



Economic Development Summit:
*Partnering in Economic Development
 for a Sustainable Future*

November 18, 2009
 Royal Canadian Legion, 7:00 pm

**URBAN RESERVES AS AN
 ECONOMIC DEVELOPMENT
 TOOL – BACKGROUND INFO**



Lac Seul First Nation



Urban Reserve: A Definition

An Urban Reserve is land that has received official Indian Reserve status from the Federal Government and is located within a municipality or a Northern Administration District.

Potential Impacts of Urban Reserves

The main purpose of creating urban reserves is for First Nations to achieve a higher level of economic self-sufficiency for their communities and governments.

Potential Economic Impacts of Creating Urban Reserves:

- More potential for self-generating revenue than on rural land and reserves;
- Increased employment opportunities for First Nations closer to growing populations of urban First Nations;
- Urban reserves create an environment for the successful development of First Nations owned businesses.

Potential Community and Social Impacts of Creating Urban Reserves:

- Reduced dependence on federal government funding;
- A raise in the standard of living for its members;
- Increased ability to contribute to meeting social services needs in urban areas, as well as on parent reserves in rural areas;
- Urban reserves help First Nations meet their cultural and political development objectives;
- Urban reserves provide a cultural environment for First Nations' members to interact as entrepreneurs, clients, educators, students and public citizens;
- Urban reserves also provide a centralized location for aboriginal government businesses and organizations to operate. This is beneficial for the delivery of social and educational services.

Potential Impacts on Community in which Urban Reserves are established:

- Municipal governments benefit from increased revenue from service provisions;
- Stronger linkages between First Nations and municipal governments;
- Increased demand for professional services during the development of urban reserves;
- Positive impact on local real estate markets.

Backgrounder - Urban Reserves: A Quiet Success Story

Many First Nations in Canada are located in rural areas, far from the cities and towns where most wealth and jobs are created. This geographic remoteness can sometimes pose challenges for First Nations trying to increase their economic self-sufficiency. Urban reserves are one of the most successful ways to address this problem.

An urban reserve is defined as a reserve within or adjacent to an urban centre. Urban reserves can be found in smaller urban centres such as Portage La Prairie, Manitoba, which has a total population of 13,000 people, or larger cities such as Vancouver, British Columbia, with over 2 million residents living in the greater metropolitan area.

Urban reserves offer residents economic opportunities that are generally unavailable in more remote areas. They give First Nation businesses the chance to establish themselves and provide employment and training opportunities. At the same time urban reserves can create jobs for Aboriginal and non-Aboriginal people and contribute to the revitalization of the host municipality. There are now more than 160 urban reserves across Canada, established under the Additions to Reserve policy and Treaty Land Entitlement agreements.

Background

Reserve creation often stems from Canada's legal obligation to settle and implement outstanding land claims. The majority of urban reserves are created as a result of specific claim and Treaty Land Entitlement settlements, which provide First Nations with cash payments that may be used to purchase land. As with any private individual or corporation, First Nations have the right to buy land from a willing seller. Once acquired, they also have the option of asking the federal government to transfer their land to reserve status, whether the property is located in an urban or rural setting.

Approval of reserve status is not automatic. In order to get land designated as a reserve, federal policies require that a step-by-step approach be taken to address the concerns of everyone involved, including municipalities and environmental authorities. The Department's Additions to Reserves/New Reserves Policy requires environmental site assessments prior to any land acquisition by the federal government. This serves to protect both Canada and First Nations from adverse impacts.

Building relationships with municipalities

Land can be declared an urban reserve provided that a number of agreements have been negotiated between individual First Nations and the municipality. A municipal servicing agreement is particularly important because it provides a fee for services such as water, garbage collection, police and fire protection, an amount which is generally equal to the amount the municipality would have collected through property taxes. Education tax loss and service agreements with affected school divisions must also be negotiated by the First Nation, including a mechanism for settling disputes.

The same sales tax exemptions that apply to reserves in rural areas also apply to urban reserves. Under current tax law, First Nations businesses located on reserve are required to collect provincial and federal sales tax and are subject to all the applicable taxes outlined by law or the servicing agreement negotiated with the municipality. Only registered Status Indians can

take advantage of the sales tax exemption when purchasing goods and services on reserve land. The net effect for those individuals is having slightly more money to spend in the local economy.

Economic benefits

Urban reserves are viewed as a stepping stone for the development of new Aboriginal businesses and a way into the mainstream job market for First Nation people. However, they can also provide much-needed economic stimulus to urban centres as a whole.

Muskeg Lake Cree Nation's *Cattail Centre* and *Asimakaniseekan Askiy* is a good example of this. Located on the east side of Saskatoon, Saskatchewan, *Asimakaniseekan Askiy* was the first Canadian reserve to be built on land previously set aside for city development. Established in 1988, it breathed new life into a part of the City of Saskatoon that had once been home to an active railway. Now home to dozens of Aboriginal and non-Aboriginal businesses, *Asimakaniseekan Askiy* has become the new commercial hub in southeast Saskatoon.

A smaller but no less dynamic urban reserve has been established at *Wendake* near Québec City. Home to the Huron-Wendat First Nation, *Wendake* has become an important tourism and cultural centre in Québec, with festivals and powwows throughout the year. In preparation for Québec City's 400th anniversary celebrations, *Wendake* opened a four star hotel in March 2008. Built in the style of a traditional Iroquois longhouse, the hotel also functions as a museum, with video projections, artefacts and collections on display. The cultural site as a whole has generated 300 full- and part-time jobs for members of the community and a place for local artisans to sell their crafts.

Improving the social and economic circumstances of First Nation people is a major priority for the Government of Canada. By offering First Nations economic opportunities that are unavailable in rural areas, urban reserves serve as springboards into the mainstream economy. They reduce operating costs and provide better access to capital markets and transportation routes, enabling First Nations to diversify their economic base. At the same time, they contribute to the economic and business development of urban centres across Canada. All Canadians benefit from their success.

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Indian and Northern Affairs Canada

Bibliography

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