



**First Nations Infrastructure Institute**

**Systeme d'infrastructures des premières nations**

# **First Nations Infrastructure Projects & Economic Recovery**

Combining Social and Economic Values

March 4, 2021



# Shovel Ready Series



**#SHOVELREADY**  
WEBINAR SERIES  
First Nations Infrastructure Institute

**1**

FIRST NATIONS INFRASTRUCTURE PROJECTS AND ECONOMIC RECOVERY  
**IS YOUR PROJECT SHOVEL-READY?**

WEBINAR THURSDAY FEB 4 | 10:00-11:15 AM PST | [WWW.FNIL.CA](http://WWW.FNIL.CA)

The COVID-19 pandemic has led here: the infrastructure gap in many indigenous communities. If your infrastructure project also follows best practices, you'll have a better opportunity to participate in an economic recovery strategy. Investments in shovel-ready projects are critical while doing economic downturns to boost short-term employment and spur economic recovery.

Renewing your project plan against best practices will help to determine if it meets standards for being shovel-ready.

To learn more, please join the First Nations Infrastructure Institute.

**Alan Clayton**  
Deputy General Chief  
Joe Michaluk  
Chief David Crute  
Jason Calla

To learn more, please join the First Nations Infrastructure Institute. Please RSVP for a secure link: [info@fnii.ca](mailto:info@fnii.ca)

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**2**

FIRST NATIONS INFRASTRUCTURE PROJECTS AND ECONOMIC RECOVERY  
**HOW CAN I GET MY PROJECT SHOVEL-READY?**

WEBINAR THURSDAY FEB 11 | 10:00-11:15 AM PST | [WWW.FNIL.CA](http://WWW.FNIL.CA)

If your infrastructure project does not have a well-developed business case it will be more difficult to secure funding. Stop getting stuck in the endless cycle of feasibility studies and learn the upfront steps you can take to fill in the common gaps and ensure you are ready to go.

To learn more, please join the First Nations Infrastructure Institute.

- What reports are available to develop an infrastructure project business case?
- What is a project charter? What are the elements of the business case?
- Who should participate in the development of the project business case?
- How should you evaluate bids to work on the projects? What are some criteria that can be used?
- How can First Nations Infrastructure Institute can support planning and procurement of infrastructure projects.

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**3**

FIRST NATIONS INFRASTRUCTURE PROJECTS AND ECONOMIC RECOVERY  
**MANAGING RISK THROUGH PROCUREMENT**

THURSDAY FEB 25 | 10:00-11:15 AM PST | [WWW.FNIL.CA](http://WWW.FNIL.CA)

The COVID-19 pandemic has led here: the infrastructure gap in many indigenous communities. Managing risk through solid and well-planned procurement is essential to achieving cost-savings and getting your project Shovel-Ready.

Renewing your project plan against best practices will help to determine if it meets standards for being shovel-ready.

To learn more, please join the First Nations Infrastructure Institute.

**Dale Booth**  
Jason Calla  
Vinny Wood  
John Dumbrell

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**4**

FIRST NATIONS INFRASTRUCTURE PROJECTS AND ECONOMIC RECOVERY  
**COMBINING SOCIAL AND ECONOMIC VALUES**

THURSDAY MAR 04 | 10:00-11:15 AM PST | [WWW.FNIL.CA](http://WWW.FNIL.CA)

This week's webinar will consider how different project execution that we have heard about: an infrastructure project that serves both members and leased land, and, a multi-purpose facility.

Renewing your project plan against best practices will help to determine if it meets standards for being shovel-ready.

To learn more, please join the First Nations Infrastructure Institute.

**Alan Clayton**  
Jason Calla  
Jason Reeves  
John Dumbrell

To learn more, please join the First Nations Infrastructure Institute. Please RSVP for a secure link: [info@fnii.ca](mailto:info@fnii.ca)

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**5**

FIRST NATIONS INFRASTRUCTURE PROJECTS AND ECONOMIC RECOVERY  
**GETTING YOUR PROJECT FUNDED**

THURSDAY MAR 11 | 10:00-11:15 AM PST | [WWW.FNIL.CA](http://WWW.FNIL.CA)

In this series we have talked about pulling together a project team, assigning roles and responsibilities, developing a work plan and business case and how to manage risk through procurement. In this fifth and final webinar we will hear from First Nations financial institutions about the tools available to help you get your project funded and financed.

Renewing your project plan against best practices will help to determine if it meets standards for being shovel-ready.

To learn more, please join the First Nations Infrastructure Institute and our special guests.

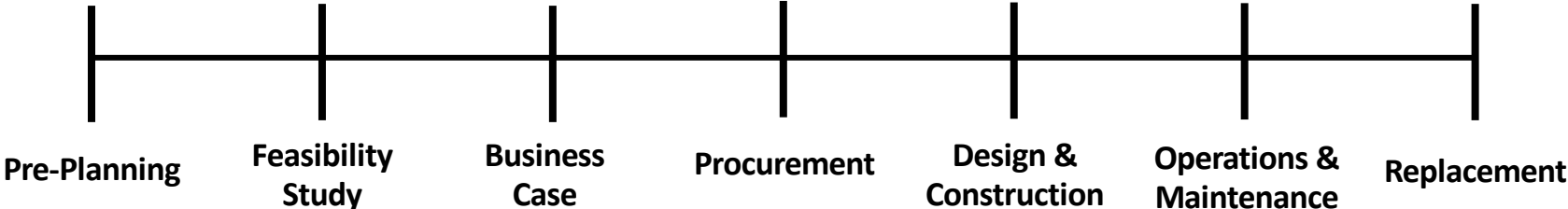
**Alan Clayton**  
Jason Calla  
Judy Anderson  
Scott Weaver  
Jocelle James

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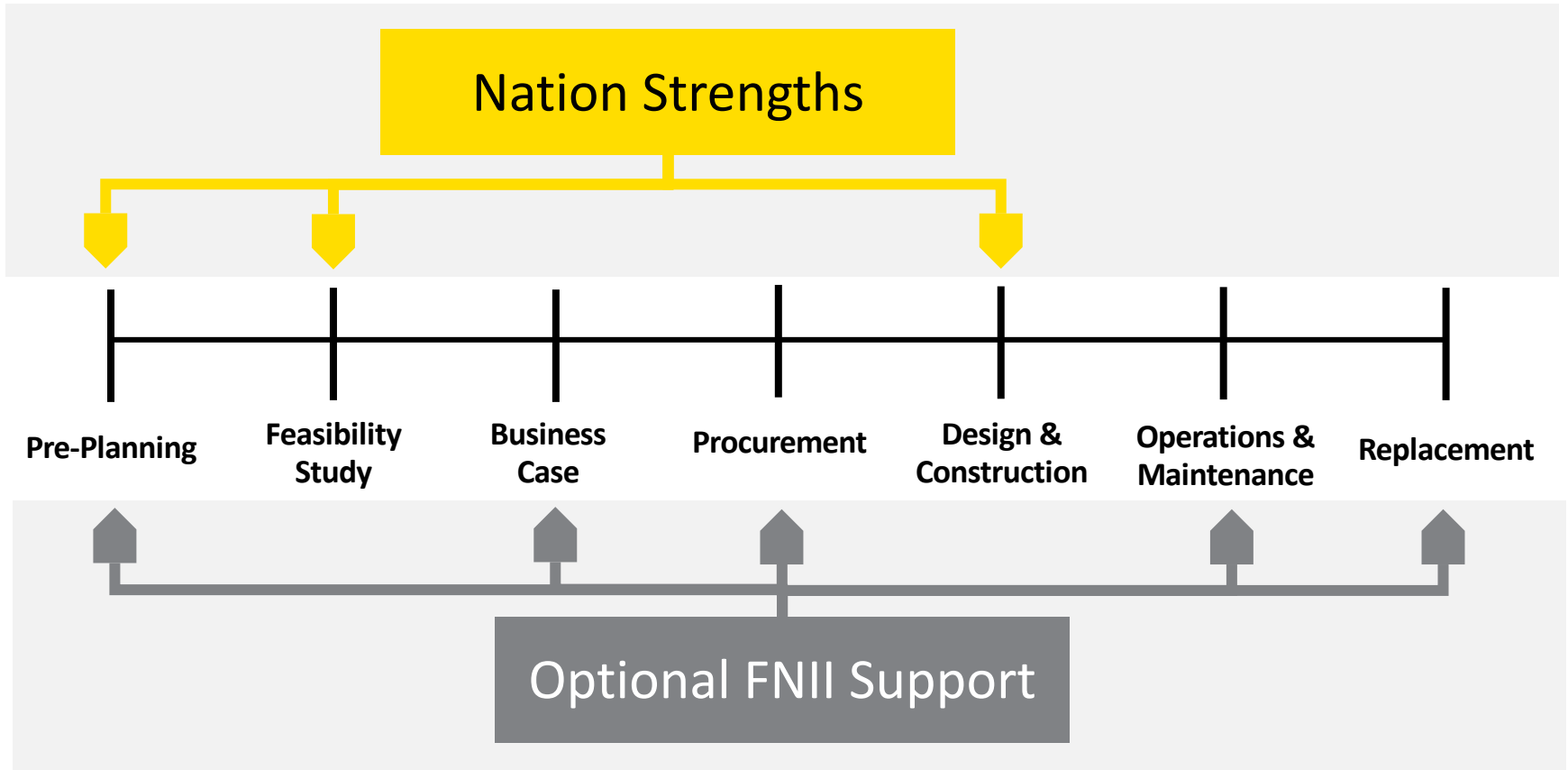
# Simplified Project Lifecycle Scenario





# Addressing Capacity Gaps

\* FNII will meet a Nation and/or Indigenous Organization where it is at on a project.



# The Business Case



- The Business Case is a one stop shop to describe a project, allowing people to easily understand your rationale and process

## Business Case

Strategic

Economic

Commercial

Financial

Management

# The FNII Process



## Project Identification Phase

Engagement & Review  
Background Work

Planning, Project  
Definition & Optimization

Identify Roles &  
Responsibilities

Identify Funding  
Requirements

**Project Charter  
& Work Plan**

## Business Case Development Phase

Strategic  
Case

Feasibility Study  
& Economic Case

Commercial  
Case

Financial  
Case

Management  
Case

**Business  
Case**

## Procurement Phase

Request for  
Qualifications

Shortlisting of  
Bidders

Request for  
Proposals

Preferred  
Proponent

**Contract  
Award**

## Implementation and Operations Phase

Design, Construction,  
Commissioning

Implementation of  
Financial Model

Operations and  
Maintenance

Lifecycle and Asset  
Management

**Renewal or  
Replacement**

# Webinar #4



Use two illustrative project scenarios to discuss:

- How to plan for projects that meet both membership and economic development needs – combining health, social and financial values.
- How costs for a project can be allocated in a fair and equitable way.
- How multiple funding sources and revenue streams can be combined for a project.
- How FNII can support the planning and procurement of infrastructure projects.

# Scenario #1



Linear Infrastructure  
(i.e. water supply, treatment plant, distribution)

- Meets numerous strategic objectives of the Nation
  - Comprehensive Community Plan
  - Strategic Plan
  - Land Use Plan
- Strategic Case
- Project will provide servicing to multiple user groups

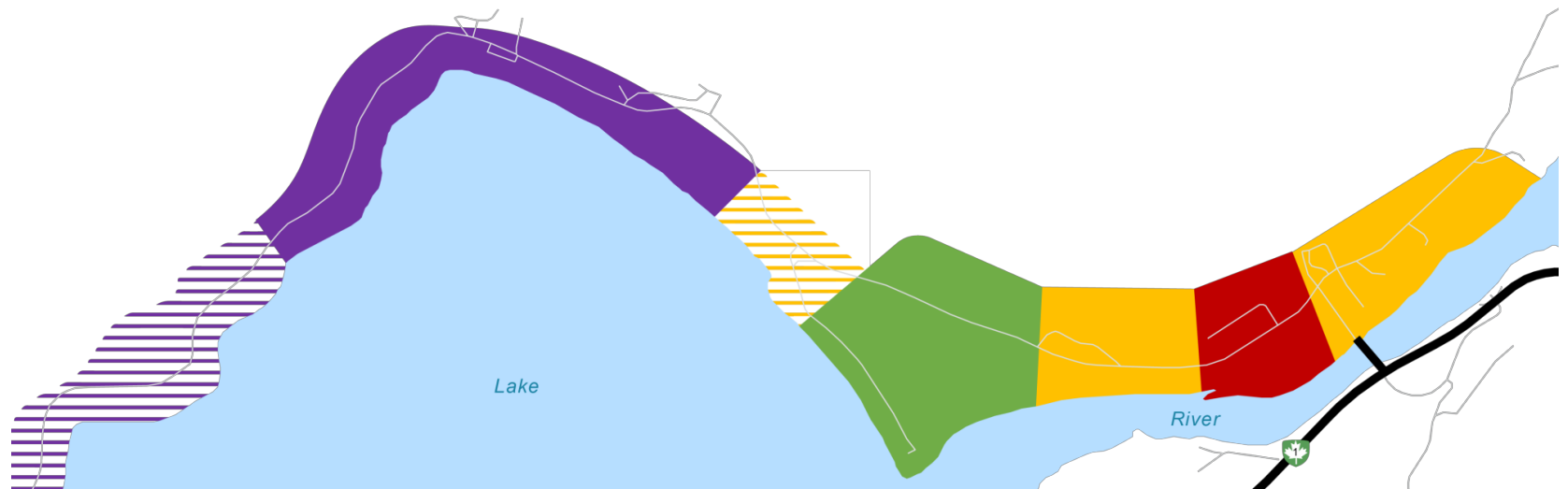


# Scenario #1



## Community Land Use Plan

-  Member Residential Area – Existing
-  Member Residential Area – Future
-  Community Buildings
-  Waterfront Lease Lots – Existing
-  Waterfront Lease Lots – Future
-  Commercial Centre



# Scenario #1



Linear Infrastructure  
(i.e. water supply, treatment plant, distribution)

- Project will provide servicing to multiple user groups
- Feasibility Study completed
  - Technical solution for treatment method
  - WTP site, distribution network
  - Conceptual level cost estimate
- Economic Case





# Scenario #1

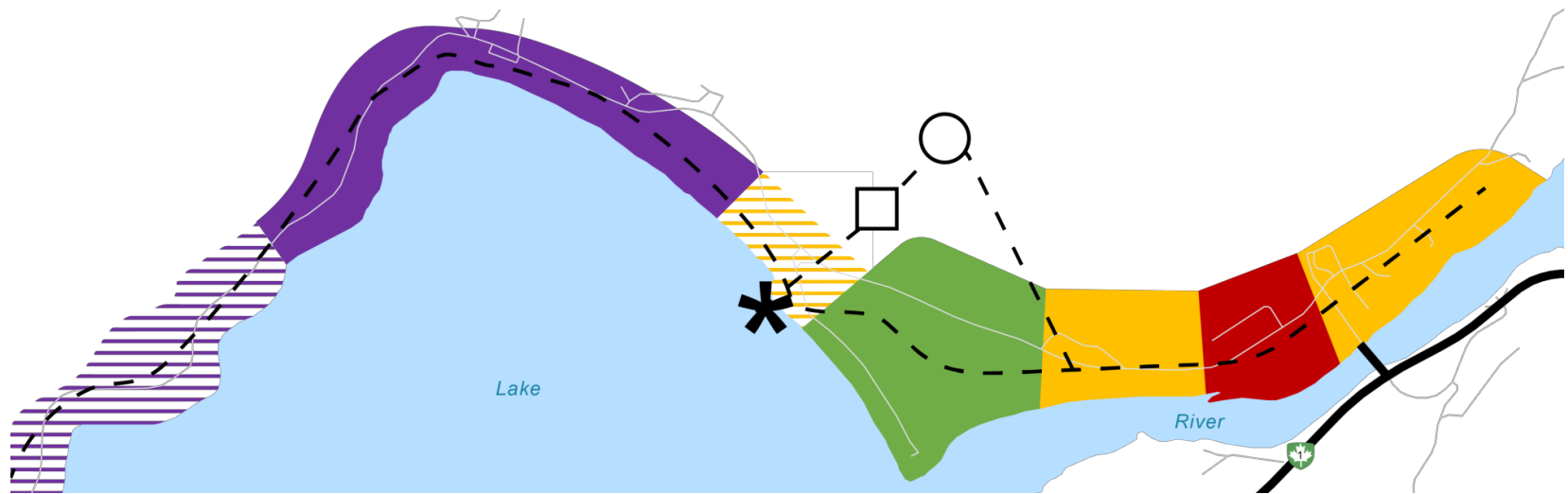


## Community Land Use Plan

-  Member Residential Area – Existing
-  Member Residential Area – Future
-  Community Buildings
-  Waterfront Lease Lots – Existing
-  Waterfront Lease Lots – Future
-  Commercial Centre

## Water Servicing Plan

-  Supply
-  Treatment Plant
-  Storage Tank
-  Distribution System



# Scenario #1



- Principles for infrastructure cost recovery
  - Benefitter pays
  - Fair and equitable allocation
  - Administrative efficiency
- Water infrastructure
  - Capital costs – allocated on the basis of capacity built
  - Operating costs – allocated on the basis of use

# Scenario #1



Portion of costs associated with providing services to **member residential and community buildings**

- Capital Costs
  - Focus is contributions from Canada
  - FNII and other FMA institutions working with Canada on new funding innovations (i.e. monetization)
- O&M, Asset Management Costs / Lifecycle Renewal Costs
  - Focus is contributions from Canada
  - Canada recently committed to enhancing O&M contributions
  - FNII will work with Canada to explore more stable and predictable approaches to O&M funding (i.e. formula)

# Scenario #1



Portion of costs associated with providing services to **leasehold residential and economic development parcels**

- Capital Costs
  - Focus is fiscal tools of the First Nations Fiscal Management Act (i.e. property tax, services tax, development cost charges)
- O&M, Asset Management Costs / Lifecycle Renewal Costs
  - Focus is fiscal tools of the FMA (i.e. property tax, user fees)

# Cost Recovery (Scenario #1)



Service Beneficiary	Capital Costs	Operations & Maintenance, Asset Management Costs
Member Residential & Community Buildings	<ul style="list-style-type: none"> <li>• Contributions from Canada</li> <li><i>Monetized Capital Transfers</i></li> </ul>	<ul style="list-style-type: none"> <li>• Annual contributions from Canada</li> <li><i>Stable, predictable annual funding</i></li> </ul>
Leasehold Residential & Economic Development Parcels	<ul style="list-style-type: none"> <li>• Property Tax</li> <li>• Service Tax</li> </ul>	<ul style="list-style-type: none"> <li>• Property Tax</li> <li>• User Fee</li> </ul>
Future Member Residential & Future Community Buildings	<ul style="list-style-type: none"> <li>• Future Contributions from Canada</li> </ul>	<ul style="list-style-type: none"> <li>• Annual contributions from Canada</li> </ul>
Future Leasehold Residential & Future Ec Dev Parcels	<ul style="list-style-type: none"> <li>• Development Cost Charges</li> </ul>	<ul style="list-style-type: none"> <li>• Property Tax</li> <li>• User Fee</li> </ul>

# Scenario #2



## Multi-Purpose Building

(i.e. Nation admin office, health centre, Nation business offices, and community / recreation facility)

- Achieves a number of the Nation's strategic objectives
  - Comprehensive Community Plan
  - Strategic Plan
  - Land Use Plan
- Strategic Case



# Scenario #2



## Multi-Purpose Building

- Feasibility Study completed
  - Building concept
  - Conceptual floor plan
  - Conceptual level cost estimate
- Economic Case

# Scenario #2



## Multi-Purpose Building

Nation Admin  
Offices

Common  
Services  
(Washrooms & Kitchen)

Economic  
Development  
Office

Health Centre

Gym

# Scenario #2

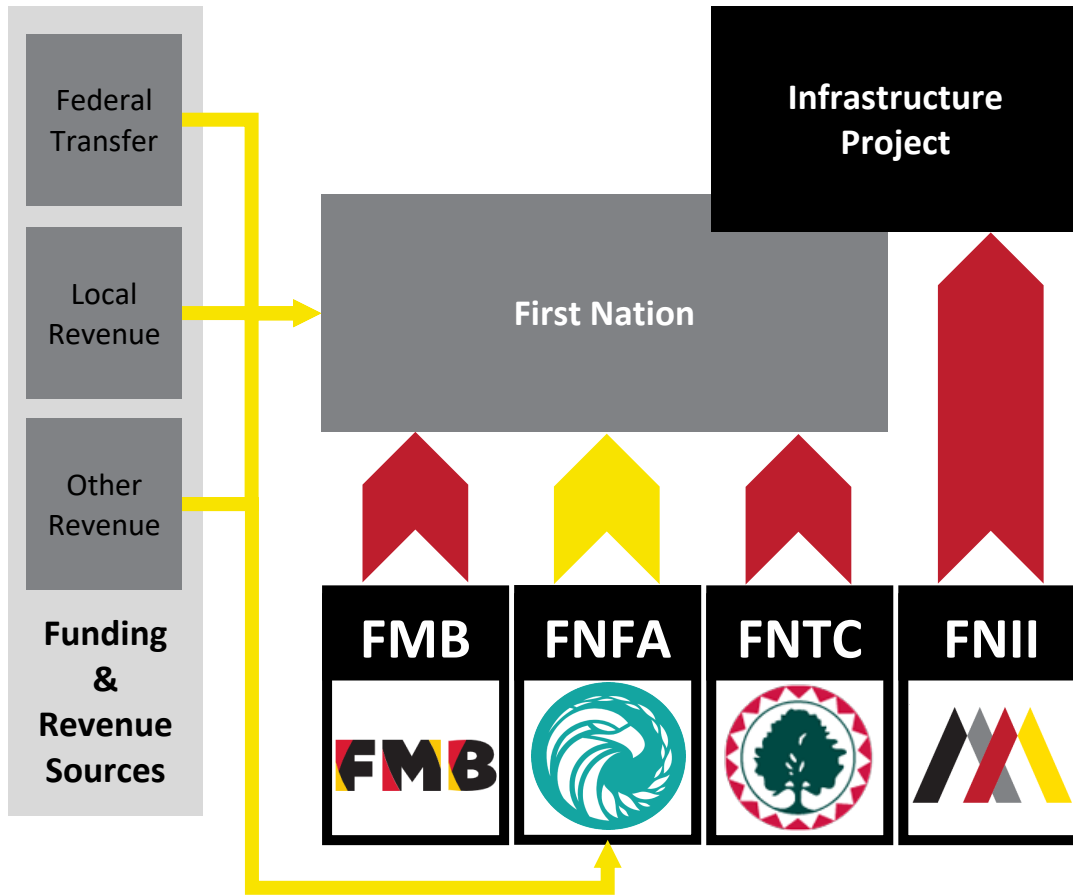


Share of costs associated with the Nation Administrative Office, Community / Recreation Facility  
Focus is contributions from Canada

Share of costs associated with the Health Centre  
First Nations Health Authority (in BC) or ISC (outside BC)

Share of costs associated Nation's Corporate or Business Entities  
Contribution from the net income of Nation's business enterprise(s) utilizing office space

# Example Financial Model: Capital Costs



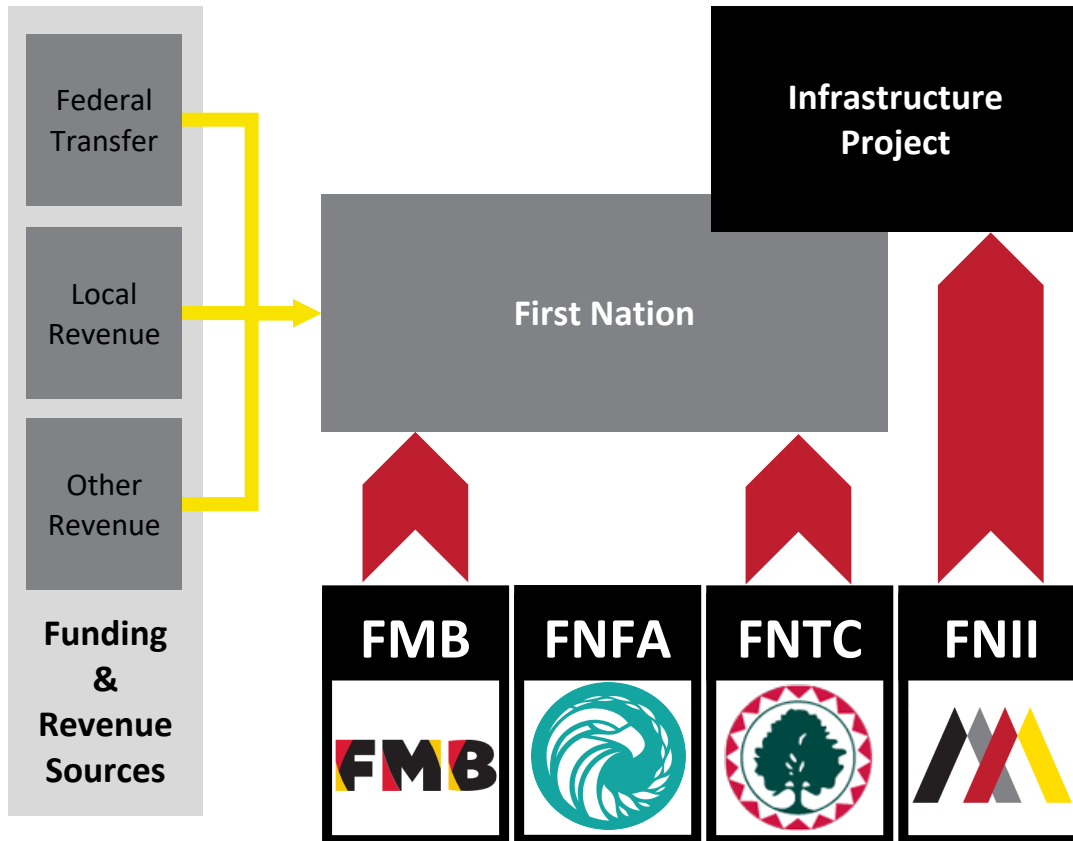
## One Possible Scenario

Considering the Capital Costs of an Infrastructure Project Supporting Community and Economic Development Purposes

- FN achieves FMB certification.
- FNTC approval of FN's local revenue laws.
- FNII supports FN to develop project.
- Project elements achieve FNII standards.
- FNII certification supports funding and financing innovations.
- FNII risk management framework supports FNFA borrowing.
- FNFA issues debenture and provides financing to FN for project secured by a combination of funding and local and other revenues.



# Example Financial Model: O&M and Lifecycle Costs



**One Possible Scenario** (continued)  
Considering O&M and Lifecycle Renewal Costs of an Infrastructure Project Supporting Community and Ec Dev Purposes

- FN achieves FMB certification.
- FN's local revenue laws approved by FNTC (like fees and property taxes that will be used to cover O&M and lifecycle renewal costs).
- FNII supports development and implementation of O&M plan and AM plan.
- FNII certification supports formula-based O&M funding and contributions to reserve funds for lifecycle renewal

