



WESTBANK
FIRST NATION

WESTBANK FIRST NATION GOVERNMENT

Community Economic Development Plan | 2010

Executive Summary



Community. Leadership. Pride.



Community. Leadership. Pride.


Letter of Endorsement

December 2010

It is with great pleasure and enthusiasm that we, Chief and Council of Westbank First Nation, adopt the WFN Economic Development Plan with the belief that the Plan will aid in the continuance of a healthy, environmentally sustainable and dynamic economy and further WFN efforts to build an even stronger community. We also recognize that a vibrant economy requires planning and management.

The WFN Economic Development Commission was established to, among other things, coordinate an overall community economic development vision and prepare a long-term economic development strategy for WFN. The Community Economic Development Plan is the product of their efforts along with input from senior WFN Staff, Chief and Council and the WFN Membership. The Plan, which took a year to complete, was created through a series of focus group meetings designed to engage all segments of our WFN community in discussion on what constitutes a healthy, environmentally sustainable and dynamic economy. Participation in this process from diverse segments of our community was welcomed, recognizing that each of us has a valuable role to play. With a commitment to doing our part and continuing to work toward a stronger and healthier WFN community, we will strive to take a consistent and cohesive approach to our economy for years to come.

Though some of the administrative details outlined in the Plan will be subject to further Membership input, and legal and financial advice, we support the use of this Plan as a guiding document and tool for decision-making. We also acknowledge and encourage an ongoing dialogue: a necessity in creating a healthy, environmentally sustainable and dynamic economy for the benefit of the WFN Membership, the overall economic community, and the security of future generations.



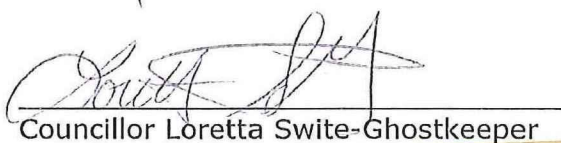
Chief Robert Louie



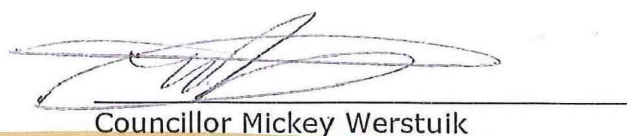
Councillor Mike De Guevara



Councillor Lorrie Hogaboam



Councillor Loretta Swite-Ghostkeeper



Councillor Mickey Werstuik

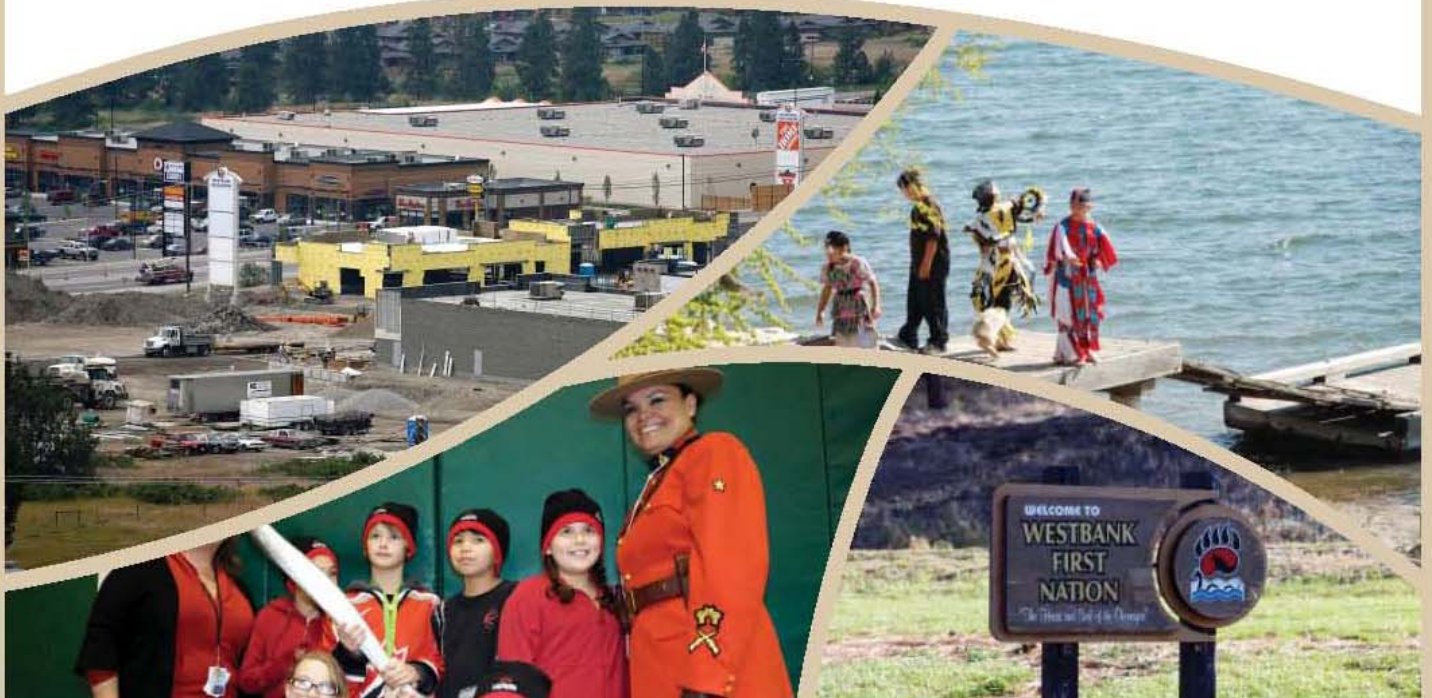
COUNCIL SECRETARIAT

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ACKNOWLEDGEMENTS

This economic development strategy was commissioned by the Westbank First Nation under guidance from Jayne Fosbery, Economic Development Officer for the Westbank First Nation and the WFN Economic Development Commission. The consulting team acknowledges the significant contribution by those who attended the focus groups, community planning session, and completed the community survey and participated in one-on-one interviews.

The strategy was written by Victor Cumming with research, layout and design provided by Karol Hansma, both with Westcoast CED Consulting Ltd. (Vernon, BC).



ROLE OF THE ECONOMIC STRATEGY

In 2002-03, Westbank First Nation (WFN) prepared a comprehensive economic development strategy and established the associated Economic Development Commission (EDC). It then revised the strategy for the EDC in 2005. Since 2005, WFN has made a number of structural and legal adjustments to WFN-owned enterprises effecting how they are managed and operated. They have also adjusted the economic development staff's roles. In 2008, WFN began working on a comprehensive community plan with a long term economic development strategy required as one of the cornerstones of this plan. To construct this cornerstone WFN is preparing a Five-year Community Economic Development Plan to reconfirm and/or adjust the 2003 economic vision, functions, goals and strategies for the First Nation.

The economic environment within which the economic strategy is being prepared is complex as WFN is a self-governing First Nation, with 679 members and close to 9000 non members residing on their lands. It also has over 300 registered businesses that include big box stores and self employed members whose interests are to be communicated by the WFN-EDC. A key underlying value of WFN is to create a setting for self sufficiency for its members and government and will continue to do so in the future.



Campbell Road Sculptures

ECONOMIC DEVELOPMENT STRATEGY—DRAFT

The Report is an interim document that provides:

- an introduction to WFN, their location and their lands;
- the constitutional and policy mandate for economic development activity;
- a summary of the current socio-economic situation based on the larger 2008 Economic Profile which has been updated to 2009 data (where available);
- a description of the structure of current economic development activities;
- a preliminary analysis of WFN's human resources as obtain through the proxy method of a significant random sample of adult members (18-64 yrs);
- the provincial and regional economic context focused on future projections for the years 2010 through to 2013;
- a summary of the expected economic activity for the WFN economy, including new building and on-site construction, associated off-site infrastructure construction, key activities planned for WFN enterprises and WFN staffing needs;
- an updated vision statement for economic development;
- recommended WFN economic development activities structure adjustments, based on North American wide information and detailed Canadian experience;
- a draft project and investment selection criteria for WFN; and,
- economic development goals and strategies.

The document's role is to provide Chief and Council with a summary of the current situation analysis, recommended adjustments to the structure of how WFN deals with economic development issues, a set of draft project and investment criteria and an investment decision-making process, and Board goals with strategies, activities, and targets.

"The document's role is to provide Chief & Council with a summary of the current situation analysis."



Health & Wellness Centre

PROGRESS TO DATE (APRIL 14, 2010)

Preparation of the strategy started in December 2009. The literature review was completed in January 2010 using WFN internal documents, EDC minutes, “new” socio-economic data to update the 2008 profile, and current provincial and regional economic projection information. The Human Resource Survey required two months to collect 301 completed forms out of a potential of 444 adults between 18 and 64 years of age.

The economic vision was prepared after input from senior WFN staff, Chief and Council through individual interviews, the EDC, and a public input session. The potential functions, mandates, and mission for economic development have been prepared based on key literature, and discussions with senior WFN staff and the EDC. Also, six sector focus groups meetings have taken place identifying potential opportunities for WFN. The figure above shows the strategy preparation process.

	DEC/JAN	FEB	MAR	APR
Project Initiation	+			
Literature Review	←→			
Socio-Economic Base Review & Analysis	←→			
Client Meeting #2		+		
Assessment of Human Resources		←→	←→	
Prep - Economic Vision Draft		←→		
Mission/Mandates – Econ. Dev. Functions		←→		
Focus Groups			←→	
Key Informant Interviews			←→	
Strategic Planning Workshop Report			←→	
Strategic Planning Workshop – Membership			•	
Strategic Planning Workshop – Commission			•	
Prepare Draft Strategy			←→	
Client Meeting #3				•
Presentation of Draft Strategy				•
Final Draft Document				←→

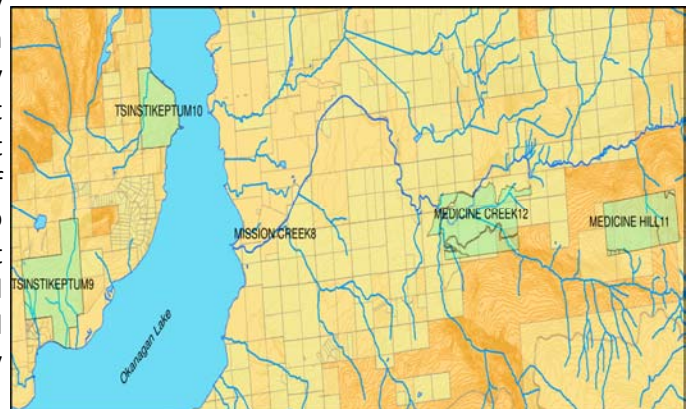
WFN Economic Strategy Process

INTRODUCTION TO WESTBANK FIRST NATION

WFN is situated in the Okanagan Valley on the shores of the Okanagan Lake in south central British Columbia and is one of seven Aboriginal communities that belong to the Okanagan Nation. There are 679 members of the WFN Nation with 389 living on WFN lands along side approximately 9,000 non-member residents (2008 estimate). The WFN has a land base, on five separate land parcels, totalling 5,306 acres, all of which are located within the Central Okanagan Regional District (CORD)—population 162,276 in 2006)

The two populated reserves border the west side of Okanagan Lake beside the new municipality of the District of West Kelowna (DWK)—population 27,095 in 2006—bisected by Highway 97 and are directly across the Lake Okanagan bridge from City of Kelowna—population 106,707 in 2006—one of the fastest growing cities in Canada. The remaining three reserves (two large and one very small, as shown in the map below), located on the east side of Okanagan Lake in the Kelowna area, are unpopulated and undeveloped.

It is in this context of WFN being situated in mainly urban or adjacent to urban lands, populated by a relatively small number of WFN members and a very large non-member population, in one of the fastest growing regions in BC that economic development issues are placed. In addition, the large percentage of Certificate of Possession (CP) lands on the two populated reserves puts most current land development (and there has been significant, recent land development) in the hands of individuals. Also, full land planning and zoning for land use on reserve has only recently emerged for WFN (2007).



WFN Lands

“A draft economic vision has been prepared with input from senior WFN staff, C&C, the EDC and a public input session.”

MANDATE FOR ECONOMIC DEVELOPMENT

Under the *Westbank First Nation Self-Government Agreement* (2004), WFN has all the rights, powers, and privileges of a natural person, which includes the capacity to enter into agreements and contracts; acquire, hold or dispose of property; and to hold, spend, invest, or borrow money—all of these things are key factors in economic development. The agreement also gives WFN jurisdiction over a number of key areas that are the basis for economic development, which include jurisdiction over:

- the management, administration, governance, control and regulation of landlord and tenant matters on WFN land;
- renewable resources including their protection, conservation, management, development, and disposition;
- agriculture; and
- the licensing of businesses, regulation of businesses, and the prohibition of operation of businesses.

Control over these jurisdictions gives WFN the ability to have major control over its economic destiny.

The *Westbank First Nation Constitution* of 2005 (with amendments in 2007) gives Chief and Council a mandate for social and economic development. Section 3 of the Constitution sets out the principles for preserving land, resources, and culture for future generations and states:

“Westbank shall work to promote a healthy and prosperous future to ensure the continued existence of Westbank as a strong political, social, and cultural community.”

Amendments to the *Constitution Land Rules* in 2007 also gives members with privately owned CPs the right to mortgage their lands or residence to generate capital. This was designed to give WFN members the ability to create opportunities for economic self-sufficiency.

The mandate for combined and interlinked social and economic development based on sound environmental and cultural practices is further inscribed in the *Draft Community Plan* on page 2:

“One of the key themes of the community plan is the need to integrate social, economic and environmental objectives into decision making processes in order that high standards of living, social harmony, environmental quality and cultural heritage of the Syilx can be maintained through the generations.”

This notion of well-being is further described in 3.1.1D (and repeated as 6.2.1B) which states:

“Ensure that the well-being and overall standard of living of, member and non-member, residents living on WFN Lands are a priority in the creation and planning of laws and policies.”

The complete Section 4 of the *Draft Community Plan* entitled “Economy: Spring Salmon” is devoted to describing the role of Community Economic Development (CED).



IR #9—Commercial Area

“Control over these jurisdictions gives WFN the ability to have major control over its economic destiny.”



Pine Pavilion

MANDATE (cont.)

This role in CED crosses the local economic development spectrum from WFN-operated businesses to assisting member entrepreneurs, external private investors, and establishing joint ventures with other entities and governments. The purpose of economic development (as per the *Draft Community Plan*) is for wealth generation for members, financial prosperity for the Nation, and government and wealth distribution that assures all members have an opportunity to benefit.

As established in the revised *Economic Development Commission Strategic Plan* created in 2005, the Guiding Principles of the Commission are to: 1) build capacity with the members of the Westbank First Nation; 2) protect land and resources for future generations; and 3) support initiatives based on business rationale. The *WFN Strategic Plan for Government Operations 2008-2013*, approved by Council, articulates the **goal** for the Economic Development Department as:

“Increase participation and involvement in, and understanding of, the WFN economic community.”

The Council’s objectives for the economic development department are:

- Expand and diversify the tax base and create a climate that supports business;
- Communicate employment & business opportunities to the membership;
- Create a climate within the WFN economic community that fosters high value employment opportunities for the membership; and,
- Foster good relations with developers, financiers and other third parties with respect to development opportunities.

CURRENT SOCIO-ECONOMIC SITUATION—SUMMARY

The west side reserves will expand with additional lands being added and will increasingly be surrounded by fully developed urban areas. There is more non-WFN member Aboriginals living on the reserves than WFN members. There is a higher percentage (1/3 more) of Aboriginal youth on the reserves than youth in the Central Okanagan. The number of WFN elders will double in the next decade. The non-Aboriginal population on-reserve dwarfs the Aboriginal population. There is a much higher percentage of people living on-reserve that have lower education levels than in CORD.

There is a higher percentage of individuals living on the reserve that have low incomes and a lower percentage that have high incomes than in CORD in general. Yet, the Aboriginals living on-reserve have a higher average income than Aboriginals in BC. Most households on-reserve have no children (83.5%) and half of all dwellings are mobile homes. In 2006, there was low unemployment for Aboriginals and they worked both on and off-reserve with large numbers in construction, health and social services. With near full employment, the percentage of Aboriginals living on WFN lands working in retail was substantially less than the province as a whole as Aboriginals were more attracted to construction



SIYA Celebration

“EDC objectives:

- *Expand & diversify*
- *Communicate*
- *Create climate that fosters employment opportunities*
- *Foster good relations.”*

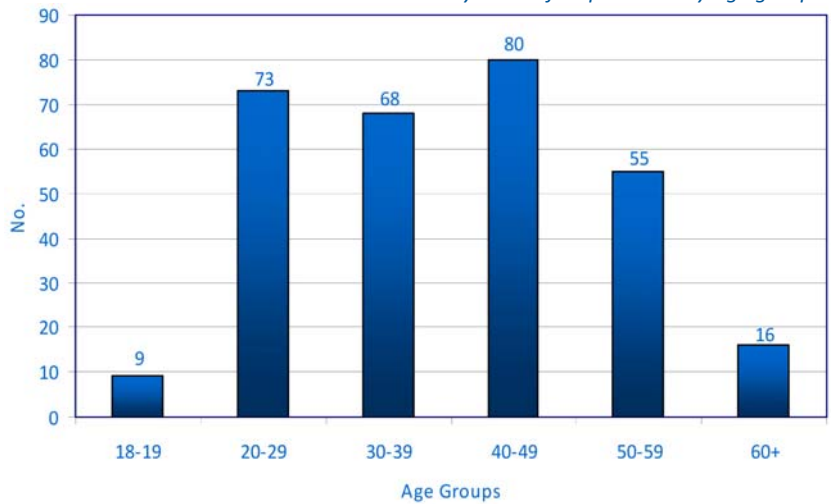


IR #10—The Bluff

KEY CHARACTERISTICS (cont.)

and other higher paying jobs. The percentage of self employed Aboriginals that are incorporated that live on WFN lands is half that of those in CORD but about the same for unincorporated self employed. The growth of development on WFN lands has been unparalleled in any of the surrounding municipalities on a per capita or land area basis. Municipal property tax rates are about the same as in adjacent jurisdictions.

HR Survey—No. of respondents by age groups



HUMAN RESOURCES

RESPONDENTS

There were 301 surveys completed out of a possible 444 members. The proxy method of surveying was used based on a significant random sampling of WFN members. The diagram above shows the breakdown of respondents for each of the age groups. Of the 301 respondents, 150 are male and 151 are female while 204 live on-reserve and 87 live off-reserve and 10 chose not to indicate the location of their residence. 30 of the 301 respondents are currently attending school, with 18 full time and nine part time. Three of the respondents did not indicate whether they were full-time or part-time..

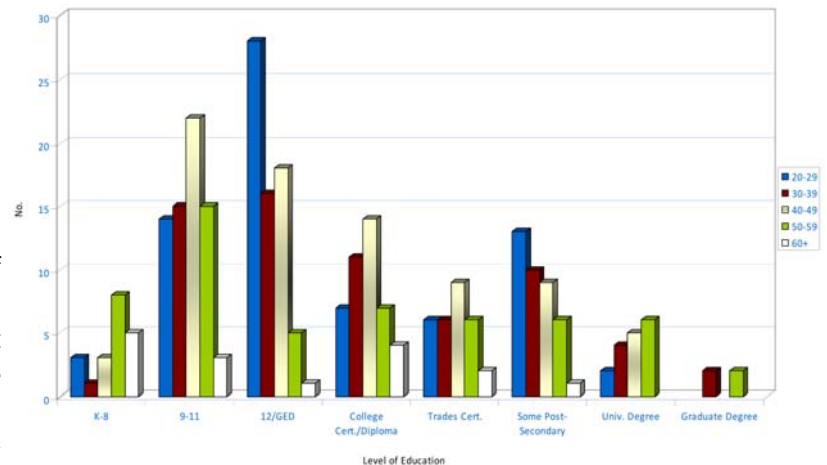
EDUCATION

The diagram below shows the education levels for the adults in each of the age groups. Of the 301 respondents, three chose “other” for level of education completed. A comparison of on and off-reserve respondents shows that the education levels of those living off-reserve are higher than those on-reserve for the highest level particularly for those with less than Grade 12. A much higher percentage of on-reserve members have certificates and diplomas.

EMPLOYMENT

Of the 301 respondents, 179 were employed (59%) at the time of the survey and 117 indicated they were not employed (39%). Five respondents did not complete this question. Of the 179 respondents employed, 119 live on-reserve and 55 live off-reserve with five respondents not listing their primary place of residence. Of those that are employed, 133 are employed full time, 30 are employed part time and 13 are seasonally employed. Three chose not to answer this question. 63 of the 179 respondents indicated that their employment level was management of which 21 are owner-operators and seven are owners. The remaining 35 responded that they are either an assistant manager or manager for a company.

Level of education completed, by age



“A sample size of 206 respondents was estimated using a confidence level of 95% and a confidence interval of ±5.”

ECONOMIC CONTEXT

CANADA & BC

The provincial economy, like the Canadian economy, is expected to grow in 2010, mostly in the Lower Mainland and southern Vancouver Island, based on a boost from the Winter Olympics, the global economic recovery, and a rebound in some domestic sectors. Central 1 Credit Union, in its B.C. Economic Forecast 2010–2014, asserted that the economy in BC is emerging from its worst recession since 1982 and is on a path of moderate recovery for the next two years, before growth accelerates in the final period of a five-year economic forecast from 2010-14.

	2009	2010	2011	2012	2013	2014
Real GDP	-3.1	2.5	2.6	3.5	4.2	3.8
Employment	-2.4	0.9	2.3	2.9	3.0	2.9
Unemployment Rate (%)	7.6	8.1	7.8	7.2	6.6	6.0
Personal Income	-1.2	3.7	3.6	5.1	5.9	5.8
Housing Starts (units)	15,100	23,400	25,300	31,300	35,500	39,300

Source: Central 1, BC Economic Forecast 2010-2014, Economic Analysis of BC.

Short-term BC Economic Forecast

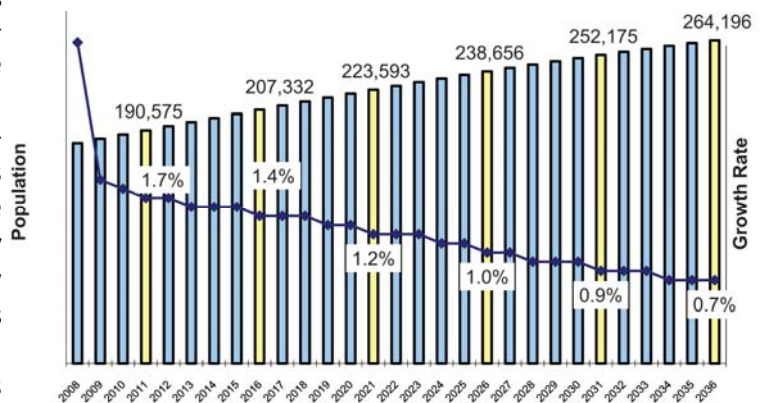
A key indicator of economic recovery is the return of job growth and during 2010 employment is forecast to be 0.9% higher than in 2009 in BC. Unemployment in 2010 is expected to average 8.1% compared to 7.6% in 2009. However, the more favourable economic conditions after 2010 should mean higher job growth and a declining unemployment rate—unemployment should fall to less than 7% by 2013, with a further reduction to 6.1% in 2014.

Real Gross Domestic Product (GDP) in BC is expected to grow by 2.4% in 2010, mainly on the strength of the Olympic Games, which suggests the positive effects will mostly be felt in the Lower Mainland. While the economy will grow in 2010 by around 2.5% in 2002 dollars, it does not gain pre-recession levels until 2011. A high Canadian dollar will restrain exports and encourage imports, resulting in a widening trade deficit.

“A key indicator of economic recovery is the return of job growth. The Central Okanagan regional economy is expected to match growth projections for BC.”

CENTRAL OKANAGAN

The Central Okanagan regional economy is expected to at least match the growth projections for BC over the next three to five years. The growth in the Central Okanagan is based on the strength of the existing and expanding economic base plus the in-migration of people attracted by the climate, geography and lifestyle particularly those in the growing retiring baby boomer demographic. A strong component of in-migration is people from large Canadian urban settings, e.g., Calgary, Vancouver, Edmonton, and Greater Toronto where the property value of what they are usually selling matches or exceeds what they are relocating to in the Central Okanagan. The continuing strong energy based economy of Alberta and the large relatively stable economy in Vancouver are the key drivers for enabling this in-migration to the Okanagan. The overall population of the Central Okanagan is projected to continue growing over the next 25 years but at a declining rate.



Central Okanagan Population growth

WFN’S LOCAL ECONOMY

The economy of WFN is not well documented. In general, regional economies are divided into basic and non-basic sectors with basic sectors being sectors in which income is brought into the local economy and non-basic sectors where income is internally circulated. The primary drivers of the local economy are the basic sectors.

The components of the basic sectors for WFN economy are:

- Lease payments paid by outside individuals and businesses for use of WFN lands (direct rents and lease payments).
- Development cost charges, hook-up charges, building permits, and fees paid by outside individuals to WFN for on-reserve developments.
- Wages earned by WFN members who work off WFN lands but live on WFN lands.
- Wages earned by WFN members who work for on-reserve businesses but their customers (or tenants) are mainly from off-reserve including most housing developments.
- Direct income and wages obtained through transfer payments from senior levels of government.
- Income obtained through transfer payments from off-reserve investments or pensions.
- Royalties (rents) obtained from resource users in the traditional territory.
- Agriculture, forestry and manufacturing that is adding value on-reserve and selling their products off-reserve.
- The income WFN companies earn operating off-reserve or operating on-reserve but paid for by off-reserve individuals and organizations.
- Taxes collected by WFN from individuals and companies earning their income from off-reserve activities or sales to customers living off-reserve.



Pine Pavilion Ground Breaking Ceremony

“The economic community on WFN lands has grown dramatically in terms of both population and buildings.”

WFN EXPECTED ECONOMIC ACTIVITIES—2010-2012

ECONOMIC COMMUNITY OF WFN — CONSTRUCTION ACTIVITY

The economic community on WFN lands has grown dramatically in terms of both population and buildings as demonstrated by the growth in assessed value which has almost tripled in six years (\$398 million in 2005 to \$1.12 billion in 2010). There has been building permits (does not include off-site infrastructure development) issued totalling \$208 million from 2005 (a slow year) through to 2009.

Key for the economic strategy is that building permit growth, shown in the following table, is expected to continue to grow at a rate similar to 2008 at \$40 million per year if the market continues to return as it is predicted. The anticipated large growth in expected construction is based on the already permitted construction as well as projects in their final stage of approval.

<i>Westbank First Nation</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>	<i>2008</i>	<i>2009</i>
<i>Total Number of Permits</i>	169	188	215	248	154
<i>Total Permit Values (000s)</i>	9,944	53,154	69,007	43,600	32,588
<i>\$ Value of Residential Permits (000s)</i>	5,574	39,644	36,921	24,032	26,064
<i>\$ Value of Commercial Permits (000s)</i>	570	12,815	32,086	19,568	4,525
<i>\$ Value of Industrial Permits (000s)</i>	0	0	0	0	0
<i>\$ Value of Institutional Permits (000s)</i>	3,800	695	0	0	0
<i># of New Residential Units</i>	52	285	187	113	164

WFN Building Permits & Values, 2005-2009

ECONOMIC ACTIVITIES—CONT.

CONSTRUCTION ACTIVITY—CONT.

The conservative projection of 208 residential units per year is well below what developers are expecting (and in some cases requiring) in terms of both construction and sales. If the units average 1000/sq. ft. each (conservative) and the construction costs are \$200/sq ft., then residential construction activity in 2010 will be \$41.6 million. The level of residential construction is expected to maintain the 2010 pace for three more years using just existing projects. Commercial construction, at higher costs/ft², is expected to exceed 100,000 ft² in 2010 and 2011, adding at least another \$20 million in construction per year. This does not include many small projects, the off-site infrastructure projects, or the large Super Store being built in 2010.



IR #1—Pump House

TAXATION—PROJECTED VALUES

The value of improvements is expected to grow by at least \$50 million per year for the next three years. Total assessed value on the improvements plus increased land value, unconnected to general Valley wide increases, could grow at \$100 million a year for the next three years.

GENERAL COMMERCIAL ACTIVITY

The general commercial activity on WFN lands is expected to continue to grow dramatically as Super Store, Winners and other major “Big Box” stores establish themselves on WFN lands in 2010/11. The growth in commercial space is expected to bring substantial increased growth in day-to-day commercial activity. The recent growth in visitor facilities, including the new Best Western Hotel (99 rooms), and a series of restaurants on IR # 10, are expected to add to the on-reserve commercial activity.

“WFN Economic Activities—

- **Major Projects**
- **Taxation**
- **Commercial Activity**
- **Major Land Developments”**

MAJOR LAND DEVELOPMENTS

There are major projects currently in the planning and design stages (e.g., large shopping mall, golf course & residential area) which would have a significant impact on construction expenditures and asset accumulation when they move to their implementation phase. These are expected to begin implementation within the horizon of this economic development strategy.

WFN GOVERNMENT

ADMINISTRATION STAFFING

There are 131 staff working in WFN administration (2010). This does not include those working for WFN companies and affiliated organizations, e.g. Pine Acres Care Facility or Heartland Economics LP. WFN’s annual administration expenditures are expected to be \$4.47 million in 2010/11.

INFRASTRUCTURE CONSTRUCTION & CAPITAL EXPENDITURES

Infrastructure development and capital expenditures are expected to be \$8.1 million in 2010/11 (including \$600,000 for land purchase) and \$5.7 million in 2011/12 .

	2010	2011	2012	2013	2014
Total By Year	\$8,085	\$5,690	\$4,480	\$1,900	\$2,150

Projected Capital Project, 5 Year (,000)

GOVERNMENT—ENTERPRISES

PINE ACRES

Pine Acres is the largest employer (80 permanent positions and 25 casual) and has the largest expenditures (\$4.16 million) of all the enterprises connected to WFN. There is obvious regional demand that creates the potential for expansion of Pine Acres.

COMMUNITY FOREST AGREEMENT & WFN WOOD LOT

The Heartland Economics Limited Partnership is the second largest enterprises associated with WFN. It is the operating arm of the community forest (ACC approximately 55,000 m³ plus a current 30,000 m³ MPB uplift) and the WFN wood lot (1,500m³ AAC). Heartland Economics has only a few staff as almost all activities are handled through direct contracts for services. Its annual expenditures have fluctuated with dramatic shifts in revenue as a result of major changes in market conditions from 2006 through to 2009, with revenues and expenditures in 2009 of approximately \$3.5 million.

TRADING POST

WFN's store which provides convenience goods, tobacco, and local art had sales of \$427,500 (2009/10) and expenditure projections of \$398,000 for 2010/11.

POTENTIAL CULTURAL CENTRE

There has been significant on-going discussion about creating a cultural centre to meet a mix of needs including a museum, a visitor centre, an art gallery, and a gathering place. This initiative is expect to receive substantial attention from WFN during the plan period.

WFN ECONOMY—EXPECTED GROWTH

With the Central Okanagan sub-regional economy as a back drop, the combination of the large existing commercial activity on the expected \$120 million of commercial improvements on WFN lands alone, plus the substantial commercial and industrial base in the Central Okanagan, in general, is expected to provide lease income and jobs for many, including WFN members. The continued significant increase in commercial space scheduled for construction in 2010 and 2011 will add to this economic activity both in the construction phase and in the operation of the businesses that establish themselves inside these buildings. In addition, the residential growth by developers building more than 200 units per year on WFN lands for the next three to five years will also add to the economy at the construction stage and the expenditures by households who take-up residence in these dwellings.

The combination of increased commercial and residential development is expected to increase local taxation revenue and therefore increase expenditures by WFN government on local government type services, e.g. water, sewer, road maintenance, street lighting, etc. The action of providing additional services to meet the needs of the growing infrastructure and population will increase the number of individuals employed at WFN.



Pine Acres



Housing Rentals

WFN ECONOMY—EXPECTED GROWTH—CONT.

The WFN enterprises are all expected to continue operating at their current level over the next two to three years, including Pine Acres, Heartland Economics, and the Trading Post. During the next two to three years Pine Acres is expected to have made a decision regarding expansion and have acted on its decision. Also, in the next two to three years, the MPB uplift for the CFA is expected to be completed with a resulting decline in the overall AAC for Heartland’s harvesting operations unless additional ACC can be obtained through other tenure allocations. The Trading Post, assuming it stays where it is currently located is expected to continue to show slight growth each year. The obvious focus on high school and post secondary education by members and their young adult children will allow members the greatest opportunity to integrate into the workforce and migrate up the responsibility and income ladders. The potential new major developments on WFN lands are expected to be at the shovel ready stage and progressing based on the sub-regional economy’s expected growth in 2012-13.

The key conclusion drawn is that over the next two to three years the combination of:

- expected growth in the sub-regional economy;
- expected commercial and residential construction on WFN lands;
- added commercial activity in new commercial buildings completed in 2009, 2010 and 2011;
- infrastructure development by WFN to meet these expanding needs;
- expanded WFN government services;
- stable activity (or slight growth) by WFN’s enterprises; and
- increased capability and formal education of WFN members

are expected to maintain a fast growing economy for the next three years—similar to the last three years—if all projects continue to evolve.

KEY IMPACT OF THE SCENARIO ON THE EDS

There are three key impacts of the growth scenario as follows:

1. Pressure on government services is expected to continue particularly in planning, engineering, taxation, and infrastructure development.
2. Growth in the economy is set for the next three years so WFN leaders need to make plans for the economy and thus the community in 2013/14 and beyond.
3. There will be some members who are expecting the urbanization of the IR#9 and IR #10 to slow, and they may not be happy with the continued rapid urbanization of the two reserves over the next three years.

If indeed there is a “negative” double dip in the global economy then the expected impact on WFN government will be that:

1. Pressure on expanding government services including physical infrastructure will lessen.
2. Leaders may choose to intervene in the WFN economy to meet economic goals including increasing economy activity, or jobs for members.
3. Some members will be pleased that the rate of growth has subsided.



Governors Landing

*“Key impacts of the
Economic
Development
Strategy and
expected growth
scenario.”*



IR #9—Beach Front

VISION

INTRODUCTION

In strategic planning, one of the foundation principles is that it is critical to identify what the desired end point is and then put in place organizations, strategies, measurable goals and individual action plans to move towards the desired end point referred to as **the vision**. Given this principle, an economic vision for WFN has been prepared through combining the ideas from previous WFN reports with input from Chief and Council members, key senior WFN staff, the EDC, and community members at the community workshop. The vision is presented as a draft here.

WFN — 2030 — ECONOMIC VISION (DRAFT)

In the year 2030, the Westbank First Nation community and its members will be more independent and self-reliant, driven by the economic, social, and emotional stability that exists within the community. Many members will have advanced trades and college/university education and have become skilled operators, journeymen, certified technicians, technologists, professionals, managers, and business owners all making a prosperous living. There are opportunities for individual members to move up the employment ladder, starting their careers at the entry level, moving through the spectrum of career progression from technical to professional to management—for some this eventually led to the start-up of small, successful WFN-owned businesses. This improvement in job quality is largely based on the positive attitude towards work, the cutting edge skills of members and the tight relationship between WFN and surrounding communities. Along with secure employment and economic development came personal growth for many WFN members, and prosperity shared amongst everyone in the community. Successful economic development is a tide that raised all boats in the Westbank First Nation community, not just a few, and there is continued willingness to reinvest in social and cultural development.

Key to the economic growth of the Westbank First Nation is a government that provides stability, with certainty and fairness for all those investing and residing on WFN lands. WFN acts like a mature municipality by maintaining and implementing strong zoning policies. Services, such as water, sewer, and roads, are maintained to municipal standards, at similar pricing to other jurisdictions in the region. Infrastructure, which in some cases is shared with the District of West Kelowna, is often available ahead of land development adding to economic and planning certainty. This is a government that has proven that it honours and respects contracts, head leases, and sub-leases.

The Westbank First Nation government, like its members, is primarily financially independent from senior levels of Canadian government, with transfer payments at levels that are equal to all Canadians. WFN is a self-reliant community, with no need to seek outside assistance for basic on-reserve infrastructure such as roads, water, sewer, and housing. While growing in both staff and facilities, the WFN government respects its traditional lands by reducing its ecological footprint and establishing itself as ecologically sustainable.



Celebrations

*“The vision—
combining ideas
from previous WFN
reports, with input
from Chief and
Council members,
key senior WFN staff,
the EDC and
community members
at the community
workshop.”*



The Lindley Building

VISION—CONT.

Many new physical developments have occurred by 2030, particularly in education, business, recreation and community infrastructure. A college/technical institute/university is located on WFN lands to provide higher education to not just WFN members, but to other First Nations members and the broader community as well. This institution attracts high-level businesses and services that reach out to other communities in the Okanagan. These businesses, located in top-quality “green” office buildings, are located within the enhanced residential developments. There are even a few high rise buildings in appropriate places. A First Nations-owned convention centre/hotel/resort exists on WFN lands and a museum and cultural centre has been built in conjunction with a world-class Visitor Centre.

To ensure the health of all those on WFN lands, there are new health facilities, including care-a-minimums, an expanded intermediate care facility, a health centre, and even a location set aside for a hospital on the West Side. Pine Acres Intermediate Care Facility has become a professional teaching facility for care aides, LPNs, nurses, and other health professionals completing their practicums. The WFN daycare has also become a registered training facility for early childhood education. Many of the local sports facilities have been upgraded or expanded in combination with advanced fitness centres to reflect the active members’ lifestyle and improved health. The second crossing of Okanagan Lake has been planned for with key agreements with WFN in place.

All these things have helped create a socially connected Westbank First Nation, with safe, secure, healthy, and financially independent members who have grown in their traditional culture and who use common Okanagan language phrases in their day-to-day conversations—some are even fluent. The overall prosperity of WFN is obvious to all who visit, with landscaping, parks, walkways beautifying the community and reflecting the pride within. There are more green spaces and natural areas near and in the community cores, while outside these cores there are undeveloped waterfront areas available for the enjoyment of members and residents. Walking trails within the community and between the bridge and West Kelowna’s core connect members within and outside their own social circle.

To achieve this vision for Westbank First Nation, many things will have happened. CP holders have increased their involvement in economic development by owning and managing more enterprises on their land. Community members regularly donate their personal time and expertise to advance WFN. More land, particularly along Westside Road, has been made available to WFN thanks to new purchases and development leverages. Infrastructure is in place for the Gallagher lands. An enhanced community land plan and stable zoning laws have been developed to govern the land. Plus many members think about economic development on a global level. WFN has streamlined their development process, consistently out-performed other jurisdictions and have numerous other benefits which make it the first choice place to do business.



Beach Front

“In the year 2030, WFN and its members will be more independent and self-reliant, driven by the economic, social, and emotional stability that exists within the community.”



Sonoma Pines Residential Area

VISION—CONT.

WFN membership has grown and Aboriginal Title and Rights have been asserted in many situations including land claims and strategic land selection, to create revenue flows to this expanding population. To keep member businesses growing, a business development centre was created focused on assisting WFN members. Many of the new developments and businesses are joint ventures with WFN members including ones with other First Nations. On-the-job management training, to run these businesses, has been operating within existing organizations for 20 years. All new developments on WFN land comply with the community's high standards for quality employment, ownership of enterprises, financial returns, and environmental protection, with buildings constructed to high environmental standards.



The Hub Centre

STRUCTURE—ECONOMIC DEVELOPMENT ACTIVITIES

CURRENT STRUCTURE

Economic activities for WFN are handled by a number of different departments and agencies currently all working under the WFN broad strategic plan (2008-2013) as follows:

- WFN Community Lands Development—handled by Chief and Council and Director of Operations and appointed Directors which sometimes includes senior WFN Government staff
 - ⇒ Requires membership approval
- WFN Businesses—handled by Chief and Council through:
Limited partnerships and individual wholly owned companies
 - ⇒ Directors appointed by Council, e.g., Heartland Economics LP
- WFN Business Climate & Economic Planning and Research—handled by the Economic Development Commission
 - ⇒ Economic Development Officer
- WFN Enterprise Facilitation—handled by the Economic Development Officer
- WFN Title and Rights—handled by Chief and Council
 - ⇒ Intergovernmental Affairs/ Title and Rights Manager, e.g., Community Forest Agreement, Interim Agreements and Land Use Referrals

The first and most important conclusion is that WFN needs the same high quality economic development legislative and policy structure that has so successfully worked to create good governance, a stable legal structure, and its property tax system including removing politics from day-to-day operations and establishing sophisticated balancing mechanisms in WFN's laws and dispute resolution systems. The "new" high quality economic development structure must place legislative and policy matters in the hands of WFN membership and their elected representatives and legally set, at arms' length from political decision makers, all business operational matters.

"Economic activities for WFN are handled by a number of different departments and agencies currently all working under the WFN broad strategic plan."

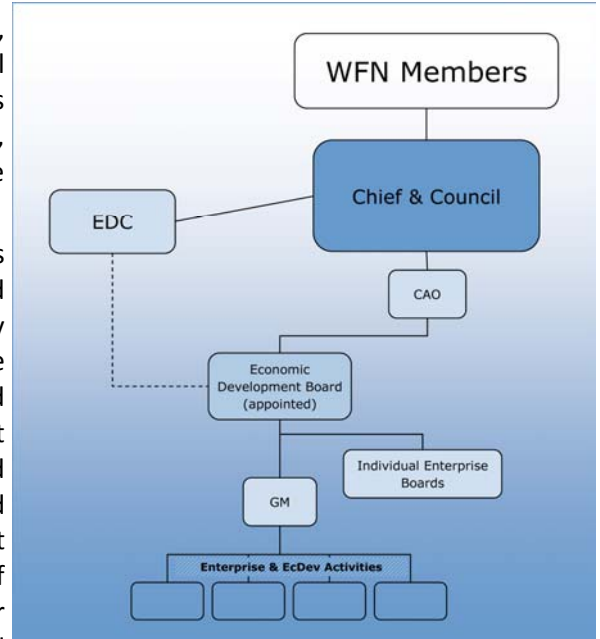


Copper Sky Developments

RECOMMENDED STRUCTURE

The recommended structure is to empower, through legislation, an economic development board to be responsible for all operational economic development matters. To do this requires providing an economic development board (legal entity), appointed by Chief and Council, with the human capacity to be able to act responsibly on WFN’s behalf.

The Board would manage the existing and new WFN enterprises and joint ventures under the policies established by Chief and Council and the membership under an open, community involved, investment decision making system. Also, it is the economic development board that would prepare, monitor and revise the comprehensive community economic development strategy under the direction of Chief and Council with solid membership involvement. The economic development board would also be responsible for the staff resources to implement the community economic development plan. The manager of the economic development entity would report to the Director of Operations for WFN. The managers of the enterprises would report to the manager of the economic development entity.



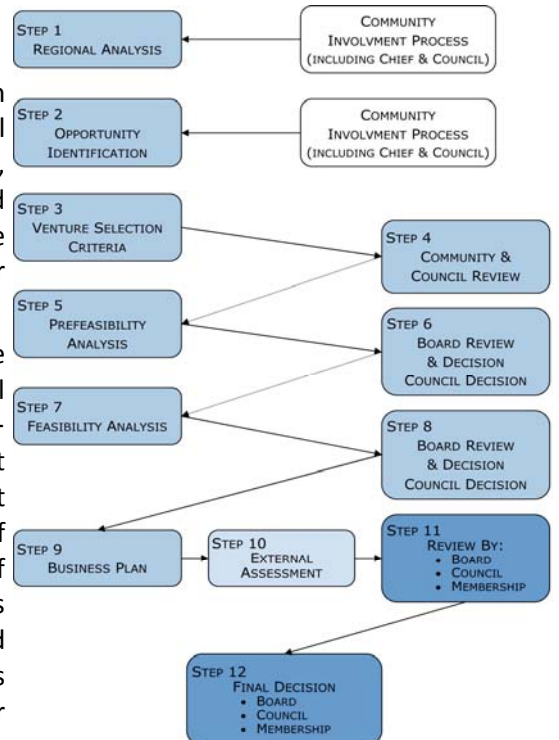
WFN Organization Structure

The economic development entity may also house the economic development officer (EDO), or the EDO may fall under a department separate from the economic development entity. The EDO would handle the issues of business climate, assistance for individual member entrepreneurs, and general promotion of WFN and its lands. In all but very unique situations the EDO would be under the economic development entity. The EDC will maintain its existing chartered mandate.

INVESTMENT PROCESS

The diagram (inset) shows the recommended investment decision making tree representing the legislated steps created by Council and WFN members. The combination of organizational structure, competent capacity in the economic development bodies and legislated investment decision making combine to create the needed economic development system for a much higher probability of success for economic development initiatives.

Under the proposed investment decision making system the community would be involved in contributing to the regional analysis—the base to an economic development strategy—identifying opportunities and approving the selection criteria that would be used to select or de-select project or investment opportunities. The community would also be involved at the end of the process when investment decisions would be required. Chief and Council would be involved in the initial community processes as members and then reviewing the selection criteria. They would decide on new investments in the feasibility analysis and business planning stages and taking the proposed new investment for community approval at the appropriate stages.



Recommended Investment Decision Making Process

INVESTMENT PROCESS—CONT.

The Economic Development Board would be involved in operating existing enterprises and making decisions at each step in the new investment decision making process. The final decision to proceed to the next steps, i.e., investing further resources in viability analysis and planning would be in the hands of Chief and Council.

The new structure may seem similar to a previous one that “didn’t work”, but that one was lacking: 1) legislated stability, 2) capacity in the economic development bodies and staff, and 3) a formalized investment decision making process linking investment decisions back to Council and to membership.



Louis Drive Development

MISSION/MANDATE

A mission statement or a mandate describes what function or functions a department or organization will perform. It needs to describe who the organization serves, what the department/organization will do and how they will do it. A mandate is a commission to act coming from the organizational body that creates the department or organization which, to be clear, needs to answer the same three questions as a mission. The local ingredients diagram creates a framework for understanding what the critical ingredients for successful local economic development are.

“A mission statement or a mandate describes what functions a department or organization will perform.”

MISSION—WFN ECONOMIC DEVELOPMENT

The economic development agency/department would serve WFN members, WFN enterprises, WFN government and the economic community on WFN lands. The agency/department would:

- Prepare an overall community economic development strategy including monitoring and evaluating the success of its implementation;
- Communicate the economic development strategy and economic activities to other WFN departments and agencies and to Central Okanagan municipalities and agencies;
- Link WFN entrepreneurs to financing, training and technical assistance;
- When requested, act as a broker for WFN members and other investors who are interested in economic activities on WFN lands;
- Initiate and manage the new investment decision making process including completing the necessary commercial quality research for WFN potential and existing ventures;
- Manage the WFN owned enterprises to the goals and policies established by Chief and Council;
- Provide WFN Planning & Engineering with economic impact assessments for various infrastructure options; and
- Where requested, and approved by Chief and Council, and community membership make direct business investments in individual enterprises.



Local Economic Development—Key Ingredients

SELECTION CRITERIA

Given the fast growing regional economy and the advantages of locating businesses on WFN lands and/or partnering with WFN, there is a need for an efficient mechanism to quickly assess the quality of an economic opportunity for the investment of time and resources by WFN. The best method is for each “new” opportunity to be quickly assessed for its fit with WFN’s priorities by ranking the opportunity’s ability to meet the needs” and desires of WFN. Those that score highly would receive further

VENTURE OPPORTUNITIES	Opportunity 1	Opportunity 2	Opportunity 3
SELECTION CRITERIA—Draft			
Knowledge of the business			
Profitable with lower risk and long term returns			
Contributes to economic diversity			
Brings revenue into the local economy			
Joint venture model – ability to increase ownership with knowledge			
Opportunity for employment (careers) of members			
Uses community expertise			
Located on or close to reserve lands			
Smallest carbon foot print			
Promotes healthy life style including community interaction			
Beautification			
Compliments, rather than competes with, existing community business/services			
Niche/unique and puts WFN on the map with pride			
Focuses on youth & youth activities			
Total			

WFN attention, those that do not, would not. The matrix provides the initial draft selection criteria as suggested by the EDC and the community input session. Each criteria has a calibration system, on a scale of 1 to 5, for establishing its rating. The ratings for each criteria are then totalled to obtain an overall rating for the opportunity. This system allows for comparison between ideas and a system to provide consistent feedback to potential proponents on the “level” of interest by WFN in their idea plus the opportunity’s short comings when assessed against WFN’s priorities. The initial fourteen criteria need to be further refined to a maximum of 10 criteria for ease of use by WFN.



Campbell Road

“A selection criteria system creates an efficient method of deciding on investments that meet WFN priorities.”

GOALS AND STRATEGIES

Goal 1: Maintain and expand the existing mixed economy on WFN lands.

Rationale—Clearly, the bulk of economic activity on WFN lands is by those with a long term lease or a sub lease connected to a long term head lease. The economic activity is split mainly between commercial and residential, with very limited light industrial activity. This is well understood and therefore no change is expected during the plan period (2010-2013). All research shows that maintaining and growing existing enterprises is much easier and has a greater probability of success than establishing new ones. Also, there are distinctive advantages of the location of both IR #9 and #10 and advantage of the land being controlled by WFN needs to be communicated to existing and potential investors.

Strategies—

- 1.1: Maintain the existing legal and property tax rate stability for lands of WFN jurisdiction.
- 1.2: Maintain the critical existing brokering, promotion and communication role between WFN and existing and potential businesses and investors on WFN lands.
- 1.3: Maintain solid relationships between WFN and surrounding local and regional governments and their economic development agencies.
- 1.4: Provide business retention and expansion services to existing businesses and lease situations.
- 1.5: Systematically upgrade the quality of both IR #9 and #10 lands through enhanced off-site planning and servicing creating improved “quality of place” and uniqueness of WFN lands to improve the value of WFN lands and the quality of visitor and resident experience.
- 1.6: Systematically improve the quality of on-site development to improve the quality of liveability for residents, visitors, and customers.

Goal 2: Increase the number of high paying career jobs on WFN lands for members.

Rationale—Members desire higher income, satisfying employment and management/ entrepreneurial experiences. Higher income earning opportunities require bright, capable people with recognized certification. One of the keys to these opportunities is higher education which requires quality education and education support from K to 12. Also, all long term economic analysis points to an ever changing world where constant learning and at times re-education is going to be required to consistently maintain income flows for households. Solid education not only teaches skills, knowledge and attitudes and how to apply them, it also teaches how to learn creating a base skill set for quickly learning how to apply new skills, knowledge and attitudes. To maximize the impact of this strategy and to maximize the distribution effect (equality for all members) the investment needs to be focused on the least skilled/ educated adults, and youth where there is the highest return on the lowest investment.

Strategies—

- 2.1: Consistently invest and reinvest in education of members, including 0-5 years of age group, K-12, and all post secondary school certified training.
- 2.2: Systematically link post secondary school students with existing on-reserve employers to increase the probability of them being hired by firms located on WFN lands .
- 2.3: Systematically support certified in-service training for all WFN members and staff.
- 2.4: Establish expanded in-house capacity in community planning and engineering using existing resources that are spent on contracting out these services.
- 2.5: Conduct a specialized health sector opportunity assessment including pre-feasibility analyses for expanding health and home care services for seniors on the Westside.
- 2.6: Conduct a specialized First Nations business services sector (legal, accounting, appraising, taxation, financing) opportunity assessment including pre-feasibility analyses for expanding these services for other First Nations in BC and the rest of Canada.

GOALS AND STRATEGIES—CONT.

Goal 3: Maximize the success of existing WFN businesses and establish new business investments (wholly owned, joint ventures and minority equity investments) that meet the investment criteria and maximize both quality employment opportunities and returns-on-investment.

Rationale—WFN owned businesses have been established for a mix of service, profit and resource control reasons. It follows that the more successful they are the better they are at providing those services, profits and resource control and expansion to other geographic areas. Research consistently shows that the probability of business success rises dramatically if politics is separated from establishing and operating these businesses. Therefore, it is in WFN’s best interest to establish a system that has a strong “fire wall” between political decision making and business operations while still maintaining Council control of the policies and strategies that the businesses operate under.

Strategies—

- 3.1: Establish a membership working group that creates the recommended economic development organizational structures that firmly separates the required political decisions and decision makers of WFN from their own business operations and activities. This includes businesses established as part of Title and Rights agreements.
- 3.2: Establish and use an investment selection process that includes community endorsed selection criteria.
- 3.3: Prepare and implement business plans for the three existing high profile commercial ventures – Pine Acres (including expanding its role as a site for practicums, training and research), Heartland Economics (including post harvest activities) and the Trading Post.
- 3.4: Prepare a Cultural Centre business concept analysis that incorporates the demand for Okanagan Nation members’ art, its history and current activities that provides recommendations for future activities. This project assessment needs to be done quickly before piecemeal decisions get made that may need to significantly changed, based on a later full project concept .
- 3.5: Prepare and implement a Community Forest Agreement annual allowable cut (AAC) expansion strategy to secure at least an additional 45,000 m³ of AAC.
- 3.6: Identify and investigate the opportunities to provide quality services and events on a cost recovery basis to Aboriginal youth including recreation, education, arts and culture. WFN has demonstrated the ability to consistently provide social programs and there is growing number of Aboriginal youth (WFN members and others on WFN lands and in the Okanagan in general) and therefore the demand for Aboriginal youth activities and programs will grow and continue to do so for the next few decades. An Aboriginal youth camp maybe a real possibility, e.g. use Silver Lake camp in the fall and spring when it sits empty.

Goal 4: Increase WFN’s investment portfolio and investment return in the short and long term for both WFN’s government and its members.

Rationale—It is the vision of the Nation to increase in population, land area and economic strength and its economic independence from senior levels of government. In addition the Nation wants to have the resources to provide social, health, education and community activities above what might be available through funding agreements. To do these things will require additional resources that are free from other limitations. These resources can be obtained through a variety of methods including Title and Rights agreements and through returns-on-investments. Whichever way the resources are initially obtained it is prudent to diversify and expand the investment returns to maximize future returns and minimize business risks.

Strategies—

- 4.1: Prepare investment goals, plans and strategies for current investments.
- 4.2: Prepare land use options with full cost/benefit analysis for resources and land use for IR #11 and #12 and for additional lands that are in the process of being acquired, to upgrade member and Council discussion and decision making regarding land use, investment return and future additional investment.
- 4.3: Prepare a reporting system on each investment presenting the return target, the level of achievement and future investment prospect/plan.

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