

BLOOD TRIBE ECONOMIC DEVELOPMENT



COMMUNITY ECONOMIC PROFILE

A SECTION OF THE

*Blood Tribe Community
Development Plan*

APPROVED BY:

BLOOD TRIBE CHIEF & COUNCIL

DECEMBER 5, 2005
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CONTENTS

| | |
|--|--------------------|
| BUSINESS AND INDUSTRY | Pg. 3 |
| LOCATION..... | Pg. 3 |
| MARKET AREA | Pg. 3 |
| TRANSPORTATION | Pg. 4 |
| Air Service | Pg. 4 |
| Rail Service..... | Pg. 4 |
| Truck Transport | Pg. 4 |
| Bus Service..... | Pg. 4 |
| TRAFFIC FLOWS | Pg. 4 - 5 |
| OFFICE & COMMERCIAL RATES | Pg. 5 |
| LABOR, EMPLOYMENT & EDUCATION..... | Pg. 5 - 11 |
| Labor Market Information | Pg. 5 |
| Employment by Industry | Pg. 6 |
| Employment by Occupation..... | Pg. 7 |
| Blood Tribe Major Employers | Pg. 8 |
| Education Levels | Pg. 8 |
| Current (06/07) Post Secondary Students | Pg. 9 |
| Graduate Post Secondary Students | Pg. 10 |
| Income Characteristics | Pg. 11 |
| Composition of Total Income | Pg. 11 |
| Monthly Household Expenditures..... | Pg. 11 |
| SMALL BUSINESS INFORMATION & OPPORTUNITIES | Pg. 12 - 14 |
| Five key business development opportunities..... | Pg. 12 |
| Values directing Economic Development (Criteria for venture selection) | Pg. 12 |
| Types of Small Business that would/could be used | Pg. 12 |
| Business Licensing | Pg. 13 |
| Business Services by Community | Pg. 14 |
| TOURISM | Pg. 15 -16 |
| LAND DESIGNATION..... | Pg. 16 - 17 |
| TRIBAL ENTITIES & ORGANIZATIONS..... | Pg. 17 -18 |
| PROPOSED DEVELOPMENT PROJECTS..... | Pg. 18 |
| NATURAL RESOURCES..... | Pg. 19 - 25 |
| Sustainable & Renewable Resources | |
| Land, Agriculture, Ranching | Pg. 19 |
| Wind..... | Pg. 20 |
| Fish & Wildlife | Pg. 20 |
| Timber Limits | Pg. 20 - 21 |
| Water | Pg. 21 - 22 |
| Non – Renewable Resources | |
| Oil & Gas | Pg. 22 - 23 |
| Sand & Gravel | Pg. 23 - 24 |
| Oyster Shells | Pg. 24 |
| Coal & Coal Bed Methane | Pg. 24-25 |
| Ammonite..... | Pg. 25 |

ECONOMY



BUSINESS AND INDUSTRY

The Blood Tribe's major economic base has traditionally been the agricultural sector. Farming (both irrigated and non-irrigated), and oil and gas exploration also provide employment for Tribal members. The Tribe's economic base is beginning to diversify. The economy is supplemented by some small businesses and Tribal government programs, services and corporations. Another source is some limited mining derived from fossil shell (Ammonite) and associated sources. Although some forestry products are available at the timber limits (#148 A) no economically viable forestry ventures have been proposed.

The Blood Reserve's location, work force and entrepreneurial attitude are also creating opportunities in the area of small and medium sized business. These opportunities will help to ensure strong growth for the Tribe's economy. The Blood Tribe Economic Development Department is constantly striving to develop a self-sustaining economy by facilitating the development of private, public and corporate enterprises.

LOCATION

The Blood Reserve, the largest in Canada, is located approximately 200 kilometers south of Calgary. The Reserve is close to 600 sq. miles in area. (Including an area (148 A) near Waterton Park known as the Timber Limits). The Tribal Government and Administrative offices are centrally located in the town of Standoff.

MARKET AREA

The geographical market and trading area for the Blood Tribe is primarily in Southern Alberta. However, marketing of small business products and handicrafts increases the potential to go far beyond the borders of Alberta and Canada. A case in point is the Blood Tribe Forage Plant which currently exports to the United States and the Pacific Rim.

The Blood Tribe's traditional business ties have been in agriculture. This trend is not expected to change rapidly in the next few years; however, increased entrepreneurial activity is expected to improve economic conditions on the Blood Reserve. This will result in an increase in the disposable income of many of the Blood Tribe members. While traditional ties with surrounding communities will remain the same, the Blood Tribe is not limited to these markets.

TRANSPORTATION

The Blood Reserve has an excellent physical infrastructure and is accessible by road, railroad, and water. The Blood Reserve is located on Hwy #2 which links with Calgary and Edmonton (two and six hour drives). The United States Border is accessible via Hwy #2, 25 minutes south. Standoff is also connected to Lethbridge with Highway #509, 40 minutes to the east. Access to Hwy #3, a major east to west route, is 20 minutes north.

Air Service

Standoff is located 40 minutes from the Lethbridge County Airport which provides local, and regional service. Lethbridge has daily connecting flights to Calgary and Edmonton International airports.

Rail Service

A Canadian Pacific Railway mainline borders the Blood Reserve to the North on Hwy 509 & Hwy 3. Service is provided out of Lethbridge with freight shipping available in all four directions.

Truck Transport

Trucking is a complex and highly specialized industry in southern Alberta. This provides a complete range of highly competitive trucking service availability.

Bus Service

Long distance bus transportation and shipping is provided by Greyhound Lines of Canada with regular scheduled service provided from both Lethbridge and Fort Macleod.

TRAFFIC FLOWS (2004)

| Location | Intersection | Avg. Annual Daily Traffic | Avg. Summer Daily Traffic |
|----------------------|----------------------|---------------------------|---------------------------|
| North (Standoff) | S of Hwy 509 & Hwy 2 | 2,780 | 3,060 |
| North East (Kipp) | S of Hwy 509 & Hwy 3 | 13,240 | 14,190 |
| South (Cardston) | N of Hwy 5 & Hwy 501 | 4,870 | 5,370 |
| West (Spring Coulee) | W of Hwy 5 | 370 | 430 |
| East (Glenwood) | E of 810 & Hwy 505 | 680 | 820 |

Source: Alberta Infrastructure & Transportation

Timber Limits (148 A): The Chief Mountain Border Crossing (Hwy 6 to US 17) is open seasonally from May 15th to September 30th. The following figures reflect those entering Canada from the United States and passing directly through the timber limits.

Timber Limits Traffic Flows (2005)

| Month | # of Vehicles | # of People |
|---------------|---------------|---------------|
| May | 686 | 1,430 |
| June | 5,410 | 11,880 |
| July | 9,205 | 25,752 |
| August | 8,920 | 22,420 |
| September | 850 | 1,768 |
| TOTALS | 25,071 | 63,250 |

Source: Canada Customs (Chief Mountain) – Sept. 2005

OFFICE & COMMERCIAL RATES

The Blood Tribe has office, commercial and industrial spaces available in prime locations for rent. The rental and lease rates are comparable if not lower than the surrounding communities.

Rental Rates Comparison (2004)

| <u>Town/City</u> | <u>Location</u> | <u>Rate (Sq.Ft.)</u> |
|------------------|----------------------|----------------------|
| Blood Reserve | Moccasin Flats Plaza | .66 |
| Fort Macleod | Main Street | 1.20 |
| Cardston | Main Street | 3.00 |
| Lethbridge | Central | 10.00 |
| Lethbridge | North | 10.50 |
| Lethbridge | West | 18.00 |

Source: Blood Tribe Economic Development Dept.

LABOR, EMPLOYMENT & EDUCATION

The Blood Tribe's labour force is characterized by high participation rates among males and females and relative labor stability. Blood Tribe members are furthering their occupational skills and educational requirements to adapt to the current career and employment trends. Home based businesses have remained a viable means of income for many Tribal members. This entrepreneurial trend is expected to continue as the number of businesses increase which will then have a positive impact on the local reserve economy. The availability of small business development workshops, training and grants has increased the number of small business start-ups and opportunities.

Labor Market Information (2001)

| | |
|--------------------|---|
| Participation Rate | 44.4 % (15 years and over employed or looking for employment.) |
| Employment Rate | 30.5% |
| Unemployment Rate | 31.2% |

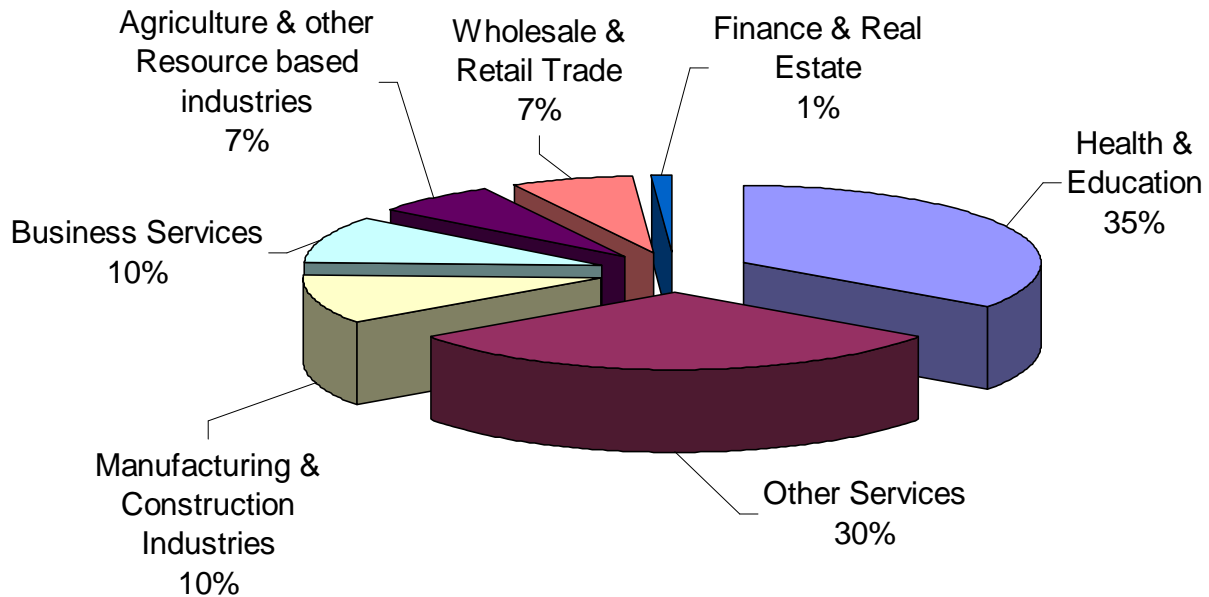
Source: Statistics Canada 2001 Aboriginal Population Profile (Blood 148)

Employment by Industry (2001)

| Characteristics | Total | Male | Female |
|---|------------|------------|------------|
| Health & Education | 315 | 95 | 225 |
| Other Services | 275 | 150 | 125 |
| Manufacturing & Construction Industries | 95 | 90 | 10 |
| Business Services | 90 | 65 | 30 |
| Agriculture & other Resource based industries | 60 | 55 | 10 |
| Wholesale & Retail Trade | 60 | 35 | 25 |
| Finance & Real Estate | 10 | 0 | 0 |
| Total – Experienced Labor Force | 910 | 490 | 420 |

Source: Statistics Canada 2001 Aboriginal Population Profile (Blood 148)

Employment by Industry (%) - 2001



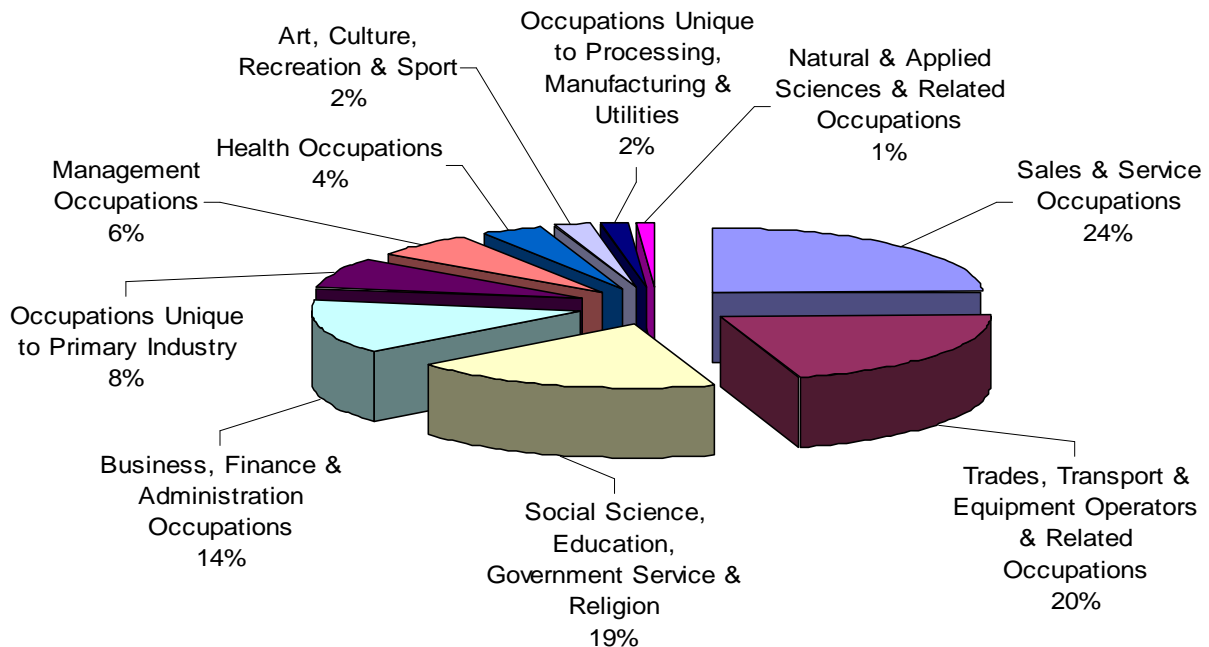
Source: Statistics Canada 2001 Aboriginal Population Profile (Blood 148)

Employment by Occupation (2001)

| Characteristics | Total | Male | Female |
|---|------------|------------|------------|
| Sales & Service Occupations | 225 | 100 | 120 |
| Trades, Transport & Equipment Operators & Related Occupations | 190 | 170 | 20 |
| Social Science, Education, Government Service & Religion | 170 | 55 | 115 |
| Business, Finance & Administration Occupations | 125 | 15 | 110 |
| Occupations Unique to Primary Industry | 70 | 65 | 10 |
| Management Occupations | 55 | 40 | 20 |
| Health Occupations | 35 | 10 | 25 |
| Art, Culture, Recreation & Sport | 20 | 15 | 10 |
| Occupations Unique to Processing, Manufacturing & Utilities | 15 | 15 | 0 |
| Natural & Applied Sciences & Related Occupations | 10 | 15 | 0 |
| Total – Experienced Labor Force | 910 | 495 | 420 |

Source: Statistics Canada 2001 Aboriginal Population Profile (Blood 148)

Employment By Occupation (%) - 2001



Source: Statistics Canada 2001 Aboriginal Population Profile (Blood 148)

Blood Tribe Major Employers (Sept. 2005)

| Employer | Business Activity | Employees |
|--|--------------------------|-------------|
| Blood Tribe Administration | Government Services | 344 |
| Kainai Board Of Education | Education Services | 260 |
| Blood Tribe Department of Health | Health & Social Services | 236 |
| Kainai Children's Services Corporation | Health & Social Services | 121 |
| Blood Reserve Bus Co-op | Education Services | 85 |
| Blood Tribe Police | Government Services | 75 |
| Red Crow Community College | Education Services | 50 |
| Blood Tribe Agricultural Project | Agriculture | 31 |
| Blood Tribe Forage Processing Plant | Agriculture | 28 |
| Blood Tribe Community Corrections | Government Services | 26 |
| St. Paul Treatment Centre | Health & Social Services | 25 |
| ScotiaBank | Finance | 11 |
| Kainai Agri-Business Corporation | Agriculture | 8 |
| Kainai Resources Inc. | Oil & Gas | 8 |
| TOTAL | | 1308 |

Notes:

Source: Blood Tribe Economic Development Dept.

Figures are estimates only and may include: permanent, casual, temporary, part time, & seasonal employees.

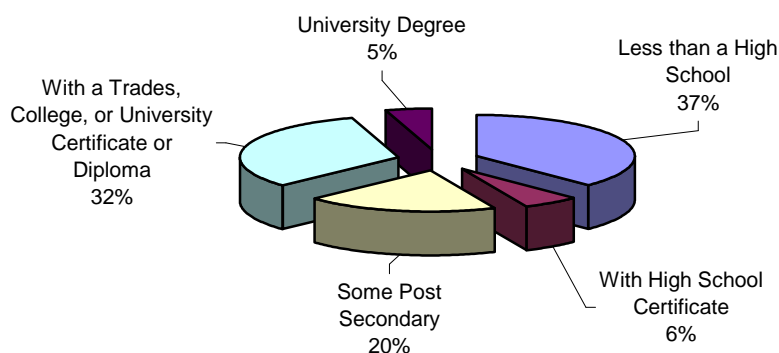
Figures do not include: Private business, off Reserve, or self employed

Education Levels (2001) - % of the population 25 years of age and over

| Characteristics | Total | Male | Female |
|--|-------|------|--------|
| Less than a High School Graduation Certificate | 37.3 | 38.8 | 36.5 |
| With a High School Graduation Certificate | 5.8 | 5.6 | 6.1 |
| With some Post Secondary Education | 19.8 | 18 | 21.5 |
| With a Trades, College, or University Certificate or Diploma | 32 | 34.3 | 29.8 |
| With a University Degree at Bachelor's Level or Higher | 4.7 | 3.4 | 6.1 |

Source: Statistics Canada 2001 Aboriginal Population Profile (Blood 148)

Education Levels (% of Population 25 & Over) - 2001

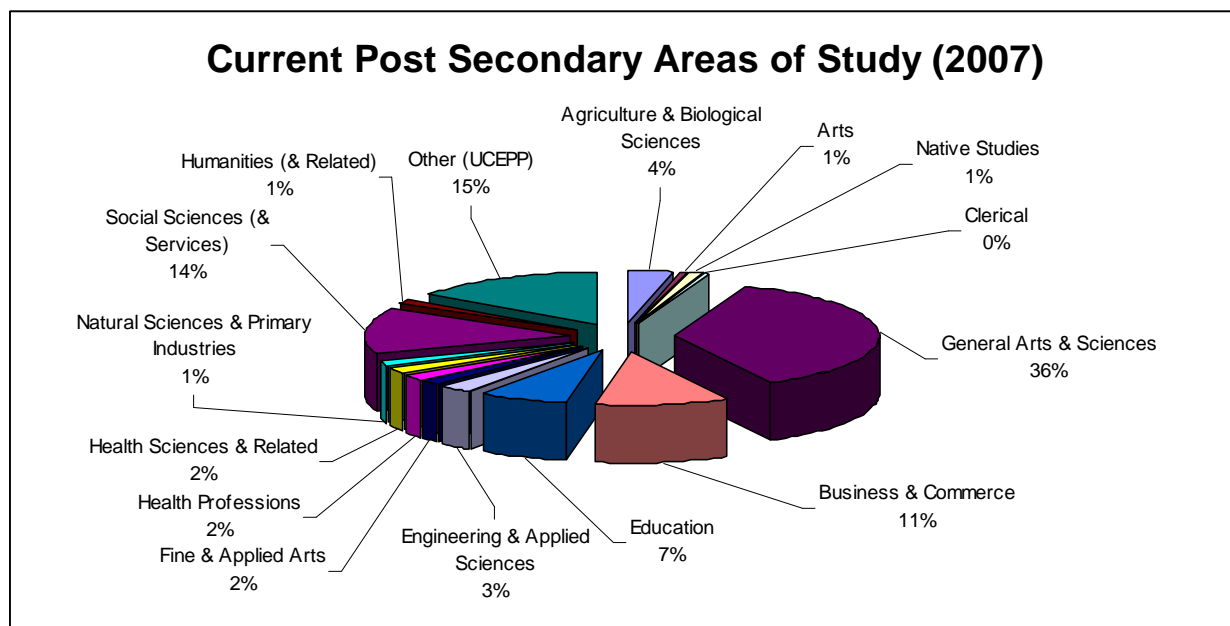


Source: Statistics Canada 2001 Aboriginal Population Profile (Blood 148)

Current (06/07) - Post Secondary Students

| Area of Study - Current | Total | Male | Female |
|---------------------------------------|------------|------------|------------|
| Agriculture & Biological Sciences | 13 | 7 | 6 |
| Arts | 2 | 1 | 1 |
| Native Studies | 4 | 1 | 3 |
| Clerical | 1 | 0 | 1 |
| General Arts & Sciences | 133 | 58 | 75 |
| Business & Commerce | 39 | 13 | 26 |
| Education | 25 | 1 | 24 |
| Engineering & Applied Sciences | 10 | 7 | 3 |
| Fine & Applied Arts | 6 | 0 | 6 |
| Health Professions | 7 | 3 | 4 |
| Health Sciences & Related | 7 | 0 | 7 |
| Natural Sciences & Primary Industries | 5 | 3 | 2 |
| Social Sciences (& Services) | 51 | 12 | 39 |
| Humanities (& Related) | 5 | 4 | 1 |
| Other (UCEPP) | 55 | 21 | 34 |
| | | | |
| TOTAL | 363 | 131 | 232 |

Source: Red Crow Community College – February 2007

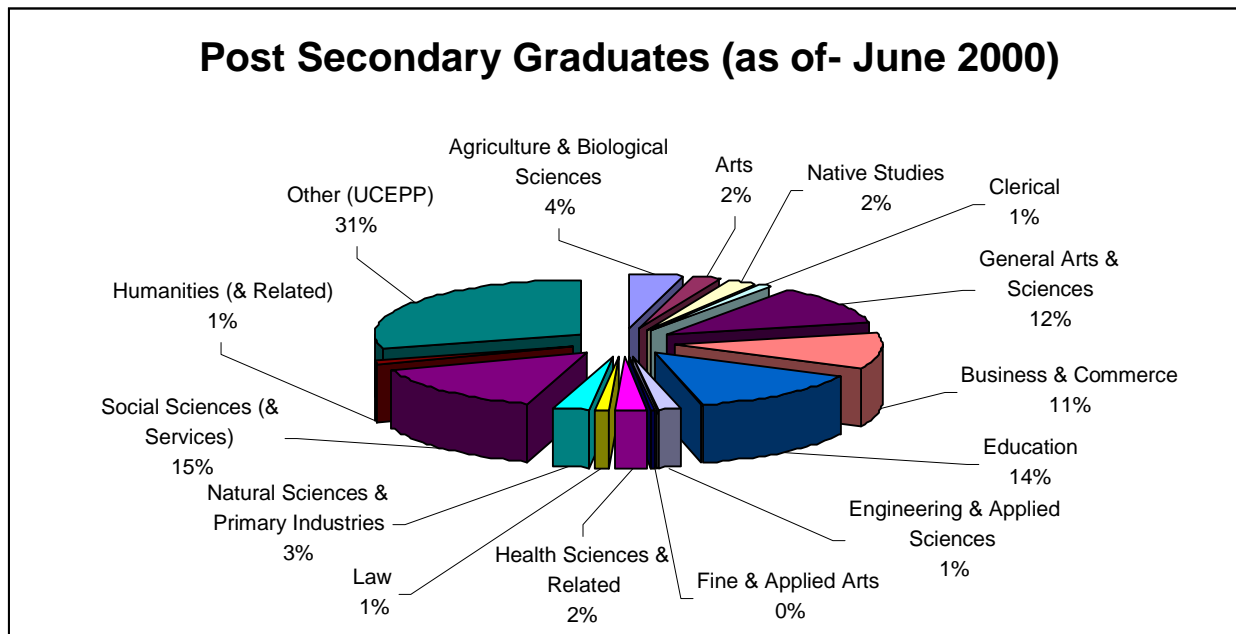


Graduate - Post Secondary Students (since June 2000)

| Area of Study - Graduates | Total | Male | Female | Diploma | Degree | Masters |
|---------------------------------------|------------|------------|------------|------------|------------|-----------|
| Agriculture & Biological Sciences | 17 | 13 | 4 | | 16 | 1 |
| Arts | 9 | 2 | 7 | 8 | | |
| Native Studies | 9 | 2 | 7 | 3 | 5 | |
| Clerical | 5 | 0 | 5 | 5 | | |
| General Arts & Sciences | 48 | 7 | 41 | 15 | 32 | |
| Business & Commerce | 45 | 12 | 33 | 24 | 21 | 1 |
| Education | 59 | 14 | 45 | 3 | 43 | 12 |
| Engineering & Applied Sciences | 6 | 5 | 1 | 5 | 1 | |
| Fine & Applied Arts | 2 | 1 | 1 | | 2 | |
| Health Sciences & Related | 10 | 2 | 8 | 7 | 3 | |
| Law | 4 | 2 | 2 | | 4 | |
| Natural Sciences & Primary Industries | 12 | 8 | 4 | 13 | | |
| Social Sciences (& Services) | 62 | 11 | 51 | 22 | 37 | 5 |
| Humanities (& Related) | 3 | 1 | 2 | 1 | | |
| Other (UCEPP) | 122 | 52 | 70 | 124 | | |
| TOTAL | 413 | 132 | 281 | 230 | 164 | 19 |

Note: above does not reflect graduates prior to June 2000

Source: Red Crow Community College – February 2007



INCOME CHARACTERISTICS (2001)

| | |
|---|----------|
| Median Total Income of Persons Aged 15 & Over | \$ 7,760 |
| Average Earnings (Full Time Employee) | \$27,523 |

Composition of Total Income (100%)

| | |
|---------------------|------------------|
| Earnings | 61.7 % of Income |
| Government Transfer | 36.1 % of Income |
| Other Money | 2.2 % of Income |

Source: Statistics Canada 2001 Aboriginal Population Profile (Blood 148)

Monthly Household Expenditures (1997)

| | |
|----------------------|---|
| Off Reserve Spending | 80.87% (Cities- 54.66%, Towns- 24.48%, Other 1.73%) |
| On Reserve Spending | 19.13% |

Source: Blood Tribe Economic Development Leakage Study (1997)

SMALL BUSINESS INFORMATION & OPPORTUNITIES

The most recent database information compiled by the Blood Tribe Economic Development Department (Aug. 2005) indicates that there are currently 290 entrepreneurs who are either currently in business, recently started business or have accessed the Small Business Grant program.

Five Key Business Development Opportunities

1. Agriculture Development
2. Small Business Development
3. Resource Development
4. Tourism & Recreation
5. Development of Reserve Lands

Source: Blood Tribe Economic Development Survey & Summit, 2003

Values Directing Economic Development (*Criteria for venture selection*)

1. Create Jobs
2. Provide training for young people
3. Making a profit
4. Owned and managed by Blood Tribe members
5. Does not damage the land
6. Follows the principles of Kainaysinni

Source: Blood Tribe Economic Development Survey 2003

Types of Small Business that would/could be used:

| | | | |
|-------------------|------------------|-----------------|-------------------|
| 7-11 type | Courier service | Internet café | Pool hall |
| Ammonite store | Delivery service | Laundromat | Recreation center |
| Appliance repair | Dollar store | Liquor store | Restaurants |
| Arcade | Electronics | Lock Smith | Shoe store |
| Arts & crafts | Fabric store | Meat market | Smoke shop |
| Auto repair/parts | Farm supplies | Meat plant | Sports shop |
| Bakery | Fast food | Mini golf | Stationary |
| Bookstore | Fitness Center | Music store | Tanning salon |
| Bottle depot | Flower shop | Novelty shop | Theaters |
| Bottled water | Furniture | Office supplies | Tire shop |
| Bulk fuel | Grocery stores | Oil changers | Variety stores |
| Cannery | Hair salon | Pawn shop | Video |
| Car wash | Health foods | Pay Day loans | Wal-Mart Type |
| Clothing store | Hotel/casino | Pet store | Water park |
| Coffee shop | IGA type | Pharmacy | Wholesale foods |
| Computer | Insurance | Photo shop | |

Source: Blood Tribe Economic Development Survey 2003

Other Issues Relating to Business Opportunities

- The Band should allow franchise operations - 80% (in favor)
- The Band should encourage big business onto the reserve and take long term leases - 67 %
- The Band should establish partnerships/joint ventures with non-native companies - 72%

Where Should New Business be Located

- Anywhere on reserve 37%
- Central /Standoff 36%
- North End development 17%
- Moses Lake/Cardston 10%

Source: Blood Tribe Economic Development Survey 2003

Business Licensing



The Tribe has traditionally used Band Council Resolutions (BCRs) to gauge business start-ups and activity. Currently a BCR is required primarily to secure financing from financial institutions or to obtain permission for GST exemption sales on fuel and tobacco sales. The Blood Tribe Economic Development Department has introduced a draft business licensing bylaw. The overall goal of the bylaw is for every person (member & non-members) conducting or carrying on a business on the Reserve to apply and hold a valid licence issued under this by-law. The bylaw will also allow for the collection of fees, provide a business registry, and introduce the establishment and enforcement of Tribal business standards and regulations.

Business Services (By Community)

| SERVICES | ML | B | FC | SM | L | S | FW | OA | NE |
|---------------------------------|----|---|----|----|---|---|----|----|----|
| Arts & Crafts | X | X | X | X | X | X | X | X | |
| Automotive Repairs & Service | X | | X | X | | X | | X | |
| Catering | | | | | X | X | | X | |
| Construction | X | | | | | X | | | |
| Consulting | X | | | | | X | | | |
| Convenience Store | X | | | | X | X | | | |
| Communications & Media | X | | | | | X | | | |
| Financial | | | | | | X | | | |
| Fuel/Gas Bar | X | | | | | X | | | X |
| Garbage Disposal | | | | X | | | | | |
| Gift Shop | X | | | | | X | | | |
| Hair /Beauty Salons | | | X | | | X | | | |
| Horse Training/Boarding | X | | | | | | | X | |
| Insurance | | | | | | X | | | |
| Jewelry/Ammonite | X | | | | | X | | | |
| Laundry | | | | | | | | | |
| Landscaping/Lawn | X | | | | | X | | X | |
| Law | | | | | | X | | | |
| Massage Therapy | | | | | | X | | | |
| Office/Commercial Space | X | | | | | X | | | |
| Pawn Shop | | | | | | | | | |
| Pharmacy | | | | | | X | | | |
| Postal | | | | | | X | | | |
| Recreation & Entertainment | | | | | | X | | | |
| Restaurant | | | | | | X | | | |
| Seamstress/Clothing Design | | | | | | X | | | |
| Septic Cleaning & Water Hauling | X | | | | X | X | | | |
| Towing - Automotive | X | | | X | | X | | | |
| Trail Rides | | | | | X | | | | |
| Trucking | X | | | | | X | | | |
| Welding | | | | X | | | | | |

KEY: **ML** = Moses Lake, **B**= Bullhorn/St. Paul's, **FC** = Fish Creek, **SM** = St. Mary's, **L** – Levern
S = Standoff, **FW** = Ft Whoop Up, **OA** = Old Agency, **NE** = North End (Kipp)

TOURISM

A Blood Reserve Community Tourism Action Plan was completed in the early 90's. The plan details the tourism attractions and assets of the Blood Tribe, as well as a ranking of these attractions with associated goals, objectives and concerns. The plan provides a background for the reintroduction of a tourism initiative

Tourism Goals & Concerns

| GOALS | CONCERNS (Lack of) |
|---|---|
| <i>To improve and increase tourism</i> Attractions | <ul style="list-style-type: none"> Attractions for visitors Attractiveness of settlement areas A "Focus" for visitors Stimulation and marketing of cottage industries Opportunities to communicate Native culture Presentation/interpretation of our rich history and legends Knowledge and souvenirs about Band history, outstanding Band members, Treaty, etc Special events and activities, and revenue from these Identification of points of interest Facilities for demonstration of dances, entertainment, etc Tours on Reserve – general and specialized |
| <i>To improve and increase tourism</i> Promotions | <ul style="list-style-type: none"> Marketing theme and strategy Information about attractions/services on the reserve Lure signs Promotional materials & distribution system for materials Participation in the Chinook Country Tourist Association Mention in regional and provincial guides |
| <i>To improve and increase tourism</i> Hospitality | <ul style="list-style-type: none"> Understanding by visitors about what areas and activities are accessible Identified locations for visitors to get information Understanding by visitors of true Native culture (not stereotypes) Knowledge about visitor attractions/services by residents |
| <i>To improve and increase tourism</i> Infrastructure | <ul style="list-style-type: none"> Coordination and communication among visitor orientated businesses and groups Informational and directional signs, visitors map etc Bylaw enforcement, beautification, animals at large, etc Maintenance of gravel and settlement roads |
| <i>To improve and increase tourism</i> Services | <ul style="list-style-type: none"> Accommodation on the Reserve Retail outlets Entrepreneurial environment on the Reserve (Financial difficulties) Entertainment (especially evenings) Serviced RV parks & resorts Food services "Step on Guides" and interpreters Visitor use of Red Crow Park Golfing opportunities (Kipp Bridge) Trail riding opportunities |

Source: Blood Reserve Community Tourism Action Plan -Draft

Tourism Planning:

The Blood Reserve does lack motel/hotels, restaurants, fast food outlets, bars & lounges, movie theatre, golf course & other tourist attractions, entertainment and recreational pursuits. However there are many regional attractions available. The impending tourism development on the Blood Reserve is expected to provide a major opportunity for economic development in the future.

We have engaged in discussions with consulting companies with a view towards developing a Tourism Master Plan for the Blood Reserve. The goal is a tourism plan, which includes eco and cultural tourism that will guide the tribe's resources for the next five to 10 years to increase development and marketing of the attractions available, along with the accompanying benefits of increased employment and revenue.

Provincial Tourism - Sign Up Alberta

There is a new Provincial Tourism Highway Signage program intended to meet North American standards for tourism signs. This creates the opportunity to increase visibility and awareness of Tribal business services and tourist attractions. There are two types of signs:

- Logo Signs = Essential services (Gas, Food, Lodging)
- Tourist Oriented Directional Signs = (Tourist Attractions, Services & Facilities)

← LAND DESIGNATION →

This is a subject that is worth examining if it can aid in overcoming the current deficiencies in our ability to attract major business and employers to the reserve. The underlying goal is the improvement of our overall economic infrastructure and competitiveness. Land designation can create an environment in which outside companies and investors would want to partner with the Tribe which will ultimately improve our current economic situation. The idea is that we will be ready for opportunities as they arise and will also have the ability to attract opportunities, financial resources, and provide investment protection, all of which are currently unavailable.

As a planning forethought, most of our major project funding and processes flow through INAC, which generally require land tenure clarification and designation as a prerequisite. Two of the Tribes successes are based on the fact that the land tenure was overcome through a head lease (BTAP) or surrender (Kainai Industries).

Ideally, a "General Designation" (North end of reserve) is envisioned which would then be zoned into general purpose areas: Industrial, Commercial (offices, shopping, etc), Residential and Recreational (golf course, etc).

It is important to note the following:

- Section 38(2) Designates specific parcels of land for specific use or purpose
- The final decision is referendum based
- Lands do **NOT** lose reserve status (tax exemption unchanged & bylaws apply)
- Similar to zoning
- Once the term ends, the lands revert back to the Tribe
- Lessee can be a Band corporation or third party

← TRIBAL ENTITIES & ORGANIZATIONS →

Business ventures for the Tribe have been small and large scale. Large scale business ventures have resulted in the development of Tribal corporations and entities with specific mandates and missions. Today, several Tribal entities and organizations are in existence.

Blood Tribe Economic Development: BTED will facilitate the development of private, public, and corporate enterprises and initiatives that build a self sustaining economy. The department provides small business entrepreneurs with training, funding, and management support and is also responsible for the promotion of larger business ventures that take advantage of the resources of the Tribe, including human, renewable & non renewable resources.

Blood Tribe Agricultural Project (1991): BTAP was formed in 1991 to provide 25,000 acres of irrigated land on the Blood Reserve. There are currently 104 centre pivots. BTAP provides irrigation to Tribe lands covered under the BTAP Head Lease. BTAP was a first step in developing Blood Tribe agricultural lands to their full capacity and to promote crop diversification, improve product quality and consistency, increase yields, increase returns and reduce the risks of dryland farming on the Blood Reserve.

Blood Tribe Forage Processing Plant (1996): The plant processes hay into a high quality densified product for the domestic and international fiber markets, utilizing timothy hay produced on BTAP lands. With a production of approximately 30,000 metric tonnes of hay per year, the operation ships more than 900 containers annually to Japan, Korea, Taiwan, the Middle East and the United States.

Kainai Agribusiness Corporation (1998): KABC will revitalize designated lands to develop, implement, co-ordinate and sustain the agricultural industry of the Blood Tribe leading towards a profitable return on investment and employment opportunities to the Blood Tribe through a professional corporation.

Kainai Chamber of Commerce (1999): The KCC was formed in 1999 and is a volunteer group that unites business and individuals in order to be a collective voice promoting the economic environment of the Blood Tribe.

Kainai Developments Ltd (1996): The sole purpose of KDL is to plan, develop and implement profit orientated ventures to improve our Tribal economy.

Kainai Manufactured Home Park (1998): The KMHP is a venture that was completed in 1998 to address the housing shortage. The KMHP consists of 35 units, (30 family & 10 single), and is located in Standoff, AB.

Kainai Resources Inc. (1997): KRI will create and continually increase revenue from oil, gas and mining activities, while conducting all activities in the safest most environmentally responsible and regulatory compliant manner possible with the highest standards of integrity.

St. Mary's Projects Ltd (1997): SMP is a First Nation consulting and contracting company offering a broad range of architectural, engineering, management and construction services.

PROPOSED DEVELOPMENT PROJECTS

| Proponent | Project | Cost (\$ Millions) | Status |
|----------------------------------|--|--------------------------------------|--------------------------------|
| Alta Link | Transmission Line Purchase JV | 13.427 / 90.0 BT/Overall | Ongoing |
| Alta Link | Transmission Line (Right of Way) | 1.5 estimated (1 time pmt. to tribe) | Ongoing |
| Blood Tribe (2000) | 18 Hole Golf Course | 6.78 | Discussion |
| Blood Tribe (2005) | Wind Energy 30 MW + | 57.0 | Ongoing Pre-feasibility |
| MODA (Alberta Govt.) | Kitchen Cabinets | 7.5 M | Preliminary |
| Blood Tribe | Home Hardware | 1.1 | Pre-feasibility |
| Blood Tribe (2003) | Casino/Resort | \$ 6.5 – \$7.0 + | Pre-feasibility |
| Blood Tribe | North End Development | | Pre-feasibility |
| Kainai Agri-Business Corp | Agriculture Supply JV | 1.2 | Feasibility Completed |
| Blood Tribe Agricultural Project | Forage Plant Expansion | Not Available (NA) | Feasibility |
| Kainai Resources Inc. | Bowood Well Drilling JV | NA | Negotiation/pre-feasibility |
| Kainai Resources Inc. | Ammonite Mining | NA | Negotiation/pre-feasibility |
| Akers Board of Trustees | Land Purchase | NA | Ongoing Pre-feasibility |
| Kainai Agri-Business Corp | Hog Processing Plant | NA | Feasibility |
| Blood Tribe | Kainai Industries Bldg: Alternative Uses | NA | Pre-feasibility/ Discussion |
| | | | |
| | | | |
| | | | |

Notes:

This provides a listing of projects that are conceptual, proposed, currently under construction, or are proposed to start construction. Not all projects are listed due to reasons of confidentiality and/or due to information not being available at the time of printing. The project costs may not reflect actual costs.

← NATURAL RESOURCES →

Sustainable & Renewable Resources

Land , Agriculture, Ranching

Total Land Base Main Reserve (# 148) = **351, 960 acres**
 Timber Reserve (# 148 A) = **4, 795 acres**

| Land Use Disposition (#148) | (Hectares) | (%) |
|------------------------------------|-------------------|------------|
| * Cultivated | 81,329 | 58 |
| ** Grassland | 55,565 | 39 |
| *** Other | 4,147 | 3 |
| Total | 141,041 | 100 |

* **Includes:** Dryland and irrigated

** **Includes:** Native grassland and riparian areas adjacent to major river systems

*** **Includes:** Community Buildings, Residential Housing, Provincial Highways, Local Improved Gravel Roads, Canadian Pacific Railway Right of Way, Oil & Gas development & Public Utility Right of Ways

| Land Use Permit Types (2005) | # of Permits |
|-------------------------------------|---------------------|
| Crop Production | 17 |
| Forage Production | 3 |
| Grazing (Livestock) Production | 47 |
| Livestock Sale | 255 |
| Oil & Gas Access | 211 |
| General Access | 30 |
| Hunting Permits | 5 |
| Total | 568 |

Livestock Population (2005)

Cattle owned by BT members 3,695
 # Cattle grazed by non-members 3,845

Total 7,490

NOTE: It is estimated that there are currently 100 Cattle producers (2005)

Source: Blood Tribe Land Management

Wind

Wild Turnip Hill Wind Project

The Blood Tribe is pursuing the development of a 30 MW + wind farm on the northern portion of the reserve. The wind-based electricity produced from the wind farm will effectively offset coal and natural gas power plants within the province.

The Blood Tribe has completed pre-feasibility studies for various sizes of wind farms from 6 MW to 30 MW. Both 21 and 30 MW projects proved to be economically robust and warranted further development. The feasibility study will provide us with numbers that are based on actual costs, market conditions, and other determining factors.

The Blood Tribe intends to own and operate the facility either independently or within a partnership. To date, the Blood Tribe has had serious discussions with four potential joint venture partners.

Revenue from the project would be used to fund further economic development, possibly projects that are more labour intensive. Other benefits include; reduction of greenhouse gases and other emissions, compatibility with agricultural uses of lands, and the project is consistent with values of tribe

Fish & Wildlife

The Blood Reserve is surrounded by three rivers, (St. Mary's, The Belly, The Old Man) as well as the St. Mary's Reservoir. This provides the opportunity for fishing many different species, with Northern Pike, Trout, Walleye, & Whitefish being the most prevalent.

The Blood Reserve also provides the opportunity for hunting upland game birds (pheasants, grouse, etc) and waterfowl (ducks, geese). White Tail and Mule deer as well as Antelope are the big game species available on the main Reserve. The Timber Limits has all available big game species (Moose, Elk, Deer, Bear, Cougar).

These resources do provide the opportunity for future tourism and guiding/hunting ventures. Activities such as hunting and wildlife watching contribute significantly to the province's economy, for example, recreational fishing contributed more than \$350 million to Alberta's economy in 2000. (Source: www3.gov.ab.ca/srd/fw/ - Oct 05)

Timber Limits

The Timber Limit covers approximately 4,759 acres and is located in the most easterly part of the Waterton Lakes National Park along the west side of the Belly River. The dominant tree species is lodgepole pine. The other species includes; spruce, poplar, aspen, black cottonwood, willow, and balsam fir. The area was inventoried and divided into 3 classifications:

1. **Mature:** Lodgepole pine stands which contain considerable merchantable volumes but have become stagnant and are declining and should therefore be cut first.
2. **Immature:** Lodgepole pine and spruce stands with merchantable volumes but which have not reached their maximum rate of growth and could be deferred to maturity.
3. **Non-commercial:** stands consisting of aspen, black cottonwood, willow, scattered spruce, pine, and balsam fir. Considered non commercial but can supply fuel wood.

Source: DIAND - Economic Potential of the Blood Indian Reserve – 1968

Although this inventory is dated one can assume that these conditions still exist due to the fact that there have been no large scale developments in the area. Whether the area can support commercial logging is negligible and would have to be researched further.

The Timber limits has had some commercial ventures: campground, art gallery, youth camp, and gas station, these no longer exist and the facilities that existed in the area have been neglected and would require major renovations, repairs and funding to bring them into usable condition.

The opportunity to develop Tourism based enterprises does exist and is in all likelihood the most plausible use of the area. A highway commercial zoning facet would probably work best due to the traffic that flows through the area during the months of May to September when the Canada Customs office is open and tourist traffic to Waterton Lakes is at its peak. The highway is not maintained during the winter months making the area impassable, although this has also helped to preserve the area in a natural state.

The aspect of sustainable and environmentally friendly development must always be considered for the Timber Limits due to the fact that it is our only forested area and is intended for the use of all Tribal members. A comprehensive study and plan for the future development of this area should be undertaken to determine suitable uses that comply with our values and capitalize on the pristine attractiveness of the area without major disruptions.

Water

Access to a safe water supply is a fundamental human right. As a basic need, water is vital for the dignity and health of all people. With growing populations and stresses being placed on our water supplies, using safeguards to protect water supplies are necessary to prevent water source contamination.

The Blood Tribes boundaries are primarily designated by natural water courses, The Belly River and Waterton River to the West, and the St. Mary's and Oldman to the East and North.

Water supplies come from two sources; groundwater and surface water. Generally, there are three types of treatment for these sources, depending on the supply: disinfection, disinfection and filtration, or full treatment.

Groundwater – Sources include wells and springs and are located under the earth's surface. Usually, groundwater is high in mineral content, as compared to surface water. Groundwater is extracted by drilling and installing a well pump. Usually does not contain harmful microorganisms, but depending on the aquifer and well system, can be contaminated through surface infiltration, surface water contamination (groundwater under influence), and from abandoned wells.

Surface Water – Sources include lakes, rivers, and streams. Supplies are much less reliable in terms of water quality and generally have to be treated in order to make the water safe for drinking. Because surface water has a greater potential to be contaminated by microorganisms, complete treatment (chlorination and filtration) is needed.

Non – Renewable Resources



Oil & Gas

Presently there are over 100 producing wells on the Blood Reserve that generate substantial revenue for the Tribe on a monthly basis. All wells are from shallow zones, approximately 800 to 1000 meters in depth. Both the oil & gas produced on the main Reserve is sweet gas or oil. This means that no hydrogen sulfide is present in the production.

Kainai Resources Inc. estimates that at least 50 more wells will be drilled on the main Reserve in the next 3 years. The Timber Reserve (#148 A) has four producing gas wells, currently there are no more exploration activities planned for this area. While oil exploration, drilling and production on the Blood Reserve have increased over the years (*refer to below*), it is recognized that these resources are limited and will diminish over time.

Oil & Gas Resources: Revenue Generation Forecasts

| Year | Royalties (\$) | Bonuses (\$) | Rentals(\$) | Total |
|---------------|---------------------|--------------------|--------------------|---------------------|
| 2004/05 * | 5,592,568 | 0 | 801,425 | 6,393,993 |
| 2005/06 ** | 2,109,250 | 0 | 233,507 | 2,342,757 |
| 2005/06 *** | 4,000,000 | 300,000 | 600,000 | 4,900,000 |
| 2006/07 *** | 5,000,000 | 250,000 | 600,000 | 5,580,000 |
| 2007/08 *** | 4,000,000 | 200,000 | 500,000 | 4,700,000 |
| 2008/09 *** | 3,000,000 | 150,000 | 450,000 | 3,600,000 |
| 2009/10 *** | 2,500,000 | 100,000 | 400,000 | 3,600,000 |
| TOTALS | \$26,201,818 | \$1,000,000 | \$3,584,932 | \$30,516,750 |

Notes:

Source: Kainai Resources Inc.- Sept. 2005

* Actuals

** Actuals for Apr to July (05)

*** Estimates based upon current levels of production & do not incorporate new discoveries.

The forecasted amounts are rough estimates due to the unpredictable price of gas & oil

The above amounts do not include the Western Lakota JV (Est. \$1.8 M by 2009 & \$500,000 year for 15-20 yrs.)

Sand & Gravel

The surface gravel on the Reserve includes both glacial and post – glacial deposits. There are numerous small pockets of gravel along the river beds. In general, most of these deposits are too small and isolated to have economic value. There is buried gravel that is either pre-glacial or inter glacial. Pre-glacial gravel occurs extensively east of the Belly River. Small quantities are available where it is exposed along the river banks particularly on the northeastern part of the Reserve. Sand is common and fairly well distributed and is particularly prominent in the former lake beds around Wild Turnip Hill. **Source: DIAND - Economic Potential of the Blood Indian Reserve – 1968**

For a sand and gravel project, it is to our advantage to know the business, even if a commercial developer is actually carrying out the work. There are seven stages of activity:

- exploration;
- regulatory approvals;
- financing;
- site preparation;
- extraction;
- processing; and
- site rehabilitation.

It is usually the project developer who assumes responsibility for these tasks and who undertakes to start and run the business. Without a developer, there is no project. The developer may be:

- a third party, completely independent of your community;
- a development corporation controlled by your First Nation or its members; or
- a joint venture controlled by the First Nation and an independent third party.

Whatever the situation, the project developer is considered a separate entity from the First Nation, one of the three participants in the project.

Oyster Shells

Fossil oyster shell beds are found in the southwestern part of the Reserve. The shell does not occur in a sufficient and easily accessible quantity to anticipate an industrial use, such as cement manufacture. Oyster shells are a useful natural Calcium source for food as well as animal feed application. Heating and grinding of oyster shells yields a fine powder, which consists basically of Calcium carbonate but which has preserved a particle structure typical for oyster shells. Oyster shell powder is easy to tablet. The ingestion of Oyster shell powder tablets has been found to increase the Calcium blood level and to reduce at the same time the phosphate level.

Coal & Coal Bed Methane

Coal seams outcrop in the extreme eastern part of the Reserve along the St. Mary's River between 8 and 14 miles above its confluence with the Oldman River. Coal is also exposed within the disturbed belt on the Belly River and Bullhorn Coulee, and has been found in some drill holes of oil and gas exploration in the northeastern part of the Reserve. **Source:** DIAND - *Economic Potential of the Blood Indian Reserve – 1968*

While of great value in earlier times there are no plans to pursue coal mining as a large scale industry since there is currently no major demand or market, however further exploration would be required to determine the abundance and economic viability of a coal mining project on the Reserve. The majority of the coal on the Blood Reserve is not surface coal; it is underground coal that and would need to be pit mined rather than surface mined which is a costlier operation.

Coal Bed Methane is another alternative however; the current environmental concerns far outweigh the benefits. Coal bed methane (CBM) is methane found in coal seams. It is produced by non-traditional means, and therefore, while it is sold and used the same as traditional natural gas, its production is very different. CBM is generated either from a biological process as a result of microbial action or from a thermal process as a result of increasing heat with depth of the coal. Often a coal seam is saturated with water, since CBM travels with ground water in coal seams; extraction of CBM involves pumping available water from the seam in order to reduce the water pressure that holds gas in the seam. According to the Montana Bureau of Mines and Geology, monitoring and groundwater modeling indicates somewhere between a few years and 20 years for recharge to occur. The overall effect is the potential loss of wells, springs, water pressure and water quality.

In consideration of tribal lands and especially BTAP, CBM product water has a moderately high salinity hazard and often a very high sodium hazard based on standards used for irrigation suitability. Irrigation with water of CBM product water quality on range or crop lands should be done with great care and managed closely. With time, salts from the product water can accumulate in the root zone to concentrations which will affect plant growth. Saline conditions stunt plant growth because plants must work harder to extract water from the soil.

Ammonite:

Millions of years of tectonic pressure created this beautiful gem from the fossilized remains of the ammonite shell. Ammonites were hard shelled squid-like marine animals that were abundant in all the oceans and existed from the Palaeozoic to the end of the Cretaceous era. In 1908, a member of the National Geological Survey Team found mineralized fossils of Ammonite along the St. Mary's River in Alberta. In 1981 the International Federation of Jewelers added Ammolite to its official bluebook of gemstones. In 1982 Ammolite was recognized as a precious gem by the Paris based International Confederation of Jewelry, Diamonds, Pearls and Stones. In 1991 Ammolite was named the official gemstone of the Province of Alberta. Ammolite is graded according to color and brilliance.

There are four grades of Ammolite:

- AA: Highest grade, three or more brilliant sharp colours
- A+: Two or three bright colours,
- A: Two or more play of colours,
- Standard: One or more distinct colours.

It was not until 1981 that enough high quality Ammolite was discovered to make mining commercially viable. KORITE did operate the world's largest Ammolite mine at the north end of the Reserve. The Ammonite mining potential provides three possible scenarios at this point in time. The Tribe can negotiate a new agreement with outside parties (as previously done), or the Tribe can joint venture or this can be pursued as a tribal venture.

COMPILED BY:

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