

BUSINESS PARTNERSHIPS

BY SARAH B. HOOD

TSAWWASSEN FIRST NATION SPEARHEADS TWO UNIQUE MALL DEVELOPMENT PROJECTS



The \$600-million Tsawwassen Mills shopping centre has 1.2 million square feet of retail space and a 1,100-seat food court

“ always talk about this as reconciliation in action,” says Tom McCarthy, CAO of Tsawwassen First Nation (TFN), a Coast Salish First Nations community in British Columbia. Perhaps somewhat surprisingly, he’s talking about a major shopping mall development.

McCarthy was commenting on Tsawwassen Mills, a \$600-million shopping centre occupying two million square feet on 185 acres of TFN land near Delta, B.C. The mall opened for business this past October and features 1.2 million square feet of retail space with a 1,100-seat food court. It was built by Ivanhoé Cambridge, the same real estate company that developed Vaughan Mills mall in Ontario and CrossIron Mills in Calgary.

Adjacent to the Tsawwassen Mills is another new mall project: Tsawwassen Commons, a 550,000-square-foot big-box shopping centre spearheaded by the Property Development Group (PDG). This project is expected to be completed by mid-2017.

It’s the Tsawwassen Economic Development Corporation that’s charged with seeking partners such as PDG and Ivanhoé Cambridge to develop suitable projects on TFN land – projects that generate long and short-term lease revenues for the First Nation while providing training and employment for its members and their businesses.

As evidenced by these two mega-projects, the corporation has been successful in its endeavours to date. “We’ve succeeded in finding partners that are prepared to deliver on both of those mandates,” says Chris Hartman, the Tsawwassen Economic Development Corporation CEO.

LONG-TERM VALUE

It was in the late 2000s that the Tsawwassen EDC first started looking for a stable tenant that could add long-term value to the community. This happened at the same time that Ivanhoé Cambridge was searching for a suitable piece of land for another of its Mills projects. PDG, meanwhile, had already eyed an opportunity for its own

mall on TFN land. In both cases, says McCarthy, it proved a good match for the First Nation. “What was so magical about this was that we realized that the two parties wanted to achieve mutually beneficial interests,” he notes.

But first there were some wrinkles that had to be ironed out, namely that PDG had already tied up 100 acres of the TFN site before Ivanhoé Cambridge came to the table. So the Tsawwassen EDC increased the size of the land parcel from 100 acres to 185, which in turn allowed Tsawwassen Mills to be located on 120 acres and PDG’s Tsawwassen Commons to occupy the remaining 65 acres.

“We broke a lot of new ground with respect to the negotiations,” Hartman says. “Even though I think this was the sixth project for PDG on First Nations land in B.C., we brought forward some new concepts that Ivanhoé Cambridge or PDG hadn’t seen before.”

This included capacity building in the form of jobs, training and

opportunities for members and their businesses. As well, TFN negotiated a legacy revenue, similar to a participation rent for a tenant in a commercial mall, which provides a portion of the tenant's ongoing revenue to the landlord.

The economic benefits for the TFN community are considerable, with two revenue flows coming their way: the prepaid lease revenue, which represents market value for the 185-acre land parcel, and the legacy revenue, which represents a significant income stream that will be provided to the members over the term of the 99-year lease. "TFN uses those monies to help provide services to the TFN members – all your typical municipal services, plus other responsibilities in health and education. There's property tax as well," says Hartman.

BROAD SUPPORT

Almost all TFN's 480 members supported the two projects, with 97 per cent voting in favour. This included the 40 per cent who live outside the immediate area in the Okanagan region and the area around Bellingham, Washington. "Most people saw that it was a really good way to put Tsawwassen on the map," says McCarthy.

The First Nation is even starting to see some of its members return home for new job opportunities. There are 4,000 permanent jobs available in the retail projects and as many as 4,000 more opening up in the industrial lands that will house a logistics centre. "TFN is becoming a major employment centre in the Lower Mainland," boasts Hartman. "We're not only benefiting the TFN community, we're also providing employment benefits to all of the South Delta and Lower Mainland."

The projects have had an additional ripple effect in the First Nation community: they've offered support to its talented group of artists and craftspeople, some of whom have been commissioned to create original decorative artwork for the new buildings. Even the crosswalks have been conceived to reflect Coast Salish designs.



The shopping centre in Tsawwassen showcases beautiful examples of Indigenous art and culture

"Our artists have never been busier," says McCarthy. "The project has caused a real cultural renewal at Tsawwassen First Nation as we require that all our projects incorporate an art element. Iwanhoé Cambridge hired a number of artists and they commissioned original pieces: weavings, baskets, totem poles, carvings."

A further benefit has been a deeper understanding of the community on the part of its business partners. "I witnessed through the course of our discussion a huge growth of learning

on the companies' part about First Nations culture," says McCarthy. "As our partnership grew and deepened, we had senior executives at Iwanhoé Cambridge telling some of their anchor tenants what would be appropriate in terms of cultural content. They had learned enough to educate their tenants."

While both projects may have begun purely as a lucrative business venture, they ultimately ended up as something far more meaningful. They are connecting people in a way that has resonated among all the stakeholders. ■

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