



# Fort McMurray #468 First Nation Towards Sustainable Economic Development

The Establishment of a Commercial Indigenous Economic  
Development Zone in Fort McMurray, Alberta  
Presented to the Regional Municipality of Wood Buffalo



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With input from:



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## Acronyms

FMFN = Fort McMurray First Nation #468

TLE = Treaty Land Entitlement

MSDA = Municipal Services and Development Agreement

RMWB = Regional Municipal of Wood Buffalo

IEDZ = Indigenous Economic Development Zone

ATR = Additions to Reserve

MDP = Municipal Development Plan

# 1 / Introduction

The objective of Fort McMurray First Nation #468 (FMFN) is to create jobs, investment and business opportunities, which is the most direct path to self-sufficiency and self-determination. The Nation has engaged in a multi-faceted, parallel approach to advance the opportunity to develop a new commercial/retail mixed use centre in Fort McMurray.

To this end, FMFN is undertaking the following:

- Negotiation and execution of a Treaty Land Entitlement (TLE) Agreement with the Government of Canada and Alberta
- Negotiation and execution of a Municipal Services and Development Agreement (MSDA) with the Regional Municipality of Wood Buffalo (RMWB) to provide for seamless integration of services and land use
- Exploring a partnership with Cameron Development, a well known commercial/retail land developer, to tap into their capacity, resources, management skills and industry connections

Key to the success of this endeavour is the establishment of an Indigenous Economic Development Zone (IEDZ). Using a TLE Agreement with the governments of Canada and Alberta, FMFN proposes to use an outstanding TLE to acquire and convert an agreed upon amount of land to Aboriginal Title (Reserve) and develop it for economic and business activity.

There is urgency for FMFN to advance quickly and seize this opportunity. The commercial/retail market is poised for a major commercial/retail development in Fort McMurray and the demand has been confirmed by the RMWB. It is critical that FMFN secure the land expeditiously as the marketplace is competitive. There are several steps that must be contemplated prior to securing the land including identifying impediments to development and the necessary infrastructure and geotechnical studies. However, FMFN will not proceed with these studies unless there is alignment with the Province of Alberta and the Federal Government that the lands are available to FMFN. Also, support from the Regional Municipality of Wood Buffalo (RMWB) is a critical milestone.

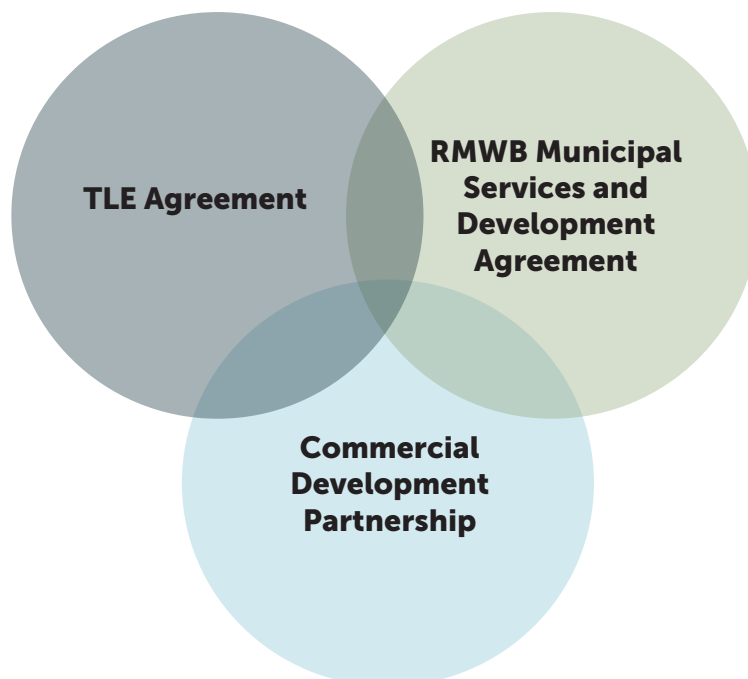


Figure 1: FMFN Indigenous Economic Development Diagram



FMFN is exploring a partnership with Cameron, a well-known commercial/retail land developer, to establish a new Commercial/Retail Mixed Use Centre in Fort McMurray. They are forecasting up to 1.65 million square feet of development, including brand tenants that are currently not in the Fort McMurray commercial/retail landscape.

This report will explore FMFN’s journey and set out the substantive opportunity that this IEDZ presents to FMFN, RMWB, and the Province of Alberta. It will provide a compelling rationale for endorsement and support to FMFN to advance to the next step in the process, being due diligence to establish development viability.

## The Opportunity

Fort McMurray First Nation intends to secure and develop strategically located land in the urban boundary of Fort McMurray within the broader RMWB.

This selection was identified because of its central location and its importance to future residential growth in the area. It has been presented to the TLE negotiating team as FMFN’s preferred TLE site for an IEDZ. The next step in the process is to determine the development viability of the TLE selection. However, prior to undertaking the necessary studies and further engaging a commercial development partner, it is imperative to have a firm understanding that the TLE Selections will be supported by government(s) and upon confirmation of developability, these lands will be fast tracked for TLE.

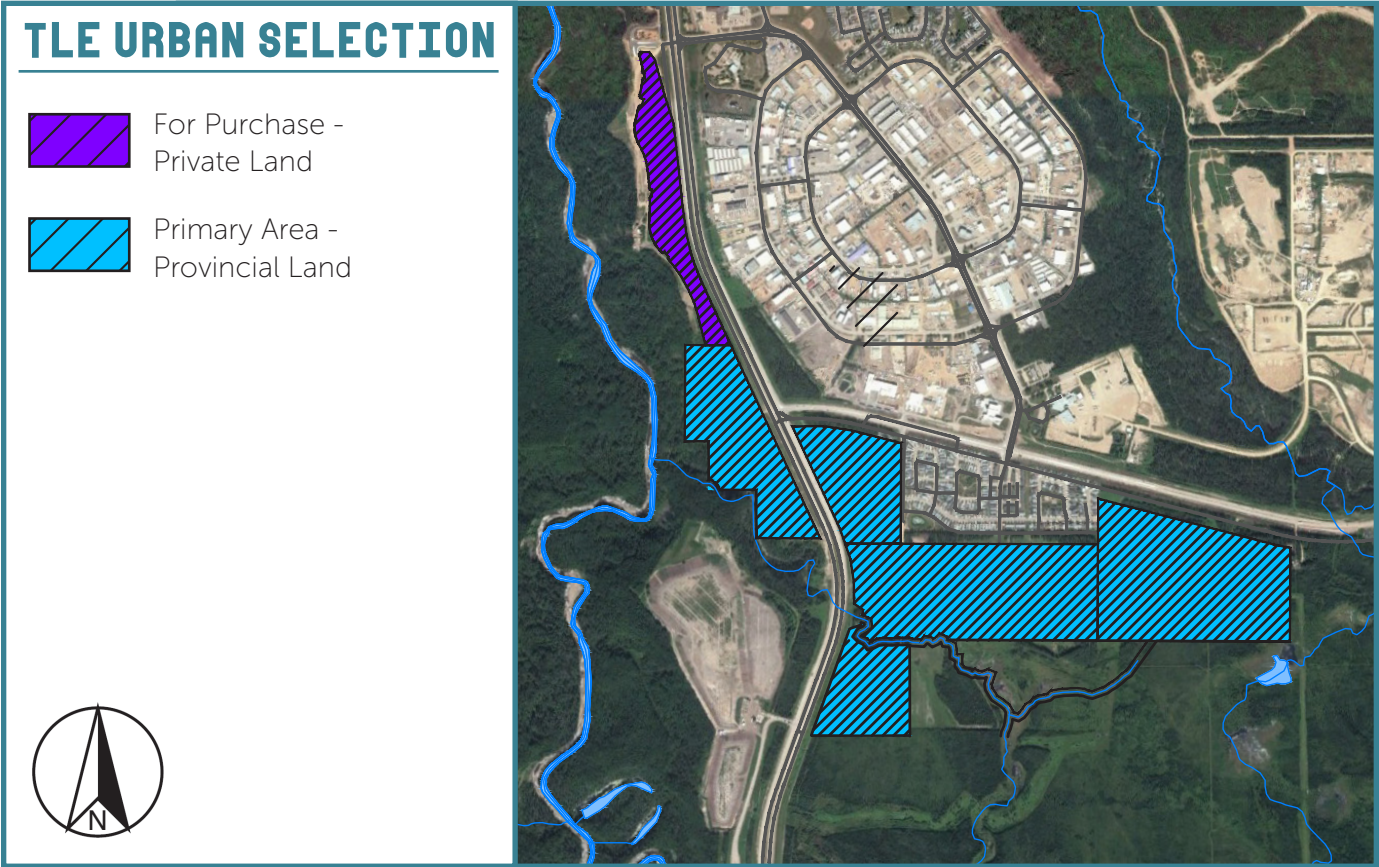


Figure 2: TLE Urban Selection Areas

Upon confirmation of developability, working with its development partner, FMFN will develop in a timely manner, approximately 190 acres as a major commercial/retail hub in Fort McMurray. FMFN will convert the land to 'reserve' and create an IEDZ. FMFN will develop commercial properties on the IEDZ with the intent to lease to national anchor tenants, as well as local and regional businesses, as a long-term investment strategy.

Cameron has an extensive track record of developing successful commercial/retail hubs in various cities. Cameron currently has multiple projects currently underway in Greater Edmonton. They have extensive and long-standing relationships with major retailers and will invite those retailers to be a part of the FMFN vision. By doing so, the IEDZ will fill current commercial/retail gaps in Fort McMurray and drive economic growth for FMFN and RMWB.

## **INVESTMENT AND ECONOMIC IMPACT HIGHLIGHTS**

*Bringing a new power centre to Fort McMurray:*

- *Up to 189 acres/1.65 million square feet of new commercial/retail, filling a massive void in the current marketplace*

*Contributing to the local economic and RMWB revenue:*

- *Significant long term Investment in local economy*
- *Extensive capital investments in construction, water, wastewater, land drainage, and transportation*
- *Increasing local revenues, and creating direct + indirect jobs*

*Supporting economic development of FMFN #468.*

*The Partnership is a step towards filling a current shortage of commercial lands and meeting identified demand for a new power centre in the RMWB.*



## The FMFN Investment

To realize this opportunity FMFN has taken a series of progressive steps to ensure that the establishment of this site as an IEDZ is feasible and in the best interests of their people, RMWB and the Province of Alberta.

FMFN has done its due diligence, relying on a team of national experts to guide this process and work with its partners:

### ***Fiscal Realities***

Fiscal Realities are working with FMFN to negotiate the required MDSA with the RMWB and to provide overall advice and support to the proposed IEDZ fiscal structure. Established in 1992, Fiscal Realities Economists are nationally recognized economists, conducting economic research and analysis, developing innovative solutions and providing advice for First Nations.

Significant highlights include:

- Facilitated ten service agreements between First Nations and local governments
- Created economic and fiscal model for Sun Rivers development in Kamloops, BC
- Have aided clients in facilitating over \$500 million in private investment
- Supported First Nations in the BC Treaty process
- Supported development & parliamentary process for 3 pieces of First Nation federal legislation
  - First Nation Goods and Services Tax Act
  - First Nation Fiscal Management Act
  - First Nation Commercial and Industrial Development Act
- Implemented First Nation Sales Tax on Tobacco, Alcohol and Fuel in 8 First Nation communities
- Developed and delivered the Certificate in First Nation Taxation Administration in partnership with Tulo Centre of Indigenous Economics and Thompson Rivers University

### ***M Richard Associates***

Michelle Richard, through M Richard Associates Ltd., supports relationship building between FMFN and RMWB and provide overall support to the land use and development component of the MSDA negotiation.

Michelle Richard has established herself as a recognized support to both First Nations and municipalities as they forge new relationships.

Significant highlights include:

- Lead drafter of Manitoba policy on Urban Reserves and companion Municipal Tax Loss Compensation program
- Support to several Manitoba First Nations and municipalities as they implement the MB TLE Framework Agreement and Specific TLE Agreements
- Master planner for the redevelopment of Assiniboia Downs Racetrack as an Indigenous Economic Development Zone



- Land Use and Development negotiator for Peguis First Nation and the City of Winnipeg Blanket MSDA
- Educator including delivering seminars on “Urban Reserves” through her Investors Academy. Michelle was the keynote speaker at the 2017 Manitoba Provincial Planning Conference on Urban Reserves

### ***McElhanney Consulting Services***

McElhanney has been a key contributor to the team, providing integrated engineering and mapping support to FMFN’s TLE land selection process. They have been a steward of important physical and environmental considerations in the process.

Established in 1910, McElhanney’s family of companies, including McElhanney Consulting Services Ltd. and McElhanney Land Surveys Ltd., provide integrated surveying, engineering, mapping and specialty professional services to clients responsible for the development of resource industries, communities, and infrastructure across western Canada and beyond.

McElhanney has extensive experience in land development including major commercial developments. Their approach is to integrate planning and engineering teams together to provide approval and design services for land development from initial concept to final construction drawings. McElhanney provides design and construction services for multiple commercial and industrial site development projects in several communities. They are involved with preparation of design development, construction documents, building permit documents for site drainage and grading, servicing for water, sanitary and storm connections, and off-site improvements. They have a proven track record in infrastructure systems planning including water, wastewater, land drainage and transportation.



## 2 / The Indigenous Economic Development Zone (IEDZ)

FMFN has conducted extensive research and analysis on the establishment of an IEDZ. The Nation understands the requirements needed to structure a successful zone and is prepared to work with governing authorities to do so.

FMFN intends to, over time, pursue a sustainable own source funding mechanism (First Nation Fiscal Management Act) and its own land code (Land Management Act), to provide sustainable and long-term benefit to an IEDZ, aside from lease revenue from the proposed commercial/retail development.

### TLE Historical Perspective

Land claims are grievances brought by First Nations people against the Crown due to unfulfilled treaty obligations or breach of responsibility regarding Indian interests in land.

In such cases, the First Nation may be legally entitled to land and/or financial compensation. The resolution of land claims is primarily a federal responsibility. The Government of Canada reserved land and mineral rights for First Nations as a result of treaties signed in the 1800s.

First Nations in Alberta that signed Treaty 6 (1876), Treaty 7 (1877) and Treaty 8 (1899) surrendered their lands to the federal government in exchange for certain benefits, including the provision of reserve lands.

On June 21, 1899, the dominion government signed Treaty 8. The land provisions of the treaty stated that signatory bands would receive reserves with areas equal to 640 acres for each family of five (i.e. 128 acres per capita), and families or individuals who wished to live apart from the reserves would receive 160 acres of lands in severalty.

Based on the land provisions of Treaty 8, the First Nation claimed a treaty land entitlement shortfall of several thousands of acres for a number of band members who were late adherents, absentees, or landless transfers at the date of first survey.

While land claims are a federal responsibility, Alberta has a constitutional obligation under the Natural Resources Transfer Agreement (Constitution Act, 1930) to transfer back to Canada unoccupied Crown lands necessary to allow Canada to settle claims with First Nations.

Since 1986, Alberta has been successful in settling 13 treaty land entitlement claims. Four TLE claims remain outstanding in Alberta: Lubicon Lake Band, and Beaver, Suncild, and Fort McMurray First Nations.

(Source: Government of Alberta, Open Alberta-TLE Fact Sheet, 2011)

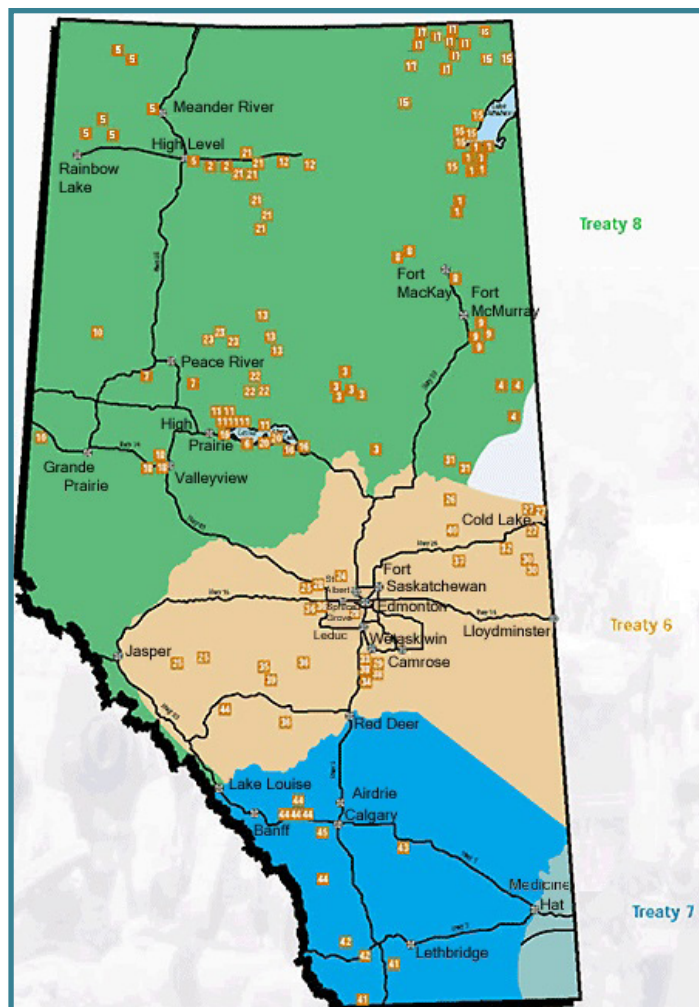


Figure 3: Alberta Treaty Map

## Fort McMurray First Nation – Specific TLE Agreement Negotiation

FMFN has been actively pursuing a TLE agreement with Canada, Alberta and FMFN. Their TLE claim has been validated by Canada and their outstanding claim is approximately 20,000 acres. FMFN is seeking that lands, generally provincial crown land, be set aside as 'reserve land' for their use and benefit.

Critical to this process has been: identification and survey of selected lands, the plan approval, the plan registration, resolution of third party interests, including those of impacted municipalities. Municipalities resolve their interests through the negotiation of a MSDA.

*As of August 2016, some 90 percent of TLE transactions take place in Manitoba and Saskatchewan. The fulfilment of TLE agreements assists in building partnerships and encourages economic development on reserves and in surrounding communities.*

## The IEDZ

The negotiations for the Fort McMurray TLE Specific Agreement are moving forward, and it is through this process that potential TLE selections were identified, including those in the urban boundary of Fort McMurray in the RMWB. Given the urgency and imperative to resolve the outstanding TLE claim, efforts to advance TLE selections in Fort McMurray are ongoing, including discussions with the RMWB.

## Benefits of IEDZs

IEDZs can generate significant economic and fiscal benefits. First Nations economic development near urban locations can generate economic and fiscal benefits for First Nations, regional 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.

FMFN is focused on establishing the IEDZ with specific economic benefits to be realized through leasing revenue primarily but, in time, would like to establish its own tax regime. FMFN is an eligible First Nation to structure its own taxation code and land management code. Many First Nations, such as Peter Ballantyne First Nation (SK), pursue code development at the same time as reserve creation.

### URBAN RESERVE

*According to the Federal Government, an urban reserve is defined as a reserve within or adjacent to an urban centre. 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.*

*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.*

*There are now more than 120 urban reserves across Canada, that have been established under the Additions to Reserve policy and/or Treaty Land Entitlement agreements.*

*(Source: Indigenous and Northern Affairs Canada, Urban Reserve, [aadnc-aadnc.gc.ca](http://aadnc-aadnc.gc.ca))*

## FMFN and RMWB

### *The Relationship*

Land set apart as an urban reserve typically involves a number of agreements that 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. Such agreements typically include a mechanism for settling disputes and provisions for compatibility of land use and development.

Over the past year, FMFN and RMWB have been engaged in very positive and collaborative discussions regarding the establishment of an

IEDZ in Fort McMurray. These discussions included sharing digital information but also critical face-to-face discussions, most notably with then Mayor Melissa Blake and CAO Annette Antoniak.

The RMWB and FMFN leadership tasked their respective teams to work through the necessary background, analysis and parameters of an IEDZ and associated MSDA. Upon their work being completed, political decision makers will be formally engaged in the process to give consideration to the MSDA.

It has been agreed by FMFN leadership that a positive and productive relationship with the RMWB is the only foundation from which a successful commercial/retail hub can be developed.

### *Joint Committee and Negotiation of a MSDA*

A significant outcome from these early-on discussions has been the establishment of a Joint Committee of senior leadership from both RMWB and FMFN. The Joint Committee membership:

- FMFN senior representatives and FMFN Support Team (Fiscal Realities, M Richard Associates, McElhanney)
- RMWB Senior Managers: Planning and Development; Accounting; Engineering; Economic Development; Land Administration; Indigenous and Rural Relations

The Joint Committee has initiated discussions related to the negotiation of a MSDA to address issues of mutual interest. Key areas of discussion have been: proposed land selections, development concept, serviceability and structure/mechanisms of a MSDA.

### **THE MSDA**

*MSDA are negotiated agreements that usually set out:*

- *Arrangements for the provision of, and payment for, municipal services*
- *Provisions for by-law application and enforcement on IEDZ*
- *A joint consultative process for matters of mutual concern, such as land use planning and development*
- *Dispute resolution process*



Through the work, key components of the MSDA have been advanced including:

#### **Service Cost Pricing**

A draft Service Cost Pricing proposal has been presented to the RMWB for their consideration. The intent of the proposal is to illustrate a costing methodology that will result in costing services as a percentage of local revenues.

The proposal is the starting point for refined discussions on service costing and ultimately, the negotiation and confirmation of the most crucial component of the MSDA being:

- Provision of services to the IEDZ
- Terms of this provision
- Payment for service

#### **Land Use and Development Compatibility**

Potential TLE selections have been shared with the Joint Committee members. The Committee was asked to review the preferred urban TLE selection that is the subject of this report.

A comprehensive Background Study was completed by the Planning Staff of RMWB that provides a thorough overview of: land use and development considerations and serviceability.

## **Governance, Financing and Leasing on an IEDZ**

FMFN, in addition to addressing all requirements to establish the IEDZ, are researching and conducting analysis on how management and financing works on IEDZs.

### ***The Indian Act – Section 87 & 89***

The sections of the Act that have the most impact to individual 'Indians' and Bands. It covers the treatment of income earned on reserve (Section 87) as well as how creditors can secure themselves when lending to an "Indian" (Section 89). Initially, financial institutions were reluctant to lend to First Nations unless it was government guaranteed.

However legal opinions, changes to the Act and better understanding of how First Nations operate contributed to innovative ways to lend to Bands and individuals.

### ***Land Code***

First Nations can use land designation regimes and Land Management Act (Band develops its own land code that can be used for commercial or residential development).

Cameron Developments will lease from a development entity formed that can issue leases. Technically, leases are issued by Canada (as the landlord). FMFN would be the tenant who then enters into a sublease with Cameron.

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.

FMFN will be pursuing development of its own code under the First Nations Land Management Act.

### **Own Source Revenue**

First Nations can also establish their own source of revenue to develop the necessary elements to facilitate economic development. Own source revenues can come from taxes (i.e. First Nations GST through the First Nation Fiscal Management Act), 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.

### **EXAMPLE**

*Chief Joseph Custer Reserve I.R. #201 – The Peter Ballayntine Cree Nation 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.*

*(Source: The National Aboriginal Economic Development Board, Economic and Fiscal Benefits Generated by Urban ATRs, p. 43)*

the aspen



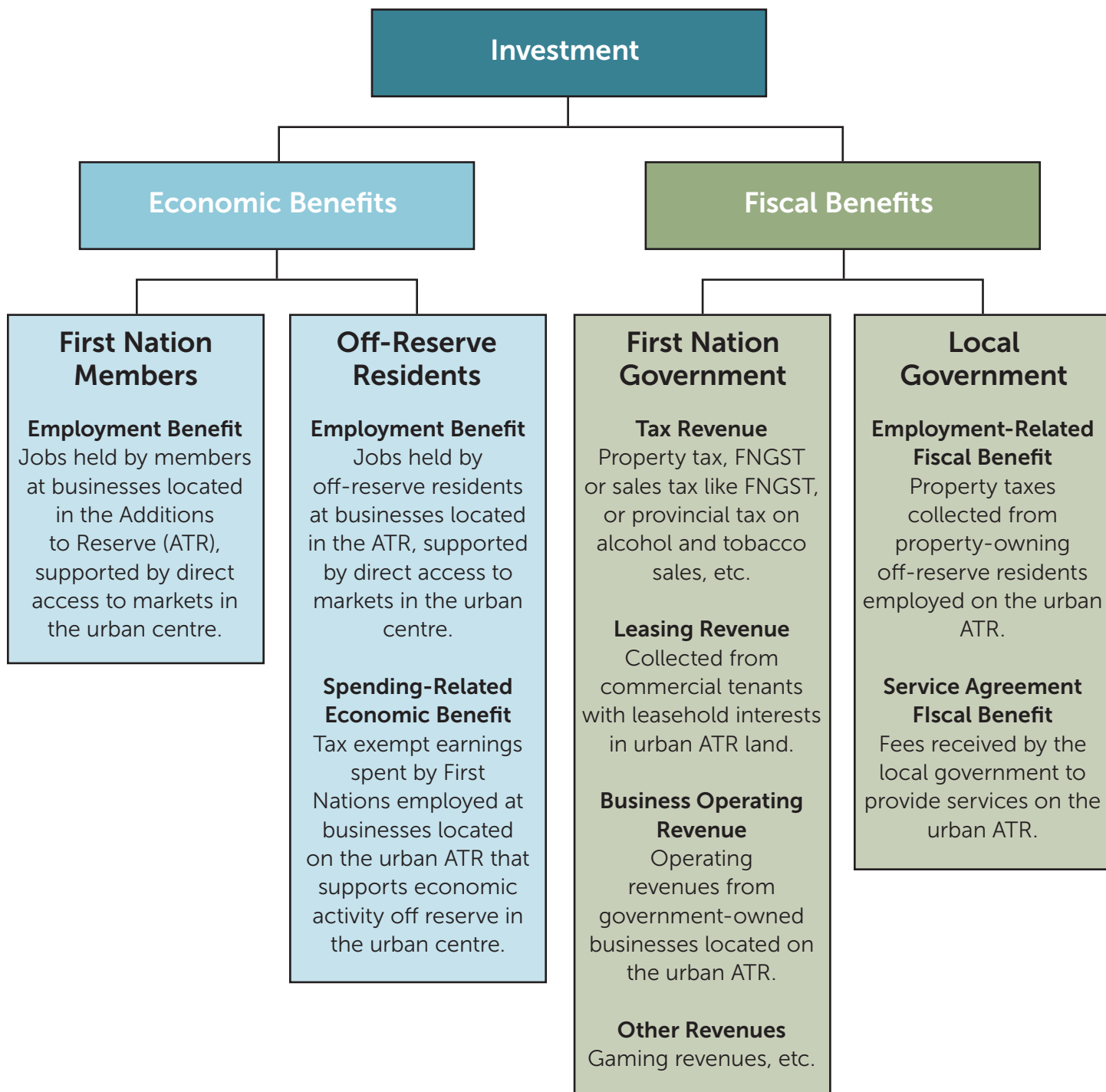


Figure 4: IEDZ Investment Benefits Diagram

(Source: The National Aboriginal Economic Development Board, *Economic and Fiscal Benefits Generated by Urban ATRs*, p. 7)

### 3 / TLE Land Selection

Identifying and assessing potential sites has been a key task of FMFN for some time. The proposed partnership with Cameron will focus on approximately 190 acres of a larger proposed land selection.

While the focus of this report is to advance opportunity as it relates to IEDZs generally and the current opportunity with Cameron, FMFN remains committed to the larger land selection(s). It is acknowledged that both the 'Cameron Partnership Lands' and the broader TLE Land Selection(s) require additional due diligence to determine their development viability including technical servicing and geotechnical studies.

This section of the report provides an overview of the TLE Selection. The Cameron Partnership Lands are the focus of the next chapter. It is critical to note that the RMWB has been a key contributor to the described current state of the overall TLE selection and it is understood by FMFN that issues related to land/soil conditions and proposed provincial transportation improvement plans need to be assessed and may or may not impact the decision-making by FMFN.

#### Market Demand and Supply

According to the RMWB's Commercial and Industrial Land Use Study,

*"The Regional Municipality of Wood Buffalo (hereafter referred to as the Municipality) is facing a critical land shortage. While most of the attention to date has focused on bringing new lands on stream to support residential growth, especially in the Urban Service Area – Fort McMurray, there is now an equally pressing need to designate additional lands for both commercial and industrial purposes in the Municipality.*

*Presently, the lack of non-residential land and buildings is having a tremendous strain on business viability in the Municipality. Given the intense pressure and escalating costs of doing business in the oil sands region surrounding the Urban Service Area, the supply of land for business (and economic development) purposes should not hinder on economic growth. From a growth management perspective, the Municipality is now actively planning toward a future population range of 162,900 and 233,300 persons by 2031. This is an increase of approximately 124,700 people over current population levels. To effectively accommodate this scale of growth, the Municipality has no choice but to expand its urbanized land base and establish new areas for industry, trade and commerce as part of this process."*

*(Source: RMWB, Commercial and Industrial Land Use Study, Summary 2010, p. ix)*

While the RMWB study was completed in 2010 and market conditions have changed significantly, the study did account for a downturn in the local economy and even at a 'low growth scenario' the RMWB faces significant shortage of commercial/retail lands and associated development.

It is argued that while the overall TLE selection(s) needs necessary due diligence, the RMWB has identified a very serious shortage of lands and that this particular area holds opportunity. Highest and best use of the lands will form an overall component of due diligence and will be weighed against current development constraints.



Even though RMWB has experienced significant setbacks in recent years, the identified shortage of commercial and retail lands remains a significant issue. The RMWB has identified a critical shortage of commercial and retail lands and in particular, lands to accommodate a new, regionally-oriented commercial centre. They have identified an open air, power centre type project as a current market gap. They cite that it is this format that will best attract the nature of retailers that present the greatest opportunity for long-term success in the urban municipality (i.e. national banners, operating “Big-Box” type formats).

The RMWB also identifies that existing supply of geographically suitable and developable lands is alarmingly low and in their report identify that filling this gap is necessary to sustain the local economy (jobs, amenities, and quality of life). The report suggests that the RMWB should anticipate the development of one or two large format shopping centres (i.e., neighbourhood and regional level) comprised of both national and sub-regional chain stores and that this type of facility will require a high profile location along a busy highway corridor, most likely Highway 63 and/or Highway 69.

The Cameron Partnership Lands fit the preferred development scenario as set out by the RMWB:

- Cameron will develop the lands as an open air, commercial development
- The location of the Cameron Partnership lands fits with the siting criteria set out by RMWB

The selection provides the attributes below that should support a strong commercial development. Detailed physical inspections of the properties remains outstanding.

1. High traffic location
2. Sufficient size to become a destination centre
3. Nearby municipal services
4. Excellent site exposure
5. Preliminary review of access points appears to support large scale development and its traffic flows

## Site Selection Process

Several sites have been considered and vetted as part of the current TLE Agreement negotiation. Through Colliers International, a site selection process was employed to determine viable sites.

In particular, Colliers International used the following criteria when identifying the proposed urban TLE selection being considered through this process as a significant opportunity for commercial/retail development.

In late 2016, Colliers and FMFN representatives commenced discussions with a view to finding locations in Fort McMurray for commercial development. At that time, privately held and Crown held lands were all open to exploration.

In a November 2016 workshop, ten locations were explored that captured the following attributes:

1. Size sufficient to allow for a material level of commercial development (+10 acres)
2. Suitable for commercial development
  - a. Able to be serviced
  - b. Accessible to tenants and their clients
  - c. Exposure location
  - d. Satisfactory soil conditions
  - e. Developable within reasonable commercial cost standards
  - f. Sufficiently close to consumers/clients, or of a stature to become a regional power centre and thereby become a destination
3. Able to service the needs of the Fort McMurray community at the present time and into the future

In terms of the selection process, all sites were critically reviewed by Band executives, Colliers and Band advisors. The original list of ten options was subsequently expanded with an additional two potential sites, and then winnowed down to the current options under review.

In early 2018, the urban TLE Selections were refined further to better align to areas that hold the most development potential, keeping in mind that these selections must be further clarified for their development potential.

**It is very important to note that at no time was any physical due diligence performed on the respective sites – geotechnical, servicing, topographic, environmental, etc. It was agreed that this work will form an important next step.**

## The Urban TLE Selections - Site Background

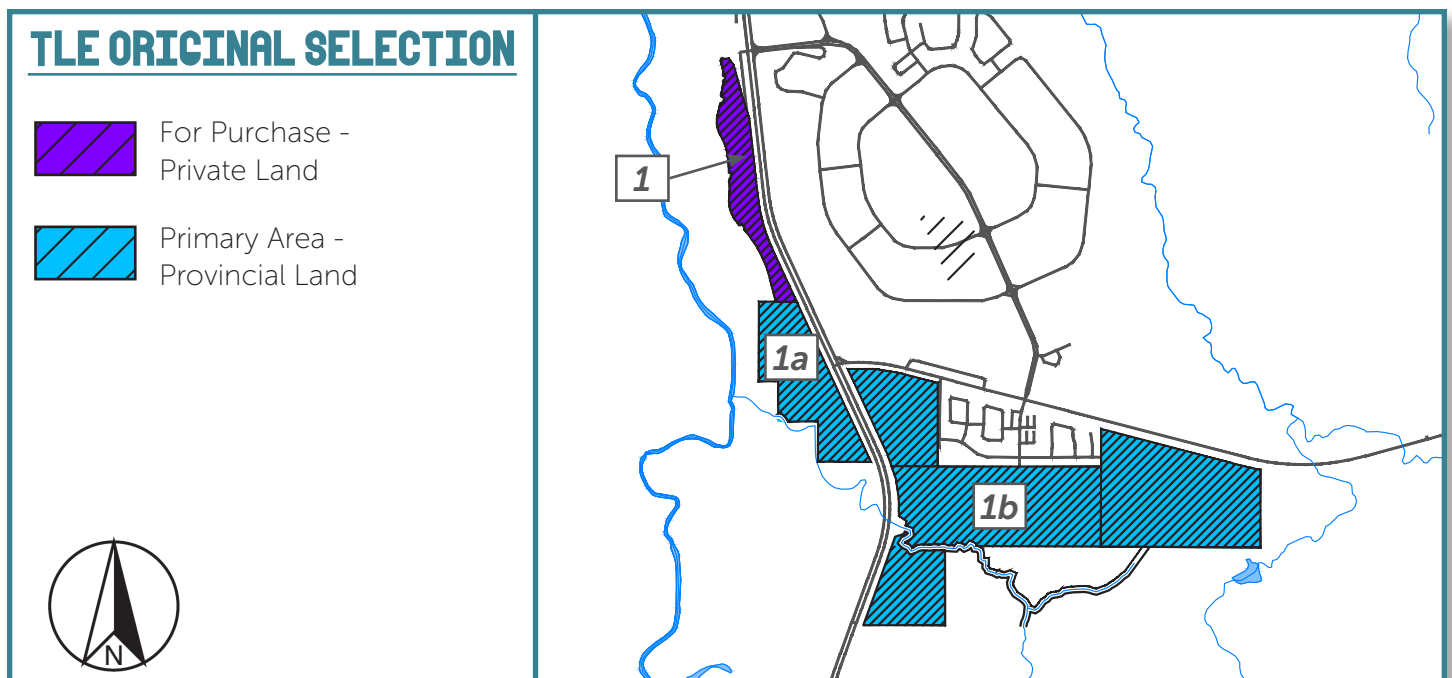


Figure 5: Original TLE Selection Map

### ***TLE Sites Description***

The urban TLE selection lands that have formed the basis of the discussion with Cameron Developments are described in Figure 5 and the table below.

Site	Ownership	Hectares
1	Private	13.7
1a	Crown Land	22.3
1b	Crown Land	108.3

They are located within the boundary of the Urban Service Area of Fort McMurray, and lie within the area known as Southlands, which surrounds the intersection of Highway 63 and Highway 69.

The specific subareas under consideration are identified as Sites 1, 1a, and 1b. Included is Quarry Ridge, privately held lands on the west side of Highway 63, or Sakitawaw Trail, identified as "Site 1" (see Figure 6). As described in this table, most of the lands of interest are Crown Land, except for Quarry Ridge, which is privately owned.

The RMWB provided a comprehensive overview the current state of the lands from a land use, physical features, infrastructure and transportation perspective.

Land uses adjacent to the subject areas consist of some residential, public service, and business industrial districts. Northeast of the subject lands lies Mackenzie Industrial Park (see image below), which is predominantly Business Industrial with some Public Service lands. To the south of Highway 69 or Sapræe Creek Trail, is a residential subdivision and to the south-west, the municipal land II.



### ***Current Conditions – Land Use***

FMFN is committed in as much as it is possible, to align its development aspirations with the current and/or future land use regime for the area.

The current land use regime for the selections is not entirely consistent but does suggest that a portion of the area is poised for commercial/retail development. Key to FMFN's determination on future development is:

- Market demand
- Serviceability
- Resolution of existing interests
- Resolution of geotechnical, transportation and servicing constraints

FMFN has prepared a compelling rationale to support its assertion that the lands, or a portion of the lands, should be developed as commercial/retail. It is prepared to work with the RMWB to facilitate agreement on land use and development. The objective is to facilitate the timely development of the lands potentially prior to conversion to a IEDZ. Upon conversion to reserve, FMFN will use the MSDA to set out a land use and development protocol to ensure collaboration and compatibility with the RMWB.

It is important to note that the negotiated MSDA will address land use and development compatibility. While upon conversion to reserve, FMFN is not subject to municipal bylaws, including land use and development bylaws, it is committed to an agreement that sets out how land use and development issues will be addressed, including possible joint planning and dispute resolution mechanisms.

In addition to working with the RMWB on a land use and development framework, FMFN is committed to resolving existing interests on the lands including an Equestrian Centre. It has initiated discussions with the Equestrian Centre to provide for their relocation and seamless operations.

### ***Municipal Development Plan***

The RMWB's Municipal Development Plan (MDP) delivers long-term direction to manage growth appropriately by providing broad based policy statements for the location of potential uses, the management of environmental lands and provisions of servicing. The MDP is meant to provide high level policy statements to guide both lower level policy and regulation.

The MDP policy framework for the land selections is: 3.1.1 Promote commercial and retail development (where land is appropriate for commercial development)

### ***Area Structure Plans***

The Area Structure Plans applicable to the subject lands include the Highway 63/881 Corridor Area Structure Plan as well as the Prairie Creek Area Structure Plan. These plans provide an in-depth policy direction to manage potential land uses within the areas they address.

Highway 63/881 Area Structure Plan applies to 1a and part of 1b. It supports commercial development with evidence must be provided to confirm that the local market will support the proposed commercial development (Policy 1.2.3).

The Prairie Creek Area Structure Plan establishes site 1b as essentially a 'hold area' and was to function as an equestrian linkage between the Equestrian Facility and the Urban Service to the north (Policy 4.1.5).



## ***Land Use Bylaw***

The Land Use Bylaw formalizes policy direction from the MDP and ASPs by controlling development through regulation. Specifically, types of land use and how development is permitted to occur. The subject areas are currently zoned GD - Gateway District for the privately held Quarry Ridge site, and UE – Urban Expansion District for Crown owned lands identified as 1a and 1b.

The purpose of the Gateway District is to provide for predominantly vehicle oriented commercial development along high volume, high visibility corridors. Developments approved under this District will be of a high standard in terms of architectural design, use of materials, use of signage and public art, and landscaping.

Examples of predominant uses include large format retail, office, hotel, and automotive oriented uses. In contrast, the Urban Expansion District is a placeholder for land which is typically located within the Rural Service Area or the periphery of the Urban Service Area. The purpose of this District is to protect land suited for future urban and hamlet expansion from premature subdivision and development. Once a development proposal or subdivision is sought, a Land Use Amendment is required to zone the lands in conjunction with an Outline Plan or Area Structure Plan.

## ***Current Infrastructure, Transportation and Geotechnical Conditions***

The TLE selection area is serviced with a full range of urban municipal infrastructure and well-connected transportation and utility system. Future growth can be accommodated with improvements. Any future growth would be subject necessary engineering studies and assessments to identify specific construction and development approaches for the lands.

## ***Infrastructure***

Much of the selection area is on the east side of Highway 63 and is contiguous to existing urban development [residential], which occur along the south side of Sapræ Trail [Highway 69]. The area on the west side of Highway 63 is also adjacent to existing urban development [Beacon Hill]. MacKenzie Industrial Park at the northeast corner of Highway 63 and 69 is fully serviced having underground utilities extended south from Fort McMurray.

The existing urban developments have already extended services down to the Selection Area: sewer, water and land drainage are readily available for connection and extension for any new developments continuing southwards along Highway 63.

Part of the selection area is subject to a municipal landfill setback of 450 metres. Current Subdivision and Development Regulation does not allow any food establishments to be developed within this setback. Therefore, any commercial uses that sell food cannot be developed within 450 metres of the landfill. This development setback takes up the southern portion of site 1a and the western portion of site 1b. The impact of this land use impediment on the development concept for the IEDZ could be considerable and will require further analysis. This analysis will be completed if the affected lands are confirmed as part of the TLE selection.

There are pipelines crossing through areas south of 1b and there will be setback requirements related to any pipelines. It is understood that the area is subject to Fur Management Area.

## ***Geotechnical***

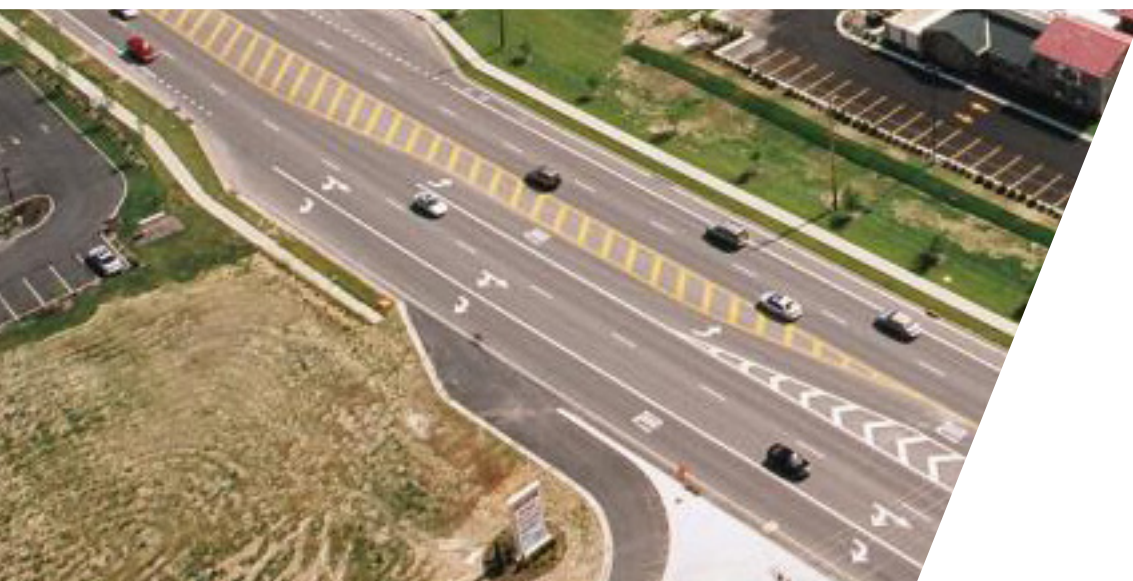
Geotechnical analysis with test drilling of the Selection Area has not been completed at this time and should be completed to determine the engineering solutions and approach for future construction of buildings on the lands.

## ***Transportation***

The selection area is well connected and strategically located along well serviced Highway 63 and 69. The Cameron Partnership Lands will require several access egress points and the supporting transportation system will need to be planned with the objective that the area is to support 'humanized activity' (meaning that people will be going the area to access amenities that improves their quality of life).

In order to be an effective development area, initially focusing on the Cameron Partnership Lands and then on the larger TLE selection, a rethinking of the proposed enhanced interchange for Highway 64 and 69 is required.

It is anticipated that if an enhanced interchange for Highway 63 and 69 is pursued, it will require holding back lands abutting the current intersection for future roads. The exact amount of land required for future transportation improvements is generally not known until a functional engineering design is readying a project for construction is completed thus estimated amounts of lands are usually identified during the land-use planning stage for 'road reserve'. It is anticipated that this would result in the lands being completely undevelopable and a massive opportunity to fill a serious economic gap will be missed for the RMWB.



## 4 / The Development Opportunity

The Cameron Group of Companies (Cameron), known as Cameron for the purpose of this report, is an Alberta based, family-owned and operated, real estate development company, with a reputation for producing projects of the highest standard and quality, which attract North America's largest retailers and corporations. Having established business and joint venture relationships with various international, national, and regional companies, Cameron has earned a strong reputation among retail, development, and investment sectors.

They have expressed interest in the FMFN partnership from a strong principled perspective being the development of a long term relationship that is as much about supporting and enabling the sustainable growth of FMFN as it is about commercial development. This is a unique opportunity.

An overview of Cameron is attached as an Appendix. However, the following is a short company profile that highlights the 'bench strength' that Cameron will bring to the FMFN Partnership and RMWB.

### Cameron Development Corporation

Cameron has earned a reputation for producing projects of the highest quality and standards. Cameron has developed, owned and operated some of the most successful retail projects in Canada, including South Edmonton Common, a 2.4-million-square-foot power centre that has become one of the largest and most successful retail developments in Canada.

Cameron has developed over 7 million square feet of real estate across various asset classes and is currently developing numerous retail centres, office parks, industrial parks, and mixed-use projects. This includes, Currents of Windermere (1.1-million-square-foot retail shopping centre), Manning Town Centre (850,000-square-foot retail power centre), and Edmonton Business Campus (82 acre mixed-use project). Cameron's focus on quality, innovative design, and long-term ownership and management has ensured the company continues to be one of the most respected developers in Western Canada.

### *Partnerships*

As one of the most established and respected real estate developers in Alberta, Cameron has built business/joint venture relationships with the following reputable development partners:

- Alberta Investment Management Company (AIMCO)
- Allard Family
- Canadian Real Estate Investment Trust (CREIT)
- Grosvenor International
- Greystone Managed Investments Inc.
- Harvard Developments (The Hill Companies)
- MLC Group
- Ontario Pension Board (OPB)
- Qualico Developments
- RioCan Real Estate Investment Trust
- Landmark Group of Builders
- Maclab Land Developments
- Delcon Development Group
- Beaverbrook



Cameron has also developed strong relationships with the following lending institutions:

- HSBC
- CIBC
- CWB
- Otéra
- ATB
- MCAP
- TD
- Manulife Financial

### ***Seeing the Possibilities – Other Cameron Developments***



Figure 7: Cameron Development Examples in Edmonton



## Cameron Development Opportunity

Cameron has expressed its interest in the following:

- Developing a retail shopping centre in Fort McMurray with various types of commercial development including filling current gaps in the commercial/retail landscape
- Exploring a partnership with FMFN and supporting their objective to create and develop their lands as an IEDZ

Cameron intends on bringing their vast network of tenants the opportunity presented through the proposed partnership with FMFN and development of the following lands:

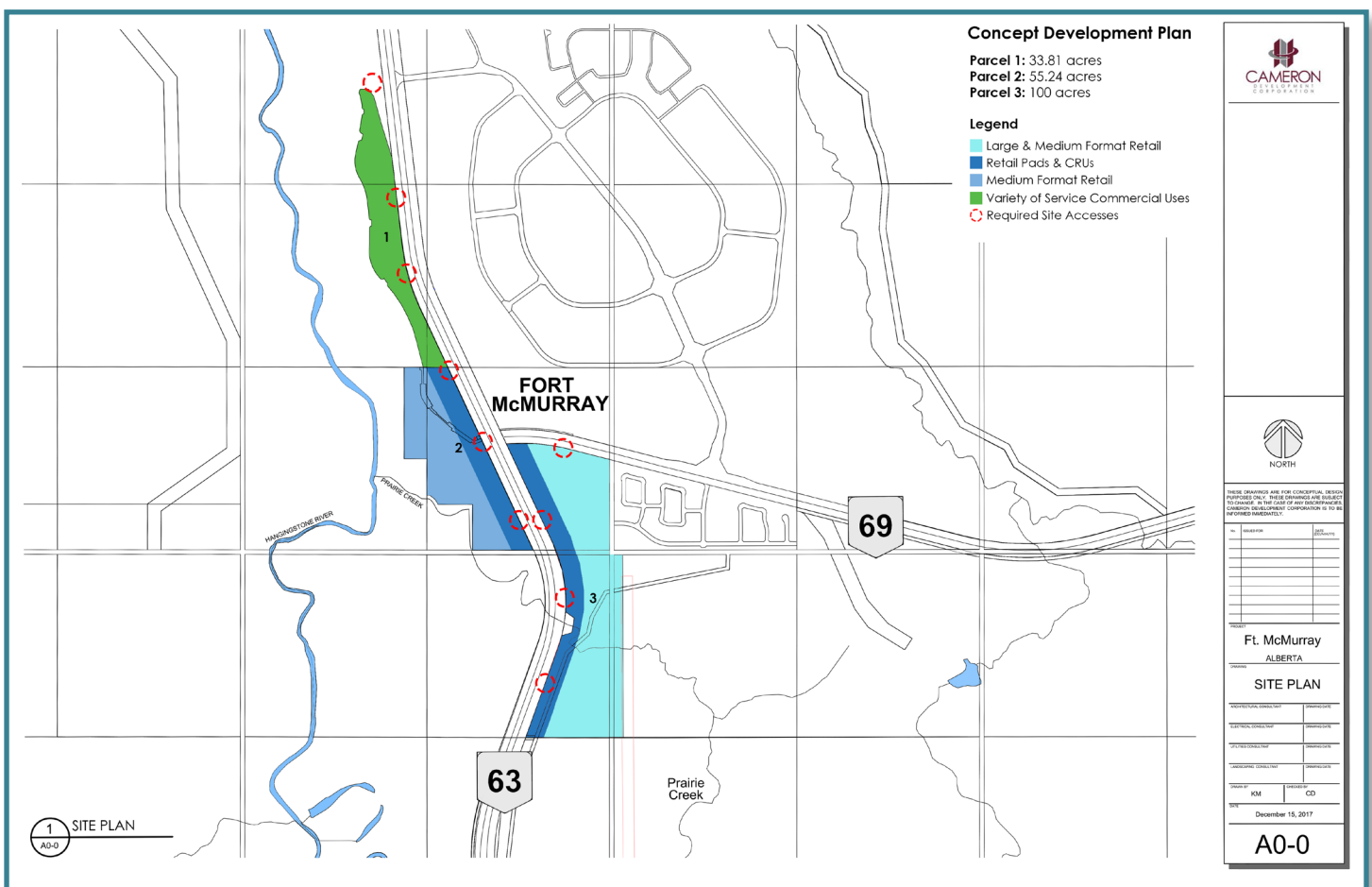


Figure 8: Cameron Developments Site Plan

## Cameron Impacts

Cameron is prepared to work with all parties to realize the potential of this site. Their proven track record and ability to deliver on commitments makes them a preferred development partner. They are a full service developer with solid capacity to develop their lands to meet municipal and provincial requirements. Together FMFN and Cameron will:

- Develop up to 190 acres of land and deliver up to 1.65 million square feet of commercial/retail product, filling a significant market deficit for commercial development in Fort McMurray — RMWB has identified a significant commercial land supply constraint and demand for a commercial power centre
- Inject significant capital investment into the RMWB area

Please note, their concept is based upon gross acres, and has not been adjusted for such items as creeks, storm water management ponds, road setbacks, etc. The actual developable acreage will be less than shown, and the actual dimensions of the commercial lands will also need to be revisited as part of a more detailed plan.

While it would be very difficult to provide overall associated costs for this project at this time due to the outstanding studies required, it is important to note the contemplated development would represent a major commitment to the area and the local economy.



**Fort McMurray First Nation #468**