



Nuchatlaht Tribe - 5 Year Community Economic Development Plan



Nuchatlaht Tribe
PO Box 40
Zeballos, BC V0P 2A0

January 2017





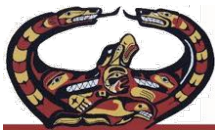
Executive Summary

Nuchatlaht is interested in generating more community revenues and creating employment opportunities for community members. Nuchatlaht is also interested in becoming more self-sufficient and would like to provide community members living off-reserve with opportunities to move back.

This 5 Year Community Economic Development Plan starts by identifying the community's economic development objectives and priorities. The document then assesses specific opportunities that are aligned with community priorities. The benefits of available opportunities are evaluated and recommendations are presented. These findings are incorporated into an overall strategy. The document includes a year-by-year plan to implement this strategy.

The strategy presented in this document is based on improving the Nuchatlaht investment climate. The table below summarizes key recommendations to help develop independent businesses and attract outside investment.

Checklist Item	Recommendations for Improvements
Available Lands	Develop a Land Acquisition Strategy
Infrastructure	<ol style="list-style-type: none">1. Investigate wastewater treatment or a community septic system at Oclucje IR # 7.2. Invest in maintaining the community fishing boat, greenhouse and portable sawmill.3. Lobby Province to maintain the Zeballos Forest Service Road to a high standard.4. Acquire proper land use designations and land tenure for the community dock.
Property Tax & Other Taxes	Retain expert(s) to present on taxation options.
Land Management & Development Approvals	Retain expert(s) to present on land management options.
Financial Management	Develop a Financial Administration Law.
Land Tenure Rules & Lease Agreements	Investigate and develop draft model leases for each: residential, commercial and industrial.
Investor Codes & Governance Procedures	<ol style="list-style-type: none">1. Develop an organizational chart outlining roles and responsibilities.2. Identify optimal business structures for band-owned businesses
Reliable Investor Information	<ol style="list-style-type: none">1. Build a membership database.



Checklist Item	Recommendations for Improvements
	<ol style="list-style-type: none"> 2. Develop a communications protocol for communicating confidential information to community members and potential investors. 3. Post this plan on the Nuchatlaht website.
Planning	<ol style="list-style-type: none"> 1. Finalize and Adopt draft CCP and Constitution. 2. Develop a territory-wide land & marine use plan
Investment Facilitation Support	<ol style="list-style-type: none"> 1. Present this plan to the Nuuchahnulth Economic Development Corporation (NEDC). 2. Hire Economic Development Coordinator 3. Host annual community meeting to review this plan and measure progress

The table below identifies the community's economic development priorities along with recommendations

Opportunity	Recommendations
Fisheries	<ol style="list-style-type: none"> 1. Continue with the implementation of current business plan for a fishing charter. 2. Develop business plans for the implementation of aquaculture and other ventures which utilize existing finfish and shellfish licenses. 3. Obtain legal opinion on Nuchatlaht's Aboriginal Right to harvest and sell fish in their traditional territory. 4. Determine the feasibility of establishing a fish processing plant.
Forestry	<ol style="list-style-type: none"> 1. Develop a business plan for the sawmill. 2. Identify community members who are willing and able to be trained on the sawmill. 3. Identify community members who are willing and able to participate in various aspects of the forestry industry (e.g. heavy machinery operation, log hauling, silviculture) 4. Begin discussions with Western Forest Products and/or other industry proponents operating within their territory to facilitate participation which could include training and education.
Clean Energy	<ol style="list-style-type: none"> 1. Engage with energy proponents to determine if there is a potential equity position for Nuchatlaht in potential projects. 2. Approach the BC Ministry of Aboriginal Relations and Reconciliation to determine the potential for a revenue sharing. 3. Complete a detailed clean energy assessment that focusses on wave, wind, and hydro opportunities.



Tourism	<ol style="list-style-type: none">1. Market the availability of wood carvings and studio tours through regional tourism organizations.2. Develop a cultural tourism business plan.3. Develop a site development plan for Nuchatl # 1.4. Get in touch with AYMBP to discuss the potential of building trails and assisting members to participate in the sport of mountain biking.
Real Estate	Develop a land acquisition strategy (per section 3.1.3).

Within the first year of the 5 Year Economic Development Plan, it is recommended Nuchatlaht undertake the following initiatives:

- Present 5 Year Economic Development Plan to NEDC
- Finalize and adopt draft CCP
- Finalize and adopt community Constitution
- Hire a professional and prepare a site development plan for Nuchatl # 1 based on a community engagement process.
- Develop an organizational chart outlining roles and responsibilities
- Acquire proper land use designations and land tenure for the community dock.
- Post this plan on the Nuchatlaht website.
- Hire Economic Development Coordinator
- Engage with energy proponents to determine if there is a potential equity position for Nuchatlaht in potential projects.
- Approach the BC Ministry of Aboriginal Relations and Reconciliation to determine the potential for a revenue sharing
- Begin discussions with Western Forest Products and/or other industry proponents operating within their territory to facilitate participation which could include training and education.
- Obtain legal opinion on Nuchatlaht's Aboriginal Right to harvest and sell fish in their traditional territory.
- Get in touch with AYMBP to discuss the potential of building trails and assisting members to participate in the sport of mountain biking.
- Continue with the implementation of current business plan for a fishing charter.
- Ensure that the greenhouse is kept in good working order and well utilized
- Maintain the fishing boat and portable sawmill so that they can be used for generating jobs and income
- Work with neighbouring communities to continue lobbying the province to maintain the Zeballos Forest Service Road to a high standard
- Host annual community meeting to review this plan and measure progress

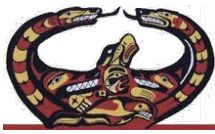
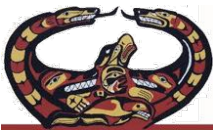


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Appendix A Summary of Member Feedback Reaffirming Community Priorities



1.0 Introduction

Nuchatlaht is a small community located approximately 4 hours west of Campbell River in a remote portion of Vancouver Island. It is a member of the Nuuchahnulth Tribal Council which consists of 14 communities along the western portion of Vancouver Island. Nuchatlaht has approximately 20 members living on-reserve and a total membership of 162. In order to support the growth of the community, there is a need to explore potential economic development opportunities that will create more employment and wealth for community members, particularly as several members have indicated that they would like to move back to the community.

This Plan incorporates and builds off of Nuchatlaht's recent planning and community engagement efforts. It will help Nuchatlaht review potential economic development opportunities and assess its ability to maximize the benefits of various economic development opportunities.



Nuchatlaht Band Office.



1.1 Purpose of the Plan

At a broad level, this 5 Year Economic Development Plan is intended to help Nuchatlaht be more proactive in pursuing economic development. More specifically, this planning effort will help Nuchatlaht:

- Reaffirm its economic development vision and goals through an inclusive engagement process with members Chief and Council (Tyee) and staff (see Section 2.7)
- Ensure that priorities are clearly identified and that there is an implementation strategy
- Access funding for implementation

1.2 Vision and Goals for Economic Development

Nuchatlaht's vision is stated in its draft Comprehensive Community Plan – it is highlighted below:

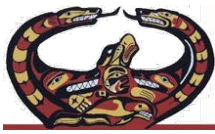
Our strong traditions and culture support us through generations to be a healthy, safe, and loving people, where everyone is treated with respect. We work together for our common good and share our skills and knowledge to be an empowered, educated, self-governing, and happy community.

Nuchatlaht's goals for economic development are also stated in its draft Comprehensive Community Plan – they include:

- Empowering Entrepreneurs
- Generating revenue to contribute to self-sufficiency
- Generate employment
- Enable community members to move back to reserve
- Create communal opportunities for sharing resources for day-to-day living



A view of the Oclucje village from the dock.



2.0 Background Information

This section of the report provides a summary of relevant background information that will influence economic development opportunities.

2.1 Land Base

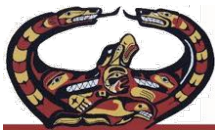
Nuchatlaht is located on the northwestern portion of Vancouver Island. It has 11 reserves totalling 92 hectares in area. Oclucje IR # 7 being the only land base that is developed and accessible by road. **Table 2.1** summarizes the land base while **Figure 2.1** illustrates the location of Nuchatlaht's reserves.

Table 2.1: Land Base

Name	Location	Hectares
Nuchatl 1	Nootka Island, in Esperanza Inlet	6.50
Nuchatl 2	Nootka Island, on northwest shore of Nootka Island	23.10
Ahpukto 3	Nootka Island, northwest side of Nootka Island	3.00
Opemit 4	Nootka Island, on east shore of entrance to Esperanza Inlet	6.50
Shoomart 5	Nootka Island, at head of inner basin of Nuchatlitz Inlet	8.50
Owossitsa 6	Nootka Island, North side of Nootka Island	3.40
Oclucje 7	Vancouver Island, at the head of Espinosa Inlet	13.30
Occosh 8	Vancouver Island, at the head of Port Eliza of Esperanza Inlet	12.50
Chiseuquis 9	Catala Island, on east tip of island, on Esperanza Inlet	7.70
Sophe 14	Vancouver Island, on north shore of Nuchatlitz Inlet	3.10
Savey 15	Vancouver Island, on west shore of Espinosa Arm of Esperanza Inlet	4.60
Total		92.2

The Nuuchah-nulth Nation have defined their hahoulthe (chiefly territories) and Nuchatlaht's hahoulthe was principally on Nootka Island and into the Pacific Ocean. Interestingly, Oclucje IR # 7, the only inhabited reserve, is not located within Nuchatlaht's hahoulthe. This is due in part to Nuchatlaht having been moved from its traditional home on Nuchatl to Oclucje due to issues with the quality and quantity of drinking water on Nuchatl. Students also needed access to roads to get to school.





2.2 Demographics

Nuchatlaht has a membership base of 162 members. Only 27 members currently live on-reserve. **Table 2.2** provides a basic summary of Nuchatlaht’s population.

Table 2.2: Membership

Residency	# of People
Registered Males on own Reserve	12
Registered Females on own Reserve	15
Registered Males on other Reserves	4
Registered Females on other Reserves	7
Registered Males off Reserve	53
Registered Females off Reserve	71
Total Registered Population	162

Source: INAC Community Profiles (July 2016)

2.3 Previous Reports

2.3.1 *Comprehensive Community Plan*

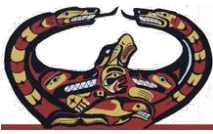
Nuchatlaht has a draft Comprehensive Community Plan (CCP). It is an overarching and holistic plan that has been developed by and for the community. It focuses on nation building and community development by addressing a wide range of planning themes – including economic development. The draft CCP identifies the following as potential opportunities to explore further in this 5 Year Economic Development Plan:

Tourism

- Guided Tours
- Fishing Charters
- Hotels
- Trails
- Camping
- Kayaking



Fishing boat owned by Nuchatlaht



Shell Fish

- Oyster Farm
- Clams – re-seed

Preserved Foods

- Smoked fish - Smoke house

Other Opportunities

- Fuel Station – including convenience items for travelers
- Forestry
- Sellable Resources
- Outside of Territory
- Hotel/Apartment Building Ownership/Management (Zeballos)



Salmon hanging in a smokehouse

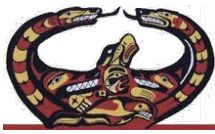
In addition to identifying potential opportunities, Action 3 of the CCP was to identify ways of supporting members to start their own businesses as sole proprietors and in partnership with others. The opportunities identified in the CCP are explored further in Section 4.0.

2.3.2 Zeballos Economic Development Plan

The Village of Zeballos is a historic gold mining frontier town on Vancouver Island's North Coast. Although gold mines put Zeballos on the map, forestry would support the Village throughout most of its history and remains the most significant economic driver today. In an effort to increase its economic development capacity and address the ongoing decline in economic activity, Zeballos created an economic development strategy.

The two-phased project started with the development of a community profile and a corresponding analysis of the region's primary economic drivers, as well as social and physical features. Next, key economic indicators were identified for project tracking purposes. The second phase of the project involved the development of a collaborative Integrated Sustainability Plan (ISP) and a Community Economic Development Approach (CEDA).

The second phase of the Zeballos Economic Development Strategy was completed in 2014 and the Strategy is now a core economic development resource for Zeballos and nearby communities. The strategy has led to the development of feasibility plans for possible tourism initiatives as well as the potential



development of a joint tourism initiative in partnership with other communities and stakeholders in the region.

Three key opportunities identified in the Zeballos Economic Development Strategy are:

- **Tourism Recreational Infrastructure** – the focus of the conversation on tourism infrastructure was on trails in the region that would help to attract visitors for mountain biking, hiking, and potentially some motorized recreation;
- **Tourism-related Event** – there is potential to start small and build an event that will help attract visitors to the area by building on the natural and recreational amenities of the region.; and
- **Fish Processing Plant** – a processing plant was discussed to add value to the fish and shellfish landing in the region.

2.3.3 Zeballos Hydro Project

The Zeballos Lake Project is a 23 MW (approx.), run-of-river hydroelectric project (HEP) located Zeballos Lake, B.C. (Vancouver Island). It is owned and operated by the Zeballos Hydro Limited Partnership (ZLHLP).

The Zeballos HEP is a renewable resource project that consists of a two powerhouses, which uses the natural drawdown and water storage capacity of Zeballos Lake to generate 100 GWH/yr. of electricity. The project draws water from the lake via a tunnel and penstock, and directs it through two Francis Turbines, which then return the water to the lake outlet in Maraude Creek. Energy is transmitted through a 20 km, 138 kV transmission line, which interconnects to BC Hydro's grid at Tahsis. The project maintains a fish flow at the upper reach of the fish habitat in the Maraude Creek downstream of Zeballos Lake.

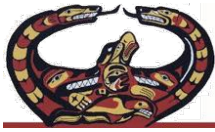


Zeballos Hydroelectric Project

- See more at: <http://ecodynamicsolutions.com/projects/zeballos-lake/>
- Aboriginal Aquaculture in Canada Initiative.

2.4 Traditional Economy

Nuchatlaht has traditionally had significant economic development based on fishing and trading. Some key characteristics include:



- Trade of sweetgrass grown on Chiseuquis IR # 9
- Trade of fish, sea otter fur, and other goods with people travelling the west coast of Vancouver Island.

2.5 Governance

Nuchatlaht is governed by a Chief and Council. Nuchatlaht has a hereditary chief known as Tye. Nuchatlaht has never had an election under the Indian Act system and is thought to be the only remaining community to still remain solely under their hereditary system. There is currently a new Tye being groomed to take over the current Tye duties. The hahoulthe belongs to the Tye.

2.6 Existing Economic Development

Some of the existing economic development initiatives that Nuchatlaht has participated in include:

- Development of a dock and boat that the community owns and charges for use
- Lease of fishing license and participation in the Hayu Fishing Limited Partnership
- Work with Western Forest Products
- Purchase of a portable sawmill

2.7 Additional Community Engagement

A considerable amount of community engagement focused on Economic Development has occurred through Nuchatlaht's Comprehensive Community Planning process (see Section 1.2 and 2.3). The direction provided through that process has been utilized in developing this plan. However, additional engagements took place in developing this plan to reaffirm that initial direction. Key examples include:

- Several Meetings with Chief and Council
- Discussions and interviews with Staff
- Meeting with community members on November 14, 2016
- Posters and display boards left throughout the community where members identified and confirmed priority economic development opportunities (see Section 4.0 and Appendix A).



2.8 Summary of Advantages and Challenges

2.8.1 Advantages

Some of the advantages that Nuchatlaht has include:

- **Scenic Location with Access to Natural Resources** – Nuchatlaht's main reserve, Oclujce IR # 7, is located in a beautiful area overlooking the Pacific Ocean. The area, including Nuchatlaht's hahoulthe has numerous natural resources opportunities including forestry, fishing, and alternative energy development.
- **Access to Facilities and Equipment** – Nuchatlaht has purchased a portable sawmill and has created a wood carving facility on-reserve that could be used for making wood carvings that could be sold. In addition, Nuchatlaht also owns a fishing vessel.
- **Strong Financial Position** – Nuchatlaht is in a relatively strong financial position that allows them capacity to take on some debt. The fact that the community has consistently generated surplus revenue provides an opportunity for the community.
- **Access to Fisheries License** – Nuchatlaht has a fisheries licence that it currently leases.

2.8.2 Challenges

Some of the challenges that Nuchatlaht faces include:

- **Remoteness** – Nuchatlaht's main reserve and its hahoulthe are located in a remote part of Vancouver Island, approximately 4 hours from Campbell River. The area can only be accessed via a logging road and Oclujce IR # 7 is the only reserve that has reliable road access.
- **Small Population Base** – Nuchatlaht has a relatively small population and the regional population within the Electoral Area A of the Comox-Strathcona Regional District is only about 1000 people.
- **Climate Change** – climate change and other factors have reduced the fisheries capacity of the ocean within Nuchatlaht's hahoulthe. Climate change also has the potential to raise the ocean level which could impact Oclujce IR # 7.
- **Small Land Base** – much of Nuchatlaht's land base would be very difficult to develop.
- **Incomplete Membership Information** – Nuchatlaht has an incomplete membership database which makes it challenging to engage off-reserve members in discussion about community initiatives and also makes it difficult to compile a skills database.



3.0 Investment Climate Assessment

This section provides an assessment of Nuchatlaht investment climate. The purpose of this assessment is to identify key opportunities that Nuchatlaht could pursue to better position the community to realize key economic development opportunities as they arise. The assessment uses the 10-item checklist shown below.

Investment Climate Checklist	
Land & Service	
<input type="checkbox"/>	Available Lands
<input type="checkbox"/>	Public Facilities, Infrastructure & Services
Legal Framework	
<input type="checkbox"/>	Property Tax & Other Taxes
<input type="checkbox"/>	Land Management & Development Approval Process
<input type="checkbox"/>	Financial Management
<input type="checkbox"/>	Land Tenure Rules & Lease Agreements
<input type="checkbox"/>	Investor Codes & Governance Procedures
Administrative Framework	
<input type="checkbox"/>	Reliable Investor Information
<input type="checkbox"/>	Planning
<input type="checkbox"/>	Investment Facilitation Support

This checklist is based on research that considers the high transaction costs related to development on First Nation land and experience with First Nations working to improve their legal, fiscal, and administrative frameworks. The checklist was developed with input from commercial and residential real estate developers, legal experts familiar with the development process on First Nation land, and First Nation government administrators.

3.1 Available Lands

3.1.1 Assessment

As indicated in **Section 2.1** Nuchatlaht has a number of small reserves that are scattered on Nootka Island and Vancouver Island. Most of these reserves do not have road access and can only be accessed by boat. **Table 3.1** summarizes each of the reserves and provides comments on their suitability for development.

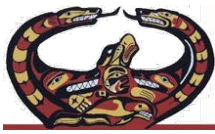


Table 3.1: Nuchatlaht Reserve Base

Reserve	Location	Size	Road Access	Other Comments
Nuchatl IR # 1	Nootka Island	6.5	No	Traditional home of the community until it moved in the 1990s due to water supply issues
Nuchatl IR # 2	Nootka Island	23.1	No	Flat forested land
Ahpukto IR # 3	Nootka Island	3	No	Flat forested land located on the ocean
Opemit IR # 4	Nootka Island	6.5	No	Flat forested land located on the ocean
Shoomart IR # 5	Nootka Island	8.5	No	Forested land on a slope
Owossitsa IR # 6	Nootka Island	3.4	Logging road access	Appears to have had significant logging
Oclucje IR # 7	Vancouver Island at the head of Espinosa Inlet	13.3	Yes	Main community
Occosh IR # 8	Vancouver Island at the head of Port Eliza	12.5	No	Very steep land
Chiseuquis IR # 9	Catala Island	7.7	No	Traditional stopping point for traders and there was trading of sweetgrass here
Sophe IR # 14	Nootka Island	3.1	No	Forested land on a steep slope. Has been logging activity in the area
Savey IR # 15	Vancouver Island	4.6	No	Very steep land

The Nuchatlaht reserve land base is located on the west coast of Vancouver Island. No land is within certificate of possessions and with the exception of Oclucje IR # 7, none of the reserves have development. Nuchatl IR # 1 was the traditional home of the community but was left in 1988.

When reserves were created, Nuchatlaht was given very little land for the community's use as the rationale was that since so much of their activities were on the water for fishing and trading, they did not need as much land. As such, Nuchatlaht was only provided very little land for its use. As indicated in **Table 3.1** few of their reserves have road access which could limit economic development potential. The reserve base, with the exception of Oclucje IR # 7 has limited development potential. Even Oclucje IR # 7 has limited development potential due to the lack of developable space on-reserve and the need to preserve space for more housing. Oclucje IR # 7 also has potential issues with tsunamis therefore development close to the waterfront is not advisable.



Nuchatlaht's hahoulthe is principally on Nootka Island. Much of this land is unceded territory. It appears that there has been significant logging activity within the hahoulthe. There are also a number of privately owned parcels of land that are used for recreational cabins. **Figure 3.1** illustrates tenures for land within the hahoulthe and in the area surrounding Oclucje IR # 7.

3.1.2 Evaluation

Nuchatlaht has good information about its reserve base. However, much of this land is not suitable for intensive development, particularly given that Oclucje IR # 7 is the most accessible reserve and the only one with power. This will limit Nuchatlaht's ability to pursue on-reserve economic development initiatives that require serviced land.

3.1.3 Recommendation(s)

It is recommended that Nuchatlaht:

- ***Develop a land acquisition strategy to ensure that Nuchatlaht acquires land with high development potential.***

3.2 Public Facilities, Infrastructure, and Services

3.2.1 Assessment

Nuchatlaht's public facilities, infrastructure and services include:

Band Office – this houses the administrative and health functions of the community and also has common areas for indoor community gathering.

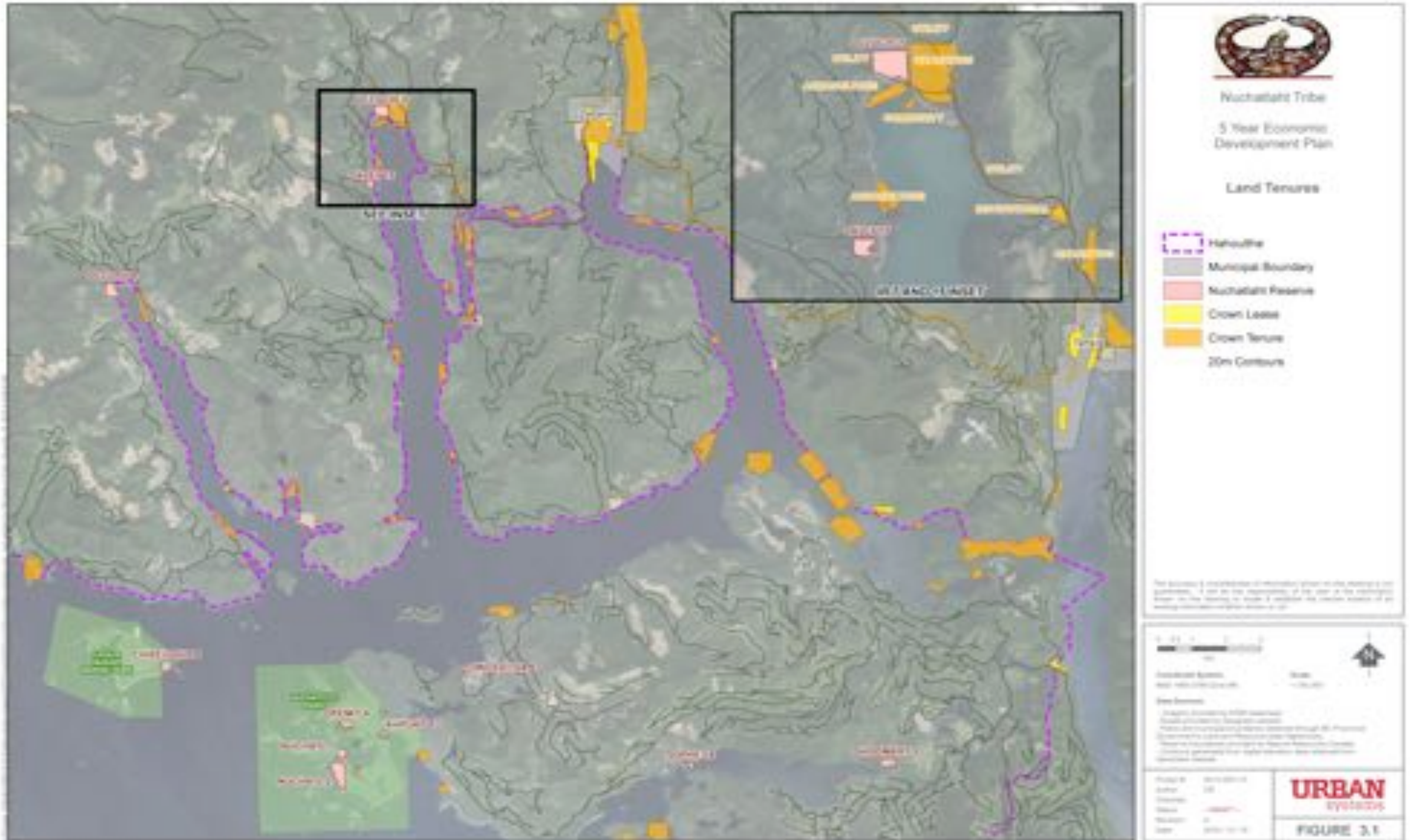
Water System – the Band has a water system that draws from a creek and has a storage reservoir.

Wastewater – all wastewater in the community is handled by septic fields.

Public Dock – Nuchatlaht has a public dock and boat launch which people can use for \$25 per day. This requires repairs in order to maintain the facility. It is important to note that this is not located on-reserve.

Carving Building – Nuchatlaht is developing a carving building where carvers in the community can come together.







Roads – all roads in the community are gravel. One critical issue is ensuring that the logging road that services the community continues to be maintained. This is a critical issue for communities accessed from Woss.

Greenhouse – Nuchatlaht has a community greenhouse that it is using to grow vegetables.

Sawmill – Nuchatlaht owns a small portable sawmill that it stores adjacent to its Band office.

Fishing Boat – Nuchatlaht owns a 20 foot fishing boat.

Utilities – Nuchatlaht has access to single phase power but does not have access to three phase power



Greenhouse on Oclucje.

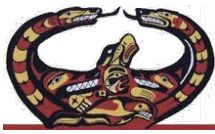
3.2.2 *Evaluation*

The community at Oclucje IR # 7 has access to basic infrastructure services that can sustain its on-reserve community. In addition, Nuchatlaht has access to facilities and equipment that might help in pursuing economic development.

3.2.3 *Recommendation(s)*

It is recommended that Nuchatlaht:

- ***Review the feasibility of installing wastewater treatment or a community septic system to enable more clustered development on Oclucje IR # 7.***
- ***Ensure that the greenhouse is kept in good working order.***
- ***Maintain the fishing boat and portable sawmill so that they can be used for generating jobs and income.***
- ***Work with neighbouring communities to continue lobbying the Province to maintain the Zeballos Forest Service Road to a high standard.***
- ***Work with the Regional District, Province, and federal government to acquire land use designations and land tenure for the dock.***



3.3 Property Tax and Other Taxes

3.3.1 *Assessment*

Nuchatlaht does not currently have any taxation authority. There are several avenues of taxation available to First Nations. These are summarized as follows:

- Indian Act property taxation. Section 83 of the Indian Act gives First Nation communities the authority to create taxation by-laws for property interests on reserve. By-laws must be created with consultation from the taxpayers. Rates and expenditure bylaws must then be passed by council each year thereafter.
- First Nation Fiscal Management Act. The First Nation Fiscal Management Act (FNFMA) is a more comprehensive framework for taxation. The FNFMA is similar to Section 83 of the Indian Act in that rates and expenditures must be developed and passed annually. However, the FNFMA goes beyond in that revenues collected from taxes are able to be leveraged with financial institutions and on the financial market. Self-government agreements may also contain authority to tax in the fiscal agreements. However, those are a case by case basis unless they have an agreement to apply the Fiscal Management Act to their government.
- First Nations GST. Another way for First Nations to tax is through either a First Nations Sales Tax or a First Nations GST. Both of which are available to Indian Act Bands to create a value added tax on goods and services sold on reserve.
- Aboriginal Self-Governments may levy a First Nations Personal Income Tax. Incomes of Aboriginal and non-Aboriginal persons on Aboriginal lands may be taxed. FNST, FNGST, and FNPIT are administered by the Canada Revenue Agency.

3.3.2 *Evaluation*

Not in place: currently Nuchatlaht does not have any taxation authority. This limit's Nuchatlaht's ability to generate additional sources of revenue.

3.3.3 *Recommendation(s)*

It is recommended that Nuchatlaht:

- ***Consider joining the First Nation Fiscal Management Act and having the First Nations Tax Commission deliver a presentation to Chief and Council on the benefits and process of joining the Fiscal Management Act.***
- ***Consider enacting First Nations GST and have an expert present to Chief and Council on the pros and cons of First Nations GST.***



3.4 Land Management & Development Approval Process

3.4.1 *Assessment*

Due to limited development on-reserve, Nuchatlaht has not undertaken significant work to define its on-reserve land management and development approval process. There are options to enhance these processes that include:

Developing a Land Code

The First Nations Land Management Act (FNLMA) allows First Nations to take over the control and responsibility for land management processes and decisions. The outcomes of engaging in this process result in the adoption of independent land management laws that replace sections of the Indian Act for increased self-sufficiency. The process takes one to two years, and funding is available to assist First Nations with this process and with land management once Land Code is adopted.

Under the FNLMA, First Nations have power to enact land management laws, such as those respecting interests and rights in relation to their lands; the development, conservation, protection, management, use and possession land; the regulation, control, or prohibition of land use and development, including zoning and subdivision control. There is also ongoing staff funding available for a Lands Management position for First Nations that have undergone Land Code and have the additional administrative task of managing their lands.

Development Approval Process

Many First Nations communities are developing land management plans such as Land Use Plans, Zoning Bylaws, and Development Approval Procedures. Undertaking planning such as this allows increased certainty for community members and developers in terms of land uses and future development potential.

Preparing a Development Approval Procedures Manual and making this widely available and consistently applied would more clearly spell out roles and responsibilities of various parties in the land development process including Chief and Council, Staff, the developer, and the community. It would lay out for developers the exact process to be followed as well as a potential timeframe to complete each step. Publishing the Development Approval Procedures Manual would create transparency and consistency, which is critical in the competition for private investment as well as for community members who seek certainty on the type and scale of future development.

3.4.2 *Evaluation*

Nuchatlaht has not developed a land code or established any development approvals processes. It is unclear whether the community would benefit from the development of a land code or development approvals process given the limited on-reserve development opportunities.



3.4.3 Recommendation(s)

It is recommended that Nuchatlaht:

- ***Have an expert present to Chief and Council about Land Code and other development approvals processes.***

3.5 Financial Management

3.5.1 Assessment

Joining the First Nations Fiscal Management Act, (FNFMA) can open up new taxation tools that Nuchatlaht can use to ensure the sustainability of public assets and infrastructure. Part of joining the FNFMA is gaining access to the First Nations Tax Commission, the First Nations Finance Authority and First Nations Financial Management Board. While the Tax Commission is primarily concerned with taxation tools, the First Nations Finance Authority, and the First Nations Financial Management Board offer financial management support to First Nations.

First Nation Finance Authority

The First Nations Finance Authority provides low-interest, long-term financing for First Nations to undertake community and economic infrastructure projects to deliver local services and promote social and economic development. Specifically, First Nations Finance Authority will provide financing for projects such as:

- The purchase of land that is wholly or partly owned by the First Nation;
- Shares or ownership interest in a utility corporation;
- Lease financing of capital assets for provision of local services; and
- Short term loans for debt refinancing.

The Financial Administration Law under the First Nation Finance Authority allows First Nations to borrow funds at a low interest rate for capital asset projects such as infrastructure development. First Nations must adopt certain financial reporting procedures to ensure that financial information is public.

First Nation Financial Management Board

The First Nation Financial Management Board helps First Nations with compliance and certification of the Financial Administration Laws that they must meet to borrow money under the First Nation Finance Authority. They also offer capacity building courses and development workshops for financial management.



3.5.2 Evaluation

Nuchatlaht currently does not have any financial management laws. **Table 3.2** provides key figures and ratios derived from Nuchatlaht Tribe's financial statements available under the First Nations Transparency Act. These may be considered by financial institutions for financing purposes. Overall the analysis indicates that Nuchatlaht is relatively healthy from a financial perspective and likely has some capacity to borrow funds to invest into economic development.

3.5.3 Recommendation(s)

It is recommended that Nuchatlaht:

- ***Request a presentation from the First Nation Finance Authority to Chief and Council to identify the benefits and challenges of implementing a Financial Administration Law.***
- ***Develop a Financial Administration Law.***

3.6 Land Tenure Rules & Lease Agreements

3.6.1 Assessment

Issues of land tenure and management is an important consideration and in some communities the approach to land tenures can influence the viability of land development. Nuchatlaht does not have any on-reserve leases or Certificate of Possessions. Land tenures can be done under one of two frameworks:

Land Tenure Under the Indian Act

Most First Nations communities operate under the *Indian Act*. The *Indian Act* is the principal tool for governing the use and management of First Nation lands. Under the *Indian Act*, First Nations have the authority to designate land for leasing, create lease agreements, and to enact bylaws that can guide how land will be developed on-reserve.

Land can also be held through a Certificate of Possession by an individual member who can also lease out land for economic development or social development purposes.



Table 3.2: Financial Statement Review

Key Figures and Ratios	2013	2014	2015	Description
Total Revenue	\$2,594,937	\$1,172,058	\$1,241,244	The three year trend is that revenue has decreased by \$1.35 million. A significant driver of this decreased revenue is a reduction in capital transfers from the Nuu-chah-nulth Tribal Council of about \$1.1 million from 2013 to 2014 fiscal years.
Total Expenses	\$1,148,180	\$1,054,968	\$1,025,704	Expenses have decreased by approximately \$123,000 over a three year period which is a pace faster than the increase in revenue. Many expenses were either slightly up or slightly down. The largest decrease in expenses was contracted services which decreased by \$59,000 from 2014 to 2015 and wages, benefits, and travel which decreased by approximately \$19,000 over the same period. Support to families increased by approximately \$16,000 and supplies increased by approximately \$17,000 from 2014 to 2015.
Annual Surplus	\$1,446,757	\$117,090	\$215,540	The annual surplus has decreased significantly over a three year period. However, it is still a relatively healthy surplus.
Percentage of non-Government Revenue	15%	30%	26%	Non-government revenue as a percentage of total revenue has increased by approximately 10% over three years. The largest sources of non-government revenue are: <ul style="list-style-type: none"> • Fisheries License Lease \$89,000 • Income from Hayu Fishing Limited Partnership: \$90,000 • Western Forest Products \$72,000.
Debt to Equity	0.78	0.69	0.58	Debt to equity has improved indicating that Nuchatlaht has more equity available than debt owed.
Current Portion of Long-term Debt	\$39,264	\$39,264	\$39,264	The current portion of long-term debt has remained stable indicating that Nuchatlaht hasn't taken on additional payments.
Other Loan Guarantees	\$869,976	\$869,976	\$869,976	Other guaranteed loans are consist of a loan payable to BC and Canada under the BC Treaty Process.



Framework Agreement on First Nation Land Management

Many First Nations communities are moving beyond the *Indian Act* and looking to control land management in a more self-sufficient manner. The Framework Agreement on First Nation Land Management allows First Nations to create their own land management laws, a Land Code, which replaces sections of the *Indian Act* pertaining to land management and allows communities to make land decisions without requiring approval from the Minister.

First Nations operating under Land Codes have full legal status and the powers needed to manage and govern their land and resources. This power covers administrative management aspects like municipal-type powers to enact zoning and land use planning, but also provincial-type powers such as the establishment of rules under which interests are created, transferred, assessed (environmental, archeological assessment, etc.) and registered. First Nations can lease or develop their lands and resources subject to the limits imposed by their community, however the land can't be sold and there may be a need to still go through some sort of land designation process.

3.6.2 *Evaluation*

Nuchatlaht has not enacted a land code and therefore falls under the *Indian Act* when it comes to potentially leasing land and issuing Certificate of Possessions. Because Nuchatlaht is considering developing or redeveloping their reserves located on Nootka Island, it may be worth exploring alternative land management regimes.

3.6.3 *Recommendation(s)*

It is recommended that Nuchatlaht:

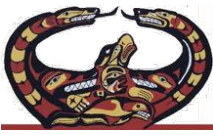
- ***Examine successful residential, commercial, industrial and agricultural leases used by other First Nations and develop a similar model. The model lease should be secure and mortgagable. Ideally, the model lease would be pre-approved by legal experts and financial institutions.***

3.7 Investor Codes & Governance Procedures

3.7.1 *Assessment*

An investor code and governance protocol are tools that can be used to help a First Nation provide clarity to potential investors and the community on their approach to private sector investment including communications between the Band, community, and investors, as well as outlining expectations of private sector investors.

3.7.2 *Evaluation*



Nuchatlaht has publicly shared its draft Comprehensive Community Plan and Constitution on its website. Although the documents have not been ratified officially by community members, the Band currently operates under them. The Band Manager is responsible for the day to day implementation of the governance under the direction of Chief and Council.

3.7.3 *Recommendation(s)*

It is recommended that Nuchatlaht:

- ***Develop an organizational chart which includes the Chief's traditional role as Tye Ha'wilt.***
- ***Assess and investigate optimal business structure for band-owned businesses***

3.8 Reliable Investor Information

3.8.1 *Assessment*

Nuchatlaht provides a brief governance page, information for community members, a draft version of the Comprehensive Community Plan, and a draft version of the Nuchatlaht Constitution. Nuchatlaht has audited financial statements available publicly on the First Nations Transparency Act. Nuchatlaht also maintains a Facebook page for the purposes of sharing information with Nuchatlaht membership.

3.8.2 *Evaluation*

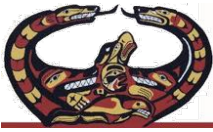
The Nuchatlaht Tribe has a fairly comprehensive website given the scope of Nuchatlaht operations. Information provided is reasonably up to date.

3.8.3 *Recommendation(s)*

It is recommended that Nuchatlaht:

- ***Build a membership database.***
- ***Develop a communications protocol/policy to help with communicating confidential information to community members and potential investors respectively.***
- ***Post 5-Year Economic Development Plan on Nuchatlaht's website.***

3.9 Community Planning



3.9.1 *Assessment*

There are a number of community planning tools available, in addition to the Community Economic Development Plan, to assist Nuchatlaht with different aspects of economic development. Planning tools assist in moving community initiatives forward, provide clarity to membership, as well as provide guidance to outside stakeholders in working with Nuchatlaht. Some tools which First Nations typically use are Land Use Planning, Territory Planning, Energy Planning, Housing Planning and Comprehensive Community Planning.

3.9.2 *Evaluation*

Nuchatlaht has both a draft Comprehensive Community Plan (CCP) and a draft Constitution – both of which are available on the Nuchatlaht Tribe website. The CCP provides some history about the community and a high level overview of the goals of Nuchatlaht. The Constitution will provide Nuchatlaht with law-making authority in a number of areas pertaining to community governance.

3.9.3 *Recommendation(s)*

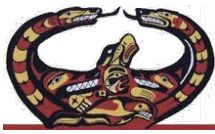
It is recommended that Nuchatlaht:

- ***Finalize the Comprehensive Community Plan and Constitution and have the documents adopted by community members.***
- ***Develop a territory-wide Land Use Plan which should include land and marine planning and management to protect Nuchatlaht's interests in taking care of the environment, gaining economic benefits from the land, and Nuchatlaht's rights and title to the land.***

3.10 Investment Facilitation Support

3.10.1 *Assessment*

It is important that potential investors have someone at Nuchatlaht that can assist them in going through the development processes, business development opportunities and joint-ventures. These services are typically provided by an Economic Development Officer.



3.10.2 *Evaluation*

Nuchatlaht does not currently have an Economic Development Officer. All development opportunities currently go through the Band Manager. Because of a lack of staff, the Band Manager assists as a facilitator for member entrepreneurs.

The Nuuchahnulth Tribal Council currently provides some administrative assistance to Nuchatlaht.

3.10.3 *Recommendation(s)*

It is recommended that Nuchatlaht:

- ***Present this Economic Development Plan to the Nuuchahnulth Economic Development Corporation (NEDC) and seek support for implementation.***
- ***Hire a staff member to implement 5-Year Economic Development Plan and facilitate partnerships, build relationships, and assist entrepreneurial members.***
- ***Hold an internal community workshop to measure progress towards implementation of 5-Year Economic Development Plan each year.***



The Dock at Oclucje.



3.11 Summary of Recommendations

The table below provides a summary of recommendations for improvements for each item of the 10 item investment climate checklist.

Checklist Item	Recommendations for Improvements
Available Lands	Develop a Land Acquisition Strategy
Infrastructure	<ol style="list-style-type: none"> 5. Investigate wastewater treatment or a community septic system at Oclucje IR # 7. 6. Invest in maintaining the community fishing boat, greenhouse and portable sawmill. 7. Lobby Province to maintain the Zeballos Forest Service Road to a high standard. 8. Acquire proper land use designations and land tenure for the community dock.
Property Tax & Other Taxes	Retain expert(s) to present on taxation options.
Land Management & Development Approvals	Retain expert(s) to present on land management options.
Financial Management	Develop a Financial Administration Law.
Land Tenure Rules & Lease Agreements	Investigate and develop draft model leases for each: residential, commercial and industrial.
Investor Codes & Governance Procedures	<ol style="list-style-type: none"> 3. Develop an organizational chart outlining roles and responsibilities. 4. Identify optimal business structures for band-owned businesses
Reliable Investor Information	<ol style="list-style-type: none"> 4. Build a membership database. 5. Develop a communications protocol for communicating confidential information to community members and potential investors. 6. Post this plan on the Nuchatlaht website.
Planning	<ol style="list-style-type: none"> 3. Finalize and Adopt draft CCP and Constitution. 4. Develop a territory-wide land & marine use plan
Investment Facilitation Support	<ol style="list-style-type: none"> 4. Present this plan to the Nuu-chah-nulth Economic Development Corporation (NEDC). 5. Hire Economic Development Coordinator 6. Host annual community meeting to review this plan and measure progress



4.0 Economic Development Opportunities

There are a number of initiatives that Nuchatlaht could undertake to support economic development. This section describes potential economic development opportunities aligned with community priorities (see Appendix A for a summary of confirmation of priorities).

4.1 Fisheries

4.1.1 *Description*

Fishing is the main industry to the Nuchatlaht prior to contact which sustained the people. There are several types of fishing which the Nuchatlaht currently and historically participate in:

- Fin fishery
- Shell fishery
- Marine Plants



A view from the dock

Historically, all fisheries in the Nuchatlaht Hahoulthe were managed by the Nuchatlaht Tyee Hahoulthe. Now, finfish and shellfish are regulated by the federal government. Nuchatlaht falls under Areas 25 and 125 of the Pacific Region Management Areas.



Finfish

The various inlets of the Nuchatlaht Hahoulthe contain a large variety of finfish. Some of the food fish include:

- Chinook (Tyee) Salmon
- Coho Salmon
- Sockeye Salmon
- Albacore Tuna
- Halibut
- Various Rockfish (Ling Cod, Rock Cod, Yelloweye Cod, Vermillion Cod)



Sockeye Salmon

According to the Zeballos Economic Development Report, there are currently 5 finfish aquaculture licences which are not currently being used and which belong to Nuchatlaht and Ehatisaht.

Finfish Regulations

West Coast Vancouver Island (WCVI) Chinook are considered by Department of Fisheries (DFO) and Oceans to be a stock of concern. As such, WCVI Chinook are managed to an exploitation rate of 3.2%. All other salmon stocks are regulated in season with allocation based on salmon abundance.

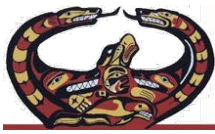
Shellfish

- Shellfish include:
- Prawns
- Geoducks
- Abalone
- Krill
- Clams
- Crabs
- Oysters



Prawns being processed

According to a report, there are 9 shellfish tenures in the area which are currently not operating.



Shellfish Regulations

To date, no limits have been placed on Aboriginal harvest for food, social, and ceremonial (FSC) purposes. In addition, five Nuu-chah-nulth First Nations were found in *Ahousaht et al. v. Canada and British Columbia* to have “aboriginal rights to fish for any species of fish within their Fishing Territories and to sell that fish, with the exception of geoduck.”

Commercial access by First Nations to many of the wild fisheries in BC is currently being addressed by two programs; the Allocation Transfer Program (ATP) and the Pacific Integrated Commercial Fishery Initiative (PICFI). The ATP retires existing commercial licence eligibilities from fish harvesters on a voluntary basis and re-issues these to eligible First Nation organizations as communal commercial licenses. PICFI is an initiative aimed at achieving environmentally sustainable and economically viable commercial fisheries, where conservation is the first priority and First Nations’ aspirations to be more involved are supported.

Fish Processing Plant

A processing plant was promoted and discussed in the Zeballos Economic Development Strategy as having the potential to increase employment and add value to the fish and shellfish landing in the region. It has been estimated that as much as 173,000 lbs of fish are landed in Zeballos.

Nuchatlaht Tribe currently owns or has shares in Hayu Fishing Limited Partnership and Hayu Fishing Ltd.



Hayu Fishing Limited Partnership and Hayu Fishing Ltd.

4.1.2 Recommended Next Steps

Moving forward, Nuchatlaht should:

- ***Continue with the implementation of current business plan for a fishing charter.***
- ***Develop business plans for the implementation of aquaculture and other commercial fishing ventures which utilize existing finfish and shellfish licenses.***
- ***Obtain legal opinion on Nuchatlaht’s Aboriginal Right to harvest and sell fish in their traditional territory.***
- ***Determine the feasibility of establishing a fish processing plant.***



4.2 Forestry

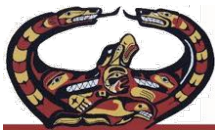
4.2.1 Description

Western Forest Products Ltd. is the primary licensee of forests within the Nuchatlaht Hahoulthe. There are two other major license holders in the timber supply area (TSA). Western Forest Products holds a Tree Farm license (TFL) which gives them the right and responsibility for building roads, planning, and reforesting the area. According to WFP's Forest Stewardship Plan (FSP) developed in 2008, only two First Nations have asserted traditional territory overlapping TFL 19 which are Mowachaht/Muchalaht and Ehattesaht. This appears to be consistent with Appendix A of Nuchatlaht's Forest and Range Consultation and Revenue Sharing Agreement in which the primary territory outlined is on Nootka island and the Esperanza Inlet. The document states this map is from December 7, 2005.

Nuchatlaht currently has a Forest and Range Consultation and Revenue Sharing Agreement with the Province of British Columbia which attributes 3% of forest revenue attributed to the asserted territory of the Nuchatlaht hahoulthe.

Licensee	Management Unit
Western Forest Products Inc.	TFL
Nootka Sound Economic Development Corporation	TSA
Dorman Timber Ltd.	TSA





Source: Western Forest Products

Specific opportunities for Nuchatlaht in the forestry sector include:

Participation in logging & silviculture - Although Nuchatlaht currently does not claim land in the TFL 19 areas, there may be opportunity in the future to increase Nuchatlaht participation in the forestry sector in the region. One of the largest sources of non-government revenue to Nuchatlaht is from Western Forest Products Ltd. (WFP). The amount received from WFP in 2014 and 2015 fiscal years was over \$135,000. This is generally indicative of a positive relationship. Nuchatlaht may want to consider expanding opportunities with WFP through facilitating member entrepreneurship or employment through generating contracts. This could be through bidding on various forestry contracts (road maintenance, water trucks, camp maintenance, site security, log hauling, heavy equipment operating, fuel, etc.) or developing partnerships with existing silviculture contractors in the area to provide tree planters, pine cone pickers, or tree seedlings. There is also an opportunity to obtain trees suitable for carving through Western Forest Products.

Utilization of Nuchatlaht's sawmill - Nuchatlaht currently owns a portable saw mill. Nuchatlaht has indicated that there is currently nobody to operate the mill. However, Western Forest Products will be providing logs to be put to various uses in the community including siding for the houses on reserve. This represents an opportunity to create some employment.

4.2.2 Recommended Next Steps

Moving forward, Nuchatlaht should:

- **Develop a business plan for the sawmill.**
- **Identify community members who are willing and able to be trained on the sawmill.**
- **Identify community members who are willing and able to participate in various aspects of the forestry industry (e.g. heavy machinery operation, log hauling, silviculture)**
- **Begin discussions with Western Forest Products and/or other industry proponents operating within their territory to facilitate participation which could include training and education.**



4.3 Alternative Energy

4.3.1 Description

Many Aboriginal communities throughout BC have participated in alternative energy projects both on their reserves and within their traditional territories. There are often times many benefits of these projects including the generation of revenue, generation of equity through partnership, and creation of employment. Within close proximity to Nuchatlaht, there appears to be ongoing investigation into the feasibility of developing alternative energy projects. For some communities, the revenues generated from alternative energy projects represents a significant portion of their revenues which have been subsequently reinvested into other initiatives.

As part of this planning process, high-level renewable energy project opportunities scan was completed. The purpose of this scan was to identify potential renewable energy projects within close proximity to Nuchatlaht, which could create economic benefits to the community through project development, creating employment for members and generating new revenues for the Nation.

The three renewable energy technologies considered as part of this scan include:

- Small hydropower
- Wind power
- Wave power

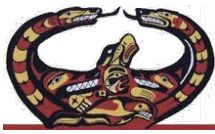
Small Hydropower

A preliminary hydro opportunities identification assessment was completed to determine if potentially viable hydro (water) resources exist in close proximity to Nuchatlaht. This initial review involved a search of small hydro projects reported in BC Hydro's BC Hydro's 2013 *Resource Options Report (ROR)*¹ and active power generation related water licences.

BC Hydro's *ROR* identifies potential clean energy development sites within British Columbia. The *ROR* was developed in 2013 to support BC Hydro's *Integrated Resource Plan*.² The study compiled over 7,700 potential undeveloped energy resource options. For each potential project location identified, the *ROR* estimated the total capacity, generation potential, and approximate development costs as a function of energy generated.

¹ https://www.bchydro.com/energy-in-bc/meeting_demand_growth/irp/document_centre/reports/2013-ror-update.html

² https://www.bchydro.com/energy-in-bc/meeting_demand_growth/irp/document_centre/reports/november-2013-irp.html



The BC Hydro *ROR* review identified seven hydro project opportunities in the selected study area which ranged in installed capacity from 1.18 to 4.34 megawatts (MW). These sites are highlighted in **Figure 4.1** and inventoried in **Table 4.1** on the following pages.



Table 4.1: Summary of Identified Small Hydropower Projects Reported in BC Hydro's ROR

Project Name	Latitude	Longitude	Installed Capacity (MW)	Energy Cost at Interconnection (\$/MWh)
ROR_7430	50.02153468360	-126.73841308700	2.86	\$277.22
ROR_7445	50.00351321720	-126.61095143000	3.21	\$313.27
ROR_7435	50.03824833670	-126.80116878700	1.61	\$332.98
ROR_7483	49.93178395290	-126.57731973600	4.34	\$350.07
ROR_7509	49.90048928300	-126.64214425900	1.93	\$393.76
ROR_7416	50.04272142640	-126.81423188600	1.18	\$410.70
ROR_7438	49.99658470860	-126.94595254700	2.07	\$487.09

The energy cost at interconnection (a commonly used indicator of project feasibility), as estimated by BC Hydro, is based on:

- estimated project costs to develop the hydro project;
- proximity to the point of interconnection;
- road development / improvements and requirements;
- operation and maintenance costs; and
- electricity generated annually.

The energy cost at point of interconnection for the sites identified ranged from \$277 per megawatt hour (MWh) generated to \$440 per MWh generated. Based on this, all of the projects identified are well above the average BC Hydro energy purchase agreement rates under the Standing Offer Program, which is approximately \$105 per MWh.

While these project opportunities do not appear feasible based on the referenced report, it may be prudent to confirm whether or not this is actually the case, should there be community interest in the clean energy sector. Therefore, should Nuchatlaht wish to pursue hydropower projects in the future for economic development purposes, further analysis on the inventoried project opportunities should be completed.

In addition to reviewing the BC Hydro's ROR, a review of active power generation related water licences was conducted. Based on this review, ten active applications or current power generation water licences were identified within the subject area of interest, as illustrated in **Figure 4.1**.





Each of these water licences are summarized in the **Table 4.2** on the following page.

As shown in **Table 4.2**, four of the water licences are for small residential or commercial projects that would require the demand point to be close by in order to be feasible. Given the small scale of the water diversion volumes it is likely these projects will be also small, and they likely do not represent viable economic development opportunities for Nuchatlaht.

Six of the water licences (general) are for run of river hydropower projects. Based on a review of these water licences, diversion volumes and status we see that two projects are currently operational. This includes:

- Zeballos Lake Hydro Project - this is a 22 MW run of river and storage project (holding three water licenses).
- Barr Creek Hydro Project - this is a 4.4. MW run of river project (holding one water license).

Based on a review of the Barr Creek Hydro water licence which was issued in 2010, Nuchatlaht may be eligible for revenue sharing under the BC First Nations Clean Energy Business Fund. It is therefore recommended that Nuchatlaht approach the BC Ministry of Aboriginal Relations and Reconciliation to determine the potential for a revenue sharing agreement.

Two of the identified water licences are allocated to a proposed 5.5. MW run of river hydropower project on McKelvie Creek. This project may represent an opportunity for Nuchatlaht to partner with the proponent in a joint-venture. It is recommended that Nuchatlaht contact the proponent to learn more about the project proposal and explore potential joint-venture and associated economic development opportunities.

Wind Power

A preliminary wind power opportunities assessment was completed to determine if viable wind resources exist within the selected study area. A review of BC Hydro's ROR revealed no potential wind power sites. However, based on the Ministry of Forest, Lands and Natural Resource Operations' database for wind investigative permits and tenures there is one wind investigative permit located in close proximity to Nuchatlaht. The wind investigative permit (1413303) is held by a company called WPD Canada. WPD Canada is a subsidiary of a larger company called WPD Europe. Based on a review of WPD Canada's website it is evident that this company is a reputable wind energy developer; focusing in the development of smaller wind farms (less than 15 MW) in the Province of Ontario. They do not appear to have any active construction or operating projects in British Columbia.

As this company focuses on smaller wind farm projects, and BC Hydro only support projects that are less than 15 MW in capacity; WPD Canada is likely actively assessing the viability of a project at the identified site. Therefore, it is recommended that Nuchatlaht contact the proponent to learn more about the project proposal and explore potential joint-venture and associated economic development opportunities.



Table 4.2: Summary of Identified Water Licences for Power Generation Purposes

Licence Number	Stream Name	Purpose	Quantity	Licensee	General Notes	Potential Actions
C 116387	Barr Creek	Power-General	3.450	Barr Creek Limited Partnership	Operational 4.4 MW Run of River	Determine if revenue sharing is available via First Nations clean energy business fund.
C 104968	Cover Creek	Power-Commercial	0.082	Esperanza Ministries Association	Too small	N/A
C 126815	Huckleberry Creek	Power-Residential	0.105	Halvorson James Peter	Residential – too small	N/A
C 129850	McKelvie Creek	Power-General	2.550	Synex Energy Resource Ltd	Proposed 5.5 MW Run of River Project	Approach project proponent to explore partnership opportunities
C 130289	McKelvie Creek	Power-General	3.750	Synex Energy Resource Ltd	Proposed 5.5 MW Run of River Project	Approach project proponent to explore partnership opportunities
C 126811	Salmonberry Creek	Power-Residential	0.100	Halvorson James Peter	Residential – too small	N/A
C 126810	Swordfem Creek	Power-Residential	0.100	Halvorson James Peter	Residential – too small	N/A
C 103636	Zeballos Lake	Power-Residential	9.996	Zeballos Lake Hydro Ltd	Operational 21.86 MW Run of River/Storage Project	Determine if revenue sharing is available via First Nations clean energy business fund.
C 103636	Zeballos Lake	Storage-Power	21400000.000	Zeballos Lake Hydro Ltd	Operational 21.86 MW Run of River/Storage Project	Determine if revenue sharing is available via First Nations clean energy business fund.
C 121882	Zeballos Lake	Power-General	3.993	Zeballos Lake Hydro Ltd	Operational 21.86 MW Run of River/Storage Project	Determine if revenue sharing is available via First Nations clean energy business fund.



Barr Creek Hydroelectric Project



Zeballos Lake Hydroelectric Project



Wave Power

A preliminary wave power opportunities identification assessment was completed to determine if potentially viable ocean resources exist in close proximity to Nuchatlaht First Nation. Referencing BC Hydro's ROR, one wave power "clear passage" project opportunity was identified, and is highlighted in **Figure 4.1**. Based on the ROR, it is suggested that this project could have an installed capacity of 71 MW, and a unit energy cost at interconnection of \$440 /MWh. Based on BC Hydro's analysis, it is likely that this project is uneconomical at this time. However, the technology is advancing rapidly and has significant potential for generating power. As wave power technologies continue to progress the economics of waver power will likely improve. Therefore, in the future Nuchatlaht may wish to complete further analysis of wave power generation opportunities to determine if a feasible project exists.

4.3.2 Recommended Next Steps

Moving forward, Nuchatlaht should:

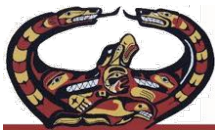
- ***Engage with energy proponents to determine if there is a potential equity position for Nuchatlaht in potential projects.***
- ***Approach the BC Ministry of Aboriginal Relations and Reconciliation to determine the potential for a revenue sharing agreement.***
- ***Complete a detailed clean energy assessment that focusses on wave, wind, and hydro opportunities.***

4.4 Tourism

4.4.1 Description

Aboriginal cultural tourism is one of the fastest growing tourism sectors in Canada. According to Destination BC, total international overnight visitation to BC is up 18.2% for the first quarter of 2016 compared to 2015. According to the Aboriginal Tourism BC (AtBC), Aboriginal tourism spending reached \$42 million in BC in 2011, up from \$20 million in 2006. Aboriginal Tourism BC's "Blueprint Strategy" or 5 year plan is to grow the sector by 10% annually up to 2017. According to AtBC, revenue is forecast to reach \$78 million by 2017.

Aboriginal cultural tourism was identified in the Zeballos Economic Development Strategy completed in 2014. Two specific opportunities identified were the creation of recreational infrastructure such as mountain biking trails, and hosting an event, such as Tribal Journeys, which would attract visitors to the region. Several opportunities which were identified through discussions with Chief and Council and the Band Manager include carving, campground (glamping), canoeing, cultural tours, wedding destination, and a port.



Building a hiking/biking trail network is an area of mutual interest between Zeballos and Nuchatlaht. Attracting visitors to the region is also seen as a mutual need. According to Destination BC, the top 5 Vancouver Island activities participated in are:

- Sightseeing/nature/wildlife viewing;
- Shopping;
- Hiking;
- Visiting friends, relatives; and
- Visiting national and/or provincial parks.

Specific opportunities for Nuchatlaht in tourism include:

Developing a trail network - Developing a trail network is a low impact way to attract adventure seekers, hikers, and sight seers. Trail planning, development, and maintenance can be a way to hire local community members as well as create a sense of pride in the local area. To begin a trail network, Nuchatlaht may want to consider partnering with the Aboriginal Youth Mountain Biking Program (AYMBP). The AYMBP is a group of mountain bike riders, coaches and community leaders who wish to support and encourage Aboriginal youth and communities to participate and excel in the sport of mountain biking. Some of the services offered by the AYMBP are:

- Mountain Bike Instructor Training;
- Youth Programs;
- Events; and
- Trail Planning and Development.

Participation in Cultural Tourism - Cultural tourism has been identified by the Zeballos Economic Development Strategy and the Nuchatlaht Tribe as an opportunity to attract visitors to the region. There are a few opportunities for cultural tourism including:

Wood Carving - An immediate opportunity is carving. Nuchatlaht Tribe has indicated that there are several members who are skilled at carving. Members who carve could do work on Oclucje IR # 7 out of a shed provided by the community. Tourists could have the opportunity to watch the carvers in the process of carving. In addition, carvings could be produced at various scales from small to large and sold and shipped to buyers. There are many art galleries and shops on Vancouver Island and the mainland who sell art work and carvings made by Aboriginal artists. Western Forest Products mentioned in their annual report that they are supportive of First Nations utilization of the various forests for cultural purposes and may be willing to supply wood for carving.



Cultural Tours - Tours could include canoe trips to Nuchatlaht's various reserves and other spots throughout the traditional territory. There may also be opportunities to incorporate Nuchatlaht ceremonies and cultural teachings in the tours. An example of a First Nation who has cultural tours is Eskasoni First Nation in Nova Scotia. Eskasoni has developed tour packages but also has "build your own packages" available which include boat tours, fishing, lobster feasts, storytelling evenings, interpretive trails, and village tours. Prices range from \$12 to \$145 for Eskasoni packages.

Campground – there may be an opportunity to develop an oceanfront campground near the dock which would take advantage of the ability to launch a boat into the inlet. This could include 'glamping' which involves the provision of more comfortable camp facilities including heating, access to kitchen facilities, etc.

Floats – Nuchatlaht has several harbour's which may be suitable to provide floating campsites. These can be provided for fishing and tourism lodging.



Looking toward Esperanza Inlet from Oclucje.





4.4.2 *Recommended Next Steps*

Moving forward, Nuchatlaht should:

- ***Market the availability of wood carvings and studio tours through regional tourism organizations.***
- ***Develop a business plan which outlines specific cultural tourism initiatives.***
- ***Engage community to determine acceptable level of development on Nuchatl # 1. Based on this input create a site development plan for Nuchatl # 1.***
- ***Get in touch with AYMBP to discuss the potential of building trails and assisting members to participate in the sport of mountain biking.***

4.5 Purchase of Real Estate

4.5.1 *Description*

One opportunity that communities sometimes explore is the purchase of off-reserve property in the form of lands and buildings. The advantages of purchasing off-reserve land is that it enables the community to generate equity and possibly a return on investment if the land and buildings are rented. The property can be purchased relatively close to the community (in Nuchatlaht's case in Zeballos) or can be purchased in an area where the real estate market is poised to grow and offers a potential revenue stream (i.e. in Nanaimo or Victoria). Some communities will purchase rental properties in a community where a lot of their members live and subsequently rent the property to their members.

Specific opportunities for Nuchatlaht in real estate acquisition include:

Acquiring Bare Land for Development – Nuchatlaht may consider acquiring bare land for the development of commercial or residential buildings that it may subsequently lease or sell outright.

Purchasing Residential Property – purchasing residential property for rental can be another way to generate a source of revenue as long as the rental rate covers the cost of borrowing. Options include the purchase of houses, condominium units where rentals are permitted and rental buildings. In these cases, it is likely advisable to hire a property management company to find renters and undertake ongoing maintenance.

Purchasing Commercial Buildings – Nuchatlaht may wish to consider purchasing commercial buildings that it would lease to businesses. Once again, having a property management company in place to find lessees and undertake ongoing maintenance is critical.



4.5.2 Recommended Next Steps

Moving forward, Nuchatlaht should:

- **Develop a land acquisition strategy per section 3.1.3 that:**
 - **Confirms Nuchatlaht's borrowing capacity to determine how much it can borrow.**
 - **Explores real estate markets both locally and in higher growth areas.**
 - **Engages the community to determine where it should purchase real estate.**



The beach at Oclucje.



4.6 Summary of Opportunities

The table below illustrates each of the potential opportunities along with recommendations.

Opportunity	Recommendations
Fisheries	<ol style="list-style-type: none"> 1. Continue with the implementation of current business plan for a fishing charter. 2. Develop business plans for the implementation of aquaculture and other ventures which utilize existing finfish and shellfish licenses. 3. Obtain legal opinion on Nuchatlaht's Aboriginal Right to harvest and sell fish in their traditional territory. 4. Determine the feasibility of establishing a fish processing plant.
Forestry	<ol style="list-style-type: none"> 1. Develop a business plan for the sawmill. 2. Identify community members who are willing and able to be trained on the sawmill. 3. Identify community members who are willing and able to participate in various aspects of the forestry industry (e.g. heavy machinery operation, log hauling, silviculture) 4. Begin discussions with Western Forest Products and/or other industry proponents operating within their territory to facilitate participation which could include training and education.
Clean Energy	<ol style="list-style-type: none"> 1. Engage with energy proponents to determine if there is a potential equity position for Nuchatlaht in potential projects. 2. Approach the BC Ministry of Aboriginal Relations and Reconciliation to determine the potential for a revenue sharing. 3. Complete a detailed clean energy assessment that focusses on wave, wind, and hydro opportunities.
Tourism	<ol style="list-style-type: none"> 1. Market the availability of wood carvings and studio tours through regional tourism organizations. 2. Develop a cultural tourism business plan. 3. Develop a site development plan for Nuchatl # 1. 4. Get in touch with AYMBP to discuss the potential of building trails and assisting members to participate in the sport of mountain biking.
Real Estate	Develop a land acquisition strategy (per section 3.1.3).



5.0 5 Year Implementation Plan

In order for Nuchatlaht to fully pursue priority opportunities identified in Section 4, it must address foundational elements in its investment climate (Section 3). Improving each area of its investment climate will increase Nuchatlaht's ability to compete with local governments and neighboring First Nation communities for private investment. This 5 Year Implementation Plan provides Nuchatlaht with a series of "next steps" to implement recommendations identified in previous sections. The implementation plan is presented in order of priority. That is, the recommended activities with the highest potential impact are listed first and those activities with less potential impact are listed later.

2017/2018 Fiscal Year

- Present Economic Development Plan to NEDC
- Finalize and adopt draft CCP
- Finalize and adopt community Constitution
- Hire a professional and prepare a site development plan for Nuchatl # 1 based on a community engagement process.
- Develop an organizational chart outlining roles and responsibilities
- Acquire proper land use designations and land tenure for the community dock.
- Post this plan on the Nuchatlaht website.
- Hire Economic Development Coordinator
- Engage with energy proponents to determine if there is a potential equity position for Nuchatlaht in potential projects.
- Approach the BC Ministry of Aboriginal Relations and Reconciliation to determine the potential for a revenue sharing
- Begin discussions with Western Forest Products and/or other industry proponents operating within their territory to facilitate participation which could include training and education.
- Obtain legal opinion on Nuchatlaht's Aboriginal Right to harvest and sell fish in their traditional territory.
- Get in touch with AYMBP to discuss the potential of building trails and assisting members to participate in the sport of mountain biking.
- Continue with the implementation of current business plan for a fishing charter.
- Ensure that the greenhouse is kept in good working order and well utilized
- Maintain the fishing boat and portable sawmill so that they can be used for generating jobs and income
- Work with neighbouring communities to continue lobbying the province to maintain the Zeballos Forest Service Road to a high standard
- Host annual community meeting to review this plan and measure progress

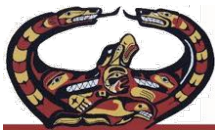


2018/2019 Fiscal Year

- Hire a land use planning consultant to develop a Land Acquisition Strategy
- Undertake wastewater treatment and/or community septic feasibility studies for Oclucje IR # 7
- Build a membership database outlining skill levels and training.
- Identify community members who are willing and able to participate in various aspects of the forestry industry (e.g. heavy machinery operation, log hauling, silviculture)
- Develop a communications protocol for communicating confidential information to community members and potential investors.
- Hire a consultant to begin developing a territory-wide Land Use Plan which should include land and marine planning and management to protect Nuchatlaht's interests in taking care of the environment, gaining economic benefits from the land, and Nuchatlaht's rights and title to the land.
- Complete a detailed clean energy assessment that focusses on wave, wind, and hydro opportunities.
- Implement site development plan for Nuchatl # 1
- Continue with the implementation of current business plan for a fishing charter.
- Ensure that the greenhouse is kept in good working order and well utilized
- Maintain the fishing boat and portable sawmill so that they can be used for generating jobs and income
- Work with neighbouring communities to continue lobbying the province to maintain the Zeballos Forest Service Road to a high standard
- Host annual community meeting to review this plan and measure progress

2019/2020 Fiscal Year

- Hire a qualified professional to work with Nuchatlaht to identify optimal business structures for band-owned businesses
- Develop a cultural tourism business plan.
- Request a presentation from the First Nation Finance Authority to Chief and Council to identify the benefits and challenges of implementing a Financial Administration Law.
- Retain expert(s) to present on taxation options.
- Retain expert(s) to present on land management options.
- Investigate and develop draft model leases for each: residential, commercial and industrial.
- Begin implementing land acquisition strategy (i.e. acquiring land where possible)
- Continue working on territory wide land use plan
- Begin implementing recommendations from clean energy assessment
- Implement site development plan for Nuchatl # 1
- Continue with the implementation of current business plan for a fishing charter.
- Ensure that the greenhouse is kept in good working order and well utilized



- Maintain the fishing boat and portable sawmill so that they can be used for generating jobs and income
- Work with neighbouring communities to continue lobbying the province to maintain the Zeballos Forest Service Road to a high standard
- Host annual community meeting to review this plan and measure progress

2020/2021 Fiscal Year

- Develop a Financial Administration Law
- Develop business plans for the implementation of aquaculture and other ventures which utilize existing finfish and shellfish licenses.
- Develop a business plan for the sawmill.
- Identify community members who are willing and able to be trained on the sawmill.
- Determine the feasibility of establishing a fish processing plant.
- Market the availability of wood carvings and studio tours through regional tourism organizations.
- Begin implementing land acquisition strategy (i.e. acquiring land where possible)
- Continue working on territory wide land use plan
- Continue implementing recommendations from clean energy assessment
- Implement site development plan for Nuchatl # 1
- Continue with the implementation of current business plan for a fishing charter.
- Ensure that the greenhouse is kept in good working order and well utilized
- Maintain the fishing boat and portable sawmill
- Work with neighbouring communities to continue lobbying the province to maintain the Zeballos Forest Service Road to a high standard
- Host annual community meeting to review this plan and measure progress

2021/2022 Fiscal Year

- Update this 5 Year Economic Development
- Begin implementing land acquisition strategy (i.e. acquiring land where possible)
- Continue working on territory wide land use plan
- Begin implementing recommendations from clean energy assessment
- Implement site development plan for Nuchatl # 1
- Continue with the implementation of current business plan for a fishing charter.
- Ensure that the greenhouse is kept in good working order and well utilized
- Maintain the fishing boat and portable sawmill
- Work with neighbouring communities to continue lobbying the province to maintain the Zeballos Forest Service Road to a high standard
- Host annual community meeting to review this plan and measure progress



Appendix A

Summary of Member Feedback Reaffirming Community Priorities





Each of these sectors listed below were identified were first identified as community priorities through Nuchatlaht Comprehensive Community Planning process. A community meeting was held on November 14, 2016 and the Band Manager solicited feedback from community members for three weeks. Community members participated in an interest ranking activity using stickers. Given each of the five economic opportunity sectors, participants ranked them from 1 to 5 with 1 being the lowest interest and 5 being the highest interest. Below are the results of the prioritization activity. Each of the check mark represents a sticker placed by the community members. Tourism was a clear interest among most participants. Alternative was ranked as the lowest interest. The other sectors had mixed rankings.

Fisheries

1	2	3	4	5
✓	✓✓	✓✓✓	✓	✓✓

Forestry

1	2	3	4	5
	✓✓✓	✓✓	✓	✓✓✓

Alternative Energy

1	2	3	4	5
✓✓✓✓	✓	✓✓	✓✓	✓

Tourism

1	2	3	4	5
		✓	✓✓✓✓	✓✓✓✓

Purchase Real Estate

1	2	3	4	5
✓✓	✓✓✓	✓	✓	✓✓