No leases registered. • Business: Some net revenues from gas station may be possible, but this information is not reported.
Piapot Urban Reserve	<ul style="list-style-type: none"> • Tax: No property tax. No FNGST. • Leasing: No leases registered. • Business: Some net revenues from gas station may be possible, but this information is not reported.
Chief Philip Morin I.R. #232	<ul style="list-style-type: none"> • Tax: No property tax. No FNGST. • Leasing: No leases registered. • Business: Some net revenues from gas station may be possible, but this information is not reported.
Long Plain Madison I.R. #1	<ul style="list-style-type: none"> • Tax: No property tax. No FNGST. • Leasing: No leases registered. • Business: Net revenues are unlikely at this point.

Further details are provided below.

Chief Joseph Custer Reserve I.R. #201 – Investment on the urban reserve may only generate very limited own source revenues for the PBCN. The development model used is focused on economic benefits, not fiscal benefits.

- Tax Revenue: Property taxes are not collected from tenants on the urban reserve. The PBCN does not collect FNGST on the sale of taxable products on the urban reserve.
- Leasing Revenue: The ILRS shows no leases registered on the urban reserve. The collection of some leasing revenue may be possible, but this information isn't available.
- Revenue from Business Operations: It is unclear how many PBCN-owned businesses are operating on the urban reserve. The generation of some revenues may be possible, but this information is not reported.



Asimakaniseekan Askiy I.R. #102A – This is the exception among Stage II cases. Investment on the urban reserve in this case generates significant economic benefits and fiscal benefits for the MLCN.

- Tax Revenue: Almost \$400,000 annually is collected in property tax revenue from tenants of the urban reserve.
- Leasing Revenue: The three commercial facilities managed by Muskeg Lake Property Management generate significant commercial leasing revenues for the MLCN, as outlined in Appendix B.
- Revenue from Business Operations: Operation of the CreeWay Gas East may generate some revenue for the MLCN, but this information was not available.

Northern Lights I.R. #220 – Outside of gaming revenues, this urban reserve generates only limited fiscal benefits for the PBCN. Although, it should be noted that massive economic benefits are generated.

- Tax Revenue: Property taxes are not collected from tenants on the urban reserve. The PBCN does not collect FNGST on the sale of taxable products on the urban reserve. The PBCN has a Liquor Consumption Tax Administration Agreement with the Saskatchewan, which replaces the provincial tax on liquor purchases on the urban reserve. These revenues are driven by liquor purchase within the casino, which isn't a feasible economic development strategy for all First Nations pursuing urban ATRs.
- Leasing Revenue: Under the sublease with Prince Albert Casino Ventures Limited Partnership, current annual rent is about \$120,500.
- Other Revenues: The Saskatchewan Indian Gaming Authority (SIGA) operates six First Nation casinos in Saskatchewan, including the Northern Lights Casino. SIGA's profits are distributed according to a formula, with 25% going to the Community Development Corporations associated with each casino (in accordance with each casino's contribution to net profits). Again, casino development isn't a feasible approach to economic development and the generation of fiscal benefits for all urban ATRs.



Kahkewistahaw I.R. #72 A-1 – Outside of gaming revenues, this urban reserve generates only limited fiscal benefits for the KFN. Again, this is a case where economic benefits far exceed fiscal benefits.

- **Tax Revenue:** Property taxes are not collected from tenants on the urban reserve. The KFN does not collect FNGST on the sale of taxable products on the urban reserve. The KFN has a Liquor Consumption Tax Administration Agreement with the Saskatchewan, which replaces the provincial tax on liquor purchases on the urban reserve. These revenues are driven by liquor purchase within the casino, which isn't a feasible economic development strategy for all First Nations pursuing urban ATRs.
- **Leasing Revenue:** As described in Appendix D, the KFN earns some leasing revenue. Currently, this includes about \$120,000 annually on the casino, and about \$100,000 on the hotel.
- **Other Revenues:** The Saskatchewan Indian Gaming Authority (SIGA) operates six First Nation casinos in Saskatchewan, including the Northern Lights Casino. SIGA's profits are distributed according to a formula, with 25% going to the Community Development Corporations associated with each casino (in accordance with each casino's contribution to net profits). Again, casino development isn't a feasible approach to economic development and the generation of fiscal benefits for all urban ATRs.

Kistapinanihk I.R. #231 – Investment on the urban reserve may only generate very limited own source revenues for the PBCN. The development model used is focused on economic benefits, not fiscal benefits.

- **Tax Revenue:** Property taxes are not collected from tenants on the urban reserve. The PBCN does not collect FNGST on the sale of taxable products on the urban reserve.
- **Leasing Revenue:** The ILRS shows no leases registered on the urban reserve.
- **Revenue from Business Operations:** PBCN PA Fuel and Convenience LP operates the gas station and convenience store. Any information on net revenues generated for the benefit of the PBCN was not available.



Piapot Urban Reserve – Investment on the urban reserve may only generate very limited own source revenues for the PFN. The development model used is focused on economic benefits, not fiscal benefits.

- Tax Revenue: Property taxes are not collected on the urban reserve. The PFN does not collect FNGST on the urban reserve.
- Leasing Revenue: The urban reserve does not generate leasing revenues for the PFN.
- Revenue from Business Operations: Operation of the Cree Land Mini Mart may generate some net revenues for the PFN, but this information was not available.

Chief Philip Morin I.R. #232 – Investment on the urban reserve may only generate very limited own source revenues for the PBCN. The development model used is focused on economic benefits, not fiscal benefits.

- Tax Revenue: Property taxes are not collected on the urban reserve. The PBCN does not collect FNGST on the urban reserve.
- Leasing Revenue: The urban reserve does not generate leasing revenues for the PBCN.
- Revenue from Business Operations: Operation of the gas station may generate some net revenues for the PBCN, but this information was not available.

Long Plain Madison I.R. #1 – At the moment, investment on the urban reserve generates no or very limited fiscal benefits for the LPFN. But, as a new urban ATR, it is difficult to make a determination about the generation of fiscal benefits in the future.

- Tax Revenue: Property taxes are not collected on the urban reserve. The LPFN does not collect FNGST on the urban reserve.
- Leasing Revenue: Currently, the ILRS does not show any leases on the urban.
- Revenue from Business Operations: Currently, Yellowquill College is the only organization in operation on the urban reserve.



Of the five most important factors identified in Stage I, Own Source Revenues is the element that has been least addressed in Stage II cases. In general terms, fiscal benefits are weaker in Stage II cases.

Community Support

In order for economic development to be realized there must be broad based support from leadership and the community. Consequently, economic development must be made a priority that is communicated throughout the community. First Nation administrations can do this by focusing on conveying the benefits of economic development or particular projects to generate informed consent and support for their investment facilitation strategies. Planned community meetings and discussions can be forums by which priorities and benefits are communicated. In the Stage II cases summarized in the table below, we can see evidence of this broad based support through the results of the community vote on the land designation.

Urban ATR	Community Support
Chief Joseph Custer I.R. #201	About 78% supported the land designation.
Asimakaniseekan Askiy I.R. #102A	About 86% supported the land designation.
Northern Lights I.R. #220	About 89% supported the land designation.
Kahkewistahaw I.R. #72 A-1	About 93% supported the land designation.
Kistapinanihk I.R. #231	About 78% supported the land designation.
Piapot Urban Reserve	About 86% supported the land designation.
Chief Philip Morin I.R. #232	Land designation not found.
Long Plain Madison I.R. #1	About 91% supported the land designation.

Further details are provided below.

- Chief Joseph Custer Reserve I.R. #201 – About 78% of voting Peter Ballantyne electors (266/343) supported the approach to economic development and the land designation.¹⁰
- Asimakaniseekan Askiy I.R. #102A – Over 86% of voting Muskeg Lake electors (57/66) voted in favour of the land designation and Aspen Developments lease for economic development purposes.¹¹

¹⁰ Statement of Voting Results from Designation (Registration Number 369167).

¹¹ Statement of Voting Results from Designation (Registration Number 136209).



- Northern Lights I.R. #220 – Nearly 90% of voting Peter Ballantyne electors (643/721) supported the land designation and casino based approach to development.¹²
- Kahkewistahaw I.R. #72 A-1 – About 93% of voting Kahkewistahaw electors (240/258) supported the land designation, the Kahkewistahaw Economic Management Corporation’s leasing approach with Mamawi Holdings.¹³
- Kistapinanihk I.R. #231 – As stated above, over three quarters of voting Peter Ballantyne electors (266/343) supported the commercial leasing approach to economic development and the land designation.
- Piapot Urban Reserve – Over 86% of voting Piapot electors (197/228) supported the land designation and gas station approach to economic development.¹⁴
- Long Plain Madison I.R. #1 – Over 91% of voting Long Plain electors (73/80) supported the designation and leasing approach to economic development.¹⁵

In each of these cases, the First Nation leadership and administration successfully generated informed community support through conveying the benefits of economic development and / or the potential of the particular strategy or project. These cases demonstrate how broad based community support contributes to investment attraction and the generation of economic benefits. However, these cases also show how this does not necessarily lead to the generation of significant fiscal benefits for these First Nation governments.

Summary of Analysis

The table below provides a summary of the influence of each of the five factors identified in Stage I on the generation of economic and fiscal benefits in Stage II cases.

¹² Statement of Voting Results from Pre-Reserve Designation (Registration Number 343597).

¹³ Statement of Voting Results from Designation (Registration Number 323949).

¹⁴ Statement of Voting Results from Pre-Reserve Designation (Registration Number 355014).

¹⁵ Statement of Voting Results from Designation (Registration Number 6075072).



Success Factor	Stage I	Stage II	Generation of Economic Benefits	Generation of Fiscal Benefits
Infrastructure & Services	Identified in six Stage I cases.	Mainly present in Stage II cases.	Stage II evidence suggests strong influence on economic benefits.	Stage II cases indicate weak influence on fiscal benefits.
Governance	Identified in six Stage I cases.	Mainly present in Stage II cases.	Stage II evidence suggests strong influence on economic benefits.	Stage II cases indicate weak influence on fiscal benefits.
Land Management Regime	Identified in five Stage I cases.	Mainly present in Stage II cases.	Stage II evidence suggests strong influence on economic benefits.	Stage II cases indicate weak influence on fiscal benefits.
Own Source Revenues	Identified in four Stage I cases.	Mainly missing in Stage II cases.	Stage II evidence suggests uncertain influence on economic benefits.	Stage II cases indicate strong influence on fiscal benefits.
Community Support	Identified in four Stage I cases.	Mainly present in Stage II cases.	Stage II evidence suggests strong influence on economic benefits.	Stage II cases indicate weak influence on fiscal benefits.

As summarized in the table, urban ATRs are addressing most of the identified factors for success, but are missing one – own source revenue options.



Conclusions and Recommendations

This study clearly demonstrated that significant economic benefits can be generated from urban ATRs. An economic benefit per acre method was utilized to compare urban ATR benefits (Stage II) to benefits from reserves near urban locations (Stage I). Two conservative methods were used to strengthen conclusion validity. First all acres were considered developable on urban ATRs and only lands clearly intended for economic development were considered developable for the reserves in Stage I. Second, the conservative estimates of developable lands for the Stage I reserves were further reduced by 50% to estimate benefits per acre. The results from this research and the comparisons with the reserves studied in Stage I can be summarized in the five conclusions below:

1. The urban ATRs reviewed generated greater economic benefits for First Nations and local governments on a per acre basis than the reserves near urban locations in Stage I.
2. Four of the five success factors identified in Stage I (including Infrastructure and Services, Governance, Land Management Regime, and Community Support) are evident in the urban ATRs so these strongly influence the generation of economic benefits from investment on Stage II urban ATRs.
3. The urban ATRs reviewed in this study generated more fiscal benefits per acre for other local governments than reserves near urban locations in stage I.
4. The urban ATRs reviewed generated fewer fiscal benefits for First Nation governments on a per acre of land intended for economic development purposes basis than the First Nation urban reserves studied in Stage I. The primary reason for this is that only one of the urban ATRs reviewed has implemented tax powers under the First Nations Fiscal Management Act (FMA) or other tax powers.
5. It takes too long before benefits are generated from urban ATRs. In the cases we examined, the average length of time to complete an urban ATR was 4.2 years.¹⁶

¹⁶ Compare this to the estimated time required for a municipal council to approve a boundary extension of six months to one year (found in a Metro Vancouver Position Paper on the Federal Additions-to-Reserve Process; attached to the minutes of the Mar 2012 meeting of the Aboriginal Relations Committee, available at metrovancover.org).



The implications of these conclusions are as follows:

Complete Urban ATRs More Quickly - More benefits can be realized sooner by First Nations, regional economies and local governments if ATRs are completed sooner. Local government concerns can be a significant source of delay in the ATR process related to service agreements and planning. Three ideas should be considered to address their concerns. First Nations and local governments should be aware of the significant economic and fiscal benefits flowing from urban ATRs. The development of economic strategies for proposed urban ATRs that estimate the fiscal and economic benefits could benefit First Nations considering ATRs to increase the understanding of all parties could be beneficial. Second, service agreement negotiation time needs to be reduced. In one of the ATRs reviewed, it took the First Nation and the municipality four years to reach agreement on servicing. This could be significantly reduced by using support First Nation institutions like the First Nations Tax Commission which has facilitated over 20 service agreements at an average of about 6 months. Finally, First Nations proposing urban ATRs should be encouraged to implement FNLMA jurisdictions and develop urban ATR land use plans based on their economic strategies. This will reduce local government concerns about regional planning and jurisdictional issues.



Increase Fiscal Benefits to First Nations – The urban ATRs reviewed are not generating significant fiscal benefits to First Nations. This could be addressed, in part by the development of economic strategies that clearly demonstrate fiscal potential of urban ATRs. It could be further supported by encouraging First Nations to join the FMA and use the fiscal institutions to implement more independent revenue options. Provincial revenues from gaming or consumption taxes could be supported by provincial institutions or legislation where possible. Lease revenues can be more efficiently generated through implementing FNLMA jurisdictions and with the support of the Lands Management Resource Centre. Finally consider fiscal and taxation management capacity development. The Tulo Centre of Indigenous Economics offers a university accredited certificate (8 courses and 18 credits) in First Nation tax administration that has been taken by over 100 First Nation students from 59 First Nations to build this administrative capacity. In our study, the Muskeg Lake First Nation did or is doing all of this and has significantly increased its fiscal benefits.

Continue to Achieve and Raise Economic Benefits from Urban ATRs – The urban ATRs studied are achieving significant economic benefits for their communities and regions.

1. Economic strategies could help generate First Nation community support. First Nation leadership is made stronger by community acceptance, ownership, and understanding of the economic strategy.
2. Economic strategies could propose methods to improve infrastructure and services through the FMA and the fiscal institutions such as service agreements based on property taxes or long term financed infrastructure.
3. Strategies could include methods to improve governance since both stages of this study show that good governance is essential to attracting and maintaining economic development and providing certainty to development partners and investors. The urban ATRs reviewed could be models for good governance practices, including maintaining consistency through policies and procedures that account for regime changes, separating the operation of government and business, and separating political and administrative roles.



4. The leasehold tenure model requires an efficient land management system with clear land management rules and processes as supported through the FNLMA.
5. Encourage economic capacity development for interested First Nations through accredited university training such as the Tulo Centre's First Nation Applied Economics certificate.

Recommendations

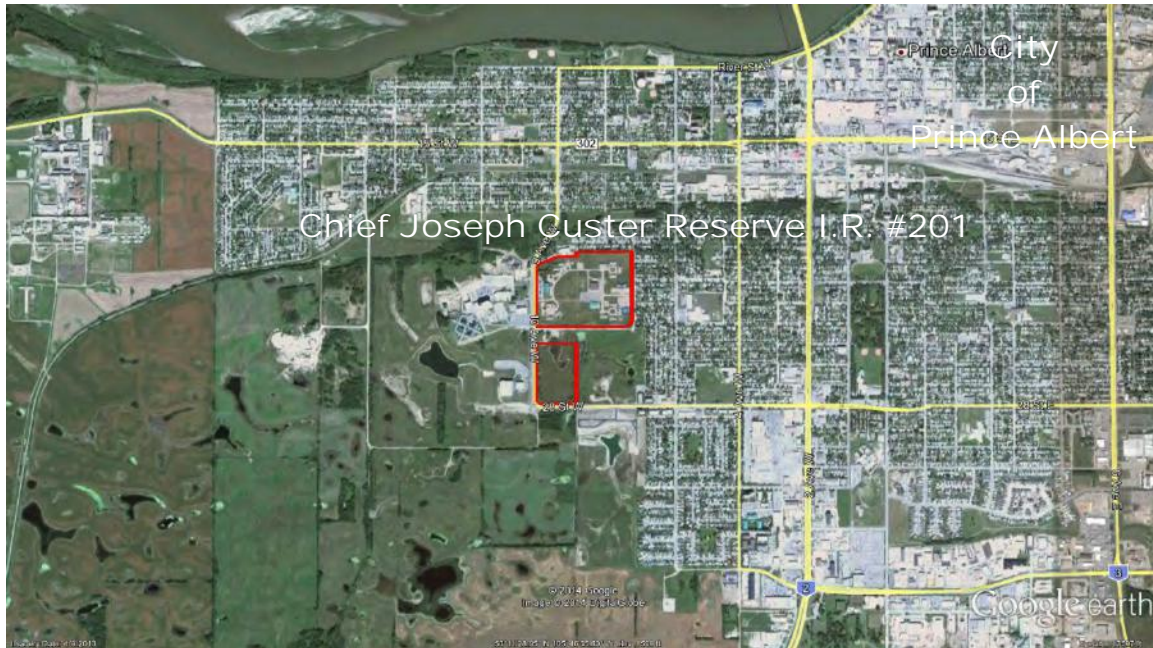
1. Speed up urban ATR processes by:
 - a. Completing economic strategies for proposed urban ATRs to demonstrate benefits to local and regional governments;
 - b. Encouraging First Nations to implement FNLMA jurisdictions to reduce federal review requirements.
 - c. Encourage service agreement facilitation by FNTC
 - d. Supporting land use planning processes.
2. Raise the fiscal benefits to First Nations from urban ATRs by:
 - a. The use of the First Nations Fiscal Management Act (FMA) to support collection of independent revenues, infrastructure financing and service agreements.
 - b. The use of provincial institutions and legislation with respect to gaming and consumption taxes where possible
 - c. The use of the First Nations Land Management Act (FNLMA) to efficient leasing systems; and
 - d. Administrative capacity development through accredited training at the Tulo Centre of Indigenous Economics
3. Continue to generate and raise economic benefits from urban ATRs by:
 - a. Generating strong community support through economic strategies
 - b. Encouraging the use of facilitated service agreements and long term infrastructure financing through the FMA fiscal institutions



- c. Encouraging FNLMA jurisdiction to establish land management systems and planning that reduce leasing and processing times;
- d. Suggesting governance models from successful urban ATRs
- e. Support administrative capacity development that is focussed on facilitating investment on First Nation lands.



Appendix A: Chief Joseph Custer Reserve I.R. #201



One of the Peter Ballantyne Cree Nation's urban reserves (PBCN), Chief Joseph Custer Reserve I.R. #201, is shown in the Google Earth image above (outlined in red). The reserve is located within the municipal boundaries of the City of Prince Albert.

Overview

The urban reserve has been created through two ATRs. The northern portion, Lot D, was first. The PBCN first expressed its interest in owning the parcel in 1978.¹⁷ The property was the site of the Prince Albert Indian Student Education Centre.

¹⁷ Urban Reserves in Saskatchewan, Western Economic Diversification Canada – Archive, available at <http://archive.today/s776A>.



A municipal services agreement was drafted in 1980 and 1981. But, this draft agreement was rejected by Prince Albert's city council.¹⁸ Despite the jurisdiction issues and the lack of a municipal services agreement, the Order in Council (1982-2361) creating the 16.64 ha (41.12 acre) reserve under AANDC's ATR Policy was made on Aug 2, 1982. We assume the ATR process began some time in 1978.¹⁹ If this is true, it took about 4 years for the status of the land to be converted to reserve. Despite the absence of a municipal services agreement, the city provided municipal services to the reserve, and the PBCN paid a fee for the provision of those services on an ongoing basis without any major issues.



As shown in the Google Earth image above, the northern portion of the urban reserve, Lot D, is located across from Victoria Hospital, on 10 Ave W.

¹⁸ The First Nation stated that it would not allow municipal jurisdiction on reserve land and city council felt that this would result in complete disregard for municipal interests.

¹⁹ The database we received from AANDC did not have a start date for this particular ATR.



In 1995, the PBCN purchased a second parcel south of the reserve, Parcel E. At this time the City and the PBCN signed an MOU outlining the details of the informal agreement that was already in place for the existing urban reserve (northern portion). Then, a municipal services agreement was signed for the southern parcel.

The Order in Council (2003-150) adding the 5.99 ha (14.81 acre) southern parcel to the existing urban reserve under AANDC's ATR Policy was made on Feb 6, 2003. The ATR process began on Oct 27, 1995 and took 7.3 years to complete (or 7 years, 3 months, 10 days).



As shown in the Google Earth image above, the urban ATR is south of the 1982 ATR at 28th St W and 10th Ave W.

Investment

The northern portion of the urban reserve, Lot D, is a commercial park across from Victoria Hospital.





The Google Earth Street View image above shows an office complex on the urban reserve.

Parcel E is an institutional use ATR, and based on the most recent available Google Earth imagery (from Sep 2011), looks to be undeveloped.



Benefits

This section is based on the estimated economic and fiscal benefits associated with the commercial development on Lot D. This includes a number of PBCN administrative offices, the Prince Albert Grand Council's executive office,²⁰ Peter Ballantyne Health Services, some education facilities, an office complex, a newspaper office, a fitness centre, and a retail store (Walking Smoke Confectionary).²¹

Economic Benefits to Peter Ballantyne Members

Employment Benefit: The ongoing employment impact generated on Chief Joseph Custer Reserve I.R. #201 is estimated to be about 309.4 jobs.²² It is estimated that about 92.8 jobs are held by Peter Ballantyne members.²³

In addition to these ongoing positions, investment on Chief Joseph Custer Reserve I.R. #201 has supported a number of temporary jobs. There have already been a number of jobs generated in relation to the construction of all buildings on the urban ATR. This includes the office complex, newspaper office, fitness centre, and retail store; as well as the PBCN administrative offices, the Prince Albert Grand Council's executive office, Peter Ballantyne Health Services, and education facilities.

²⁰ A number of PAGC departments are located at this site, including Agriculture, Athabasca Land Use, Central Vehicle Agency, Child Care & Education Centre, Engineering & Technical Services, Finance, Forestry, Health & Social Development, Holistic Wellness Centre, Housing, IT Services, Northern Lights Community Development Corp, Nursing, Learn & Grow Daycare, Personnel, and Tribune.

²¹ Saskatchewan: Geographic Perspectives, Bernard D. Thraves, Table 11.9 – Land use on urban reserves and additions in cities, University of Regina Press, 2007.

²² We assume an employment impact of 50 jobs at the PBCN administrative offices, 100 jobs at the PAGC executive offices, 20 jobs at Peter Ballantyne Health Services, 20 jobs at the education facilities, 100 jobs at the office complex, and 5 jobs at the newspaper office. An IBISWorld Market Research Report from Feb 2014 shows the average Gym, Health & Fitness Club (NAICS 71394) in Canada has 10.4 employees. We assume this is consistent with the fitness centre on the urban ATR. An IBISWorld Market Research Report from Aug 2013 shows the average Convenience Store (NAICS 44512) in Canada has 4 employees. We assume this is consistent with the Walking Smoke Confectionary.

²³ This assumes that 30% of all the jobs estimated to be generated on the urban ATR are held by PBCN members.



Fiscal Benefits to the Peter Ballantyne Cree Nation

Tax Revenue: The PBCN does not collect property tax under s. 83 of the *Indian Act*, and is not on the FMA schedule. Although the PBCN was added to Schedule 1 of the FNGST Act in 2009 and may enact a law that imposes the tax, the PBCN does not collect FNGST on the urban ATR. The PBCN does not collect provincial-type tax on the sale of tobacco products on Peter Ballantyne reserve lands. However, the PBCN does have a Liquor Consumption Tax Administration Agreement with the Saskatchewan.²⁴ This tax replaces the provincial liquor consumption tax and enables the PBCN to tax alcohol purchases on the urban ATR at the same 10% rate. But, revenues from this agreement are primarily derived from sales of alcohol on Northern Lights I.R. #220, not this urban ATR.

Leasing Revenue: There are no leases registered in the ILRS.

Revenue from Business Operations: The PBCN may own and / or operate some of the businesses on the urban ATR. But, information about any net revenues available for the PBCN was not available.

Other Revenues: There are no other fiscal impacts generated on this urban ATR of note.

Economic Benefits to Residents of Prince Albert

Employment Benefit: The employment impact on Chief Joseph Custer Reserve I.R. #201 is estimated to be about 309.4 jobs. We assume all of these jobs are held by Prince Albert residents.

²⁴ Finance Minister Signs On Reserve Liquor Tax Agreements with First Nations, Government of Saskatchewan News Release, Mar 2010, available at <http://www.gov.sk.ca/news?newsId=ba38d15a-5619-42f0-baaa-d1c7946b7597>.



Spending Related Economic Benefit: Above we have estimated there to be about 309.4 Prince Albert residents working on Chief Joseph Custer Reserve I.R. #201. We expect a significant portion of their earnings are spent in the City. However, it could be argued that, if the land were not set aside as reserve, a certain level of development would have still have taken place on the land, and a certain number of jobs would have been generated as a result. Even if we assume the development on the land, if not set aside as reserve, would have also generated 309.4 jobs for City residents, the spending related economic benefit would be lower than the present benefit being realized. The spending related economic benefit associated with the urban ATR is greater owing to the tax exemption. Essentially, First Nation workers are left with more money in their pockets to spend in the City. If we assume 75% of those employed on Chief Joseph Custer Reserve I.R. #201 are First Nations employees that benefit from the tax exemption and retain roughly 30% more earnings than fully taxed employees that would otherwise be employed at the location (if it hadn't been set aside as reserve), the spending related economic benefit flowing off reserve is estimated to be about \$2.3 million annually.²⁵

Fiscal Benefits to the City of Prince Albert

Service Agreement Fiscal Benefit: Despite the absence of a municipal services agreement at the time the northern portion of the urban ATR was created (1982), Prince Albert provided municipal services to the reserve, and the PBCN paid a fee for the provision of those services on an ongoing basis without any major issues. In 1995, the City and the PBCN signed an MOU outlining the details of the informal agreement that was already in place for the existing urban reserve (northern portion) and then signed a municipal services agreement for the southern parcel.

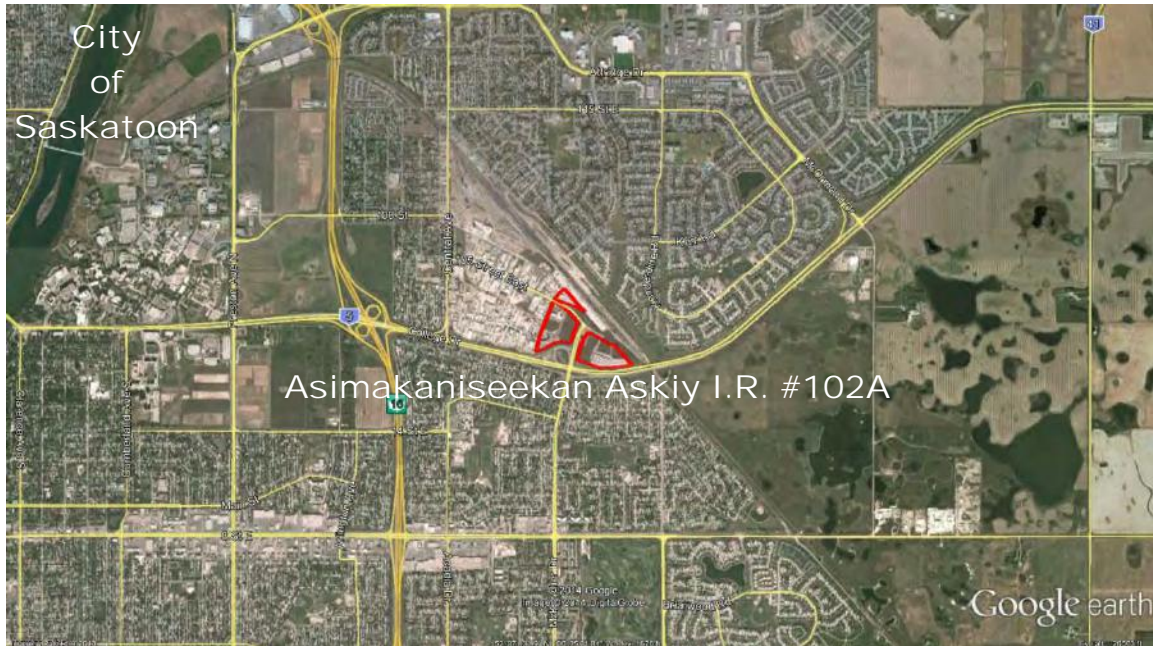
²⁵ This assumes these employees earn \$41,200 annually, on average. This is based on the average earnings of all earners (not just full time, full year earners) in Saskatchewan for 2011. Earnings refers to employment income and does not include other types of income or government transfers. This estimate assumes an average savings rate of 10% among these employees. Further, it also incorporates a 10% estimate for spending that occurs outside the City (which includes spending on the urban ATR).



Employment Related Fiscal Benefit: The City of Prince Albert's tax base is larger owing to Prince Albert residents employed on Chief Joseph Custer Reserve I.R. #201. Above, we estimate this impact to be 309.4 jobs. If 75% of these people own property in the City and pay \$1,500 in property taxes, on average, the fiscal impact is estimated to be about \$348,000 annually.



Appendix B: Asimakaniseekan Askiy I.R. #102A



One of the Muskeg Lake Cree Nation's (MLCN) urban reserves, Asimakaniseekan Askiy I.R. #102A, is shown in the Google Earth image above (outlined in red). The reserve is located within the municipal boundaries of the City of Saskatoon.

Overview

Muskeg Lake's home reserve is located just north of Blaine Lake, Sk. There are about 1,848 community members, with about 450 living on reserve.

The MLCN's base includes 11 "core reserve" locations. These lands were first surveyed in 1879. Also, included in the MLCN's land base are a number of TLE parcels. This includes eight parcels of agricultural land, a parcel of remote wilderness land for camping and recreation, a parcel of land as the site of a historically significant church (Our Lady of Guadalupe), and two urban reserves in the City of Saskatoon (Asimakaniseekan Askiy I.R. #102A and Asimakaniseekan Askiy I.R. #102B).²⁶

²⁶ Muskeg Lake Cree Nation, About Muskeg Lake, Land Description, available at <http://www.muskeglake.com/about-muskeg-lake/land-description/>.



The 14.30 ha parcel in Saskatoon (that would become Asimakaniseekan Askiy I.R. #102A) was originally purchased by the federal government to build a correctional institution. In 1984, discussions around converting the parcel to an urban reserve began, and the MLCN placed a claim on the land. In 1988, an agreement in principle was signed between the MLCN, federal government, and the City of Saskatoon. Under the agreement, the parcel would be set aside as reserve land by Canada. At the time, the parcel was unserviced, so under the agreement the City would provide the installation of services so the new reserve could be connected to the City's infrastructure system.

The Order in Council (1988-2283) creating the 14.30 ha (35.33 acre) reserve under AANDC's ATR Policy is dated Sep 29, 1988. The MLCN placed their claim with the federal government on the parcel in Aug 1984. If this is when the ATR process began, it took about 4.1 years to complete.²⁷



As shown in the Google Earth image above, the urban ATR is located Saskatoon's Sutherland Industrial area.

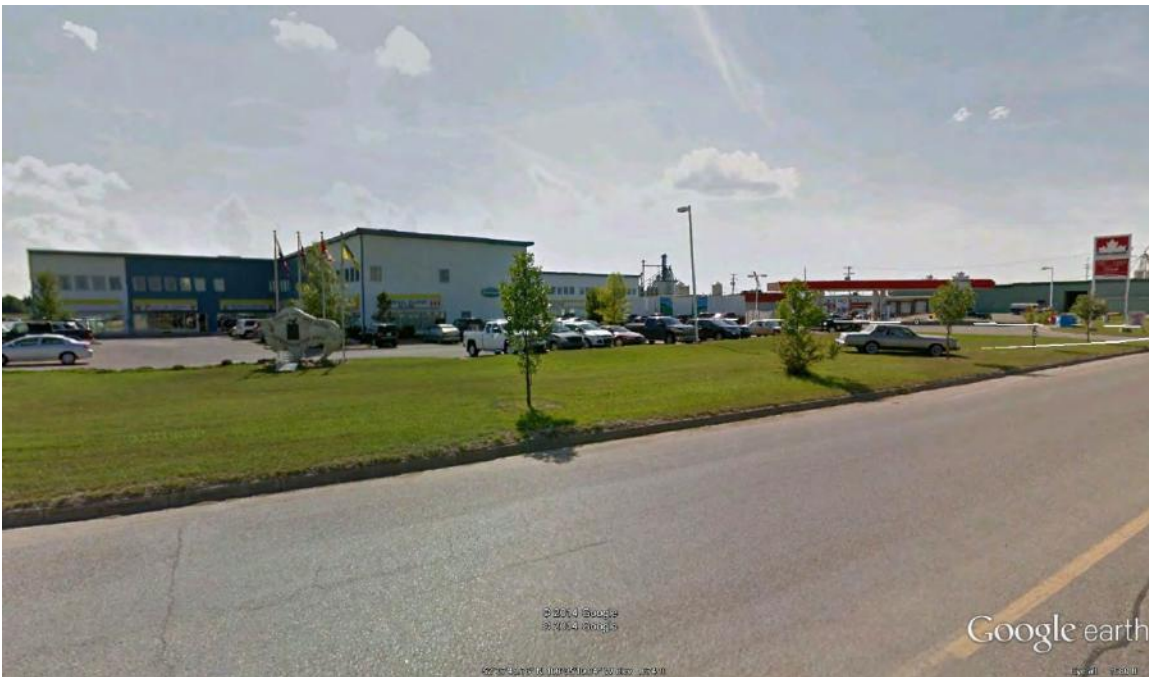
²⁷ The specific application start date was not available in the database provided by AANDC.



Investment

The land was designated (for 86 years) in Mar 1991 and the MLCN leased (for 85 years) the land to Aspen Developments Inc. (a development company wholly owned by the MLCN). Muskeg Lake members have the opportunity to vote on subleases of the land.²⁸

In 1993, the City and the MLCN completed a municipal services agreement.²⁹ Under the agreement, the City provides municipal services, such as garbage collection, snow removal, and fire and police protection, and direct services, such as water and sewer.



The Google Earth Street View image above shows the reserve is the site of a significant level of commercial investment, including the McKnight Commercial Centre.

²⁸ Western Economic Diversification Canada, Urban Reserves in Saskatchewan, available at <http://archive.today/s776A>.

²⁹ This replaced the services component of the 1988 agreement in principle.



There are three commercial facilities managed by Muskeg Lake Property Management on the urban ATR, including the McKnight Commercial Centre (35,000 sq ft of leasable area), which includes Veteran's Plaza (an office complex), Cattail I (44,000 sq ft of leasable area), and Cattail II (11,000 sq ft of leasable area). All three facilities currently have 100% occupancy rates. Primary tenants include: Federation of Saskatchewan Indian Nations (FSIN), Saskatchewan Indian Gaming Authority (SIGA), the Saskatoon Tribal Council (STC), Peace Hills Trust (PHT), Indian Gaming Regulators (IGR), Saskatchewan Indian Equity Foundation (SIEF), and Saskatchewan Indian Institute of Technologies (SIIT). In addition, there are numerous other tenants, including a medical practice, three law firms, a dry cleaner, a printer, a framing shop, a restaurant / café and catering company, a large trucking / transport company (with 80 employees)³⁰, management firms, three insurance brokers, several retail stores, a computer training company, a film production company, and a travel agency.³¹ In addition, in 2001, a Petro-Canada Gas Bar and Convenience Store (known as CreeWay Gas East) was established on the urban ATR.³²

Benefits

The economic and fiscal benefits discussed here are associated with the commercial development on Asimakaniseekan Askiy I.R. #102A noted above.

³⁰ Based on information on manta.com's database for Kocsis Transport Ltd.

³¹ Muskeg Lake Cree Nation, Business, Muskeg Lake Property Management, available at <http://www.muskeglake.com/business/muskeg-property-management/>.
Saskatchewan: Geographic Perspectives, Bernard D. Thraves, Table 11.9 – Land use on urban reserves and additions in cities, University of Regina Press, 2007.

³² Muskeg Lake Cree Nation, Business, CreeWay Gas, available at <http://www.muskeglake.com/business/creeway-gas/>.



Economic Benefits to Muskeg Lake Members

Employment Benefit: In total, there are over 40 businesses operating on Asimakaniseekan Askiy I.R. #102A.³³ The ongoing employment impact is estimated to be about 400 jobs.³⁴ It is estimated that about 120 jobs are held by Muskeg Lake members.³⁵

In addition to these ongoing positions, investment on Asimakaniseekan Askiy I.R. #102A has supported a number of temporary jobs. There have already been a number of jobs generated in relation to the construction of all buildings on the urban ATR.

Fiscal Benefits to the Muskeg Lake Cree Nation

Tax Revenue: The MLCN collects property tax under the FMA. The MLCN's 2013 Annual Expenditure Law shows budgeted property tax revenues of \$397,835.³⁶ This represents property taxes collected on all Muskeg Lake lands, not just Asimakaniseekan Askiy I.R. #102A. However, the vast majority of these revenues are derived from Asimakaniseekan Askiy I.R. #102A.

Although the MLCN was added to Schedule 1 of the FNGST Act in 2003 and may enact a law that imposes the tax, the MLCN does not collect FNGST on the urban ATR according to AANDC's Taxation by Aboriginal Governments Fact Sheet.³⁷ The MLCN does not collect provincial-type tax on the sale of alcohol or tobacco products on the urban ATR.

³³ Western Economic Diversification Canada, Urban Reserves in Saskatchewan, available at <http://archive.today/s776A>.

³⁴ Background Paper – Urban Reserves, Saskatchewan Chamber of Commerce, June 2008, available at http://www.saskchamber.com/files/File/research_policy_issues/Briefing%20Note%20-%20Urban%20Reserves.pdf

³⁵ This assumes that 30% of all the jobs estimated to be generated on the urban ATR are held by MLCN members.

³⁶ Muskeg Lake Cree Nation Annual Expenditure Law, 2013, First Nations Gazette, available at http://sp.fng.ca/fngweb/375_expenditure_law_2013_fng.pdf.

³⁷ Aboriginal Affairs and Northern Development Canada, Fact Sheet – Taxation by Aboriginal Governments (updated Feb 2014), available at <https://www.aadnc-aandc.gc.ca/eng/1100100016434/1100100016435>.



Leasing Revenue: The reserve was designated for commercial leasing purposes on Mar 20, 1991 for a term of 86 years. There are three headleases, encompassing the various lots and parcels of the designated reserve, all of which are held by Aspen Developments Inc, Muskeg Lake's wholly owned development company. Aspen Developments subleases a number of lots and parcels to a variety of tenants. There are nine subleases registered in the ILRS:

- 1) On Feb 22, 1993, Aspen Developments subleased a parcel to Creek Investments, a wholly owned company of the MLCN, for a term of 40 years. Annual rent is \$30,000.
- 2) On Oct 18, 1994, Aspen Developments subleased a parcel to the Saskatoon Tribal Council for a term of 30 years. Initial annual rent was set at \$9,840. Annual rent is adjusted every five years, as agreed upon by the parties, and having regard to rent payable for similar land in the City.
- 3) On Sep 24, 1999, Aspen Developments subleased a parcel to Cattail Holdings Ltd, a commercial real estate business partnership between the Saskatoon Tribal Council and the MLCN, through its property management company, Muskeg Lake Property Management, for a term of 25 years. Annual rent is \$36,000.
- 4) On Oct 12, 1999, Aspen Developments subleased a parcel to Kocsis Transport Ltd for a 49 year term. Annual rent was set at \$20,000 for the initial five year period. Annual rent is adjusted every five years, as agreed upon by the parties, and having regard to rent payable for similar land in the City.
- 5) On Sep 28, 2000, Aspen Developments subleased another parcel to Cattail Holdings Ltd for a term of 24 years (to match the expiry date of Cattail's other sublease). Annual rent is \$11,697.40.
- 6) On May 4, 2000, Aspen Developments subleased another parcel to Kocsis Transport Ltd for a term of 49 years. Annual rent was set at \$9,400 for the initial five year period. Annual rent is adjusted every five years, as agreed upon by the parties, and having regard to rent payable for similar land in the City.
- 7) On Aug 8, 2000, Aspen Developments subleased a parcel to Cree-Way Gas Ltd, the gas station operator owned by the MLCN, for a term of 15 years. Annual rent is \$8,970.
- 8) On Nov 15, 2005, Aspen Developments subleased a parcel to the Saskatchewan Indian Equity Foundation, an Aboriginal financial institution owned by the 75 First Nations in Saskatchewan and affiliated with the Federation of Saskatchewan Indian Nations, for a term of 70 years. Annual rent was set at \$13,297.50 for the initial five year period. Annual rent is adjusted every five years, as agreed upon by the parties, and having regard to rent payable for similar land in the City.



- 9) On Mar 1, 2007, Aspen Developments subleased a parcel to Stor All Mini Storage Inc for a term of 50 years. Annual rent was set at \$47,850 for the initial five year period. Annual rent is adjusted every five years to include an additional percentage of appraised value.

Revenue from Business Operations: The MLCN may own and / or operate some of the businesses on the urban ATR, including Cree-Way Gas, Aspen Developments and Cattail Holdings. Net revenues from these businesses may provide a fiscal benefit to MLCN. But, this information was not available.

Other Revenue: None of note.

Economic Benefits to Saskatoon Residents

Employment Benefit: The ongoing employment impact is estimated to be about 400 jobs. All of these are assumed to be held by residents of Saskatoon.



Spending Related Economic Benefit: Above we have estimated there to be about 400 Saskatoon residents working on Asimakaniseekan Askiy I.R. #102A. We expect a significant portion of their earnings are spent in the City. However, it could be argued that, if the land were not set aside as reserve, a certain level of development would have still have taken place on the land, and a certain number of jobs would have been generated as a result. Even if we assume the development on the land, if not set aside as reserve, would have also generated 400 jobs for City residents, the spending related economic benefit would be lower than the present benefit being realized. The spending related economic benefit associated with the urban ATR is greater owing to the tax exemption. Essentially, First Nation workers are left with more money in their pockets to spend in the City. If we assume 75% of those employed on Asimakaniseekan Askiy I.R. #102A are First Nations employees³⁸ that benefit from the tax exemption and retain roughly 30% more earnings than fully taxed employees that would otherwise be employed at the location (if it hadn't been set aside as reserve), the spending related economic benefit flowing off reserve is estimated to be about \$3 million annually.³⁹

³⁸ The Saskatchewan Chamber of Commerce paper, entitled Background Paper – Urban Reserves, available at http://www.saskchamber.com/files/File/research_policy_issues/Briefing%20Note%20-%20Urban%20Reserves.pdf, states the urban reserve generates millions in revenue and employs about 300 Aboriginal people, which is about three-quarters of total employment on the urban reserve.

³⁹ This assumes these employees earn \$41,200 annually, on average. This is based on the average earnings of all earners (not just full time, full year earners) in Saskatchewan for 2011. Earnings refers to employment income and does not include other types of income or government transfers. This estimate assumes an average savings rate of 10% among these employees. Further, it also incorporates a 10% estimate for spending that occurs outside the City (which includes spending on the urban ATR).



Fiscal Benefits to the City of Saskatoon

Service Agreement Fiscal Benefit: A Municipal Services Agreement between the MLCN and the City of Saskatoon was established in 1993. Under the agreement the City provides municipal services to urban ATR tenants. The MLCN collects property taxes from sublease tenants on the urban ATR and pays an annual, lump-sum municipal service fee. This fee for service is equal to the amount the City would have received in property taxes had the land been under municipal jurisdiction, less the amount associated with education services.⁴⁰ Accordingly, the MLCN applies the City's current commercial property tax rate. This rate is applied equally to both First Nation and non-First Nation businesses on the urban ATR.⁴¹ The MLCN's 2013 Annual Expenditure Law shows budgeted expenditures for water and sewer, under the service agreement with the City of Saskatoon, of \$208,195.⁴² This amount includes the cost of services to both Asimakaniseekan Askiy I.R. #102A and Asimakaniseekan Askiy I.R. #102B. As Asimakaniseekan Askiy I.R. #102B is the site of CreeWay Gas West, and no other development, the majority of this cost can be attributed to Asimakaniseekan Askiy I.R. #102A.

Employment Related Fiscal Benefit: The City of Saskatoon's tax base is larger owing to Saskatoon residents employed on Asimakaniseekan Askiy I.R. #102A. Above, we estimate this impact to be 300 jobs. If 75% of these people own property in the City and pay \$1,500 in property taxes, on average, the fiscal impact is estimated to be about \$338,000 annually.

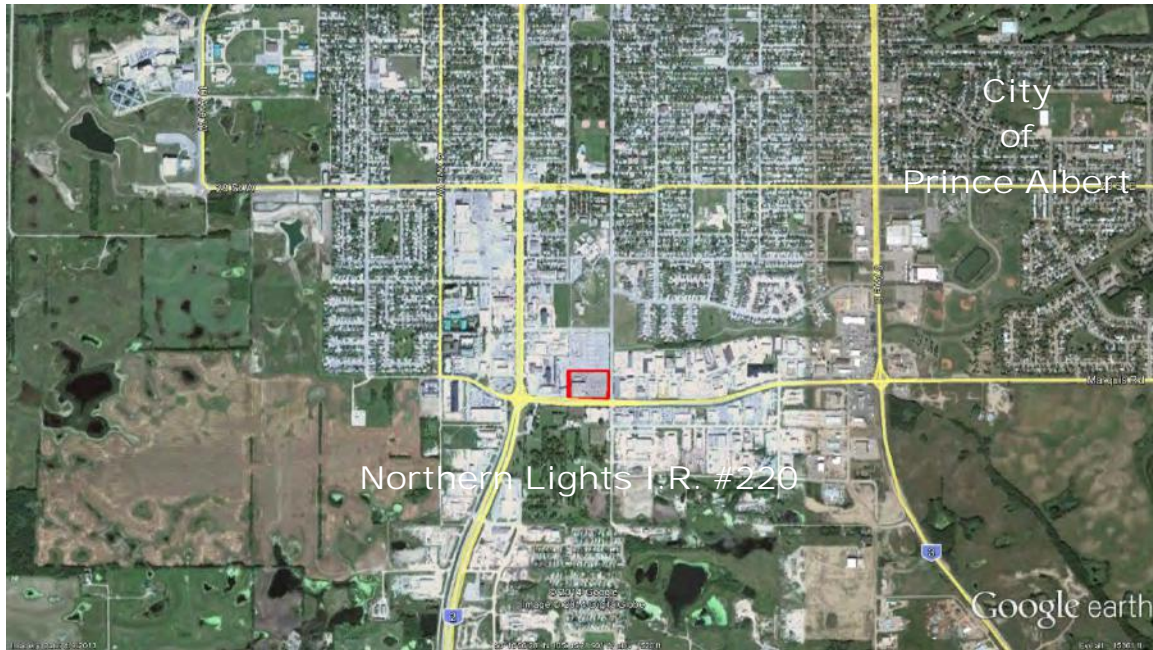
⁴⁰ Federation of Canadian Municipalities, First Nations – Municipal Community Infrastructure Partnership Program Toolkit, Case Study 6.2, available at http://www.fcm.ca/Documents/tools/CIPP/CIPP_Toolkit_EN_CS_Muskeg_Lake.pdf.

⁴¹ Western Economic Diversification Canada, Urban Reserves in Saskatchewan, available at <http://archive.today/s776A>.

⁴² Muskeg Lake Cree Nation Annual Expenditure Law, 2013, First Nations Gazette, available at http://sp.fng.ca/fngweb/375_expenditure_law_2013_fng.pdf.



Appendix C: Northern Lights I.R. #220



One of the Peter Ballantyne Cree Nation's (PBCN) urban ATRs, Northern Lights I.R. #220, is shown in the Google Earth image above (outlined in red). As shown in the image, the reserve is located within the municipal boundaries of the City of Prince Albert.

Overview

The PBCN consists of eight communities throughout northeastern Saskatchewan.⁴³ The PBCN's head office is located at Pelican Narrows, about 400 km northeast of Prince Albert. As of June 2014, the PBCN had a registered population of 9,885, of which 3,376 were living off reserve.⁴⁴

⁴³ In addition to the Prince Albert urban reserves, PBCN communities include Pelican Narrows, Amisk Lake (Beaver Lake / Denare Beach), Kimasom Pwatinak (Deschambeault Lake), Kinoosao, Wapaskokinow (Sandy Bay), Southend, and Sturgeon Landing.

⁴⁴ AANDC's First Nation Profiles, available at http://pse5-esd5.ainc-inac.gc.ca/fnp/Main/Search/FNRegPopulation.aspx?BAND_NUMBER=355&lang=eng.



A Municipal Services Agreement between the PBCN and the City of Prince Albert was established in 1997. The land was set apart for the use and benefit of the PBCN in accordance with the Saskatchewan Treaty Land Entitlement Framework Agreement (Sep 22, 1992) and the PBCN's Specific Agreement (ratified on Nov 5, 1993 and executed on Dec 10, 1993).

The Order in Council (2001-1157) creating the 2.02 ha (5.00 acre) reserve under AANDC's ATR Policy is dated Jun 14, 2001. The ATR process began on Sep 4, 1997 and took 3.8 years to complete (or 3 years, 9 months, and 10 days).

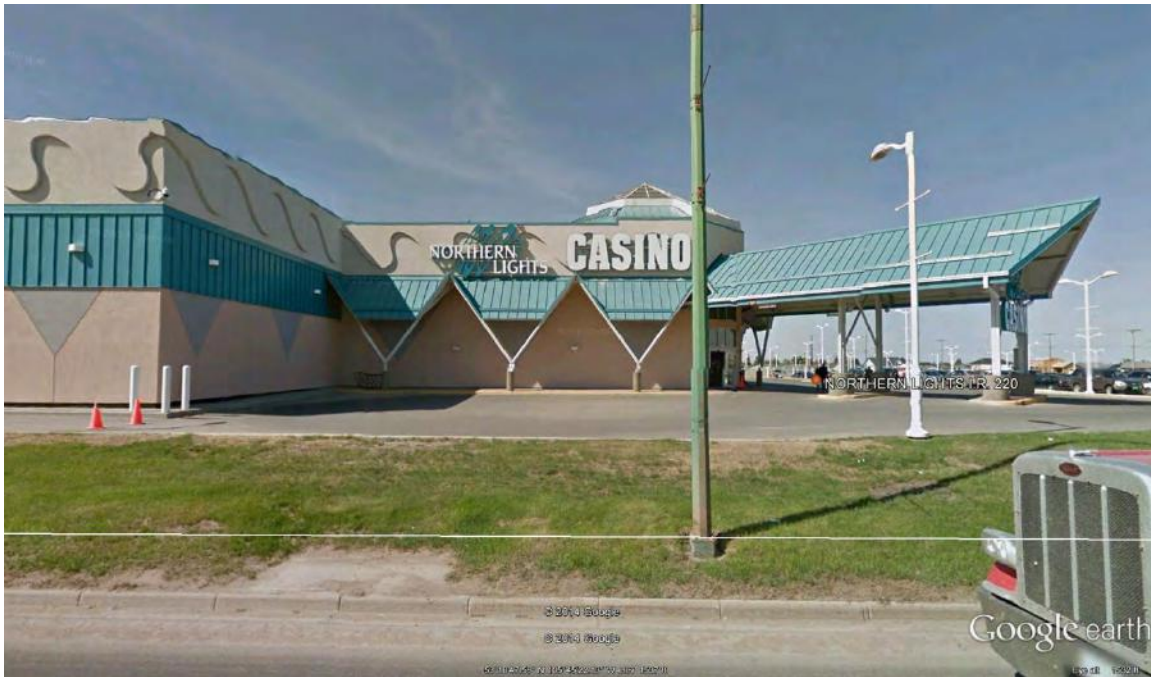


As shown in the Google Earth image above, the urban ATR is located at Marquis Rd and Central Ave.



Investment

The Northern Lights Casino is a 46,500 sq ft facility with 525 slot machines and 11 gaming tables.⁴⁵ The initial 42,000 sq ft facility opened in 1996. And a 4,500 sq ft expansion was added in 2011 that included a smoking room and additional slot machines. More recent improvements include an expanded parking lot. The casino hosts over one million visitors annually.



The Google Earth Street View image above shows the urban reserve is the site of the Northern Lights Casino.

⁴⁵ Northern Lights Casino website, About Us, available at http://www.northernlightscasino.ca/InfoPage.aspx?page_id=24.



Prince Albert Casino Ventures developed and owns the Northern Lights Casino building. The building and property is leased to the Saskatchewan Indian Gaming Authority who operates the highly successful casino.⁴⁶

Benefits

This section is based on the estimated economic and fiscal benefits associated with the Northern Lights Casino. No other businesses operate on the urban ATR.

Economic Benefits to Peter Ballantyne Members

Employment Benefit: The Northern Lights Casino generates approximately 430 jobs.⁴⁷ It is estimated that about 129 jobs are held by Peter Ballantyne members.⁴⁸

In addition to these ongoing positions, investment on Northern Lights I.R. #220 has supported a number of temporary construction jobs. There have already been a number of jobs generated in relation to the construction of the casino. Although, at the time of casino construction, the land's status hadn't yet been converted to reserve; therefore, these jobs were technically generated in the City of Prince Albert. However, these jobs can be attributed to the urban ATR, as the casino's construction was only undertaken because the land would eventually become reserve land.

Further, the urban reserve has supported additional temporary employment related to investments in parking lot upgrades and casino expansion in 2011.

⁴⁶ The Peter Ballantyne Development Limited Partnership (PBDLP) was formed in 1995, and is wholly owned by the PBCN. The PBDLP is the "for profit" business investment and development division of the PBCN. It is the umbrella organization that holds most of Peter Ballantyne's business investments and is responsible for the management of the business portfolio. It also wholly owns the Prince Albert Casino Ventures limited partnership.

The land was designated on Jun 27, 2000. There is a head lease between Her Majesty and Peter Ballantyne Cree Nation Band Development Ltd. There is a groundlease through which Peter Ballantyne Cree Nation Band Development Ltd subleases the land to Prince Albert Casino Ventures. There is also a sublease through which Prince Albert Casino Ventures subleases the land and building to Saskatchewan Indian Gaming Authority.

⁴⁷ Urban Reserves in Saskatchewan, Western Economic Diversification Canada – Archive, available at <http://archive.today/s776A>.

⁴⁸ This assumes that 30% of all the jobs estimated to be generated on the urban ATR are held by PBCN members.



Fiscal Benefits to Peter Ballantyne Cree Nation

Tax Revenue: The PBCN does not collect property tax under s. 83 of the *Indian Act*, and is not on the FMA schedule. Although the PBCN was added to Schedule 1 of the FNGST Act in 2009 and may enact a law that imposes the tax, the PBCN does not collect FNGST on the urban ATR. The PBCN does not collect provincial-type tax on the sale of tobacco products on Peter Ballantyne reserve lands. However, the PBCN does have a Liquor Consumption Tax Administration Agreement with the Saskatchewan.⁴⁹ This tax replaces the provincial liquor consumption tax and enables the PBCN to tax alcohol purchases on the urban ATR at the same 10% rate. But, a revenue estimate from this agreement related to sales on this urban ATR was not available.

Leasing Revenue: Upon creation of the reserve on Jun 14, 2001, the PBCN designated it for commercial leasing purposes. The designated reserve was leased to Peter Ballantyne Cree Nation Band Development Limited Partnership for a 20 year term. On Jul 10, 2005, PBCN Band Development Ltd subleased to Prince Albert Casino Ventures Limited Partnership for a 12 year term, with renewal options. According to a letter⁵⁰ registered in the Indian Lands Registry System, the current annual rent is set at \$120,548.41, payable by monthly installments of \$10,045.70. This rent will be in effect until Jul 14, 2017, after which rent will be reviewed and adjusted for inflation in accordance with the consumer price index for Saskatchewan.⁵¹

Revenue from Business Operations: None of note.

⁴⁹ Finance Minister Signs On Reserve Liquor Tax Agreements with First Nations, Government of Saskatchewan News Release, Mar 2010, available at <http://www.gov.sk.ca/news?newsId=ba38d15a-5619-42f0-baaa-d1c7946b7597>.

⁵⁰ Registration number 6071816.

⁵¹ This assumes the Lessee's renewal option will be exercised.



Other Revenues: The Saskatchewan Indian Gaming Authority (SIGA) operates six First Nation casinos in Saskatchewan, including the Northern Lights Casino. SIGA is a non-profit corporation owned by the First Nations of Saskatchewan. As such, 100% of SIGA's profits from the operation of all six casinos are distributed to its beneficiaries, administered by the Province of Saskatchewan according to a formula.⁵² Fifty percent of SIGA's profits go to the First Nations Trust, from which quarterly distributions are made to Saskatchewan First Nation communities. Twenty-five percent of SIGA's profits go to the provincial government's general revenue fund. The other twenty-five percent of SIGA's profits go to the Community Development Corporations associated with each casino. These funds are distributed in accordance with each casino's contribution to net profits. In 2012/13, SIGA's net profits were about \$86.8 million.⁵³

Economic Benefits to Residents of Prince Albert

Employment Benefit: The employment impact on Northern Lights I.R. #220 is estimated to be about 430 jobs. We assume all of these jobs are held by Prince Albert residents.

⁵² The formula is set in the 2002 Gaming Framework Agreement between the Saskatchewan Liquor and Gaming Authority and the Federation of Saskatchewan Indian Nations, available <https://www.slga.gov.sk.ca/Prebuilt/Public/2002%20Gaming%20Framework%20Agreement.pdf>.

⁵³ SIGA 2012-2013 Annual Report, available at http://www.siga.sk.ca/view-annual-reports/SIGA_Annual_Report_2013/index.html#/1/.



Spending Related Economic Benefit: Above we have estimated there to be about 430 Prince Albert residents working on Northern Lights I.R. #220. We expect a significant portion of their earnings are spent in the City. However, it could be argued that, if the land were not set aside as reserve, a certain level of development would have still have taken place on the land, and a certain number of jobs would have been generated as a result. Even if we assume the development on the land, if not set aside as reserve, would have also generated 430 jobs for City residents, the spending related economic benefit would be lower than the present benefit being realized. The spending related economic benefit associated with the urban ATR is greater owing to the tax exemption. Essentially, First Nation workers are left with more money in their pockets to spend in the City. If we assume 80% of those employed on Northern Lights I.R. #220 are First Nations employees⁵⁴ that benefit from the tax exemption and retain roughly 30% more earnings than fully taxed employees that would otherwise be employed at businesses located on the land (if it hadn't been set aside as reserve), the spending related economic benefit flowing off reserve is estimated to be about \$3.4 million annually.⁵⁵

Fiscal Benefits to the City of Prince Albert

Service Agreement Fiscal Benefit: A Municipal Services Agreement between the PBCN and the City of Prince Albert was established in 1997. Under the agreement the City provides the same municipal services, which are paid for in fees to the City, in lieu of taxes, at the same rate that would have been paid if the land were not reserve land.⁵⁶

⁵⁴ Based on information from a Presentation by Jim Engel, VP Policy & Planning at SLGA, First Nations Gaming in Saskatchewan, Canadian Gaming Summit, Calgary, AB, Apr 27, 2010, available at http://canadiangamingsummit.com/2010/pdf/presentations/First_Nations_Gaming_Jim_Engel.pdf, SIGA, the casino operator, has a First Nation employment target of 80%. We assume that employment at the Northern Lights Casino meets this target.

⁵⁵ This assumes these employees earn \$41,200 annually, on average. This is based on the average earnings of all earners (not just full time, full year earners) in Saskatchewan for 2011. Earnings refers to employment income and does not include other types of income or government transfers. This estimate assumes an average savings rate of 10% among these employees. Further, it also incorporates a 10% estimate for spending that occurs outside the City (which includes spending on the urban ATR).

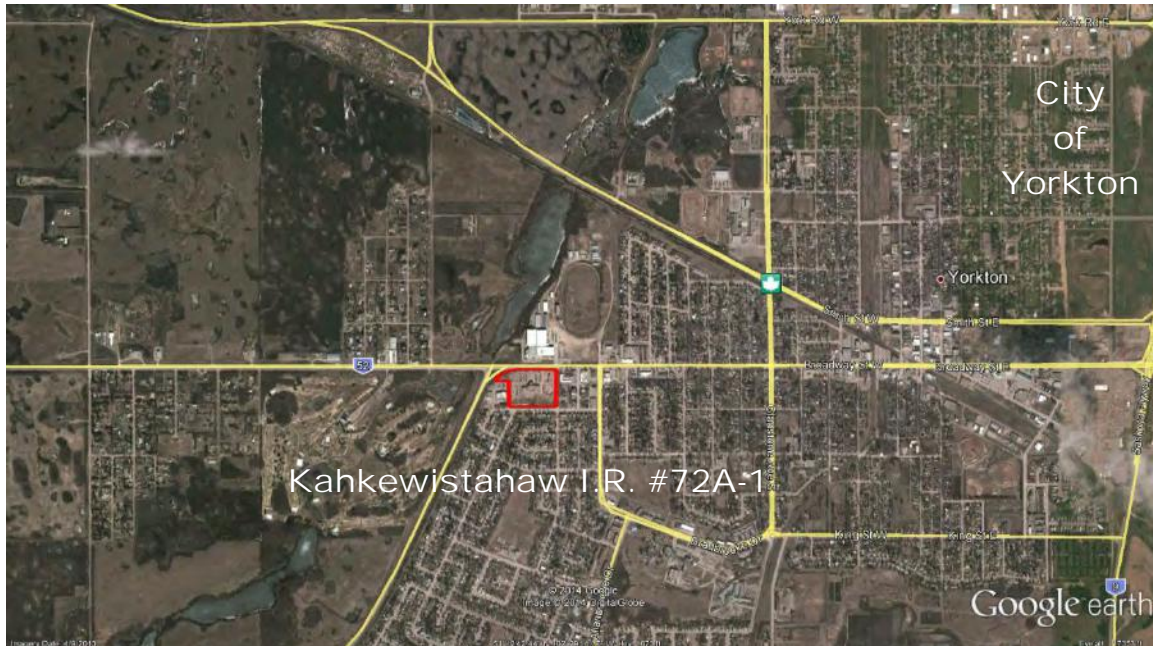
⁵⁶ Urban Reserves in Saskatchewan, Western Economic Diversification Canada – Archive, available at <http://archive.today/s776A>.



Employment Related Fiscal Benefit: The City of Prince Albert's tax base is larger owing to Prince Albert residents employed on Northern Lights I.R. #220. Above, we estimate this impact to be 430 jobs. If 75% of these people own property in the city and pay \$1,500 in property taxes, on average, the fiscal impact is estimated to be about \$484,000 annually.



Appendix D: Kahkewistahaw I.R. #72 A-1



The Kahkewistahaw First Nation's (KFN) urban ATR, Kahkewistahaw I.R. #72A-1, is shown in the Google Earth image above (outlined in red). The reserve is located within the municipal boundaries of the City of Yorkton.

Overview

Kahkewistahaw is located about 15 km north of Broadview, along the #201 Highway. The KFN has about 1,739 members, with about 690 living on reserve.⁵⁷ The KFN's reserve lands include the main reserve, Kahkewistahaw I.R. #72, and about 13 other parcels all located next to the Qu'Appelle Valley between in the area of Crooked Lake and Round Lake. The KFN also shares the Treaty Four Reserve Grounds I.R. #77. The KFN's land base also includes the Yorkton urban reserve, Kahkewistahaw I.R. #72 A-1.

⁵⁷ Membership, Kahkewistahaw First Nation, available at http://www.kahkewistahaw.com/#!_membership.



In anticipation of the urban reserve creation, the KFN and the City of Yorkton signed a Municipal Services Agreement on Jan 5, 2001.⁵⁸

The two parcels in Yorkton that would become the Kahkewistahaw I.R. #72 A-1 urban reserve were acquired pursuant to the implementation of a Settlement Agreement with Canada, dated Mar 13, 1992. The 4.15 ha parcel was valued at \$400,000 and the 0.28 ha parcel was valued at \$51,800.⁵⁹

Kahkewistahaw I.R. #72A-1 was created by two urban ATRs. The Order in Council (2002-1429) creating the 4.15 ha (10.26 acre) urban reserve under AANDC's ATR Policy was made Aug 8, 2002. The ATR process for this creation began on Apr 28, 2000 and took 2.3 years to complete (or 2 years, 3 months, and 11 days). The Order in Council (2003-1018) adding 0.28 ha (0.69 acres) to the reserve under AANDC's ATR Policy was made Jun 18, 2003.⁶⁰ The ATR process for this small addition began on Apr 2, 2001 and took 2.2 years to complete (or 2 years, 2 months, and 17 days).

⁵⁸ Municipal Services Agreement, available at https://www.fcm.ca/Documents/tools/CIPP/service_agreements/Comprehensive%20Services/Service_Agreement_CityYorkton_KahkewistahawFN72_MunicipalServices_EN.pdf.

⁵⁹ A copy of the title for the 4.15 ha parcel, from the Province of Saskatchewan Land Titles Registry, is included with the Order in Council creating the reserve. This title shows a value of \$400,000 on Jan 3, 2003. A copy of the title for the 0.28 ha parcel, from the Province of Saskatchewan Land Titles Registry, is included with the Order in Council adding to the reserve. This title shows a value of \$51,800 on Jul 15, 2004.

⁶⁰ Then, the Order in Council (2003-1632), dated Oct 23, 2003, amended the previous Order by correcting the land description in the schedule. This is noted because this is the date that is recorded in the ATR database provided by AANDC.





As shown in the Google Earth image above, the urban ATR is located on Broadway St W.



The Google Earth Street View image above shows the reserve is the site of the Painted Hand Casino.



Investment

The reserve is the site of the Kahkewistahaw Gas & Convenience Store, an independent Petro-Canada station owned and operated by the KFN. The gas station opened in May 2004.⁶¹



The Google Earth Street View image above shows the Kahkewistahaw Gas & Convenience Store in front of the Home Inn & Suites and the Painted Hand Casino.

The original Painted Hand Casino (at Smith St W and 3rd Ave N) was located on the Sakimay First Nation's 0.33 ha urban reserve, Sakimay I.R. #74, in Yorkton. That reserve was created through AANDC's ATR Policy on May 7, 1996.

⁶¹ Kahkewistahaw Economic Management Corporation, Kahkewistahaw Gas & Convenience Store, available at <http://www.kemcorporation.com/kgcs.html>.





The Google Earth Street View image above shows the original Painted Hand Casino building on Sakimay I.R. #74.

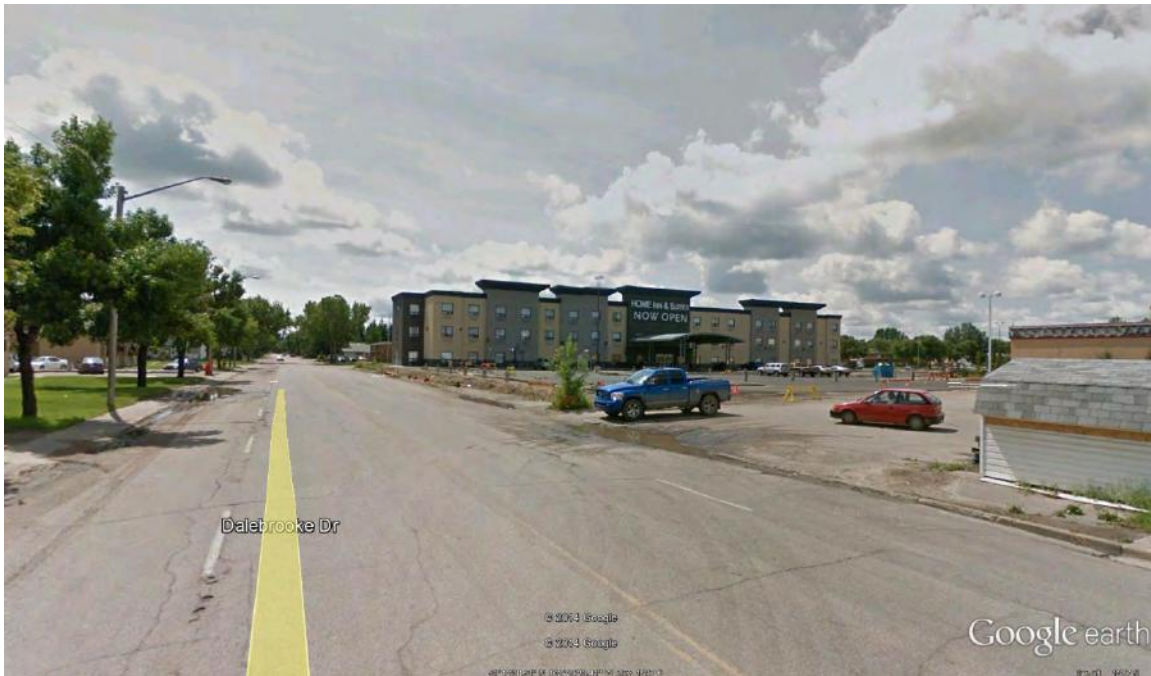
The new casino building (the current Painted Hand Casino at West Broadway) was built in 2008 and 2009 on Kahkewistahaw's urban ATR, Kahkewistahaw I.R. #72 A-1, replacing the building on Sakimay's reserve. The casino is operated by the province's gaming authority, the Saskatchewan Indian Gaming Authority (SIGA). The \$30 million, 43,000 sq ft facility includes a large gaming floor with 220 slot machines and 7 live table games, deli, bar / lounge and restaurant.⁶²

There is also a new hotel, the Yorkton Home Inn & Suites, adjacent to the casino, which opened in Aug 2013.⁶³ The hotel is a venture of Kahkewistahaw's separate business arm, the Kahkewistahaw Economic Management Corp. in partnership with D3H Hotels Inc.

⁶² SIGA, Sharing Success, available at <http://www.siga.sk.ca/wp-content/uploads/2013/04/PHC-for-Web.pdf>.

⁶³ Kahkewistahaw makes another step in economic development with Yorkton hotel, The Grenfell Sun & The Broadview Express, Sep 6, 2013, available at <http://www.grenfellsun.sk.ca/News/Regional/2013-09-06/article-3378641/Kahkewistahaw-makes-another-step-in-economic-development-with-Yorkton-hotel/1>.





The Google Earth Street View image above shows the Home Inn and Suites.

Benefits

The economic and fiscal benefits described below are associated with the Kahkewistahaw Gas & Convenience Store, the Painted Hand Casino, and the Yorkton Home Inn & Suites.

Economic Benefits to Kahkewistahaw Members

Employment Benefit: It is estimated that investment on the urban ATR generates about 374 jobs.⁶⁴ It is estimated that about 112.2 jobs are held by Kahkewistahaw members.⁶⁵

⁶⁴ Based on information from About Us page on Painted Hand's website, about 275 jobs are associated with the casino, available at http://www.paintedhandcasino.ca/InfoPage.aspx?page_id=31. Based on information from Essential Skills and Kahkewistahaw Gas, a TOWES (Test of Workplace Essential Skills) Case Study, the gas station and convenience store generates about 24 jobs, available at <http://www.towes.com/media/10127/towes-casestudy-kahkewistahaw04.pdf>. Based on the characteristics of the Home Inn & Suites, its size (i.e. 89 rooms), its amenities (pool, event space, and full service salon and spa), and its location (i.e. the closest hotel to the Gallagher Centre and adjacent to the casino), it is assumed that the hotel generates about 75 jobs.

⁶⁵ This assumes that 30% of all the jobs estimated to be generated on the urban ATR are held by KFN members.



In addition to these ongoing positions, investment on Kahkewistahaw I.R. #72 A-1 has supported a number of temporary jobs. There have already been a number of jobs generated in relation to the construction of the casino, hotel, and gas station.

Fiscal Benefits to the Kahkewistahaw First Nation

Tax Revenue: The KFN was added to the FMA schedule in 2009. The KFN has the ability to enact annual tax rate laws and annual expenditure laws, but has not done so to date.⁶⁶ Although the KFN was added to Schedule 1 of the FNGST Act in 2010 and may enact a law that imposes the tax, the KFN does not collect FNGST on the urban ATR. The KFN does not collect provincial-type tax on the sale of tobacco products on the urban ATR. However, the KFN does have a Liquor Consumption Tax Administration Agreement with the Saskatchewan.⁶⁷ This tax replaces the provincial liquor consumption tax and enables the KFN to tax alcohol purchases on the urban ATR at the same 10% rate. But, a revenue estimate from this agreement related to sales on this urban ATR was not available.

Leasing Revenue: The urban reserve was designated for leasing purposes May 20, 2004. The Kahkewistahaw Economic Management Corporation's holding company, Mamawi Holdings Limited Partnership, holds the headlease on the designated urban reserve.⁶⁸ Mamawi (through its general partner, Mamawi Holdings Corporation) holds the headlease, dated Dec 17, 2004, to all the designated lands. Mamawi subleases three parcels of the urban ATR (for the casino, hotel, and gas and convenience store), for which Mamawi collects annual rent.

⁶⁶ Information from the First Nations Tax Commission.

⁶⁷ Finance Minister Signs On Reserve Liquor Tax Agreements with First Nations, Government of Saskatchewan News Release, Mar 2010, available at <http://www.gov.sk.ca/news?newsId=ba38d15a-5619-42f0-baaa-d1c7946b7597>.

⁶⁸ In 2003, in anticipation of the creation of the Yorkton urban reserve, Kahkewistahaw Management Limited Partnership (KMLP) was established to provide management oversight for Kahkewistahaw's economic development companies and limited partnerships. Kahkewistahaw Economic Management Corporation (KEMC) is owned 100% by the Kahkewistahaw First Nation, and was set up to serve as the general partner of the KMLP.



- Painted Hand Casino parcel – Mamawi subleases the parcel to PHC Holdings Limited Partnership (through its general partner, PHC Holdings Ltd).⁶⁹ The sublease, dated Jun 13, 2005, is registered in the FNLRS.⁷⁰ Under the sublease, PHC pays annual rent to Mamawi, as described in the sublease. Current rent is \$119,300 annually. In the future this will increase to \$136,628 annually. Then, it will be adjusted in accordance with the Consumer Price Index.
 - PHC sub-subleases the parcel to SIGA. The sub-sublease, dated Oct 26, 2005, is registered in the FNLRS.⁷¹ Under the sub-sublease, SIGA pays PHC annual rent, which is calculated as Direct Construction Costs multiplied by the Rate of Return. The Rate of Return is defined as 9% in excess of the Government of Canada Benchmark Bond Yield, Long Term, in effect on the Rent Commencement Date.⁷²
- Home Inn & Suites parcel – Mamawi subleases the parcel to Penipa Hotel Limited Partnership.⁷³ The sublease, dated Feb 28, 2012, is registered in the FNLRS.⁷⁴ Under the sublease, rent is initially set at \$100,000 annually. Rent is reviewed and adjusted every five years based on fair market value.⁷⁵
- Kahkewistahaw Gas & Convenience Store parcel – Mamawi subleases the parcel to Kahkewistahaw Gas & Convenience Store Limited. The sublease, dated May 1, 2004, is registered in the FNLRS.⁷⁶ The sublease sets out a schedule for annual rent. Rent for 2005 was set at \$6,000. Rent is then adjusted annually in accordance with the Consumer Price Index.⁷⁷

⁶⁹ PHC Holdings is owned by the Yorkton Tribal Council.

⁷⁰ Registration number 329189.

⁷¹ Registration number 342027.

⁷² PHC Holdings is owned by the Yorkton Tribal Council. The KFN is a member of the Tribal Council, along with five other First Nations, including Cote, Keeseekoose, Key, Ocean Man, and Sakimay. The KFN's share of PHC's sub-sublease revenues collected from SIGA is unknown. But, the estimate provided here assumes a one-sixth share.

Rent Commencement Date – The casino opened Mar 11, 2009 ((Painted Hand Casino Opens to Public March 11, SIGA Media Release, available at <http://nationtalk.ca/story/painted-hand-casino-opens-to-public-march-11/>). This estimate uses this date as the Rent Commencement Date.

Rate of Return – The Government of Canada benchmark bond yield, Long Term, in Mar 2009 was 3.74% (Bank of Canada, Canadian Bond Yields Lookup, Monthly Series V122544, available at <http://www.bankofcanada.ca/rates/interest-rates/lookup-bond-yields/>). Increasing this benchmark by 9%, as described in the sub-sublease, provides an estimated Rate of Return of 12.74%.

Direct Construction Costs – The total investment for the casino was about \$30 million (New Painted Hand Casino Almost Ready, MBC Network Radio Online, available at <http://www.mbcradio.com/index.php/news-archives/83-2009/6816-new-painted-hand-casino-almost-ready->). It is assumed that half of this total investment qualifies as Direct Construction Costs under the provisions of sub-sublease.

Rent – PHC could receive estimated annual rent from the sub-sublease of about \$1.9 million. The KFN's share could be about \$318,500.

⁷³ Penipa Hotel Limited Partnership is owned by the Kahkewistahaw First Nation. Technically, the First Nation owns 99.9% of KMLP and 100% of its general partner, KEMC. KEMP owns the other 0.1% of KEMC. PHLP is 100% owned by KMLP.

⁷⁴ Registration number 4019004.

⁷⁵ Saskatchewan CPI (All Items, 2011 Basket) was 123.5 in Jan 2013 and 126.4 in Jan 2014 CANSIM Table 326-0020. This represents a 2.35% increase, which when applied to the 2013 rent yields an estimated annual rent of about \$102,348 for 2014.

⁷⁶ Registration number 328315.

⁷⁷ Saskatchewan CPI (All Items, 2011 Basket) was 105.6 in Jan 2005 and 126.4 in Jan 2014 CANSIM Table 326-0020. This represents a 19.7% increase, which when applied to the 2005 rent yields an estimated annual rent of about \$7,182 for 2014.



Revenue from Business Operations: The KFN owns and operates the Petro-Canada gas station. But, net revenue information was not available.

Other Revenue: SIGA operates six First Nation casinos in Saskatchewan, including the Painted Hand Casino. SIGA is a non-profit corporation owned by the First Nations of Saskatchewan. As such, 100% of SIGA's profits from the operation of all six casinos are distributed to its beneficiaries, administered by the Province of Saskatchewan according to a formula.⁷⁸ Fifty percent of SIGA's profits go to the First Nations Trust, from which quarterly distributions are made to Saskatchewan First Nation communities. Twenty-five percent of SIGA's profits go to the provincial government's general revenue fund. The other twenty-five percent of SIGA's profits go to the Community Development Corporations associated with each casino. These funds are distributed in accordance with each casino's contribution to net profits. In 2012/13, SIGA's net profits were about \$86.8 million.⁷⁹

Economic Benefits to Yorkton Residents

Employment Benefit: The ongoing employment impact is estimated to be about 374 jobs. All of these are assumed to be held by residents of Yorkton.

⁷⁸ The formula is set in the 2002 Gaming Framework Agreement between the Saskatchewan Liquor and Gaming Authority and the Federation of Saskatchewan Indian Nations, available <https://www.slga.gov.sk.ca/Prebuilt/Public/2002%20Gaming%20Framework%20Agreement.pdf>.

⁷⁹ SIGA 2012-2013 Annual Report, available at http://www.siga.sk.ca/view-annual-reports/SIGA_Annual_Report_2013/index.html#/1/.



Spending Related Economic Benefit: Above we have estimated there to be about 43 Yorkton residents working on Kahkewistahaw I.R. #72 A-1. We expect a significant portion of their earnings are spent in the City. However, it could be argued that, if the land were not set aside as reserve, a certain level of development would have still have taken place on the land, and a certain number of jobs would have been generated as a result. Even if we assume the development on the land, if not set aside as reserve, would have also generated 374 jobs for City residents, the spending related economic benefit would be lower than the present benefit being realized. The spending related economic benefit associated with the urban ATR is greater owing to the tax exemption. Essentially, First Nation workers are left with more money in their pockets to spend in the City. If we assume 80% of those employed on Kahkewistahaw I.R. #72 A-1 are First Nations employees⁸⁰ that benefit from the tax exemption and retain roughly 30% more earnings than fully taxed employees that would otherwise be employed at the location (if it hadn't been set aside as reserve), the spending related economic benefit flowing off reserve is estimated to be about \$3 million annually.⁸¹

⁸⁰ Based on information from a Presentation by Jim Engel, VP Policy & Planning at SLGA, First Nations Gaming in Saskatchewan, Canadian Gaming Summit, Calgary, AB, Apr 27, 2010, available at http://canadiangamingsummit.com/2010/pdf/presentations/First_Nations_Gaming_Jim_Engel.pdf, SIGA, the casino operator, has a First Nation employment target of 80%. We assume that employment at the Painted Hand Casino meets this target. Further, based on information from Essential Skills and Kahkewistahaw Gas, a TOWES (Test of Workplace Essential Skills) Case Study, available at <http://www.towes.com/media/10127/towes-casestudy-kahkewistahaw04.pdf>, 98% of the employees of the Petro-Canada Gas Station and Convenience Store on Kahkewistahaw I.R. #72 A-1 are First Nations.

⁸¹ This assumes these employees earn \$41,200 annually, on average. This is based on the average earnings of all earners (not just full time, full year earners) in Saskatchewan for 2011. Earnings refers to employment income and does not include other types of income or government transfers. This estimate assumes an average savings rate of 10% among these employees. Further, it also incorporates a 10% estimate for spending that occurs outside the City (which includes spending on the urban ATR).



Fiscal Benefits to the City of Yorkton

Service Agreement Fiscal Benefit: The KFN and the City of Yorkton signed a Municipal Services Agreement on Jan 5, 2001.⁸² Under the agreement, the City provides all municipal services to the same extent and at the same level of services as would normally be provided to comparable property in the City. Services provided to the Public and Separate School Boards are specifically excluded. The KFN pays an annual fee for service provision equal to the municipal property taxes that would have been levied on the land had it not been set aside as reserve. The school portion of the property tax levy is specifically excluded from the annual fee for municipal services. Further, the KFN pays all local improvement charges as would have been levied against the property were it not reserve land. In addition, Yorkton provides direct services, including water and sewer, on the urban reserve. The KFN pays the City water and sewer and any other direct service charges calculated on the same basis as other consumers of such services within the City.

Employment Related Fiscal Benefit: The City of Yorkton's tax base is larger owing to Yorkton residents employed on Kahkewistahaw I.R. #72 A-1. Above, we estimate this impact to be 374 jobs. If 75% of these people own property in the City and pay \$1,500 in property taxes, on average, the fiscal impact is estimated to be about \$421,000 annually.

⁸² Municipal Services Agreement, available at https://www.fcm.ca/Documents/tools/CIPP/service_agreements/Comprehensive%20Services/Service_Agreement_CityYorkton_KahkewistahawFN72_MunicipalServices_EN.pdf.



Appendix E: Kistapinanihk I.R. #231



One of the Peter Ballantyne Cree Nation's urban reserves (PBCN), Kistapinanihk I.R. #231, is shown in the Google Earth image above (outlined in red). The reserve is located within the municipal boundaries of the City of Prince Albert.

Overview

The PBCN selected the 0.95 ha (2.36 acres) parcel, as Entitlement Land under the TLE Framework Agreement. The value of the parcel was \$635,000.⁸³

The Order in Council (2005-1839) creating the 0.95 ha (2.36 acre) reserve under AANDC's ATR Policy is dated Oct 25, 2005. The ATR process began on Apr 28, 2000 and took 5.5 years to complete (or 5 years, 5 months, and 27 days).

⁸³ A copy of the title, from the Province of Saskatchewan Land Titles Registry, from Apr 4, 2006 is included with the Order in Council creating the reserve.





As shown in the Google Earth image above, the urban ATR is located at 34th St W and 2nd Ave W.

Investment

In 2005, Petro-Canada partnered with the PBCN. A gas station and convenience store were built and began operations in 2007.⁸⁴ The PBCN owns and operates the gas station and convenience store, which has become one of the busiest retail locations in the city.⁸⁵

⁸⁴ Prince Albert Grand Council's 2007 Annual Report, available at http://www.pagc.sk.ca/submenu/annualreport/2007/pagc_annreport07.pdf.

⁸⁵ Comments by Mary-Pat Campbell, Manger or Stakeholder and Aboriginal Relations with Suncor Energy, House of Commons Standing Committee on Human Resources, Skills and Social Development and the Status of persons with Disabilities, Evidence provided on Mar 25, 2014, available at <http://www.parl.gc.ca/HousePublications/Publication.aspx?DocId=6480405&Language=E&Mode=1>.





The Google Earth Street View image above shows the service station and convenience store, known as “Petro-Canada West,” on the urban ATR.

Benefits

This section is based on the estimated economic and fiscal benefits associated with the Petro-Canada Gas Bar and Convenience Store. No other businesses operate on the urban ATR.

Economic Benefits to Peter Ballantyne Members

Benefits in this section are related to the gas bar and convenience store, which is supported by its direct access to the urban centre. Therefore, the associated jobs are attributable to the urban nature of the ATR.



Employment Benefit: It is estimated that the 2nd Ave PBCN Petro-Canada generates about 22 jobs.⁸⁶ It is estimated that about 6.6 jobs are held by Peter Ballantyne members.⁸⁷

Fiscal Benefits to the Peter Ballantyne Cree Nation

Tax Revenue: The PBCN does not collect property tax under s. 83 of the *Indian Act*, and is not on the FMA schedule. Although the PBCN was added to Schedule 1 of the FNGST Act in 2009 and may enact a law that imposes the tax, the PBCN does not collect FNGST on the urban ATR. The PBCN does not collect provincial-type tax on the sale of tobacco products on Peter Ballantyne reserve lands. However, the PBCN does have a Liquor Consumption Tax Administration Agreement with the Saskatchewan.⁸⁸ This tax replaces the provincial liquor consumption tax and enables the PBCN to tax alcohol purchases on the urban ATR at the same 10% rate. But, revenues from this agreement are primarily derived from sales of alcohol on Northern Lights I.R. #220, not this urban ATR.

Leasing Revenue: The whole of the reserve was designated for commercial leasing purposes, along with portions of a number of other PBCN lands on Nov 26, 2009. However, no leases are registered in the ILRS.

Revenue from Business Operations: PBCN PA Fuel and Convenience LP, a PBCN company, operates the gas station and convenience store. But, net revenue information was not available.

Other Revenues: There are no other fiscal impacts generated on this urban ATR of note.

⁸⁶ Information from manta.com's online data base shows PBCN PA Fuel and Convenience LP, the PBCN company that operates the 2nd Ave Petro-Canada, has 22 employees.

⁸⁷ This assumes that 30% of all the jobs estimated to be generated on the urban ATR are held by PBCN members.

⁸⁸ Finance Minister Signs On Reserve Liquor Tax Agreements with First Nations, Government of Saskatchewan News Release, Mar 2010, available at <http://www.gov.sk.ca/news?newsId=ba38d15a-5619-42f0-baaa-d1c7946b7597>.



Economic Benefits to Residents of Prince Albert

Employment Benefit: The employment impact on Kistapinanihk I.R. #231 is estimated to be about 22 jobs. We assume all of these jobs are held by Prince Albert residents.

Spending Related Economic Benefit: Above we have estimated there to be about 22 Prince Albert residents working on Kistapinanihk I.R. #231. We expect a significant portion of their earnings are spent in the City. However, it could be argued that, if the land were not set aside as reserve, a certain level of development would have still have taken place on the land, and a certain number of jobs would have been generated as a result. Even if we assume the development on the land, if not set aside as reserve, would have also generated 22 jobs for City residents, the spending related economic benefit would be lower than the present benefit being realized. The spending related economic benefit associated with the urban ATR is greater owing to the tax exemption. Essentially, First Nation workers are left with more money in their pockets to spend in the City. If we assume 98% of those employed on Kistapinanihk I.R. #231 are First Nations employees⁸⁹ that benefit from the tax exemption and retain roughly 30% more earnings than fully taxed employees that would otherwise be employed at the location (if it hadn't been set aside as reserve), the spending related economic benefit flowing off reserve is estimated to be about \$216,000 annually.⁹⁰

Fiscal Benefits to the City of Prince Albert

Service Agreement Fiscal Benefit: Under the agreement, the City provides municipal services, which are paid for in fees to the City, in lieu of property taxes. The fee is equal to the property taxes that would be payable if the land were not reserve land. This is similar to the municipal services agreements for the PBCN's other urban reserves in Prince Albert.

⁸⁹ Based on information from Essential Skills and Kahkewistahaw Gas, a TOWES (Test of Workplace Essential Skills) Case Study, available at <http://www.towes.com/media/10127/towes-casestudy-kahkewistahaw04.pdf>, 98% of the employees of the Petro-Canada Gas Station and Convenience Store on Kahkewistahaw I.R. #72 A-1 are First Nations. We assume this is consistent with the PBCN's Petro-Canada Gas Bar and Convenience Store on Kistapinanihk I.R. #231.

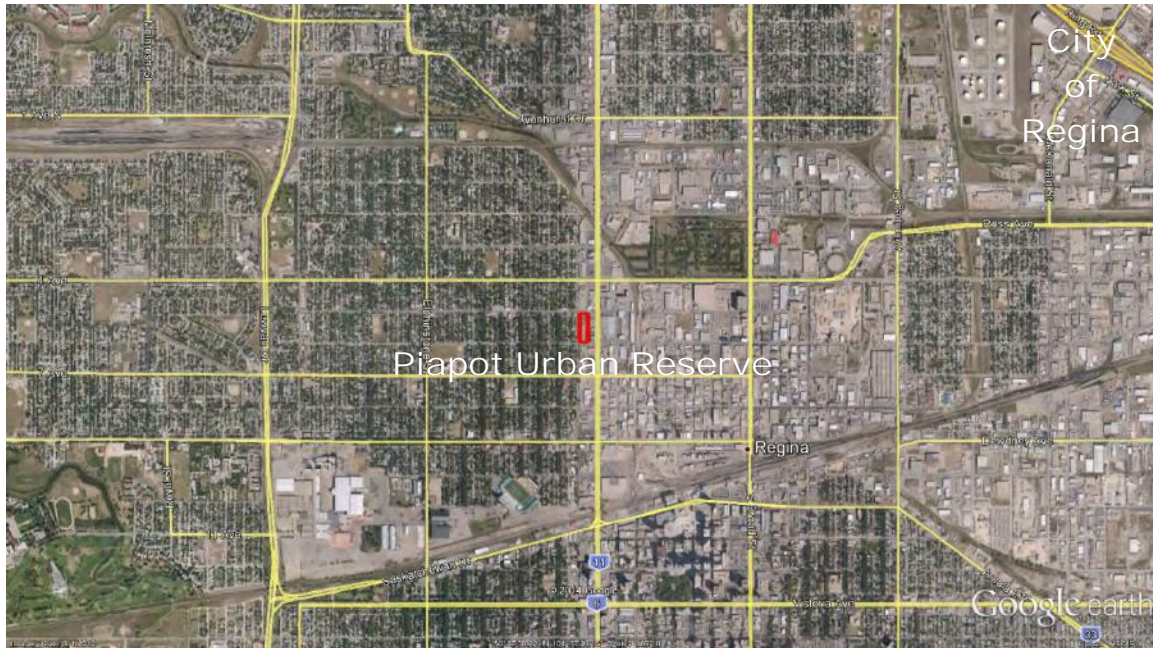
⁹⁰ This assumes these employees earn \$41,200 annually, on average. This is based on the average earnings of all earners (not just full time, full year earners) in Saskatchewan for 2011. Earnings refers to employment income and does not include other types of income or government transfers. This estimate assumes an average savings rate of 10% among these employees. Further, it also incorporates a 10% estimate for spending that occurs outside the City (which includes spending on the urban ATR).



Employment Related Fiscal Benefit: The City of Prince Albert's tax base is larger owing to Prince Albert residents employed on Kistapinanihk I.R. #231. Above, we estimate this impact to be 22 jobs. If 75% of these people own property in the City and pay \$1,500 in property taxes, on average, the fiscal impact is estimated to be about \$24,800 annually.



Appendix F: Piapot Urban Reserve



The Piapot First Nation's (PFN) urban ATR, Piapot Urban Reserve, is shown in the Google Earth image above (outlined in red). The reserve is located within the municipal boundaries of the City of Regina.

Overview

The PFN about 2,285 registered members, with about 592 living on Piapot reserve lands.⁹¹ Piapot's land base includes 11 reserves, the shared reserve (Treaty Four Reserve Grounds I.R. #77), and the urban reserve in Regina. Piapot's main community is approximately 40 km northeast of Regina.

⁹¹ AANDC First Nation Profiles, Registered Population as of Jun 2014, available at http://pse5-esd5.ainc-inac.gc.ca/fnp/Main/Search/FNRegPopulation.aspx?BAND_NUMBER=385&lang=eng.



The vacant parcel (that would become the Piapot Urban Reserve) was purchased by the PFN's holding company, Kehiew Holdings Inc.⁹² The parcel was acquired for reserve creation pursuant to a Specific Claim Settlement Agreement with Canada from Dec 1992.

On Jan 23, 2007, the City of Regina and the PFN signed a Municipal Services and Compatibility Agreement.⁹³

On Sep 27, 2007, when the parcel was pre-reserve land, it was designated for commercial leasing purposes for 99 years. However, no leases on the Piapot Urban Reserve are registered in the Indian Lands Registry System. The sole business on the urban ATR is a band-owned business.

The Ministerial Order (2008-006) creating the 0.58 ha (1.44 acre) reserve under AANDC's ATR Policy is dated Mar 14, 2008. The ATR process began on Apr 13, 2005 and took 2.9 years to complete (or 2 years, 11 months and 1 day).



⁹² City of Regina, City & First Nation Agreements, available at <http://www.regina.ca/residents/social-grants-programs/aboriginal-program-agreements/city-first-nation-agreements/>.

⁹³ Municipal Services and Compatibility Agreement, available at <http://www.regina.ca/opencms/export/sites/regina.ca/residents/social-grants-programs/.media/pdf/city-of-regina-and-piapot-first-nation.pdf>.



As shown in the Google Earth image above, the urban ATR is located between 5th Ave and 6th Ave on Angus St.

Investment

In 2008, the market value of the property was \$11,136.⁹⁴ The PFN built the Cree Land Mini-Mart & Gas Bar, which officially opened Jan 5, 2009.⁹⁵



The Google Earth Street View image above shows the reserve is the site of the Cree Land Mini-Mart & Gas Bar. Initial plans included an office complex, but to date, the Cree Land Mini-Mart & Gas Bar is the only development on the urban ATR.

Benefits

The estimated economic and fiscal benefits described below are associated with the Cree Land Mini-Mart & Gas Bar. No other businesses operate on the urban ATR.

⁹⁴ A copy of the title, from the Province of Saskatchewan Land Titles Registry, from May 13, 2008, is included with the Ministerial Order creating the reserve.

⁹⁵ Global News report on youtube.com, uploaded by SaskCTF, available at http://www.youtube.com/watch?v=zHzCG5Zpa_M.



Economic Benefits to Piapot Members

Employment Benefit: The Cree Land Mini-Mart & Gas Bar generates about 43 jobs.⁹⁶ It is estimated that about 12.9 jobs are held by Piapot members.⁹⁷

In addition to these ongoing positions, investment on Piapot Urban Reserve has supported a number of temporary jobs. There have already been a number of jobs generated in relation to the construction of the Mini-Mart.

Fiscal Benefits to the Piapot First Nation

Tax Revenue: The PFN does not collect property tax under s. 83 of the *Indian Act*, and is not on the FMA schedule. The PFN does not collect FNGST and is not scheduled on the FNGST Act. The PFN does not collect provincial-type tax on the sale of tobacco or alcohol products on the urban ATR.

Leasing Revenue: The urban ATR was designated for commercial leasing purposes when in pre-reserve status. But, no leases are registered in the ILRS.

Revenue from Business Operations: The Cree Land Mini-Mart and Gas Bar is a PFN-owned business. But, net revenue information was not available.

Other Revenues: There are no other fiscal impacts generated on this urban ATR of note.

Economic Benefits to Regina Residents

Employment Benefit: The ongoing employment impact is estimated to be about 43 jobs. All of these are assumed to be held by residents of Regina.

⁹⁶ Comments from store manager, Alice Goforth, in a CBC News article, Tax-free First Nations store decried in Regina, Nov 12, 2009, available at <http://www.cbc.ca/news/canada/saskatchewan/tax-free-first-nations-store-decried-in-regina-1.812525>.

⁹⁷ This assumes that 30% of all the jobs estimated to be generated on the urban ATR are held by PFN members.



Spending Related Economic Benefit: Above we have estimated there to be about 43 Regina residents working on Piapot Urban Reserve. We expect a significant portion of their earnings are spent in the City. However, it could be argued that, if the land were not set aside as reserve, a certain level of development would have still have taken place on the land, and a certain number of jobs would have been generated as a result. Even if we assume the development on the land, if not set aside as reserve, would have also generated 43 jobs for City residents, the spending related economic benefit would be lower than the present benefit being realized. The spending related economic benefit associated with the urban ATR is greater owing to the tax exemption. Essentially, First Nation workers are left with more money in their pockets to spend in the City. If we assume 98% of those employed on Piapot Urban Reserve are First Nations employees⁹⁸ that benefit from the tax exemption and retain roughly 30% more earnings than fully taxed employees that would otherwise be employed at the location (if it hadn't been set aside as reserve), the spending related economic benefit flowing off reserve is estimated to be about \$422,000 annually.⁹⁹

⁹⁸ Based on information from Essential Skills and Kahkewistahaw Gas, a TOWES (Test of Workplace Essential Skills) Case Study, available at <http://www.towes.com/media/10127/towes-casestudy-kahkewistahaw04.pdf>, 98% of the employees of the Petro-Canada Gas Station and Convenience Store on Kahkewistahaw I.R. #72 A-1 are First Nations. We assume this is consistent with the PFN's Cree Land Mini-Mart & Gas Bar on Piapot Urban Reserve.

⁹⁹ This assumes these employees earn \$41,200 annually, on average. This is based on the average earnings of all earners (not just full time, full year earners) in Saskatchewan for 2011. Earnings refers to employment income and does not include other types of income or government transfers. This estimate assumes an average savings rate of 10% among these employees. Further, it also incorporates a 10% estimate for spending that occurs outside the City (which includes spending on the urban ATR).



Fiscal Benefits to the City of Regina

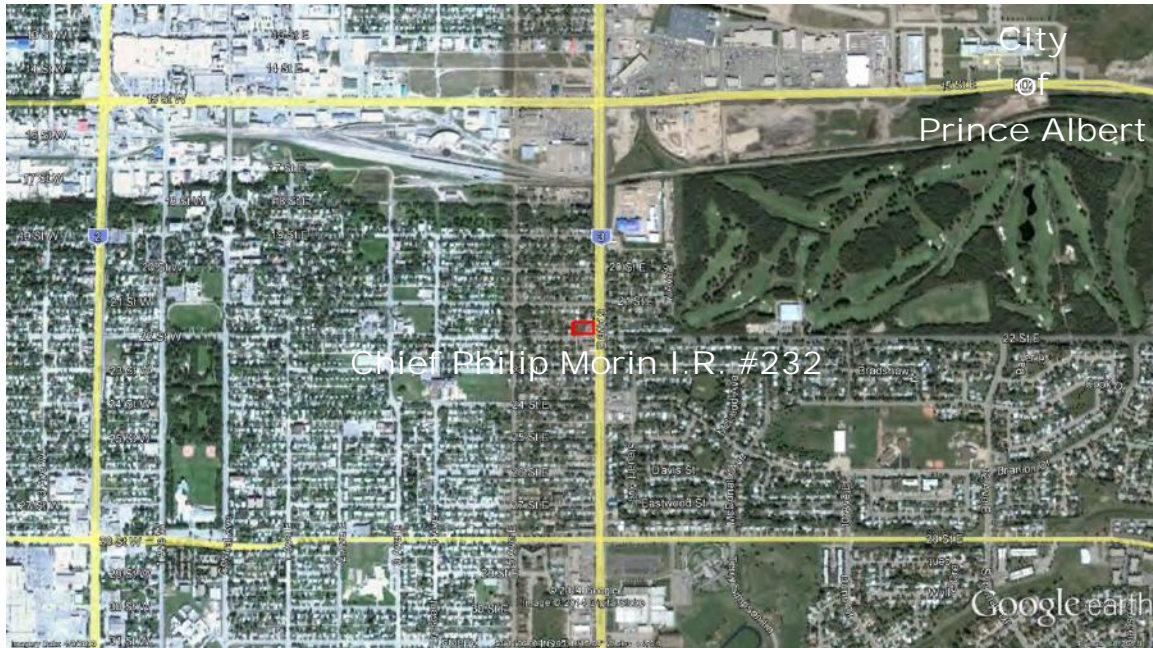
Service Agreement Fiscal Benefit: The PFN and the City of Regina signed a Municipal Services and Compatibility Agreement on Jan 23, 2007.¹⁰⁰ Under the agreement, the City of Regina provides all municipal services in the same manner and at the same level to the reserve as it does to comparable property in the City. Services provided to the Board of Education of the Regina School Division No. 4 and to the Board of Education for Regina Catholic Schools are specifically excluded. The PFN pays a fee for services equal to the municipal and library portion of the property tax that would have been levied on the land had it not been set aside as reserve. The school portion of the property tax levy is specifically excluded from the annual fee for municipal services. The PFN pays in the same manner and subject to the same terms and conditions as applicable to property taxes. Further, the PFN pays all local improvement charges and special charges as would have been levied against the property were it not reserve land. In addition, Regina provides direct services, including water and sewer, on the urban reserve. The city charges the occupants receiving these services directly at the same rates as other service recipients.

Employment Related Fiscal Benefit: The City of Regina's tax base is larger owing to Regina residents employed on Piapot Urban Reserve. Above, we estimate this impact to be 43 jobs. If 75% of these people own property in the City and pay \$1,500 in property taxes, on average, the fiscal impact is estimated to be about \$48,000 annually.

¹⁰⁰ City of Regina, Piapot Agreement Backgrounder, available at http://www.regina.ca/opencms/export/sites/regina.ca/residents/social-grants-programs/media/pdf/piapot_agreement_backgrounder_info.pdf.



Appendix G: Chief Philip Morin I.R. #232



One of the Peter Ballantyne Cree Nation's (PBCN) urban ATRs, Chief Philip Morin I.R. #232, is shown in the Google Earth image above (outlined in red). As shown in the image, the reserve is located within the municipal boundaries of the City of Prince Albert.

Overview

Prior to the purchase of the parcel, the City and the PBCN negotiated a servicing agreement, which was approved by Prince Albert City Council on Jul 21, 2008.

The PBCN selected the 0.23 ha (0.58 acres) parcel, as entitlement land under the TLE Framework Agreement. In 2012, the value of the parcel was \$1.9 million.¹⁰¹ The PBCN purchased the parcel from Suncor Energy Inc.

¹⁰¹ A copy of the title, from the Province of Saskatchewan Land Titles Registry, from May 31, 2012, is included with the Ministerial Order creating the reserve.



The Ministerial Order (2012-007) creating the 0.23 ha (0.58 acre) reserve under AANDC's ATR Policy was signed Mar 15, 2012. The ATR process began Dec 5, 2007 and took 4.3 years to complete (or 4 years, 3 months, and 10 days).



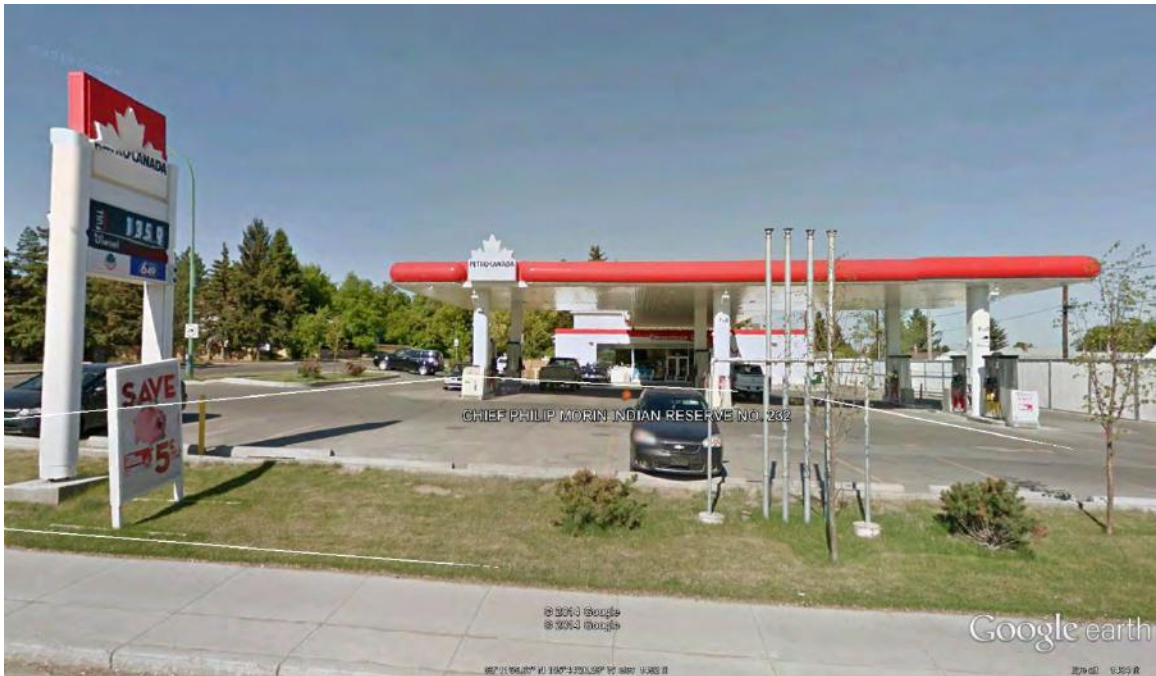
As shown in the Google Earth image above, the urban ATR is located at 22nd St E and 6th Ave E.

Investment

A Petro-Canada Gas Bar and Convenience Store was already in operation on the parcel when purchased by the PBCN. Through its Petro-Canada brand, Suncor Energy has partnered with the PBCN since 2005 (on the Kistapinanihk I.R. #231 urban ATR, discussed previously). The PBCN manages two Petro-Canada stations in Prince Albert, and one in Creighton.¹⁰²

¹⁰² Partnering with the Peter Ballantyne Cree Nation in Saskatchewan, Suncor Energy Inc. Report on Sustainability 2014, available at <http://sustainability.suncor.com/2014/en/social/partnering-with-aboriginal-businesses.aspx>.





The Google Earth Street View image above shows the Petro-Canada gas bar and convenience store, known as “Petro-Canada East,” on the urban ATR.¹⁰³

Benefits

This section is based on the estimated economic and fiscal benefits associated with the Petro-Canada Gas Bar and Convenience Store. No other businesses operate on the urban ATR.

Economic Benefits to Peter Ballantyne Members

Benefits in this section are related to the gas bar and convenience store, which is supported by its direct access to the urban centre. Therefore, the associated jobs are attributable to the urban nature of the ATR.

Employment Benefit: It is estimated that the 6th Ave PBCN Petro-Canada generates about 10.6 jobs.¹⁰⁴ It is estimated that about 3.2 jobs are held by Peter Ballantyne members.¹⁰⁵

¹⁰³ This is referred to as Petro-Can 2 in the AANDC ATR database. This is because the PBCN previously established the 2nd Ave W Petro-Canada Gas Bar on another urban reserve within the city (the Kistapinanihk I.R. #231 ATR, discussed in Appendix E).



Fiscal Benefits to the Peter Ballantyne Cree Nation

Tax Revenue: The PBCN does not collect property tax under s. 83 of the *Indian Act*, and is not on the FMA schedule. Although the PBCN was added to Schedule 1 of the FNGST Act in 2009 and may enact a law that imposes the tax, the PBCN does not collect FNGST on the urban ATR. The PBCN does not collect provincial-type tax on the sale of tobacco products on Peter Ballantyne reserve lands. However, the PBCN does have a Liquor Consumption Tax Administration Agreement with the Saskatchewan.¹⁰⁶ This tax replaces the provincial liquor consumption tax and enables the PBCN to tax alcohol purchases on the urban ATR at the same 10% rate. But, revenues from this agreement are primarily derived from sales of alcohol on Northern Lights I.R. #220, not this urban ATR.

Leasing Revenue: There are no leases registered in the ILRS.

Revenue from Business Operations: The PBCN manages the Petro-Can East. But, net revenue information was not available.

Other Revenues: There are no other fiscal impacts generated on this urban ATR of note.

Economic Benefits to Residents of Prince Albert

Employment Benefit: The employment impact on Chief Philip Morin I.R. #232 is estimated to be about 10.6 jobs. We assume all of these jobs are held by Prince Albert residents.

¹⁰⁴ An IBISWorld Market Research Report from Dec 2013 shows the average Gasoline Station with Convenience Store (NAICS Code 44711) in Canada has 10.6 employees. We assume this is consistent with the 6th Ave PBCN Petro-Canada.

¹⁰⁵ This assumes that 30% of all the jobs estimated to be generated on the urban ATR are held by PBCN members.

¹⁰⁶ Finance Minister Signs On Reserve Liquor Tax Agreements with First Nations, Government of Saskatchewan News Release, Mar 2010, available at <http://www.gov.sk.ca/news?newsId=ba38d15a-5619-42f0-baaa-d1c7946b7597>.



Spending Related Economic Benefit: Above we have estimated there to be about 10.6 Prince Albert residents working on Chief Philip Morin I.R. #232. We expect a significant portion of their earnings are spent in the City. However, it could be argued that, if the land were not set aside as reserve, a certain level of development would have still have taken place on the land, and a certain number of jobs would have been generated as a result. Even if we assume the development on the land, if not set aside as reserve, would have also generated 10.6 jobs for City residents, the spending related economic benefit would be lower than the present benefit being realized. The spending related economic benefit associated with the urban ATR is greater owing to the tax exemption. Essentially, First Nation workers are left with more money in their pockets to spend in the City. If we assume 98% of those employed on Chief Philip Morin I.R. #232 are First Nations employees¹⁰⁷ that benefit from the tax exemption and retain roughly 30% more earnings than fully taxed employees that would otherwise be employed at the location (if it hadn't been set aside as reserve), the spending related economic benefit flowing off reserve is estimated to be about \$104,000 annually.¹⁰⁸

Fiscal Benefits to the City of Prince Albert

Service Agreement Fiscal Benefit: A Municipal Services Agreement between the PBCN and the City of Prince Albert was established in 2008. Under the agreement the City provides municipal services, which are paid for in fees to the City, in lieu of property taxes. The fee is equal to the property taxes that would be payable if the land were not reserve land.¹⁰⁹

¹⁰⁷ Based on information from Essential Skills and Kahkewistahaw Gas, a TOWES (Test of Workplace Essential Skills) Case Study, available at <http://www.towes.com/media/10127/towes-casestudy-kahkewistahaw04.pdf>, 98% of the employees of the Petro-Canada Gas Station and Convenience Store on Kahkewistahaw I.R. #72 A-1 are First Nations. We assume this is consistent with the PBCN's Petro-Canada Gas Bar and Convenience Store on Chief Philip Morin I.R. #232.

¹⁰⁸ This assumes these employees earn \$41,200 annually, on average. This is based on the average earnings of all earners (not just full time, full year earners) in Saskatchewan for 2011. Earnings refers to employment income and does not include other types of income or government transfers. This estimate assumes an average savings rate of 10% among these employees. Further, it also incorporates a 10% estimate for spending that occurs outside the City (which includes spending on the urban ATR).

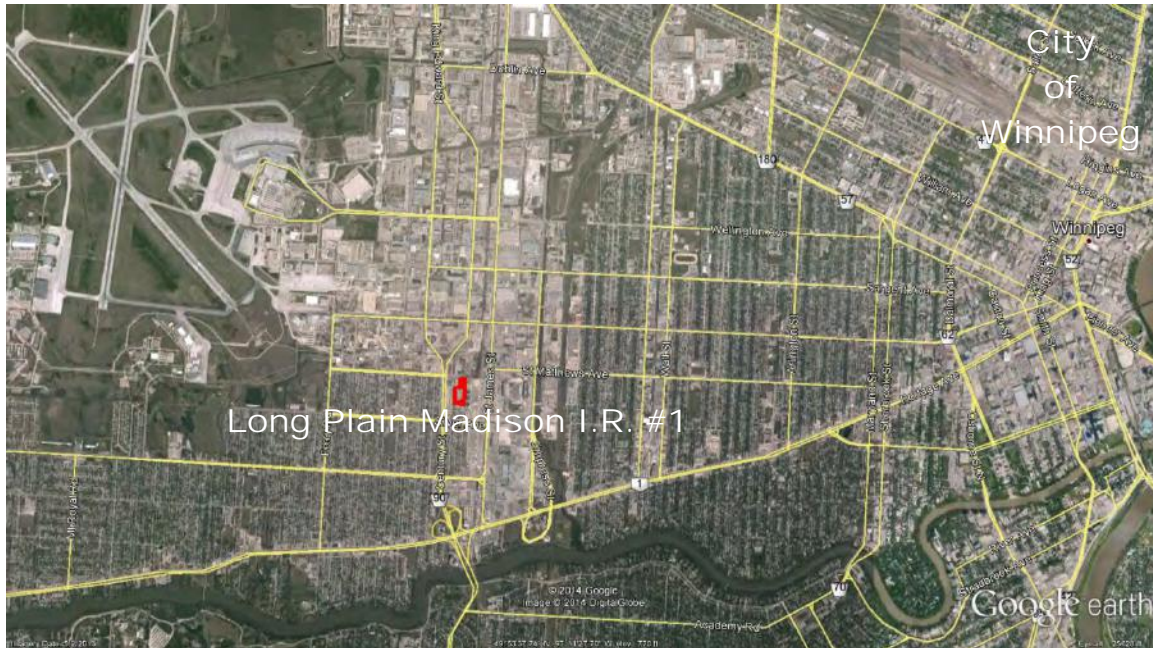
¹⁰⁹ Urban reserve in the works, Ottawa Business Journal, Lindsay Thorinbert, Jul 24, 2008, available at <http://www.obj.ca/Living/Commuting/2008-07-24/article-172982/Urban-reserve-in-the-works/1>. In the article, Trevor Ives, CEO of Peter Ballantyne Developments Ltd, is quoted as saying, "It's effectively the taxation mechanism for the City of Prince Albert that allows them to charge us an equivalent amount for property taxes. It's assessed the same way. Instead of a property tax notice, I get a servicing agreement invoice."



Employment Related Fiscal Benefit: The City of Prince Albert's tax base is larger owing to Prince Albert residents employed on Chief Philip Morin I.R. #232. Above, we estimate this impact to be 10.6 jobs. If 75% of these people own property in the City and pay \$1,500 in property taxes, on average, the fiscal impact is estimated to be about \$11,900 annually.



Appendix H: Long Plain Madison I.R. #1



The Long Plain First Nation's (LPFN) urban ATR, Long Plain Madison I.R. #1, is shown in the Google Earth image above (outlined in red). As shown in the image, the reserve is located within the municipal boundaries of the City of Winnipeg.

Overview

The LPFN's main community is located about 15 km southwest of the City of Portage la Prairie. As of Mar 31, 2013, the First Nation had a registered population of 4,070, with 2,152 living on reserve.¹¹⁰

¹¹⁰ Dakota Ojibway Tribal Council, DOTC Member First Nations, available at http://www.dotc.mb.ca/DOTC_Member_First_Nations.html.



On Aug 3, 1994, the LPFN settled its TLE claim with Canada. The settlement included a payment of \$16.5 million to purchase at least 4,169 acres. In June 2006, the LPFN bought the urban property in Winnipeg for \$1.1 million.¹¹¹ The property, the site of the former St James-area Manitoba Hydro building, was purchased from Manitoba Hydro.¹¹²

In July 2010, the LPFN and the City of Winnipeg signed a Municipal Development and Services Agreement.

The Ministerial Order (2013-006) that created the 1.14 ha (2.71 acre) reserve under AANDC's ATR Policy is dated May 14, 2013. The ATR process began on Sep 1, 2006 and took 6.7 years to complete (or 6 years, 8 months, and 13 days).



As shown in the Google Earth image above, the urban ATR is located at Madison St and St Matthews Ave, near the Polo Park Shopping Centre.

¹¹¹ Central Plains Herald-Leader, Long Plain votes 'yes' for governance house, Nov 6, 2008, available at <http://www.portagedailygraphic.com/2008/11/07/long-plain-votes-yes-for-governance-house>.

¹¹² Central Plains Herald-Leader, Long Plain signs land deal for urban reserve, Jul 8, 2010, available at <http://www.portagedailygraphic.com/2010/07/31/long-plain-signs-land-deal-for-urban-reserve>.



Investment

The LPFN's early plans for the property included a Governance House, which was intended to become the new home of the Assembly of Manitoba Chiefs. However, that concept was replaced with the current commercial development plan. Under the current plan, the urban ATR will serve as Long Plain's economic development zone. Greater revenue potential was one of the reasons for going with the commercial development plan.

The 25,000 sq ft former Manitoba Hydro building was renovated to allow the Dakota Ojibway Tribal Council to move Yellowquill College into the building.



The Google Earth Street View image above shows the urban reserve is the site of Yellowquill College, which has been operating at this location since Jan 10, 2012 (about 16 months before the property was converted to reserve status). Currently, portions of the renovated building not used by Yellowquill are leased to Eagle Vision and Manitowabi.



Long Plain's commercial development plans include a new five-storey, 80,000 sq ft office building, a Petro-Canada gas bar and convenience store, and a "tax depot," through which First Nations people can take delivery of goods from off reserve retailers.



The image above provides a conceptual drawing of the developed property.¹¹³

In Nov 2013, it was announced that AANDC will contribute \$185,400 to required economic infrastructure at the urban reserve, like parking and water and wastewater services.¹¹⁴

Estimated investment in commercial development of the property will be about \$15 million.¹¹⁵ Long Plain will use its own revenue streams, including revenues from its urban reserve within the Rural Municipality of Portage la Prairie to finance the development.

¹¹³ The image is from the LPFN's website, available at <http://www.longplainfirstnation.ca/madison.html>.

¹¹⁴ Harper Government Provides Support for Economic Infrastructure in Long Plain First Nation's Urban Reserve, Indigenous Business & Finance Today, Nov 19, 2013, available at <http://ibftoday.ca/harper-government-provides-support-for-economic-infrastructure-in-long-plain-first-nations-urban-reserve/>.

¹¹⁵ Portage Daily Graphic, Long Plain establishes Winnipeg's first urban reserve, Jul 26, 2010, available at <http://www.portagedailygraphic.com/2010/07/24/long-plain-establishes-winnipegs-first-urban-reserve>.



Benefits

This section is based on anticipated economic and fiscal benefits from Yellowquill College, the planned office building, the planned tax depot, and the planned Petro-Canada gas bar and convenience store. No other development plans are available. So, any potential benefits from other investments on the urban ATR are not included in this assessment.

Economic Benefits to Long Plain Members

Employment Benefit: The anticipated employment impact is estimated to be 250.6 jobs.¹¹⁶ It is estimated that about 75.2 of these anticipated jobs will be held by Long Plain members.¹¹⁷

In addition to these ongoing positions, investment on the urban ATR has supported a number of temporary construction jobs. There have already been a number of jobs related to the renovation of the former Manitoba Hydro building. Although, the status of the property hadn't yet been converted to reserve land; therefore, these jobs were technically located in the City of Winnipeg. However, these jobs can be attributed to the urban ATR, as the renovation work was only undertaken because the land would eventually become reserve land.

Further, anticipated investment on the urban ATR is expected to support a number of temporary construction jobs in the future. There will be jobs associated with the construction of the office building, the tax depot, and the gas bar and convenience store. It is estimated this could generate about 23.4 jobs over a four year development period.¹¹⁸

¹¹⁶ This includes employment with Yellowquill College, which is assumed to be about 25 jobs. It also includes anticipated employment at the office building, which is assumed to be about 200 jobs, and anticipated employment at the tax depot, which is assumed to be about 15 jobs. An IBISWorld Market Research Report from Dec 2013 shows the average Gasoline Station with Convenience Store (NAICS Code 44711) in Canada has 10.6 employees. We assume this will be consistent with employment at the future Petro-Canada on Long Plain Madison I.R. #1.

¹¹⁷ This assumes that 30% of the jobs expected to be generated on the urban ATR will be held by LPFN members.

¹¹⁸ As previously noted, the total investment in commercial development that will occur on the urban reserve is anticipated to be about \$15 million. We assume half of this can be associated with construction of the office complex, tax depot, and gas station and convenience store. About 93.8 person years of employment can be supported by construction costs of about \$7.5 million.



Fiscal Benefits to the Long Plain First Nation

Tax Revenue: Long Plain does not collect property tax. The Long Plain First Nation Land Code (Jan 29, 2014)¹¹⁹ states that s. 87 of the *Indian Act* continues to apply to Long Plain reserve lands. However, if it chose to do so, the LPFN could administer a property taxation system under s. 83 of the *Indian Act* or by joining the First Nations Fiscal Management Act.

According to AANDC's Taxation by Aboriginal Governments Fact Sheet,¹²⁰ the LPFN does not collect FNGST. Although, in 2009, the LPFN was added to Schedule 2 of the FNGST Act, which enables Long Plain to enter into an administration agreement with Manitoba. However, the LPFN is not listed on Schedule 1 of the FNGST Act, and as such, is not able to enact a law that imposes FNGST on the urban reserve.

The LPFN levies provincial-type taxes on the sale of tobacco products on Long Plain lands. In 2011/12, the LPFN collected about \$1 million in tobacco tax.¹²¹ An estimate of tobacco tax revenue potential from sales on the Madison urban reserve was not available.

Leasing Revenue: On Jul 12, 2012, when the land was in pre-reserve status, the LPFN designated the parcel for commercial leasing purposes. The parcel was leased to 60892992 Manitoba Limited Partnership for a 75 year term, which is likely a LPFN-owned development or holding company that intends to sublease lots to tenants in the future. At this time, no subleases are registered. Potential leasing revenue estimates were not available.

Revenue from Business Operations: Information about the number of Madison urban reserve based businesses the LPFN plans to own and / or operate and their net revenue potential was not available.

Other Revenue: None of note.

¹¹⁹ Available at <http://www.longplainfirstnation.ca/Land%20Code/files/Land%20Code%207th%20Draft%20Feb%202010.pdf>.

¹²⁰ Aboriginal Affairs and Northern Development Canada, Fact Sheet – Taxation by Aboriginal Governments (updated Feb 2014), available at <https://www.aadnc-aandc.gc.ca/eng/1100100016434/1100100016435>.

¹²¹ LPFN finances revealed, Portage Daily Graphic, Mar 14, 2013, available at <http://www.portagedailygraphic.com/2013/03/15/lpfn-finances-revealed>.



Economic Benefits to Winnipeg Residents

Employment Benefit: The employment impact on Long Plain Madison I.R. #1 is expected to be about 250.6 jobs. We expected that all of these anticipated jobs will be held by Winnipeg residents.

Spending Related Economic Benefit: Above we have estimated there will be about 250.6 jobs on Long Plain Madison I.R. #1 held by Winnipeg residents. We expect a significant portion of their earnings will be spent in the City. However, it could be argued that, if the land were not set aside as reserve, a certain level of development will still take place on the land, and a certain number of jobs will be generated as a result. Even if we assume the development on the land, if not set aside as reserve, will also generate 250.6 jobs for City residents, the spending related economic benefit will be lower than the anticipated benefit associated with First Nation employees on the urban reserve. The anticipated spending related economic benefit associated with the urban ATR is greater owing to the tax exemption. Essentially, First Nation workers will be left with more money in their pockets to spend in the City. If we assume 75% of those employed on Long Plain Madison I.R. #1 are First Nations employees¹²² that benefit from the tax exemption and retain roughly 30% more earnings than fully taxed employees that would otherwise be earning income at the location (if it hadn't been set aside as reserve), the spending related economic benefit flowing off reserve is estimated to be about \$1.7 million annually.¹²³

¹²² Based on information from the Saskatchewan Chamber of Commerce's paper, Background Paper – Urban Reserves, available at http://www.saskchamber.com/files/File/research_policy_issues/Briefing%20Note%20-%20Urban%20Reserves.pdf, the Muskeg Lake Cree Nation's urban reserve in Saskatoon, Asimakaniseekan Askiy I.R. #102A (McKnight Commercial Centre), generates about 400 jobs. The paper also estimates that about 75% of those jobs are held by Aboriginal employees. We assume this will be consistent with First Nation employment on Long Plain Madison I.R. #1.

¹²³ This assumes these employees earn \$36,800 annually, on average. This is based on the average earnings of all earners (not just full time, full year earners) in Manitoba for 2011. Earnings refers to employment income and does not include other types of income or government transfers. This estimate assumes an average savings rate of 10% among these employees. Further, it also incorporates a 10% estimate for spending that occurs outside the City (which includes spending on the urban ATR).



Fiscal Benefits to the City of Winnipeg

Service Agreement Fiscal Benefit: Under the MDSA that Long Plain signed with Winnipeg in July 2010, the city receives a fee for the provision of General Services and Specific Services.¹²⁴ For General Services, the fee is equal to the property taxes and the business taxes which would have been payable to the City if its occupants were taxable.¹²⁵ For Specific Services, the fee is equal to the service charge and the local improvement charge that would have been payable to the City if its occupants were taxable.¹²⁶ In addition, the LPFN will also make an annual payment to the City in support of education. The amount of that payment will be the same amount that would be required if the land were not set apart as reserve.¹²⁷

Employment Related Fiscal Benefit: The City of Winnipeg's tax base will be larger owing to Winnipeg residents that will be employed on Long Plain Madison I.R. #1. Above, we anticipate this impact to be about 250.6 jobs. If 75% of these people will own property in the city and pay \$1,500 in property taxes, on average, the fiscal impact is expected to be about \$282,000 annually.

¹²⁴ Under the agreement, the City of Winnipeg will provide those municipal services that are provided out of the City's general revenues without charging a fee or service charge in respect of lands in the City. These are referred to as General Services. In 2010, at the time the agreement was signed, General Services included city police services; fire protection; maintenance of adjacent streets, lanes and sidewalks; building inspection; and public health. Further, under the agreement, the City of Winnipeg will also provide those municipal services that are provided in consideration for a fee, rate or service charge, local improvement charges or other area levies in respect of lands in the City. These are referred to as Specific Services. In 2010, at the time the agreement was signed, Specific Services included water supply; and sewage collection and disposal. The agreement states that the City will provide the General Services and Specific Services in the same manner and frequency and to the same standard as they are provided in respect of lands in a similar state of development in the City.

¹²⁵ In consideration for the City providing the General Services, the First Nation will pay an annual fee. This is called the General Services Fee, which is equal to the total of: (i) property taxes for general municipal purposes; and (ii) business taxes; which would have been payable to the City in respect of the land and improvements if its occupants were taxable.

¹²⁶ In consideration for the City providing the Specific Services, the First Nation will pay an amount equal to: (i) the fee, rate, rent or service charge payable by a person to whom such services are provided including, the payment of federal, provincial and City taxes in relation to the provision of the Specific Services; and (ii) the local improvement charges and other area levies that would have been payable to the City on land, improvements and other property within the land, if its occupants were subject to such charges and levies.

Under the agreement, when an assessment is required, the City will at its own expense have the assessment carried out by the City Assessor. The land, improvements, business premises and other property will be classified and valued in the same manner as would such properties be assessed in the City as if not set apart as reserve land.

¹²⁷ Under the agreement, the First Nation must make an annual payment to the City equal to the education support and special levies which in that year the City would be required under the Public Schools Act to levy on land and improvements within the land if it were not set apart as reserve land. The City will remit the payments to the Province of Manitoba and the Winnipeg School Division.



