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**BACKGROUND CONSIDERATIONS OF RELEVANCE FOR
LONG-RANGE PLANNING BY THE CITY OF
YELLOWKNIFE IN ADVANCE OF NEW INDUSTRIAL
DEVELOPMENT**

Submitted to:

City of Yellowknife
Yellowknife, NT

Submitted by:

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EXECUTIVE SUMMARY

This study seeks to present some options which the City of Yellowknife might find relevant and useful in its long-range planning, particularly in the context of establishing beneficial relationships with new industrial developments which may proceed outside the city's boundaries but within the city's economic sphere of influence. Based on reviews of the literature and interviews with a number of municipal administrators, the authors identified and characterized a number of strategies for securing net benefits from new industrial developments, especially resource extraction operations.

Several circumstances are noted which make this an opportune time for the City of Yellowknife to consider resource extraction activities in a broader and longer-term context than previously. These include: the changed expectations on the part of regulators especially with respect to socio-economic impact assessment; an accumulation of data on both negative and positive socio-economic changes being experienced in communities directly affected by diamond mining; precedents being set by Impact and Benefit Agreements -- notably those negotiated by aboriginal groups in their relationships with diamond mining companies; and intensified strategic planning efforts within the City of Yellowknife.

This study indicates that there has been substantial growth in the literature and best practice guidance both for sustainable communities and (originating from the mining industry itself) sustainable mining practice. Principles noted from these materials seem to point to a coalescence of thinking on the importance of long-term, community-based planning for sustainability. While sustainability planning is often associated with environmental and energy conservation initiatives, there are also instances of serious work being attempted on the socio-economic sustainability of communities.

Website searches and telephone interviews were conducted for 19 North American municipalities which appeared to have some similarities to Yellowknife. These case studies suggested a broad range of strategies are being pursued in connection with socio-economic sustainability, including strategies directly pursued by the municipality with the developer, strategies indirectly pursued with the developer and strategies pursued internally within the municipality.

Clearly, many of these identified strategies may not be relevant or workable in the Yellowknife context, or they have already seen implementation in Yellowknife. However, there do appear to be some strategies which may serve to expand the City of Yellowknife's options. The study ventures some comments on the applicability of certain strategies to Yellowknife's situation and offers some tentative recommendations for future initiatives.

1.0 INTRODUCTION

The purpose of this study is to present a discussion of some options which the City of Yellowknife might find relevant and useful in its long-range planning, particularly in the context of securing net benefits from new industrial developments which may proceed within the city's economic sphere of influence.

Based on reviews of the literature and interviews with a number of municipal administrators, the authors have been able to identify and characterize a number of strategies for structuring relationships with owners of industrial developments. While many of these may not be relevant or workable in the Yellowknife context, or they may have already been implemented, there may be some which serve to expand the City of Yellowknife's options.

This report has been written based on information from two sources: the literature on sustainable communities and sustainable mining practice; and research on key internet websites followed by telephone interviews with selected municipal administrators. In all, the methodology consisted of four steps.

1. A quick review was conducted of relevant background documents, including studies which have been completed for the City of Yellowknife and for organizations in which the city is a member. Given the historical and current importance of mining as the premier driver of Yellowknife's economy sector, special attention was given to consideration of the mining sector. The literature on sustainable communities and sustainable mining practice, and certain key websites, were also consulted to summarize key principles and identify resources which might be helpful in a community sustainability planning exercise.
2. Attention focused on compiling and reviewing experiences of a number of municipalities that are similar to Yellowknife especially in size, form of government and relationship to industrial development. Where possible, municipalities were sought which have day-to-day experience with extractive industries such as mining. For each case, the circumstances of the municipality were described, along with the strategy(ies) used by it to secure net benefits from industrial projects and available indications of results. An attempt was then made to contact an official of that municipality (e.g., the Chief Administrative Officer) to check the accuracy of the summary and request additional details on the strategies and their results. An interview protocol was developed to guide those conversations (Appendix A).
3. An effort was made to categorize strategies which have been followed by municipalities in their relationships with adjacent or nearby industrial developments. Experiences detailed in the case studies were summarized according to the strategy or strategies used, their degree of success, obstacles encountered, and relevance to the City of Yellowknife. The different strategies were then grouped according to whether they were pursued with resource development companies directly by the municipality, pursued indirectly by the municipality or pursued internally within the municipality.

4. Based on the findings of the two preceding steps, and a growing understanding of current thinking within the City of Yellowknife, it was possible to offer some conclusions and tentative recommendations for future long-range planning initiatives.

2.0 THE SITUATION FACING YELLOWKNIFE

Like many northern communities, the City of Yellowknife has experienced the 'boom and bust' so characteristic of remote communities situated in resource-rich regions. The negative effects of the wind-down and eventual closure of gold mines in the past four or five years have been masked by the construction and operation of two large diamond mines (the BHP Billiton Ekati mine and the DDMI Diavik mine) to the northeast of Yellowknife and the construction of a third diamond mine (the De Beers Snap Lake mine) to the east of the city. Other sectors of the territorial economy, particularly mineral and oil and gas exploration, have also bolstered economic activity in the city. In addition, Yellowknife serves as a gateway to the West Kitikmeot Region of Nunavut where there is both mineral exploration activity and the Tahera Jericho diamond mine has recently commenced operations.

Looking to the future, there is the potential for a very large multi-component natural gas pipeline project centered on the Mackenzie Valley, with construction beginning in 2008/2009. Other projects are either seeking regulatory approval or are gearing up for construction, among them the De Beers' Gahcho Kué Diamond Project, expansion of the Taltson River hydro-electric project, construction of the Deh Cho bridge at Fort Providence and substantial winter road improvements along the Mackenzie Valley. In a recent review of industrial activity in the Northwest Territories and the West Kitikmeot, AMEC identified no less than 26 proposals of varying levels of uncertainty in the oil and gas, minerals, hydro-electric power, transportation and tourism sectors (Appendix B).

With respect to industrial projects, such as mines and pipelines, the City of Yellowknife can expect to experience both benefits and costs. On the negative side, there are typically some social costs linked to indirect project effects such as dysfunctional spending patterns, stresses of rotational work, erosion of Aboriginal language and culture, and increased inequities in income distribution. There may also be some negative economic effects such as localized inflation, wear and tear on existing public infrastructure such as roads and airports, and dislocations in the local labour market as skilled and/or experienced individuals shift their attention to securing mine employment. Typical benefits are additional employment, increased business activity as a result of procurement, growth of associated businesses and other economic activity that arises as a result of multiplier effects, and increased average household income. There may also be certain positive effects on the quality of life such as improved health, education and social services and infrastructure enhancements.

Several circumstances have arisen which make this an opportune time for the City of Yellowknife to consider resource development activities in a broader and longer-term context than previously. These circumstances include:

1. It is a primary concern of the territory's regulatory bodies that any new industrial projects only be permitted to proceed after extensive consultation and very careful analysis of environmental, socio-economic and cultural effects (and measures designed to mitigate or enhance them). Part of this concern derives from the "boom and bust" phenomenon so characteristic of resource-dependent Northern economies. The Mackenzie Valley Environmental Impact Review Board (MVEIRB), the key regulatory body overseeing industrial projects in the NWT, has recently signaled its intention to place more importance on the assessment of socio-economic and cultural effects in its consideration of industrial developments. In January, 2007, the MVEIRB released Socio-Economic Impact Assessment Guidelines which represent an increased level of expectation in the way developers and potentially affected parties approach the identification and assessment of socio-economic and cultural impacts.¹
2. There is now a substantial accumulation of data on both negative and positive socio-economic changes being experienced in Yellowknife and other communities directly affected by diamond mining. The GNWT publishes annual monitoring studies entitled "Communities and Diamonds" (GNWT, 2006) that report on trends in social and economic indicators and their possible relationship to the construction and operation of diamond mines. BHP Billiton, DDMI and De Beers also prepare individual annual socio-economic monitoring reports. In addition, an important industry body, the NWT & Nunavut Chamber of Mines has completed two issues of a publication called "The Economic Impact of the Diamond Industry on the Economy of the NWT" (NWT & Nunavut Chamber of Mines, 2004). Finally, data on many indicators of Yellowknife's socio-economic performance are presented in the City of Yellowknife 2004 General Plan (City of Yellowknife, 2004).
3. A series of negative social trends, previously unknown or little known in Yellowknife, has received increasing publicity. Many of these trends are described in a recent report for the City of Yellowknife (Genesis Group, 2006). In addition, headlines from recent new stories in Yellowknife media have highlighted some recent trends:
 - "Yellowknife's crack scene "an open market for fools"" (CBC News, October 30, 2004);
 - "Big-city drugs plague northern capital (Edmonton Journal, February 27, 2005);
 - "Take back our streets" (Northern News Service, June 22, 2005);
 - "Cleaning up the streets" (Northern News Service, August 23, 2006);
 - "Police worried by jump in knifings" (Northern News Service, September 8, 2006);
 - "Women's shelter long on clients, short on beds" (Northern News Service, September 20, 2006);
 - "Home prices jump by 21.4 percent" (Northern News Services, February 7, 2007); and
 - "Yellowknife rents climb" (Northern News Services, December 22, 2006).

¹ These guidelines are available at http://www.mveirb.nt.ca/reference_lib/guidelines.php

4. There are obvious stresses on the labour market, employers, local governments and other service providers as Yellowknife's economy operates at or near full capacity. The most discussed of these stresses is the projected tightening of the local labour market especially for skilled workers; labour shortages are forecasted over the next three to five years if even a few of the territory's proposed projects enter construction. In recent months, Yellowknife businesses have complained that their operations are suffering from employee losses to the mines and heightened wage expectations among workers. Pressure is also being exerted on City of Yellowknife infrastructure, especially roads, and key services such as police and emergency shelters.
5. Effort has been directed to a number of high-profile initiatives to foster diversification of the Yellowknife economy away from extraction of non-renewable resources. In particular, a secondary diamond manufacturing industry has been initiated with strong support from the Government of the Northwest Territories, although questions have been raised about the viability of the industry following recent closures of cutting and polishing plants. Tangible progress has been made in establishing Yellowknife-based tourism, eco-tourism and, more recently, diamond tourism businesses.²
6. The City of Yellowknife's planning processes and documents have become increasingly sophisticated, with more and more attention being given to environmental sustainability and initiatives underway in other jurisdictions³. Key documents are the City of Yellowknife 2004 General Plan and the Yellowknife Community Energy Plan adopted by Yellowknife City Council in September, 2006.⁴ An Integrated Community Sustainability Plan, required in connection with the federal gas tax rebate program, is under development. With respect to economic development, a strategic study was completed in 2006 for the City of Yellowknife called *New Paradigm for Economic Growth* (Nexus Group, 2006). The study drew attention to the fact that most of Yellowknife's labour force work in either government or the resource sector, and that many of the proposed investments in the region will likely further concentrate the economy. The Nexus Group study identified a number of investment targets which are intended to create high-value, knowledge-based jobs which are independent of the resource industry and government. Discussion of one of the identified investment targets has recently led to a proposed cold weather testing and research centre.
7. There has been mounting frustration in Yellowknife with the lack of progress on negotiations regarding devolution and resource revenue sharing between the GNWT and the Aboriginal Summit and the Government of Canada. Concern has been expressed in forums such as the NWT Association of Communities (NWTAC) and in reports such as "Background on Devolution and Resource Revenue Sharing and Potential Opportunities for Municipal Government" (Banta, 2003) and a Federation of Canadian Municipalities (FCM) submission

² A general discussion of the challenges facing Yellowknife on economic diversification is presented in LEAD, 2004.

³ For example, the City of Yellowknife is a member of the Liveable Winter Cities Association, for which see www.wintercities.com

⁴ The latter was accompanied by a number of background studies, including one on the Definition of Sustainability principles (Jacques Whitford, 2006).

to the Minister of Indian and Northern Affairs (FCM, 2005). In a covering letter to the Russell Banta report, Mayor Kevin Diebold of Norman Wells recounts the “less than ideal experience” of his town in connection with the mid-1980s construction of oil production facilities and a pipeline and offers the conclusion: “...devolution and resource revenue sharing negotiations are the most important opportunity that the NWT will likely ever have to gain political and fiscal autonomy comparable to that of the provinces.”

8. Following precedents set by the first two NWT diamond mines, aboriginal organizations are paying increasing attention to securing benefits from industrial proponents by way of Impact and Benefit Agreements (or Participation Agreements). They are also cognizant of the achievements of the Tlicho (Dogrib) First Nations in concluding a land claim and self government agreement with the Government of Canada, and progress made in discussions between Łutsek'e Dene First Nation and Parks Canada over the creation of a new National Park. There have also been Socio-Economic Agreements signed between the GNWT and diamond mining companies. Thus far, the City of Yellowknife has not been a party to any agreements with the mining companies.
9. Through public debates such as those surrounding the proposed Mackenzie Gas Project and networking with other municipalities, the FCM and the GNWT, the City of Yellowknife has become increasingly exposed to the concept of community sustainability planning. The NWTAC has been particularly vocal in drawing attention to the municipal “infrastructure deficit.” In the broader regional economic context, questions have been raised about what constitutes a sustainable pace for diamond industry development now that De Beers has sought regulatory approvals for a fourth NWT diamond mine (the Gahcho Kué Project).
10. New funding vehicles, notably the Federal Government’s gas tax rebate and the Municipal Rural Infrastructure Fund, have served to ease the city’s fiscal pressures but only temporarily⁵. There are also sizeable government funds - funds such as the Green Municipal Fund -- available for certain types of projects with environmental benefits. With other municipalities voicing their requirements, it is increasingly necessary for the City of Yellowknife to be well prepared for opportunities to champion its case for an appropriate share of such funding.
11. Lastly, there has been growing interest in cumulative impacts of resource developments, both among regulators and the general public. Increasingly questions are being asked about the likely combined socio-economic effects (and effects on the biophysical environment) of multiple developments. Individual stakeholders appear to be taking on the methodological challenges of defining and measuring socio-economic cumulative effects in a bid to argue their position persuasively in regulatory forums. The GNWT, for instance, completed a study on resource development impacts in January, 2006, in which it presented forward-looking estimates of the additional spending required by territorial government

⁵ Two packages of federal funding for the NWT were announced in January 2005: a \$32 million joint Municipal Rural Infrastructure Fund, and \$90 million in joint highway funding confirmed in the Northwest Territories http://www.infrastructure.gc.ca/ip-pi/mrif-fimr/news-nouvelles/2005/20050118yellowknife_e.shtml

departments in order to cope with the pressures of additional foreseeable resource developments (GNWT, 2006).

3.0 REVIEW OF THE LITERATURE

3.1 Sustainable Communities

Sustainability is most closely associated with the 1987 Brundtland Commission definition of sustainable development: “development that meets the needs of the present without compromising the ability of future generations to meet their own needs.” The concept was widely publicized in connection with the 1992 United Nations (“Rio”) Conference on Environment and Development.

An outcome of the Rio Conference was a call for the development of future action plans (Agenda 21s), which came to the attention of the International Council for Local Environmental Initiatives (ICLEI, www.iclei.org), an international association of local governments dedicated to the prevention and solution of local, regional and global environmental problems. Picking up on an outcome of the Rio Conference, ICLEI in its Local Agenda 21 Initiative supported local governments in the development of their own Agenda 21s.

The spread of interest in sustainable communities in Canada grew rapidly after the Federal Government formed the National Round Table on the Environment and the Economy (NRTEE) in 1988. A compendium of sustainability principles and tools for community planning and development was published four years later and subsequently updated in 1998 under the title “Toward Sustainable Communities: Resources for Citizens and their Governments” (Roseland, 1998).

Topics addressed in this publication included:

- policy instruments and other ways of mobilizing citizens and their governments for sustainable community development;
- local governments and citizen organizations come together to engage in a sustainable community planning process -- Good Neighbour Agreements are one such process used by communities in Texas in their dealings with corporations especially with regard to pollution control (Roseland, 1998, pp.186 & 188); and
- a variety of planning tools and assessment tools are available to citizens and their governments; one of these – sustainability indicators – is an effective tool for communities and governments to evaluate their progress toward sustainability (Roseland, 1998, pp.198-202).

Organizations that are available to assist communities in Canada with sustainability planning include:

- The Centre for Community Enterprise in Port Alberni, BC (CED, www.cedworks.com) has conducted a research project into the concept of ‘community resilience’ and more recently published “Tools & Techniques for Community Recovery and Renewal”⁶ which refers to over 60 specific methods that communities have used to enhance their economic and social well-being. The Tools and Techniques document contains an appendix on the experience of Revelstoke, BC as it worked its way from a dependency on megaprojects and large-scale employers to a vibrant mountain community with a diversified, sustainable local economy.
- The Centre for Sustainable Community Development in Burnaby, BC (CSCD formerly the Community Economic Development Centre, www.sfu.ca/cscd) provides financial support and capacity building to Canadian municipal governments to advance sustainable community development. One CSCD program is administration of the Green Municipal Fund loans and grants for municipal governments and their partners to undertake projects that cut pollution, reduce greenhouse gas emissions and improve quality of life.
- The International Centre for Sustainable Cities (ICSC) is a “do-tank” for sustainable cities located in Greater Vancouver. Over a three-year period, the ICSC established a learning network (known as the PLUS Network) and analyzed different approaches to integrated sustainability planning that are being applied in Canada and internationally in preparation for the World Urban Forum III (a UN-Habitat event held in Vancouver June 19-23, 2006). At a November, 2006 on Building Sustainable Communities in Kelowna, ICSC’s President summarized (Seymoar, 2006) the ten most important lessons from their research:
 - we must look beyond our own borders: borders of time, geography, disciplines, departments, budgets and sectors to find the creative solutions we need to tackle the problems our cities and communities face;
 - extending the timeframe changes everything;
 - interconnections – the need to view the city or community and its bioregion as one living system;
 - integrating economic, social and environmental well being is not just adding or balancing these elements – it requires holistic thinking, a One System Approach and a way of judging progress;
 - we must plan for resiliency;
 - “ownership” is as important as the content of any planning activity;
 - undertaking an integrated long-term planning process requires the commitment of resources and time;
 - cities copy one another’s best ideas;
 - there is no one right way – finding the right tools and technologies is easy; and
 - the importance of using smart communication strategies to engage people’s emotions and change their behaviour.

The idea that communities must plan for resiliency is a central theme of an important position paper (called “Building a Stronger Future for All Canadians”) submitted to Canada’s Prime

⁶ Available at <http://www.cedworks.com/tools.html>

Minister in June 2006 by the federal government-appointed External Advisory Committee on Cities and Communities. This committee comprised individuals from every region of the country who saw a need for fundamental change in the relationship between communities and governments. As part of their research, the committee organized a round table in Ottawa in September, 2005 called "Planning for Sustainable Canadian Communities". The committee's final report (External Advisory Committee on Cities and Communities, 2006) sought to reflect the contributions of many municipal and government leaders, as well as community organizations and individuals.

Among its findings, the External Advisory Committee on Cities and Communities concluded (Ibid., p. ix) that property taxes are not an adequate base for municipalities to meet their infrastructure challenges, and that changes are needed in the direction of a more substantial, elastic tax base and devolved power at the municipal level. With respect to devolution, the Committee recommended (Ibid., p. x) a double devolution, shifting responsibilities and resources from the federal government to the provincial and territorial governments, and then from the provincial and territorial governments to the local level. It argued that the double devolution should ensure that choices about how to raise and use resources, including tax choices, move to the most appropriate local levels, where accountability to citizens is most direct. The Committee went on (Ibid., p. xi) to urge governments to assist communities to develop integrated and sustainable strategies by providing community leaders with capacity-building and information on best practices.

Mention should be made of the ongoing work by the municipal associations which represent the interests of the City of Yellowknife. One of these is the Northwest Territories Association of Communities (NWTAC); the other is the Federation of Canadian Municipalities (FCM). A good example of the lobbying which the FCM has led on behalf of Canada's northern communities is the August 3, 2005 submission to the Minister of Indian and Northern Affairs entitled "A New Deal for Northern Communities." The document suggests (FCM, 2005, p.3) that:

"Infrastructure programs for northern communities must also recognize that municipal governments require the capacity to plan for long-term sustainability. They need revised legislative and regulatory frameworks, new tools and training, and the development of best practices. This will allow them to move toward more financially and environmentally sustainable infrastructure decisions and be able to undertake long-term and integrated community and regional planning."

In addition, the FCM stresses the critical need, not just for adequate fiscal resources to support growing municipal responsibilities, but for partnership in development of a comprehensive Northern Strategy. The FCM suggests that to provide people in the north with sustainable, vibrant and competitive communities, partnership will have to mean re-imagining current intergovernmental processes and reinventing relations between the different orders of government.

Sustainable community principles are not necessarily in conflict with or much different from the smart growth principles which have been adopted by the City of Yellowknife. The Smart Growth Network⁷ identifies the following as smart growth principles:

- mix land uses;
- taking advantage of compact building design;
- creating a range of housing opportunities and choices;
- creating walkable neighbourhoods;
- foster distinctive, attractive communities with a strong sense of place;
- preserving open space, farmland, natural beauty, and critical environmental areas;
- strengthening and direct development towards existing communities;
- providing a variety of transportation choices;
- making development decisions predictable, fair, and cost effective; and
- encouraging community and stakeholder collaboration in development decisions.

Both smart growth and sustainable community principles centre on creating communities where people want to live and are vibrant, thriving places that are conducive to leading a high quality of life. Both seem to work towards finding a balance between social, economic, and environmental community elements.

3.2 Sustainable Mining Practice

The concept of a sustainable mining community is one in which the community has the potential to realize benefits from mining operations from their inception and beyond closure. Mining companies face the challenge of creating equitable partnerships with communities that will result in a “lasting legacy of sustainability and well-being to the community, avoiding environmental degradation and social dislocation” (Veiga et al., p. 192). Additionally, sustainable mining communities need to be based on the principles of “ecological sustainability, economic vitality, and social equity” (Veiga et al., p. 199).

A major contribution to consensus building on sustainable mining communities was a project undertaken by the International Institute for Environment and Development (IIED) and the World Business Council for Sustainable Development (WBSCD). The Mining, Minerals and Sustainable Development (MMSD) Project⁸ was an independent two-year project of research and consultation organized by nine CEOs of the world’s largest mining companies. Wanting to address concerns that the industry’s social license to operate was in jeopardy, they sought to understand how the mining and minerals sector can contribute to the global transition to sustainable development.

⁷ <http://www.smartgrowth.org/about/principles/>

⁸ For details, see <http://www.iied.org/mmsd/>

The MMSD Final Report “Breaking New Ground” released in 2000 discusses a proactive approach to developing processes in support of sustainable development. The report (IIED/WBSCD, 2000, p.208) speaks to maximizing mining’s contribution to communities:

“If mining operations are to help communities work towards sustainable development, the communities need to be able to participate effectively in the decision-making processes for establishing and running the operations, in order to avoid or minimize potential problems. Moreover, the relationships between the community and other actors, including the company and government, need to be ones of collaboration, trust, and respect. It is obvious that the benefits brought and enabled by mining must be maximized and the negative effects avoided or mitigated. Furthermore, the benefits need to be shared equitably within communities and sustained after the life of the mine. The actions of companies and governments need to reflect cultural sensitivity and relevance.”

In its discussion of roles, responsibilities, and instruments for change, the report (IIED/WBSCD, 2000, p.345) references the sharing of revenues:

“The local community and local government will experience a great increase in the demand for all kinds of services from water, waste disposal, and law enforcement to education and housing. Without some share of the revenues, local government will be marginalized and dependent on what the company may choose to do. And development opportunities will certainly be lost if government is unwilling to spend to help extend and complement the transportation, education or health care facilities that the industry may build. There is no universal formula for how to do this, ... This issue cannot be solved without government leadership.”

The MMSD Final Report underscores the critical need for communities to have capacity to participate effectively in decision-making. A key component of sustainable community development in relation to a mining operation is that the community needs to be aware of and plan for the eventual mine closure. Communities must get actively involved in the process and become active participants in the decision making processes alongside mining operations. Similarly, mining operations need to engage in meaningful dialogue with communities as a means of working towards sustainable community benefits.

A Community Sustainable Development Plan (CSDP) may not be appropriate for all mine developments. However, it may provide the fundamental framework for relationships among the company, the community, the government, and any other relevant parties throughout the project life and into post-closure (IIED/WBSCD, p. 227). The MMSD Final Report suggests that the CSDP be designed through consultation, coupled to the environmental impact assessment and administered by an independent party through a multi-stakeholder forum. The latter must at a minimum include the community (through its local government or some other legitimate body), the national government and the company. The CSDP should be based on the community’s concept of how its interactions with the mine can best contribute to achieving its social,

environmental and economic goals, and should be grounded in the willingness and ability of the company and national government to contribute to and support those goals (IIED/WBCSD, p. 227).

There is also an initiative which seeks to avoid the company assuming the role and responsibilities of government but rather focus on improving the capacity of local government and other local institutions to deliver mine-derived benefits over the long term (MMSD Final Report, p. 208). The work undertaken by the World Bank-funded Business Partners for Development (BPD) provides useful lessons on tri-sector partnerships – voluntary collaborations to promote sustainable development based on an efficient allocation of complementary resources across business, civil society and government. The Natural Resources Cluster of BPD (www.bpdweb.org) has published guidance materials and case studies of such partnerships for managing social issues in the oil, gas and mining industries.

The International Council on Mining and Metals (ICMM) has reflected some of these ideas in its SD Framework Final Principles (ICMM, 2001). Principle #9 in this framework states that it should be the intention of mining companies to “contribute to the social, economic, and institutional development of the communities in which we operate.” Not unrelated is the news that the International Organization for Standardization (ISO) is preparing an international standard that provides guidelines for social responsibility. The new guidance, to be known as ISO 26000, is expected to be ready for use on a voluntary basis in 2008 (Kent, Ringwald and Scoble, 2004).⁹ ICMM has also, with the World Bank and ESMAP, published a comprehensive toolkit on community development to support government, industry, and community efforts to realize more sustainable community development around mining and mineral processing operations (ICMM, 2005).

Parallel moves to foster sustainable mining practice are apparent in at least two Canadian mining industry bodies¹⁰.

Kent, Ringwald and Scoble (2004) have proposed that the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) has an important role to play in promoting a new culture of integrated technical, environmental, and social practice that supports a cost-effective and globally competitive industry. With the rising involvement of government and civil society in the global mining industry over the past two decades, and concomitant pressures for industry to consider sustainability and social responsibility, they suggest the evolution of sustainable mining practice is a necessity for mining companies in the opening years of the 21st century. Kent, Ringwald and Scoble believe that interest in sustainability on the part of mining companies has been superficial and that the time has come for incorporating sustainability in decision-making at

⁹ The specific reference is:

<http://isotc.iso.org/livelink/livelink/fetch/2000/2122/830949/3934883/3935096/home.html?nodeid=4451259&vernum=0>

¹⁰ A third organization, the Prospectors and Developers Association of Canada (PDAC), has focused on environmental practices. Its Environmental Excellence in Exploration (E3) Guidelines promote environmental stewardship in mineral exploration.

the project level, and for mining companies to demonstrate a fundamental understanding of their relationship to the community as a whole. The debate has continued, with sustainable mining practice being featured as one of the themes of the 2006 CIM annual conference.

The Mining Association of Canada (MAC) organized a Sullivan Round Table in 2002 to examine the closure of the Sullivan Mine (at Kimberley, BC) as a case study in reclamation and sustainable development. More recently, it has published *Towards Sustainable Mining (TSM) Guiding Principles* (MAC, 2006) in an effort to encourage MAC member companies to demonstrate “a responsible approach to social, economic, and environmental performance that is aligned with the evolving priorities of our communities of interest.” Communities of interest are defined as all of the individuals and groups who have or believe they have an interest in the management of decisions about our operations that may affect them.

Three of the MAC’s TSM principles address mining company relationships with communities; mining companies are urged to:

- support the capability of communities to participate in opportunities provided by new mining projects and existing operations;
- be responsive to community priorities, needs and interests through all stages of mining exploration, development, operations and closure; and
- provide lasting benefits to local communities through self-sustaining programs to enhance the economic, environmental, social, educational and health care standards they enjoy.

The MAC has also established TSM Performance Indicators for crisis management planning, external outreach, energy and greenhouse gas emissions management and external outreach, and provides annual TSM performance reporting for MAC members¹¹. The external outreach indicators refer to the mining company’s efforts to identify and communicate with communities of interest.

4.0 SELECTED MUNICIPAL EXPERIENCES OF INTEREST TO THE CITY OF YELLOWKNIFE

A number of municipalities were identified from the authors’ knowledge of resource development projects and a call for examples issued to their colleagues in AMEC. The starting list was then amended to include suggestions received from the City of Yellowknife. Municipal websites were reviewed and an interview protocol (Appendix A) was drafted in readiness for telephone interviews. The municipalities which were investigated and details of the interviewees are listed in Table 1. Notes on each of the interviews are presented in Appendix C.

¹¹ For example, see MAC’s TSM Draft Summary Report to the 6th Meeting of the Community of Interest Advisory Panel, Edmonton AB, September 28, 2006, prepared by Stratos Inc..

Table 1: List of Interviews Conducted with Municipal Administrators

Name	Title	Municipality	Date Interviewed
Tom Lie*	Senior Administrative Officer	Town of Inuvik, NT	Jan. 3, 2007
John McKee	Senior Administrative Officer	Hamlet of Fort Liard, NT	Jan. 3, 2007
Dennis Shewfelt	City Manager	City of Whitehorse, YT	Jan. 10, 2007
Heather Favron	Acting Chief Administrative Officer	City of Dawson, YT	Jan. 12, 2007
Kim Isaak	Deputy Chief Administrative Officer	District of Tumbler Ridge, BC	Jan. 3, 2007
Deborah Sargent	Deputy Chief Administrative Officer	Town of Smithers, BC	Jan. 11, 2007
Michael Dodd	Chief Administrative Officer	City of Kimberley, BC	Jan. 10, 2007
Alan Mason	Economic Development Commissioner	City of Revelstoke, BC	Jan. 12, 2007
Sandy Hansen	Chief Administrative Officer	District of Sparwood, BC	Jan. 12, 2007
Bernie Kreiner	Town Manager	Town of Hinton, AB	Jan. 11, 2007
Jim Smitham	Executive Director, Butte Local Development Corporation	City of Butte/County of Butte-Silver Bow, Montana	Jan. 11, 2007
Jim Puffalt	City Manager	City of Estevan, SK	Jan. 24, 2007
Val Miron	Chief Administrative Officer	Town of The Pas, MB	Jan. 10, 2007
Mark Kolt	City Administrator	City of Flin Flon, MB	Jan. 10, 2007
Dennis Fenske	Director of Personnel & Community Planning	City of Thompson, MB	Jan. 31, 2007
Mark Simeoni	Senior Planner & Mining Specialist	City of Greater Sudbury, ON	Jan. 17, 2007
Joe Torlone	Chief Administrative Officer	City of Timmins, ON	Jan. 18, 2007
Don Cameron	General Manager, Nuvumiat Developments	Village of Salluit, Nunavik, PQ	Jan. 19, 2007
Doug Foster	Director, Planning & Development	Cape Breton Regional Municipality, NS	Jan. 30, 2007

Note: * Additional information on Inuvik was obtained in a telephone conversation with Peter Clarkson, former Mayor of Inuvik, on January 24, 2007.

As expected, not all of the municipal experiences had a direct bearing on the circumstances facing the City of Yellowknife, and very few appeared to be fully relevant to the Yellowknife situation. In addition, some administrators appeared to feel more comfortable discussing sustainability planning than others. However, the 19 completed website checks and interviews did provide important indications of what actions are being taken by municipalities elsewhere. Summaries of strategies being followed, achievements, obstacles, and relevance to Yellowknife are presented in Table 2.

Table 2: Summary of Highlights from the Municipal Case Studies

Municipality	Strategy	Indication of Success?	Main Obstacle?	Direct Relevance to Yellowknife?
Town of Inuvik, NT	Utilize available regulatory channels with respect to proposed developments; seek to enter agreements for road use, water supply and waste disposal	Not yet	Lack of opportunity is key obstacle preventing interaction with oil & gas and minerals explorers	Yes, re utilizing available regulatory channels
Hamlet of Fort Liard, NT	Focus on issue of provision of services/infrastructure to developers	No, but the community's First Nation has achieved success with business joint ventures and is pursuing a land claim	Unresolved aboriginal land claim and hamlet's desire not to compete with the local First Nation	Minimal, although interesting comment on changing process for funding capital projects
City of Whitehorse, YT	None other than economic diversification since closure of the Faro mine	Yes, City's economy appears to be more sustainable and growing	Sustainable community strategy is pending	None, other than emphasis on diversification
City of Dawson, YT	None other than economic diversification since closure of Viceroy Minerals mine	No, too early to say	Work is underway on an Integrated Community Sustainability Plan	None, other than emphasis on diversification
District of Tumbler Ridge, BC	Have boundaries encompass all resource developments; increase property taxes for industrial operations; vigorously pursue economic diversification; lease land for workcamp; set up Debt Relief Fund to which mining companies contribute	Yes, district found some stability after closure of initial coal mines; economy is stronger than ever with new coal mines and expanded range of community activities	None evident at this time	Yes, especially re Debt Relief Fund and leasing of land for a workcamp
Town of Smithers, BC	None, however this regional mining centre has some new planning initiatives underway	None to report at this time	Possibly lack of capacity	Situation (but not lack of strategies) bears some resemblance
City of Kimberley, BC	Consultation/ visioning exercise; recognized achievements in reclamation and sustainable development	Acknowledged as a success story in mine closure adjustment	None evident at this time	Yes, re process followed toward sustainable development

Municipality	Strategy	Indication of Success?	Main Obstacle?	Direct Relevance to Yellowknife?
City of Revelstoke, BC	Multiple inter-dependent strategies including intervention in regulatory processes, expansion of boundaries and direct investment in businesses	Acknowledged as a success story in sustainable community development, inter-agency cooperation and community involvement	None evident at this time	Yes, re process followed toward sustainable development
District of Sparwood, BC	Tax sharing agreement with other Elk Valley municipalities; strategic plan favouring economic diversification; existence of sizeable reserve funds	Acknowledged as a successful mining community; the District has a good relationship with the mining company	None evident at this time	Yes, especially re build-up of sizeable reserve funds
Town of Hinton, AB	Pursuit of economic diversification especially intellectual economy; lobbying for changes in provincial revenue and cost sharing arrangements; trying to implement road use fees	Yes, Town has found some economic stability	Mention was made of the desirability of moving to the Regional Municipality of Wood Buffalo governance model	Yes, re range of strategies, also idea of establishing road use fees for industrial road users
City of Butte/County of Butte-Silver Bow, Montana	Good communications with the mining company; company established a community foundation; city benefits from state-levied Hardrock Mining Tax	Unclear	Unclear	Yes, re establishment of a community foundation (although mining company control appears unusual)
City of Estevan, SK	Very diversified economy; industrial and residential land development; increasing property taxes; long-term planning initiatives & visioning	Strategies apparently having desired results	None mentioned	Yes, especially the active role taken by the City in land development
Town of The Pas, MB	Diversified economy; expansion of town boundaries to encompass major forest products mill	Strategies apparently having desired results	None mentioned	None

Municipality	Strategy	Indication of Success?	Main Obstacle?	Direct Relevance to Yellowknife?
City of Flin Flon, MB	Large nearby mine & smelter remain outside city boundaries; relationship between the city and the company is defined by a long-term agreement	City is proposing revisions to the agreement	Relationship between company and city was close and multi-faceted; changing ownership of mine/smelter has altered nature of the relationship with the city	Some, as agreement is a rare example of a formal relationship between mine and municipality
City of Thompson, MB	Formal agreement exists between INCO, the Province of Manitoba and the municipality, providing among other things for company payment of a grant in lieu of taxes; discussion of joint hydro development & demand management; interested in expanding municipal boundaries	City is wanting to develop a 4-5 year strategic plan and is looking at progress made by other municipalities such as Yellowknife	A lot of industrial activity happening at the present, making Thompson a bit of a mini-Fort McMurray	Yes, quite a few similarities including growth as a service centre, range of industrial impacts, and development of cold weather testing specialty
City of Greater Sudbury, ON	City's boundaries encompass all of the mining operations; some economic diversification; strategic planning process; some thinking about sustainability planning especially following mine company ownership changes	Mining provides portion of total tax revenues; progress has been made with economic diversification and quality of life improvements	Changing ownership of the two major mining operations has altered nature of the relationship with the city	Yes, the city's experience with resource extraction and strategic & sustainability planning is informative (see especially "Claiming our Stake" document)
City of Timmins, ON	City boundaries encompass some of the mines; community partners lead strategic planning exercise; initiatives to have provincial revenue sharing formulas altered; establishment of the Mayor's Task Force on Sustainability	Mining provides portion of total tax revenues; some progress has been made with economic diversification	Dependency on mining and forestry and geographic isolation; difficulty over use of city roads by heavy mine traffic has not been resolved	Yes, in several areas (especially re mining inside and outside city limits); CAO has suggested an information exchange with the City of Yellowknife on sustainability
Village of Salluit, Nunavik, PQ	Raglan Agreement signed in 1995 with Falconbridge was one of the first Impact & Benefit Agreements (IBAs) in Canada	Mine provides guaranteed income to the community; Inuit employment at the mine is 12-16%	None mentioned	No, this is an aboriginal community

Municipality	Strategy	Indication of Success?	Main Obstacle?	Direct Relevance to Yellowknife?
Cape Breton Regional Municipality, NS	Formation of a regional government to avoid insolvency and qualify for emergency funding; shared tax base; regional planning strategy	Better positioned to plan for possible new submarine coal development	Major out-migration and desperation for replacement of lost jobs	No, this is an amalgamation of six former municipalities struggling with an extraordinary downturn in economic activity

Overall, based on these cases, it is reasonable to conclude:

- there are a large number of alternative strategies which can be used to help ensure net benefits accrue from new industrial developments;
- the selection of strategies and their combination and timing reflect the characteristics of each municipality and its leadership;
- while the issue of whether a resource development occurs within the municipal boundaries is a key one for a municipality to exercise municipal property taxation and land use and other controls, it is not a central consideration for the selection of certain other strategies;
- many municipalities would like to have progressed farther with their long-range strategic planning than they actually have;
- many municipalities have capacity constraints and appear to be struggling to understand what community sustainability planning is all about;
- the different strategies vary according to their origin – many were initiated by the municipality itself but some (e.g., corporate donations) are developer-driven and others have their origin in programs and priorities of senior governments (e.g., the opportunity to intervene in regulatory approvals processes);
- the different strategies range in their content from extremely specific such as raising revenues from user fees (e.g., road user fees) to very general (e.g., benefits agreements, sustainability covenants and good neighbour agreements);
- there are also differences between the degree of formality of different strategies – some involve legally binding agreements, others focus on relationship building; and
- available strategies can be either directly pursued with the resource developer, indirectly pursued via interactions with senior governments and others, or pursued internally within the municipality.

5.0 CATEGORIZATION OF NET BENEFIT STRATEGIES AND INDICATIONS OF RESULTS

As can be seen from the conclusions drawn from the interviews, several possibilities exist for categorizing strategies that have been used in municipality-resource company interactions. Perhaps the most useful is a categorization according to whether the strategy is directly pursued by the municipality, indirectly pursued by the municipality, or pursued internally within the municipality.

Figures 1, 2, and 3 indicate the principal characteristics of each situation. For simplicity, only details of the interactions focused on the municipality/resource development company relationship are depicted. Figure 1, the first schematic, reinforces the directness of the first grouping of approaches and shows that they may be either formal or informal.

Figure 1: Strengthening Municipal-Company Relations: Directly Pursued Approaches

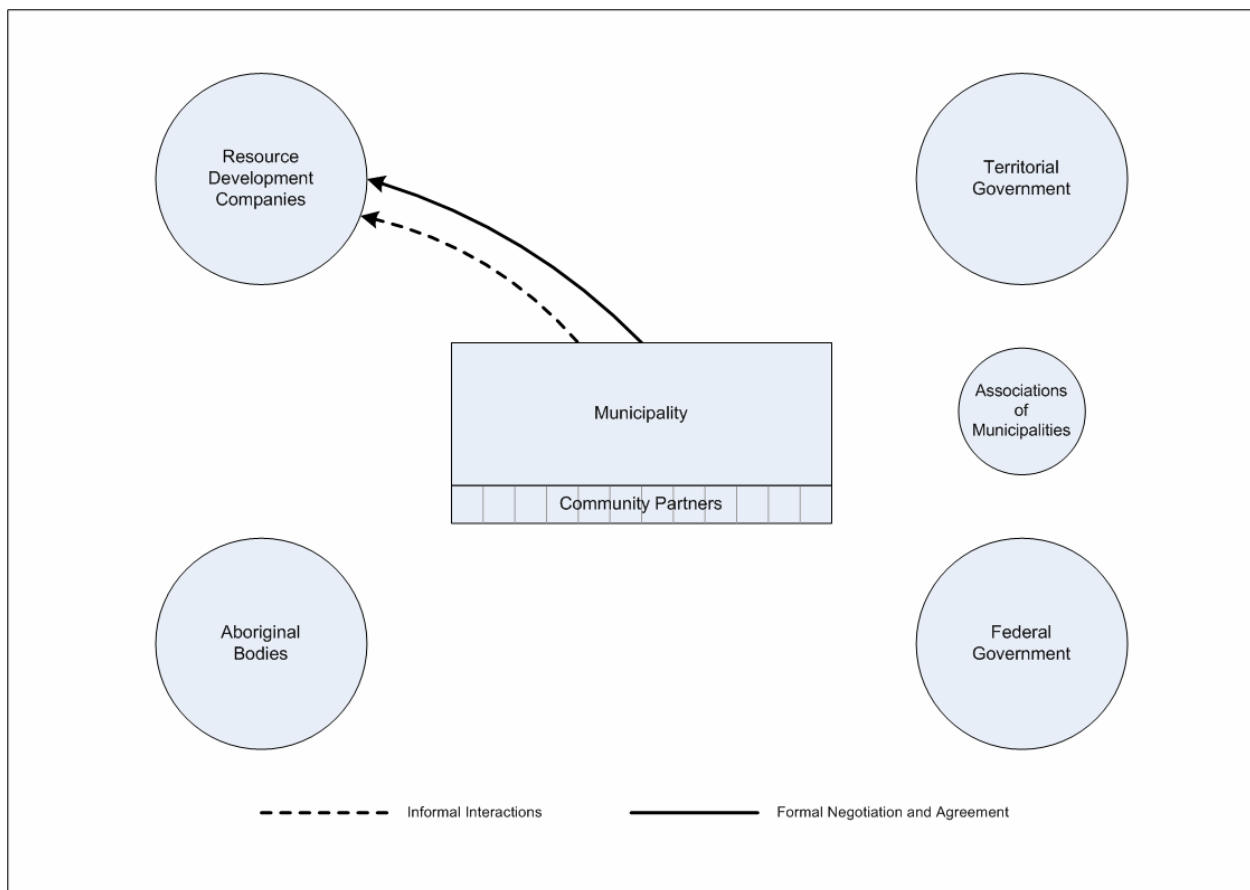


Table 3 shows 11 “directly pursued” strategies which could be used in structuring a long-term relationship with a resource development company. Specific examples are identified and

commented upon. In the right-hand column, the relevance of the strategy to the Yellowknife situation is assessed (albeit on the basis of limited and/or outdated knowledge of Yellowknife circumstances).

Table 3: Net Benefits Strategies Followed by Municipalities – Directly Pursued Approaches

No.	Strategy	Examples	Comment	Relevance to the City of Yellowknife?
1	Municipality negotiates benefits agreement with developer	Flin Flon Mining & Smelting Funding Agreement; City of Thompson/INCO/Manitoba Agreement; industry sustainability covenants (Western Australia); Good Neighbor Agreements (US); Community Benefits Agreements (US, UK)	Such agreements between developers and Aboriginal groups are becoming common in the Canadian north, but instances of agreements between developers and municipalities are rare ¹²	Yes, however no precedent exists for such an agreement (between a municipality and a developer) in the Canadian north
2	Municipality urges developer to assist with creation of spin-off industries	Initiation in Yellowknife of a secondary diamond industry	It has been critical to secure agreement by diamond mining companies to supply local manufacturers with a share of “rough” diamonds	Yes, already undertaken in Yellowknife with support from the GNWT
3	Municipality meets regularly with developers to share plans, build rapport and (when necessary) exert suasion	District of Sparwood BC; the Town of Inuvik, NT uses the Inuvik Petroleum Show as a relationship building tool	A recognition that sitting around a table frequently can build trust and lead to cooperative solutions to problems	Yes, several meetings were held regarding the start of a secondary industry; at this time meetings between the Mayor of Yellowknife and individual companies occur infrequently
4	Municipality urges developer to invest directly in public infrastructure	Town of Inuvik, NT; being attempted in City of Timmins ON	A clear record of usage by a resource company of a specific piece of infrastructure is needed; such a linkage may be easier to establish in a “company town”	Difficult to envision for Yellowknife in the post-Con and post-Giant era
5	Municipality encourages developers to contribute to a municipal Debt Relief Fund	District of Tumbler Ridge, BC	Justification may be easier when there are obvious heavy capital expenditure outlays prior to or during developer’s construction phase	Potentially yes, although details of the Tumbler Ridge precedent would have to be accessed and studied for applicability

¹² Examples of mutual aid agreements can be identified, as is the case between the Regional Municipality of Wood Buffalo and oil sands mining companies, but these are concentrated on sharing of emergence equipment and services.

No.	Strategy	Examples	Comment	Relevance to the City of Yellowknife?
6	Municipality raises its property tax levy for developers (thereby increasing its revenues) or otherwise exerts controls through land use and other permitting	District of Tumbler Ridge, BC	Requires the resource development to lie inside the municipal boundaries	Not relevant for Yellowknife with respect to industrial developments currently in operation
7	Municipality levies user fees on developer, e.g. fees for use of municipally owned roads, water supply and waste disposal	Town of Hinton, AB; Town of Inuvik, NT	Appears to be a common practice, however charges to help defray capital costs (for expansion, modernization etc.) are problematic ¹³	Potentially yes, but may be limited to use of City-owned roads for tractor trailer traffic during the winter re-supply effort
8	Municipality invites, or developer offers, specific donations linked to well-being of the municipality	Diamond mining companies donated to Kimberlite Career & Training Centre and Multiplex in Yellowknife (Diavik gift on Multiplex included construction management role ¹⁴)	Specific donations may be linked to hybrid spin-off/diversification initiatives such as interpretive centres or centres of excellence	Yes, this appears to be occurring in Yellowknife; initiative currently underway is the Bailey House Transitional Housing Shelter
9	Community Foundation solicits a contribution from a developer, or developer offers a contribution to the Community Foundation	City of Butte, MT	Key issue is extent to which the community has control of the foundation	Yes, Yellowknife has a Community Foundation run by an independent board but it does not receive sizeable donations from resource extraction companies (Slator, 2007, personal communication)
10	Municipality seeks to ensure developer commits to a broad-based plan for closure/post-closure including planning for economic sustainability in affected communities	City of Kimberley, BC	Increasingly viewed by regulators as a requirement during project approval process	Yes, Yellowknife could address this with diamond mining companies; use of the Con site for a NWT Environmental Sciences Centre is being discussed

¹³ The Town of Inuvik has had to request a legal opinion on its ability to charge commercial rates for services such as water and sewage to resource development companies.

¹⁴ For a discussion of Diavik's role in assisting with the Multiplex construction project, see Pool, 2004.

No.	Strategy	Examples	Comment	Relevance to the City of Yellowknife?
11	Municipality focuses attention of developer on directly addressing certain negative social or economic impacts related to the development	No example encountered	Example of a negative social impact might be developer's transportation arrangements for rotational workers; example of an economic impact might be damage to roads occasioned by developer's traffic	Yes, Yellowknife could address these with diamond mining companies given adequate documentation

Recommendations with respect to directly pursued strategies are:

- Re Strategy #1, investigate practicality of negotiating an industry sustainability covenant or good neighbour agreement – notes on the different types of written agreement are presented in Appendix D;
- Re Strategy #3, consider meeting regularly with developers to share plans, build rapport and (when necessary) exert suasion;
- Re Strategy #5, request details from the District of Tumbler Ridge about their Debt Relief Fund and review for applicability;
- Re Strategy #7, consider the practicality of a user fee for tractor-trailer traffic using city-owned roads during the winter re-supply effort;
- Re Strategy #8, consider approaching resource companies that have not been major donors about supporting future projects linked to well-being of the municipality;
- Re Strategy #9, undertake some co-planning with the Yellowknife Community Foundation to assess their donor solicitation procedures;
- Re Strategy #10, ensure that Yellowknife's interests are being served by closure planning being carried out by existing mining operations (could be linked to Strategy #13) and ongoing mine reclamation projects; and
- Re Strategy #11, investigate, document and directly address with resource development companies any specific actions which are viewed to be incompatible with the well-being of the municipality.

In addition to the above, interviews identified a total of five “indirectly pursued” strategies. These strategies focus on formal and informal interactions between the municipality and the senior governments; in some circumstances, these interactions are conducted with the assistance of representatives such as the FCM or the NWTAC (Figure 2). The indirect strategies are listed and commented upon in Table 4.

Figure 2: Strengthening Municipal-Company Relations: Indirectly Pursued Approaches

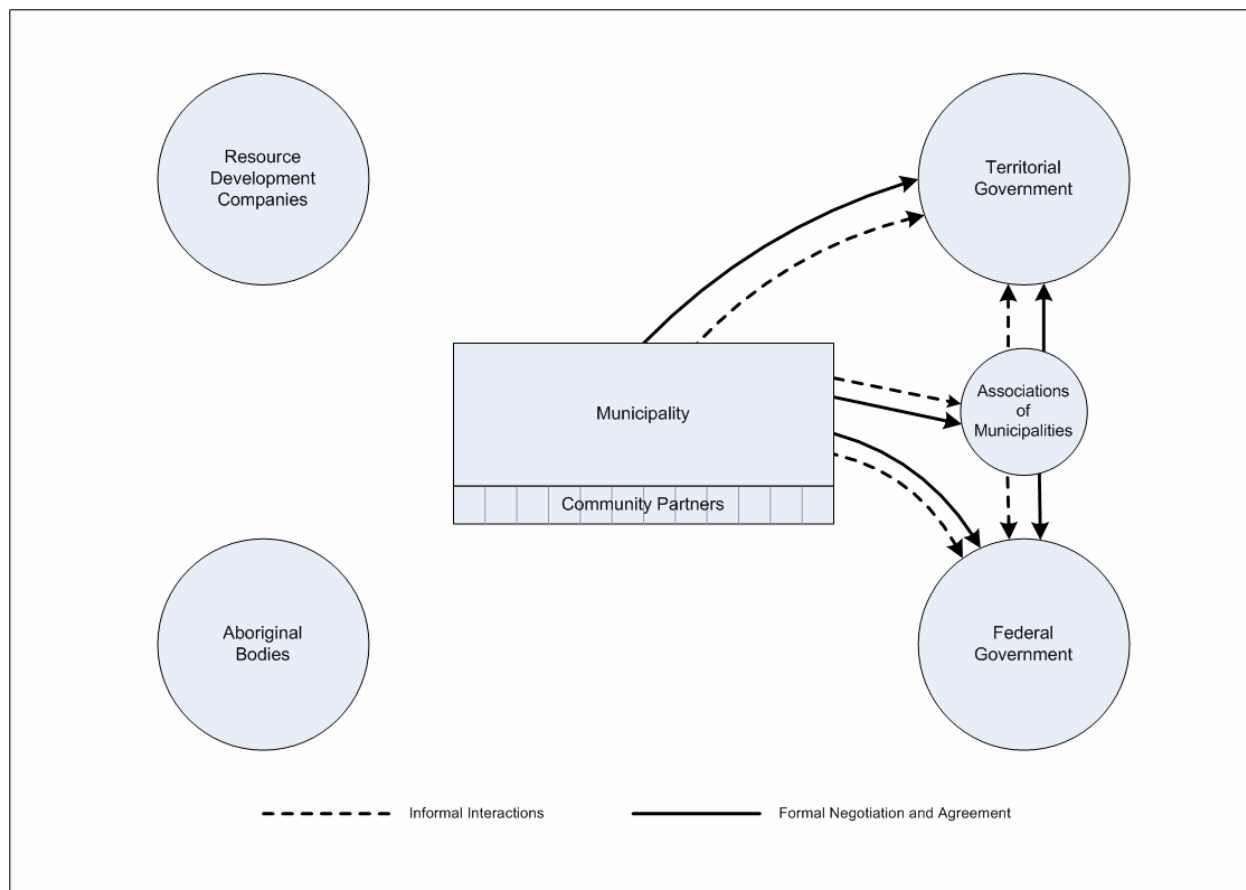


Table 4: Net Benefits Strategies Followed by Municipalities – Indirectly Pursued Approaches

No.	Strategy	Examples	Comment	Relevance to the City of Yellowknife?
12	Municipality expands its boundaries to encompass developer in tax base	District of Tumbler Ridge, BC; City of Revelstoke, BC; City of Greater Sudbury, ON; Cape Breton Regional Municipality, NS	Regional Municipality of Wood Buffalo in Alberta is another well known example	Likely not an alternative for the City of Yellowknife given the existence of several aboriginal territories and land claims
13	Municipality joins with other parties to request developer assistance with creation and subsequent expansion of spin-off industry	Initiation in Yellowknife of diamond tourism	Linked to branding of diamonds and building of Yellowknife's image as Diamond Capital of North America™	Yes, this has already occurred in Yellowknife with support from the GNWT

No.	Strategy	Examples	Comment	Relevance to the City of Yellowknife?
14	Municipality takes advantage of regulatory approval processes to intervene regarding proposed developments and their likely impacts	City of Revelstoke, BC	Revelstoke makes a point of intervening in any environmental assessment or other regulatory processes in which it has an interest	Yes, it appears the City of Yellowknife has not normally intervened in regulatory approval processes for resource development projects
15	Municipality lobbies senior governments for greater equity in resource revenue sharing and cost sharing of capital works	Town of Hinton, AB; City of Timmins, ON	A recurring theme for Yellowknife and other members of the NWT Association of Communities, also pursued on behalf of northern communities by the Federation of Canadian Municipalities ¹⁵	Yes, this already occurs, especially through representative bodies such as NWTAC and FCM
16	Municipality focuses attention of senior government on shortcomings in legislation and enforcement which, if remedied, may address certain negative social or economic impacts related to the development	District of Sparwood, BC (with respect to relaxation of provincial sales tax in areas of the province bordering Alberta)	Example of a shortcoming in legislation might be rules on alcohol sales and drinking; example of a shortcoming in enforcement might be lack of adequate staffing of police detachments	Yes, this may already occur

Recommendations with respect to indirectly pursued strategies are:

- Re Strategy #13, review progress made toward establishing a mining industry museum in Yellowknife, with particular assistance from the gold mining and diamond mining companies;
- Re Strategy #14, formulate internally a process for developing interventions in regulatory approvals processes, especially capitalizing on the MVEIRB's enhanced interest in developers acknowledging, and planning for, the concerns of all communities of interest (COI);
- Re Strategy #15, continue to exert pressure, both directly and indirectly (through the NWTAC and FCM) on senior governments to resolve a situation which many bodies and experts (including, in 2006, the External Advisory Committee on Cities and Communities) consider untenable; and
- Re Strategy #16, conduct a review to see how frequently municipal concerns are expressed to the GNWT and the Government of Canada and to what extent the raising of these concerns results in improvements to the well-being of the municipality.

¹⁵ Recently, tax-based municipalities in the NWT have been encouraged by actions taken by GNWT Municipal and Community Affairs (MACA).

Further to the above, interviews identified a total of 11 “internally pursued” strategies. As illustrated in Figure 3, these strategies focus on strengthening of the municipality’s planning processes and informal interactions with community partners, senior governments and other bodies such as aboriginal groups. The internally pursued strategies are listed and commented upon in Table 5.

Figure 3: Strengthening Municipal-Company Relations: Internally Pursued Approaches

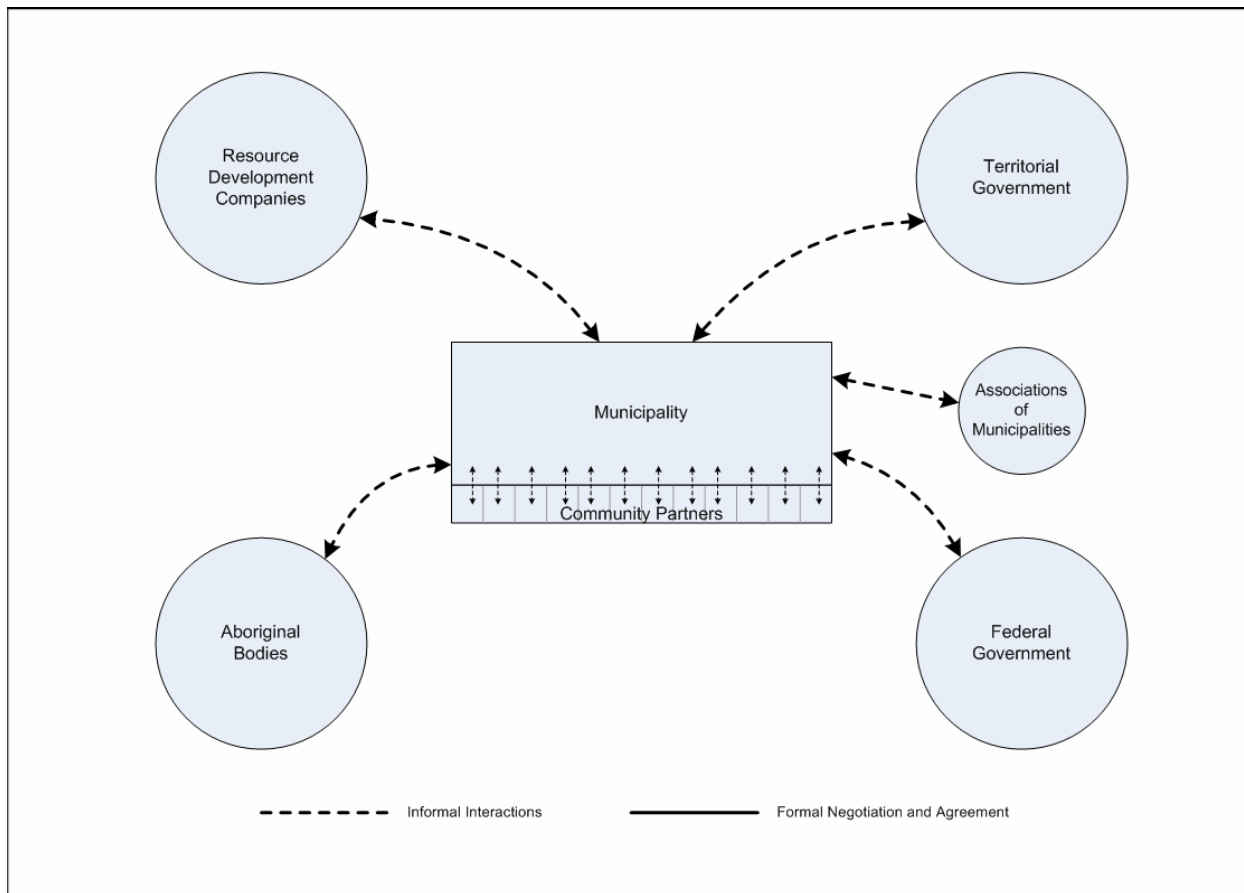


Table 5: Net Benefits Strategies Followed by Municipalities – Internally Pursued Approaches

No.	Strategy	Examples	Comment	Relevance to the City of Yellowknife?
17	Municipality fosters economic diversification	City of Revelstoke, BC; City of Kimberley, BC	This strategy is pursued with varying degrees of effort in most of the municipalities studied	Yes, this already occurs and is a central theme of the City of Yellowknife’s planning document - New Paradigm for Economic Growth

No.	Strategy	Examples	Comment	Relevance to the City of Yellowknife?
18	Municipality leases municipal land for a workcamp (larger issue is municipal role in land development)	District of Tumbler Ridge, BC	A strategy designed for some very specific circumstances, ensuring a revenue stream with minimal outlay to the municipality; strategy could be expanded to cover residential and industrial land development, including the creation of industrial parks	Yes, the City of Yellowknife has played the role of land developer and more of this is being considered
19	Municipality enters directly into business ventures supporting diversification	City of Revelstoke, BC; being attempted by the City of Thompson, MB	A non-conventional strategy which requires favourable investment opportunities and strong internal consensus	Possibly yes, the City of Yellowknife appears not to have pursued this strategy
20	Municipality conducts consultation, visioning, strategic planning and sustainability planning	City of Kimberley, BC; City of Greater Sudbury, ON; City of Timmins, ON	Indicative of the key role of consultation and consensus building in strategic planning and sustainability planning	Yes, the City of Yellowknife did formal consultation and consultation work for the update of the General Plan and as background to the Community Energy Plan, but other instances are limited, especially with respect to setting long-term direction
21	Municipality fosters inter-agency cooperation	City of Revelstoke, BC	This example is a reminder of the strength that can be garnered from goodwill and cooperation between diverse bodies	Yes, although the extent to which this occurs is unclear, especially with respect to aboriginal groups
22	Municipality builds sizable reserve fund	District of Sparwood, BC	Sparwood's leadership took advantage of real estate opportunities to build a 'rainy day' fund	Potentially yes, but the City of Yellowknife has not pursued this strategy and appears to have little opportunity to do so
23	Municipality learns about sustainability planning from preparation of an Integrated Community Sustainability Plan	City of Dawson, YT	Such a plan is a requirement of the Federal Government's gas tax rebate program	Yes, the City of Yellowknife is currently preparing an Integrated Community Sustainability Plan

No.	Strategy	Examples	Comment	Relevance to the City of Yellowknife?
24	Municipality participates in a formal tax sharing agreement with other municipalities	District of Sparwood, BC	This example covers municipalities of about the same size, all located in the Elk Valley	None, not likely to be relevant for Yellowknife
25	Municipality and resource sector service companies agree on municipal contracting of equipment and operators during summer season at below-market rates	Town of Inuvik, NT	This strategy appears to have come about following identification of coinciding interests	Unclear with respect to oil and gas; opportunities would not arise with mining operations as they are active year-round
26	Municipality conducts its own cumulative effects assessment as a prelude to resource revenue negotiations with senior governments and intervention in regulatory approvals processes	GNWT (this example was identified from the literature search rather than from the interviews)	This strategy has been used by the GNWT in the document "Resource Development Impacts: Estimates of the Cumulative Impact of Non-Renewable Resource Development and the Forced Growth Impact on Government Programs" (GNWT, 2006)	Yes, especially important given the increased attention being given by senior governments and MVEIRB to cumulative effects assessment
27	Municipality considers setting up business incentive programs which encourage sustainability as a more fundamental aspect of the economic landscape	Possibly there are good municipal examples in Scandinavia; the topic will be a focus of the upcoming Borealis Conference 2007 in Alta, Finland (www.hifm.no/borealis)	Senior governments offer incentives of this nature, e.g. GNWT Business Incentive Program (BIP)	Yes, may require investigation and study of documented experiences, would have to be pursued in concert with other levels of government and aboriginal bodies

Recommendations with respect to indirectly pursued strategies are:

- Re Strategy #17, review progress towards follow-up research and implementation of diversification options identified in the New Paradigm for Economic Growth;
- Re Strategy #18, (if not done so already) review the role of the City of Yellowknife as a land developer from an economic development perspective, including consideration of both benefits and costs/risks;
- Re Strategy #19, review the factors which limit the City of Yellowknife's direct involvement in business ventures and if limiting factors are not substantial maintain a watch for appropriate business investment opportunities;

- Re Strategy #20, complete a current set of Goals and Visions (to reconfirm or replace those of the previous City Council) and consider setting these with the benefit of greater consultation and publicizing them, in a Statement of Directions and Priorities document as has been done by the City of Timmins (City of Timmins, 2004)¹⁶; also, find ways of adding to the sustainable planning principles enunciated during preparation of the Community Energy Plan so that they have application to City of Yellowknife's deliberations on financial capability and economic development/investment potential;
- Re Strategy #21, consider ways of building stronger relationships with nearby aboriginal groups and municipalities with a view to future cooperation; note the 2006 Building Bridges and Opportunities Conference organized by the City of Timmins and the role played in that conference by Fernand Trahan, Mayor of Val d'Or and Pierre Ouellet, Secretariat Coordinator for the Cree Nation Abitibi-Temiscamingue Economic Alliance¹⁷;
- Re Strategy #23, take advantage of the need (under the requirements of the Federal Government's gas tax rebate program) to prepare an Integrated Sustainable Communities Development Plan to improve the municipality's level of understanding of sustainability planning and draw links to existing city planning processes;
- Re Strategy #26, commission a cumulative effects assessment of resource development impacts on the City of Yellowknife in an effort to draw more attention to Yellowknife's continuing role as the key administrative, commercial and service centre for the NWT and other northern areas; and
- Re Strategy #27, identify the potential for the City of Yellowknife to play a leading role in fostering adoption of sustainability principles by local and regional businesses.

6.0 CONCLUSIONS

6.1 Overall Considerations

Many of the strategies listed in the previous tables can be linked to current thinking on both sustainable communities and sustainable mining practice. Available guidance such as the MAC's TSM Guiding Principles can be cited by municipalities as best practice pointers which merit consideration by resource developers.

Additionally, the concept of shared responsibility can be used to support some strategies. This concept holds that governments, aboriginal groups, civil society and industry all have some responsibility for dealing with mine-related social issues. To the extent that these issues are well handled, there will be corresponding benefits for the mines, such as reduced absenteeism, improved worker productivity, less turnover of employees, improved quality of life for city-based employees, etc.

¹⁶ The Town of Inuvik has been able to conduct some of its recent visioning and planning work using funds obtained from the GNWT's Pipeline Readiness Fund.

¹⁷ A source on this Northern Quebec experience is "Guide to Developing Successful Partnerships: Cree Nation Abitibi-Temiscamingue" published in 2001 by the Secretariat to the Cree Nation Abitibi-Temiscamingue Economic Alliance at www.creenation-at.com

The idea of a Community Sustainable Development Plan (CSDP) may not be immediately applicable in the Yellowknife context, however the fact that it is squarely featured in the international best practice literature is important. The MMSD Final Report indicates a CSDP may provide the fundamental framework for relationships among the company, the community, the government, and any other relevant parties throughout the project life and into post-closure (IIED/WBCSD, p. 227). The MMSD report suggests that the CSDP be designed through consultation, coupled to the environmental impact assessment, and administered by an independent party through a multi-stakeholder forum.

From an outsider's perspective, it appears the City of Yellowknife has the opportunity to:

- better define some overall goals and visions informed by a concerted public consultation or visioning exercise;
- tap into the wellspring of interest in sustainability among the public, governments and resource development companies;
- play a more activist role in documenting and presenting the City of Yellowknife's interests on issues from devolution, community governance and resource revenue sharing to specific developer proposals currently undergoing regulatory approvals processes; and
- press ahead with a number of complementary strategies – directly, indirectly and internally pursued.

6.2 Suggestions for Further Research

The current study has concentrated on municipal relationships with one kind of industrial activity, mining. It is anticipated that further research could describe equivalent and not dissimilar findings for the oil and gas industry -- oil and gas likely constitute the largest potential source of wealth in the NWT. However, the expected yield from this avenue of investigation would be limited by the fact that some types of oil and gas projects – especially pipelines and production facilities -- are not associated with sizable, long-term socio-economic impacts on nearby communities.

During the current study, the authors succeeded in gaining only a superficial understanding of municipal experiences in other countries, and no interviews were conducted with municipal administrators outside North America. The most promising area for further investigation appears to be the State of Western Australia, a sparsely peopled jurisdiction heavily reliant on mining and containing at least one regional centre with similarities to Yellowknife – the City of Kalgoorlie-Boulder.

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APPENDIX A

Draft Interview Questions for Selected Municipalities

We are in the preliminary stages of a study we are conducting for the City of Yellowknife. It's called "Background Considerations of Relevance for Long-Range Planning by the City of Yellowknife in Advance of New Industrial Development." The study is focused on developing or identifying strategies that can be used to ensure that the city is positioned to benefit adequately from resource development activities that occur outside of its municipal boundaries, but close enough to impact the community.

We are very interested in learning more about your municipality's experiences with resource development activities. Would you have a little time to answer a few questions for us?

1. Can you tell me a little bit about (town/city's) experience with nearby resource development?
2. Has (town/city) put in place or discussed any strategies to benefit from resource development activities?
3. What would you characterize as the most positive impacts resource development has had on your town/city?
4. Has your town/city experienced any negative effects as a result of resource development? Please explain.
5. Does your town/city have a formal document, community plan, or long range development plan – essentially a strategy to follow to ensure that your municipality ends up with net benefits?
6. Is there any evidence available yet that this strategy is achieving its objectives?
7. Do you have any written documents that speak about your municipality's relationship with resource development activities?
8. Is there anything else you would like to share with us about your town/city's experiences?

APPENDIX B

List of Proposed Developments in the Northwest Territories and West Kitikmeot Region



Development Name and Sector	Location	Status
Mining		
BHP Billiton Ekati™ Diamond Mine	300 km NE of Yellowknife	Opened October, 1998 (operating to end of 2014)
Diavik Diamond Mines Inc. Diavik Diamond Mine	300 km NE of Yellowknife	Opened January, 2003 (operating to 2025)
De Beers Snap Lake Diamond Mine	200 km E of Yellowknife	Under construction (planned for 2007-2026)
Tahera Jericho Diamond Mine	West Kitikmeot Nunavut	Production started spring 2006
De Beers Gahcho Kué Diamond Project	280 km E of Yellowknife	Permitting
Miramar Doris North Gold Project	420 km NNE of Yellowknife	Permitting
Yellowknife Gold Project	90 km N of Yellowknife	Permitting
Mineral Exploration		
Approx. 24 projects at various stages	Slave Geological Province – NWT	Permitted Ongoing
Approx. 15 projects at various stages	Slave Geological Province – Nunavut	Permitted Ongoing
NICO Advanced Exploration	160 km N of Yellowknife	Advanced Exploration
Re-opening Prairie Creek Zinc, Lead and Silver Mine	Southern Mackenzie watershed	Permitted Est. start-up 2008
Re-opening Pine Point Lead Zinc Mine	Between Fort Resolution & Hay River	Feasibility
Care & Maintenance, Reclamation		
Reclamation, Miramar Con Gold Mine Site	Yellowknife	On-going
Reclamation, Giant Gold Mine Site	Yellowknife	On-going
Reclamation, Colomac Gold Mine Site	222 km N of Yellowknife	2005-2010
Reclamation, Tundra Gold Mine Site	200 km NE of Yellowknife	Remediation
Reclamation, Discovery Gold Mine	80 km NE of Yellowknife	Environmental Monitoring
Re-opening, Lupin Gold Mine	Slave Geological Province – Nunavut	Feasibility
Infrastructure		
Tibbitt-to-Contwoyto Winter Road	568 km (begins at 70 km) NE of Yellowknife	Permitted by DIAND until 2033
Mackenzie Bridge Project	Near Fort Providence	Permitted 2006 start
Mackenzie Gas Project	1220 km pipeline between Inuvik and Alberta	Permitting
Mackenzie Valley all-weather road	Wrigley to Inuvik and Tuktoyaktuk	Proposed
Yellowknife Airport Expansion	Yellowknife	Proposed 2013-2023
Bathurst Inlet Road Deep-sea port and 300 km all-weather road to Contwoyto Lake	Slave Geological Province – Kitikmeot	Permitting
Taltson Hydroelectric expansion	South and North Slave area	Feasibility

Source: various news releases and websites.

APPENDIX C

Notes on Interviews Conducted with Selected Municipalities



NOTE: ordering of municipalities is as per contents of Table 1

Town of Inuvik, Northwest Territories (www.inuvik.ca)

Tom Lie, Senior Administrative Officer, tel 867 777-8608, interviewed January 3, 2007

1. Can you tell me a little bit about (town/city's) experience with nearby resource development?

More than three decades of experience with onshore and offshore oil and gas exploration. Also, some onshore mineral exploration (e.g., Diamondex) to the south and east of Inuvik. At the present time, the town's focus is on dealing with Imperial Oil Ventures over the MacKenzie Gas Project and an "explorers group" on oil and gas exploration activity. This winter, drilling is limited to a couple of Chevron onshore wells; there is no offshore drilling.

2. Has (town/city) put in place or discussed any strategies to benefit from resource development activities?

The town does not have any opportunities to intervene with the "explorers group" since they operate on ISR or Crown lands and their activity is largely self-contained. Regarding the MGP, the town is using the regulatory channels open to it as a community which would be impacted by the pipeline. The town is being consulted by Imperial. The town will enter into agreements with Imperial for road use (for use of a specific town road linking river access to the territorial highway), purchase of water and use of sewage and solid waste systems. The town is waiting for Imperial to be specific about its needs with respect to water and sewage/solid waste services.

3. What would you characterize as the most positive impacts resource development has had on your town/city?

Increased employment for town residents. Unfortunately this is limited because of low capacity. Most town residents would qualify for entry level positions only. It is very unclear exactly how big the multiplier effects of oil and gas activity have been.

4. Has your town/city experienced any negative effects as a result of resource development? Please explain.

Increased traffic flows. There may be social issues arising from the spending of disposable income, but the town already has these issues and they are "unquantifiable."

5. Does your town/city have a formal document, community plan, or long range development plan – essentially a strategy to follow to ensure that your municipality ends up with net benefits?

No, only the road use agreement with Imperial exists at this time (and it's confidential). The underlying strategy (with respect to dealing with Imperial on the MGP) is to ensure the town gets



full cost recovery for any MGP-related activities that impinge on town-owned infrastructure or services.

6. Is there any evidence available yet that this strategy is achieving its objectives?

No.

7. Do you have any written documents that speak about your municipality's relationship with resource development activities?

No.

8. Is there anything else you would like to share with us about your town/city's experiences? No.

Hamlet of Fort Liard, Northwest Territories (www.fortliard.com)

John McKee, Senior Administrative Officer, tel 867 770-4104, interviewed January 3, 2007

1. Can you tell me a little bit about (town/city's) experience with nearby resource development?

The hamlet grew rapidly from 388 in 1986 to 539 in 1996 as a result of intense gas exploration and development in the surrounding area (outside the hamlet boundaries). The hamlet's 2006 population was 600 (in each case these population numbers ignore sizeable shadow populations, including the existence for several years of a 500-person camp inside the hamlet boundaries). A study prepared in 2000 by the Community Impact Sub-Committee Mackenzie Valley Development Plan (titled "Impact of the Oil and Gas Development on the Community of Fort Liard") drew attention to a wide range of effects, both positive and negative on the small community.

2. Has (town/city) put in place or discussed any strategies to benefit from resource development activities?

The hamlet lies within the Deh Cho Region where a land claim agreement has not yet been signed. Most of the hamlet residents belong to the local First Nation, and the negotiating strength lies with the First Nation rather than the hamlet. The First Nation, through Acho Dene Koe (ADK) Holdings and its subsidiary companies, has been extremely active in finding opportunities meeting the supply needs of the oil and gas exploration and drilling crews. The First Nation has at least eight joint ventures which provide services such as catering, construction, fuel supply, highway maintenance and air charters.

The hamlet's main strategy is to spread fixed costs over as big a customer base as possible and keep property taxes at a reasonable level.



3. What would you characterize as the most positive impacts resource development has had on your town/city?

A bit more revenue for the hamlet as a result of providing water, sewage and solid waste services.

4. Has your town/city experienced any negative effects as a result of resource development? Please explain.

The hamlet's SAO pointed out that initially the hamlet provided water and took liquid and solid waste from the exploration companies on a user pay basis. However, the waste volumes were much higher than expected and this placed a great deal of pressure on the hamlet's infrastructure. It was also unclear what materials were being included in the waste. When the hamlet realized the difficulties it faced in expanding its facilities, it cut back on its service to the exploration companies. The First Nation is currently considering developing a separate site for industry-related liquid and solid waste.

The SAO pointed out that the oil and gas industry did not want to cover any capital costs associated with physical infrastructure. In their view, these costs should have been covered by the territorial government from resource revenues. However, the lack of a resource revenue sharing agreement meant that funds flowing to the federal government were not making their way to territorial coffers and facilitating infrastructure spending.

5. Does your town/city have a formal document, community plan, or long range development plan – essentially a strategy to follow to ensure that your municipality ends up with net benefits?

A comprehensive Community Plan was completed four years ago but it was a "huge document" that was too "complicated" to work with.

The hamlet did not participate in the business arrangements led by the First Nation. There was a strong feeling that the hamlet did not have the capacity to enter into ventures (such as the provision of bigger, more costly infrastructure) when future demand seemed uncertain. Also the hamlet is clear about not competing with the First Nation.

6. Is there any evidence available yet that this strategy is achieving its objectives?

No.

7. Do you have any written documents that speak about your municipality's relationship with resource development activities?

No.

8. Is there anything else you would like to share with us about your town/city's experiences?



There have been some useful changes in tax treatment and the disbursement of infrastructure funds by the GNWT's MACA. The Federal Government now provides the hamlet with full as opposed to partial GST rebates. The Federal Government also provides gasoline tax funds for environmentally-related projects such as landfill sites, water treatment plants and chip-sealing of roads.

MACA used to dispense infrastructure funds on a project by project basis in incorporated communities -- specific projects were ranked and selected for funding allocations from across the NWT. Starting April 1, 2007, MACA will allow the hamlet to set its own priorities and do its own planning.

City of Whitehorse, Yukon (www.city.whitehorse.yk.ca)

Dennis Shewfelt, City Manager, City of Whitehorse, tel 867 668-8650, interviewed January 10, 2007

1. Can you tell me a little bit about (town/city's) experience with nearby resource development?

The city has a population of 23,272 (2005). The city's website indicates the city has a strong diverse economic base, is built on its role as a Canadian capital city and the Yukon hub for transportation, as well as resource development, technology, tourism, culture and government. The city's Vision Statement says: "We envision Whitehorse as a beautiful and livable capital city that sustains our Northern spirit with socio-economic viability, effective services and good governance."

The study doesn't have much relevance for Whitehorse. There are several mines (e.g., the Sherwood Mine and the Cantung Mine) located at some distance from the city but they are small and do not impact the city greatly. Placer mining is not allowed in the city limits. The 1998 closure of the big mine at Faro definitely had a negative impact on Whitehorse, however the resulting downturn has passed. The city's economy, which now relies very little on mining, may be viewed as more "sustainable."

Dennis Shewfelt did not comment on follow-up to the 1994 document by the Workplace/Workforce Issue Group called the Whitehorse Mining Initiative – Final Report. This document included a recommendation that "a formal strategic plan should be developed by those communities significantly affected by a mining operation."

2. Has (town/city) put in place or discussed any strategies to benefit from resource development activities?

N/A



3. What would you characterize as the most positive impacts resource development has had on your town/city?

N/A

4. Has your town/city experienced any negative effects as a result of resource development? Please explain.

See comment above on the closure of the Faro Mine.

5. Does your town/city have a formal document, community plan, or long range development plan – essentially a strategy to follow to ensure that your municipality ends up with net benefits?

The City Council has a 1996 Economic Development Strategy and has just completed a strategic planning process – for which see the 2004-2006 Corporate Strategic Plan (p.21 indicates that a Sustainable Community Strategy is pending).

<http://www.city.whitehorse.yk.ca/vertical/Sites/{77FF5155-2407-453B-BAE8-67D8813B88C6}/uploads/{2F168D5E-A702-4556-9011-49F562F4977B}.PDF>

6. Is there any evidence available yet that this strategy is achieving its objectives?

The city has diversified its economic base and is back on a growth trend.

7. Do you have any written documents that speak about your municipality's relationship with resource development activities?

No.

9. Is there anything else you would like to share with us about your town/city's experiences?

No.

City of Dawson, Yukon (www.yukoncommunities.yk.ca/communities/dawso)

Heather Favron, Acting CEO, City of Dawson, tel. 867 993-7400, interviewed January 12, 2007

1. Can you tell me a little bit about (town/city's) experience with nearby resource development?

Dawson's population is 1,772 (2003) but was 40,000 at height of the gold rush in 1898. Economic activity encompasses gold placer mining, agriculture, fishing, trapping and forestry, as well as the service sector and government. Dawson is on the main highway to Alaska and is located near the start of the Dempster Highway. The local First Nation (Tr'ondek Hwech'in) has



had a signed land claim and self-government agreement since 1998. A large gold mine operated by Viceroy Minerals was located close to Dawson but it closed in 2000.

2. Has (town/city) put in place or discussed any strategies to benefit from resource development activities?

The community is starting to do proper planning and is currently putting effort into an Integrated Community Sustainability Plan, a document required by the federal government for accessing gas tax rebates.

3. What would you characterize as the most positive impacts resource development has had on your town/city?

When the Viceroy Minerals mine was active, jobs and economic spin-offs.

4. Has your town/city experienced any negative effects as a result of resource development? Please explain.

The loss of the Viceroy Minerals mine has caused Dawson to be a quieter place than it was in the 1990s.

5. Does your town/city have a formal document, community plan, or long range development plan – essentially a strategy to follow to ensure that your municipality ends up with net benefits?

No. The Official Community Plan is outdated and needs attention. Besides the Integrated Community Sustainability Plan, work is underway on a regional economic development plan along with Whitehorse and First Nations (info on this can be requested from Dennis Barry of the City of Whitehorse).

6. Is there any evidence available yet that this strategy is achieving its objectives?

No, too early to say.

7. Do you have any written documents that speak about your municipality's relationship with resource development activities?

No, although something is being prepared.

8. Is there anything else you would like to share with us about your town/city's experiences?

No.



District of Tumbler Ridge, British Columbia (www.tumblerridge.ca)

Kim Isaak, Deputy Chief Administrative Officer, 250 242-4242, interviewed January 3, 2007

1. Can you tell me a little bit about (town/city's) experience with nearby resource development?

Two open pit coal mines (Quintette and Bullmoose) opened in the district in the early 1980s, at a time when substantial infrastructure and other support was available from the BC Government. The town was primarily built to accommodate and provide services to the coal industry workforce. With declining coal prices, the mines slowed production in the 1990s and then closed (Quintette in 2000, Bullmoose in 2002). A Tumbler Ridge Revitalization Task Force was formed in 2000 to encourage diversification of the local economy, principally in oil and gas exploration, forestry and tourism. An effort was also made to market the town to retirees. Since 2004, there has been a great deal of consultation and environmental assessment work and renewed coal industry activity. At present there are three coal mines in operation: Wolverine and Pelly (Western Canadian Coal) and Memi (Northern Energy and Mining).

2. Has (town/city) put in place or discussed any strategies to benefit from resource development activities?

Tumbler Ridge is a district which encompasses most of the operations mentioned above. The district is currently considering applying for an expansion of its boundaries so all or almost all of these operations fall within the district. Another strategy is to increase property taxes for industrial operations. Two earlier strategies are of note. One was for the district to lease Crown land and then sub-lease it for a modularized work camp (known as the Shanco Camp); this brought in \$250,000/year for very little outlay. The other was a Debt Relief Fund initiated in about 1986 or 1987 as a way of dealing with the district's debt – much of it related to coal mine construction and startup. The coal companies contributed to the Fund and by about 2001 the debt was fully paid off. (Kim Isaak indicated she could dig out detailed information on the Fund if this would be of specific interest to the City of Yellowknife).

3. What would you characterize as the most positive impacts resource development has had on your town/city?

Resumption of coal mining and the rise of other types of economic activity have served to revitalize the community.

4. Has your town/city experienced any negative effects as a result of resource development? Please explain.

One negative effect had to do with the establishment of the work camp; some residents viewed it as reducing their quality of life.



5. Does your town/city have a formal document, community plan, or long range development plan – essentially a strategy to follow to ensure that your municipality ends up with net benefits?

No, there's only an Official Community Plan at this time. A more strategic document, perhaps called a Sustainability Plan, will be developed by the district's Economic Development Officer, Ray Proulx.

6. Is there any evidence available yet that this strategy is achieving its objectives?

The Debt Relief Fund resulted in the elimination of the district's debt, much of which was incurred as the first coal mines were being established.

7. Do you have any written documents that speak about your municipality's relationship with resource development activities?

No.

8. Is there anything else you would like to share with us about your town/city's experiences?

No.

Town of Smithers, BC (www.town.smithers.bc.ca)

Deborah Sargent, Deputy Chief Administrative Officer, Town of Smithers, tel 250 847-1600, interviewed January 11, 2007

1. Can you tell me a little bit about (town/city's) experience with nearby resource development?

The Town of Smithers is a regional mining centre in northern BC. It is located in the Bulkley Valley and has a population of 5,414 (2001) and is surrounded by Electoral Area A which has a further 5,500 residents. There are at least two existing mines located close by: Northgate Minerals' Kemess Mine (gold, copper) and Barrick's Eskay Creek (gold, silver). There is also the Huckleberry Mine (copper, molybdenum) at Houston and the Premier Gold Project (gold, silver) at Stewart. Towards Terrace, the NovaGold Resources Inc. Galore Creek Project (copper, precious metals) <http://www.novagold.net/s/GaloreCreek.asp> is under construction.

In addition, the proposed Blue Pearl Mining Ltd. Davidson Project (molybdenum) <http://www.bluepearl.ca/s/DavidsonDeposit.asp>, which is currently proceeding through environmental review, lies just 10 km west of the town. Other elements of the Smithers' economy are road/rail transportation, forestry (including at this time beetle kill work), tourism and filming. Smithers is already benefiting from the Prince Rupert port development.

2. Has (town/city) put in place or discussed any strategies to benefit from resource development activities?

An Economic Development Committee was started a year ago and awarded a \$60,000 grant from the Real Estate Foundation to work with the mining industry on a strategy for the future. The EDC currently includes both the ski hill manager and a rep from one of the local mines. The Town of Smithers has not viewed the environmental assessment process (e.g., for the Blue Pearl mine project) as an effective channel for addressing their concerns.

3. What would you characterize as the most positive impacts resource development has had on your town/city?

Growth of the town as a regional mining centre, jobs and spin-off activity. Of special note is the growth of the town's airport (just 10 minutes from downtown) and extension of its runway to improve capacity.

4. Has your town/city experienced any negative effects as a result of resource development? Please explain.

Increased road and rail traffic, especially the CN rail traffic blocking access to residential areas and the ski hill. On a per capita basis, high petty and drug-related crime.

5. Does your town/city have a formal document, community plan, or long range development plan – essentially a strategy to follow to ensure that your municipality ends up with net benefits?

Nothing apart from the Official Community Plan and some older economic development strategies. The work planned by the Economic Development Committee (see above) will be important, as well as that of a newly formed Social Planning Committee (in which there is great interest in sustainable communities).

6. Is there any evidence available yet that this strategy is achieving its objectives?

Too early for any results.

7. Do you have any written documents that speak about your municipality's relationship with resource development activities?

No.

8. Is there anything else you would like to share with us about your town/city's experiences?

Deborah Sargent attended a very informative conference called ICSC-sponsored Building Sustainable Communities in Kelowna, November 21-23, 2006, for which see http://www.icsc.ca/index.php?option=com_content&task=blogsection&id=5&Itemid=112



City of Kimberley, BC (www.city.kimberley.bc.ca)

Michael Dodd, Chief Administrative Officer, City of Kimberley, tel 250 427-5311, ext.222, interviewed January 10, 2007

1. Can you tell me a little bit about (town/city's) experience with nearby resource development?

The city has a population of 6,484. Discovery in 1892 of lead, silver and zinc led to the North Star and Sullivan Mines. The Sullivan Mine, owned by Teck Cominco, began operations in 1909; it was one of the world's most productive lead-zinc mines. Community recognition of the depletion of local mineral wealth began in 1972-1973 and a decision was made then to turn the town into a four-season resort destination. The Sullivan Mine temporarily shut in the 1990s and closed permanently in 2001.

The Mining Association of Canada (MAC) organized a Sullivan Round Table in 2002 to examine the closure of Sullivan as a case study in reclamation and sustainable development. According to a 2002 INCO presentation, the relationship between the company and Kimberley changed in three ways: (i) a shift of economic power toward diversification of the local economy; (ii) a shift of the community mindset from dependency on the company to independence; and (iii) a shift of the company mindset from patriarchal to collaborative.

http://www.mining.ca/www/media_lib/MAC_Documents/Presentations/English/parker.pdf

A brief write-up on sustainability planning connected to the Sullivan Mine closure is contained in the MMSD Final Report p.222. Sullivan Mine was linked to the nearby lead and zinc smelter and refinery in Trail (population 15,000).

2. Has (town/city) put in place or discussed any strategies to benefit from resource development activities?

The city's focus since 1972-1973 has been economic diversification, particularly toward a Bavarian (subsequently Alpine) architectural theme and tourism. The city has encouraged development of a ski hill and golf courses, most of which lie within the municipal boundaries. Financially, the city has not yet recovered from the loss in the tax base occasioned by the mine closure. However, the establishment of a reserve fund before 2001 has helped finance annual expenditures, including construction of an aquatic centre and planning for a para-olympic training centre.

3. What would you characterize as the most positive impacts resource development has had on your town/city?

Since the mine closure, the growth of the city as a resort community has led to an influx of population into Kimberley.



*4. Has your town/city experienced any negative effects as a result of resource development?
Please explain.*

Boom and bust as usually occurs when a major mine temporarily shuts down or permanently closes.

5. Does your town/city have a formal document, community plan, or long range development plan – essentially a strategy to follow to ensure that your municipality ends up with net benefits?

A consultation/visioning exercise about the preferred future for Kimberley and role to be played by the city government was completed in June, 2003; the report was called “Creating the Kimberley the Residents Want the Way They Want It” was then used to revise the 2005 Official Community Plan (OCP).

6. Is there any evidence available yet that this strategy is achieving its objectives?

Kimberley is often mentioned as a success story in mine closure adjustment. The MAC has showcased Kimberley as a model for mine reclamation.

7. Do you have any written documents that speak about your municipality’s relationship with resource development activities?

No.

8. Is there anything else you would like to share with us about your town/city’s experiences?

No.

City of Revelstoke (www.cityofrevelstoke.com)

Alan Mason, Economic Development Commissioner, City of Revelstoke, tel 250 837-5345, interviewed January 12, 2007

1. Can you tell me a little bit about (town/city’s) experience with nearby resource development?

Revelstoke’s growth originated with regional minerals and lumber, was sustained by its strategic location on the Canadian Pacific railroad and then impacted in the 1970s and early 1980s by hydroelectric projects on the Columbia River. The city’s population is “7,500 residents, plus 610 residents living in Area B of the Columbia Shuswap Regional District.” Major economic sectors are transportation (rail and highway), forestry, and tourism/hospitality. A world-class downhill ski resort is expected to be built shortly on Mt Mackenzie (will be the longest vertical ski run in North America); the city has just expanded its boundaries so as to include the resort’s base lands/facilities.



The city's Vision Statement is "Revelstoke will be a leader in achieving a sustainable community by balancing environmental, social and economic values within a local, regional and global context. Building on its rich heritage and natural beauty, ... Revelstoke will be seen as a vibrant, healthy, clean ... It will committed to exercising its rights with respect to decisions affecting the North Columbia Mountain Region..." When asked about the meaning of this last clause, Alan Mason said the city acknowledges it has no jurisdiction over the huge area surrounding its boundaries (it's part of the Columbia-Shuswap Regional District) but it will seek to intervene on any issue (e.g., regarding forestry licences or changes at the Mica Dam or conservation of mountain caribou) in which it has an interest.

There has been no mining in the vicinity since 1995 when the Goldstream copper mine closed. Most of its 80 employees were non-local. Some mineral exploration continues.

2. Has (town/city) put in place or discussed any strategies to benefit from resource development activities?

In the 1980s, the city extended its boundaries to include the Revelstoke Dam, three miles to the north. The city receives \$1 million/year in revenue (in lieu of property taxes for the dam) from BC Hydro, but this amount has not been indexed to inflation. A recent provincial government announcement increased the amount to \$1.4 million, but it remains unindexed.

The city has been proactive in ensuring diversification of its economy away from megaprojects, even to the extent of investing in its own businesses. In particular, the City owns both a Community Forest Corporation (with its own timber licence) and a Community Energy Corporation (which uses waste wood for heating).

3. What would you characterize as the most positive impacts resource development has had on your town/city?

Economic benefits, jobs and (through the Community Forest Corporation) revenues. Within the last two years, revenues have enabled the city to build a new aquatic centre.

4. Has your town/city experienced any negative effects as a result of resource development? Please explain.

Environmental impacts and conflicts between resource users like forestry and tourism.

5. Does your town/city have a formal document, community plan, or long range development plan – essentially a strategy to follow to ensure that your municipality ends up with net benefits?

Other than the Official Community Plan, there is a new 5-year Community Development Strategy under preparation. Back in 2001, the first strategy document focused on economic and social objectives. When revised in 2003, the scope was expanded to incorporate environmental objectives. A consistent theme in city documents is that new developments should result in "no net cost" to the city.

6. Is there any evidence available yet that this strategy is achieving its objectives?

Alan Mason is frequently asked to talk about the Revelstoke experience in various forums, especially about the tradition of multi-party cooperation and the culture of community involvement.

7. Do you have any written documents that speak about your municipality's relationship with resource development activities?

The Centre for Community Enterprise in Port Alberni has published a case study on Revelstoke in its 2000 publication entitled *Tools & Techniques for Community Recovery and Renewal* (<http://www.cedworks.com/tools.html>). The study relates how the quintessential boom town dropped its dependency on large-scale employers and developed an identity as a vibrant mountain community with a diversified, sustainable local economy. Ingredients of this change were fostering new leadership, building organizational capacity, carrying out community-wide planning, preparing the workforce and creating a local development system.

8. Is there anything else you would like to share with us about your town/city's experiences?

Alan Mason indicated that, except for the start-up of the Community Energy Corporation, not very much has changed since the case study (see above) was written.

District of Sparwood (www.sparwood.bc.ca)

Sandy Hansen, Chief Administrative Officer, District of Sparwood, tel 250 425-6271, interviewed January 12, 2007

1. Can you tell me a little bit about (town/city's) experience with nearby resource development?

The population is 4,137 (2002). The primary industry is coal mining. There is also logging (Tembec Industries) but no milling. Recreation, tourism education and services are becoming increasingly important.

Coal mining began in the Elk Valley in 1898. There are currently five operations, all of them under the control of the Elk Valley Coal Corporation (until recently they were owned by three separate companies -- Line Creek Mine, the Elkview/Teck Mine and Fording Coal Mountain). To the south, Cline Mining Corporation is proposing to build the Lodgepole Coal Mine. Planning is underway on a major tourist attraction, the Coal Discovery Centre.

The five mines lie within the municipal limits of the District of Sparwood and the District of Elkford (one mine is very visible to the residents of Sparwood). For the past 20 years, there has been a tax sharing agreement between the District of Sparwood, the City of Fernie, the District of Elkford the Regional District of East Kootenay and the BC Ministry of Community Services.



Meetings are currently being held to discuss adjustments to the sharing formula. (Having good relationships with the municipalities is important to the coal mining company because every time the company has to seek approvals from the provincial government, it is necessary for them to show municipal support.) The District of Sparwood also has a reciprocal emergency services/mutual aid agreement with the coal mining company.

2. Has (town/city) put in place or discussed any strategies to benefit from resource development activities?

Sparwood has a very good relationship with the Elkview Mine; three or four meetings are held annually with the council to discuss the mine's long-term plans and any concerns the district may have.

3. What would you characterize as the most positive impacts resource development has had on your town/city?

Jobs and a high quality of life for residents – the latter is seen in the variety of recreation facilities and other infrastructure not normally found in a community of this size. The district has just succeeded in getting one of the mining companies to locate its corporate office in Sparwood. The district also cooperates with the coal company and the Ministry of the Environment on an air quality pilot project.

4. Has your town/city experienced any negative effects as a result of resource development? Please explain.

Coal dust. Also shift schedules (4 days on, 4 days off) which allow many people not to live in the community. This (coupled with proximity to the Alberta border where there is no provincial sales tax) has a negative effect on shopping patterns and volunteering.

5. Does your town/city have a formal document, community plan, or long range development plan – essentially a strategy to follow to ensure that your municipality ends up with net benefits?

In general, the tax sharing agreement solves this problem. In addition, there is a draft Strategic Plan dated April 26, 2005 http://www.sparwood.bc.ca/strategy/draft_plan.htm Economic development portions of that plan feature economic diversification, e.g., an 18-hole residential golf course. (Clearly, the City of Fernie has selected a different direction from Sparwood and Elkford, i.e., with strong skiing, tourism, commercial and retail facilities.) A third document is the Official Community Plan.

6. Is there any evidence available yet that this strategy is achieving its objectives?

Sparwood has been chosen as Mining Community of the Year and mentioned in many mining magazines; district staff are often invited to talk at meetings of municipal administrators.

7. Do you have any written documents that speak about your municipality's relationship with resource development activities?

Sparwood has been featured in writings on mining communities by a rural sociologist professor at the University of Michigan professor called Paul Ciccantell (email paul.ciccantell@wmich.edu).

8. Is there anything else you would like to share with us about your town/city's experiences?

Planning is underway for a Coal Discovery Centre at a site donated by a mining company close to the Visitor Information Centre. Recently, responsibility for the centre was transferred from a local society to a foundation; the main push now is to raise funds.

Sparwood is known around BC for the huge size of its reserve funds, an achievement of a former administrator and the felicitous result of having purchased land from Shell and redeveloped it for new uses. While other BC municipalities have to turn to the province's Municipal Finance Authority for borrowing, Sparwood borrows from its own reserve funds.

Town of Hinton, Alberta (www.town.hinton.ab.ca)

Bernie Kreiner, Town Manager, tel 780 865-6003 interviewed January 11, 2007

1. Can you tell me a little bit about (town/city's) experience with nearby resource development?

- 3 mines located outside of town's boundaries (only 1 still operating)
- pulp mill located within town boundaries (employs 600; 1100 including contracted workforce)
- 300 people from Hinton work at mine and drive 40 minutes daily to reach mine
- 15 years ago began to focus on being a service centre for the region – more as a result of good luck than good planning

2. Has (town/city) put in place or discussed any strategies to benefit from resource development activities?

- Town is pursuing "intellectual economy" work; using web research and best practices in North America
- The town's main job is to have industrial land available
- It's been beneficial to have employees living in town but employees require services
- The town is trying to reinstate revenue and cost sharing ("Industrial Tax Transfer Program" that was eliminated when the province created counties in 1994)
- Trying to instate road use fees

3. What would you characterize as the most positive impacts resource development has had on your town/city?

- Shift workers contribute to economy both socially and culturally; they are some of the strongest volunteers because they have more discretionary time
- The economy wouldn't be as diverse without the coal mine
- Workers use their income to engage in activities such as golf, hockey programs, etc.
- Community has phenomenal pride in community
- Water and sewage has been treated by the pulp mill since 1955

4. Has your town/city experienced any negative effects as a result of resource development? Please explain.

- Number one negative effect is that resource development changes the character of a community; town is characterized as industrial and it is therefore hard to attract non-industry and because of the number of union workers, it is hard to attract non-union employers
- Mining drives a high wage base and it is a disadvantage to diversify the economy in a strong way
- Image makes it difficult to attract tourism – need to work extra hard
- No control over destiny – resource development is world price market driven
- Communities know best how to balance environmental concerns and are often criticized by outsiders; political challenges can delay expansion of resource activities

5. Does your town/city have a formal document, community plan, or long range development plan – essentially a strategy to follow to ensure that your municipality ends up with net benefits?

- No; economic development plan on town website has some elements related to resource development mixed in with respect to land use, aesthetics
- Incorporated into all plans – underlying assumption is that the town does not want to be vulnerable to world markets
- Mine union was the first in Canada to win a chamber of commerce award for best business of the year

6. Is there any evidence available yet that this strategy is achieving its objectives?

- Yes; medical centre for region; software development company located in town; streetscape improvement plan; consistent leadership balancing resource/non-resource economy in a responsible way



7. Do you have any written documents that speak about your municipality's relationship with resource development activities?

- Can't think of any
- Check Cheviot hearing file (approximately 4 years ago) for evidence of Hinton's position

8. Is there anything else you would like to share with us about your town/city's experiences?

- Yellowknife is in a much better leverage position because the mines need YK and the mines need the territory
- View industry as key to community success – like a hospital or school would be viewed
- Look at governance model like Wood Buffalo – Hinton is considering this but would have to contend with county

City of Butte/ County of Butte-Silver Bow, Montana

Butte Local Development Corporation = www.buttemontana.org Butte-Silver Bow local government = <http://co.silverbow.mt.us/>

Jim Smitham, Executive Director, Butte Local Development Corporation, tel 406 723-4349, interviewed January 11, 2007

1. Can you tell me a little bit about (town/city's) experience with nearby resource development?

- Mining based economy for over 100 years (gold, silver, copper)
- Mining was main industry for over 70 years and is still an important part of the economy
- Active copper mine (mine plus processing plant/concentrator) on the edge of the city employs approximately 350 people (90% reside in Butte)
- In the past, Butte mines have employed as many as 10,000 people
- Butte is in Silver Bow County and in 1978 the county and city governments combined to establish one government (mine is within district)

2. Has (town/city) put in place or discussed any strategies to benefit from resource development activities?

- Until 1983 ore was mined, processed and smelted in Butte; solid copper ingot was shipped out of Butte
- Smelters are no longer operating
- Butte would like to see copper concentrates taken to an advanced level but the chances are not great because of environmental concerns



- Butte's strategy is to maintain/grow current mining operations; want to keep mine operating
- Constant communication between Butte and mine operators
- Rising electricity costs and low copper prices caused the mine to close for 2 years (approx. 7 years ago) having a negative impact on the community; when the price of copper rose and the price of electricity declined, the city sat down with the mine and worked together to apply for and get assistance for the mine to upgrade their electrical equipment to make it more efficient.
- Butte tries to keep the mine informed of what the city is doing

3. What would you characterize as the most positive impacts resource development has had on your town/city?

- Mine employs 350 employees, with salary and bonuses - the average salary is \$100,000/person
- Hardrock Mining Tax (passed by Montana State Legislature) is levied against copper produced on a per pound basis and \$ goes to local government
- Don't know what % of local government revenue it represents
- Heavy equipment is subject to a 3% property tax (e.g.; mine purchased 6 new trucks last year valued at \$2M each)
- High incomes
- Mining company established a community foundation (solely administered by the mine) that provides funding support to activities such as educational programs, sports, community cultural events, etc.

4. Has your town/city experienced any negative effects as a result of resource development? Please explain.

- Impact on environment – but mine is undertaking reclamation activities

5. Does your town/city have a formal document, community plan, or long range development plan – essentially a strategy to follow to ensure that your municipality ends up with net benefits?

- The local planning office does have a long range plan
- Contact Steve Hess at 406-497-6250

6. Is there any evidence available yet that this strategy is achieving its objectives?

- Local Development Corporation, Mayor and head of Chamber of Commerce met with mine management approximately one year ago to discuss issues with water supply to mine and mine training needs



- The city negotiated with the mine with respect to water supply and contracted the local college to set up training programs

7. Do you have any written documents that speak about your municipality's relationship with resource development activities?

- N/A – ask planning department

8. Is there anything else you would like to share with us about your town/city's experiences?

- Butte is a unique community compared to others in Montana
- Unique ethnic backgrounds in community
- Sense of community – hang in together in good times and bad due to cyclical nature of mining
- Sense of community pride

City of Estevan, Saskatchewan (www.estevan.ca)

Jim Puffalt, City Manager, City of Estevan, tel 306 634-1803, interviewed January 24, 2007

1. Can you tell me a little bit about (town/city's) experience with nearby resource development?

The city (population 10,242) boasts the most diverse economy in Western Canada, including coal fired power generation, coal mining, oil and gas exploration & drilling, and an oil and gas service industry.

The city's vision is to achieve effective, long-term, sustainable success by being a proactive, progressive, fiscally responsible corporation.

Work on developing a Long Term Plan began in 2002. The plan includes establishment of a common vision and nine objectives that will guide activities towards reaching that vision.

The past 18 months have been very busy from a development perspective. The city is running out of industrial lands. Although it is financially costly to develop the lands, the city is ramping up and trying to get planning quickly. It has been difficult thus far to keep pace with development. At present, the city develops industrial land and housing subdivisions. There are no private developers, although this is expected to change once people realize that there is money to be made in private land development. A residential lot development was undertaken by the city in 2004 and all 30 lots were sold out by the end of 2006.

The Estevan area generates 30% of power for the province of Saskatchewan.

2. Has (town/city) put in place or discussed any strategies to benefit from resource development activities?

Not specifically.

The city has long term development plans and is trying to grow from 11,000 residents to 15,000. Their time schedule is much more compressed than it used to be, given the current accelerated pace of development.

3. What would you characterize as the most positive impacts resource development has had on your town/city?

Property taxes are going up. With more lots going from non-taxable to taxable, there is a greater volume of taxable properties. The city has reduced its maintenance costs by not having to maintain unsold lots.

Companies are now knocking down the door of Estevan wanting to get in. Developers are currently putting in a 40 acre big box development which is huge for a community of this size. A new Wal-Mart opened this morning and is double the size of the previous store.

4. Has your town/city experienced any negative effects as a result of resource development? Please explain.

Some residents prefer the status quo and aren't happy about the city's growth and development. Like Alberta, it is hard to find people and contractors to get work done. Traffic in the city has increased, as have line-ups at stores, etc.

The city believes it needs to grow and prosper when there is opportunity.

5. Does your town/city have a formal document, community plan, or long range development plan – essentially a strategy to follow to ensure that your municipality ends up with net benefits?

Yes. The city has a community development plan and long-term planning documents.

6. Is there any evidence available yet that this strategy is achieving its objectives?

The city is progressing in a planned fashion and looking to the future but with compressed time schedules.

7. Do you have any written documents that speak about your municipality's relationship with resource development activities?

No - can't pin activities just to resource development. Perhaps the Province of Saskatchewan would have some information.

8. Is there anything else you would like to share with us about your town/city's experiences?



Be patient, take things one step at a time. Don't rush and make mistakes.

Town of The Pas, Manitoba (www.ThePasArea.com)

Val Miron, Chief Administrative Officer, Town of The Pas, tel 204 627-1109. interviewed January 10, 2007

1. Can you tell me a little bit about (town/city's) experience with nearby resource development?

The Pas Area is an economically integrated region comprising The Town of The Pas, the Opaskwayak Cree Nation (OCN), and the Rural Municipality of Kelsey. The Town has a population of 5,795 and region has a total population of about 16,000. There is a solid and diversified industrial base – agriculture, forestry, transportation, and tourism. The Pas Region's diversified economy makes it almost immune to boom and bust cycles.

The biggest employer appears to be Tolko Industries Ltd., a world class producer of lumber and pulp and paper. Tolko employs 750 at the mill site and an additional 350 under contract in woodland operations. In the late 1960s, the town applied to have the Crown land where the mill was to be built transferred to municipal jurisdiction. This has enabled The Pas to benefit from the mill's presence through property taxes.

The interview was halted here with Ms. Miron recommending that our attention be directed to Flin Flon and Thompson.

City of Flin Flon, Manitoba (www.cityofflinflon.com)

Mark Kolt, Municipal Administrator, City of Flin Flon, tel 204 681-7505, interviewed January 10, 2007

1. Can you tell me a little bit about (town/city's) experience with nearby resource development?

The City of Flin Flon is located on the Manitoba/Saskatchewan border and has the population of approximately 6,500. It is located in an area of mineral deposits, primarily zinc, copper, silver, and gold, first discovered in 1914. The city had its beginnings in the 1920s with the growth of the Hudson Bay Mining and Smelting Company (HBMS). Up until the early 1970s, this company was owned by the Whitney family of New York, who saw themselves as a public benefactor. Following a strike, ownership of the company shifted to Anglo-American (De Beers). HBMS sold its Flin Flon operations to Toronto-based HudBay Minerals Inc. in 2004. Currently, HudBay's mine and smelter employs 1,440 workers. It should be noted that although the mine/smelter complex is within several hundred feet of the downtown, these facilities do not lie within city boundaries.

2. Has (town/city) put in place or discussed any strategies to benefit from resource development activities?

Two legal documents exist governing the relationship between the company (now HudBay Minerals Inc.) and the municipality. The Tri Party Agreement signed in the 1930s provided for company contributions and municipal collaboration over a wide range of topics. A further agreement was signed in the early 1980s which focused on financial arrangements. The company agreed to pay 55% of all of the operating costs (including interest costs) of the municipality with the exception of the water and sewer system, and the municipality agreed to limit its borrowing (in practical terms, to about \$880,000 in any one year). The limits on borrowing is making it difficult to take on (from the City's perspective) needed capital projects on a timely basis, e.g. a new water treatment plant. With strong commodity prices, HudBay Minerals is doing very well at the present and this is very evident in Flin Flon. The Flin Flon City Council will meet shortly to discuss its desire to amend the agreement with respect to expanding the city's allowable reserves and maximum debenture capacity.

3. What would you characterize as the most positive impacts resource development has had on your town/city?

Employment, spin-off economic activity, high median family income, recreational and cultural facilities and programming (especially hockey and music/choral). Between the 1930s and 1970s, HBMSC was a major force in building recreational infrastructure and supporting the famous Flin Flon Flyers.

4. Has your town/city experienced any negative effects as a result of resource development? Please explain.

Air quality concerns (the city has an air quality warning system) and the cleanliness of Ross Lake. Interestingly, the city has put in place a greening program for acid rain affected limestone areas similar to that in Sudbury.

5. Does your town/city have a formal document, community plan, or long range development plan – essentially a strategy to follow to ensure that your municipality ends up with net benefits?

Aside from the two agreements referred to above, there is no municipal strategic plan; however the need for such a plan has been discussed. The two agreements (known as the "Mining and Smelting Funding Agreement") do not appear to be readily available, however copies may be shared with the City of Yellowknife upon direct request.

6. Is there any evidence available yet that this strategy is achieving its objectives?

The agreements discussed above have both their strengths and weaknesses. The city's intention is to push for amendments in the near future.

7. Do you have any written documents that speak about your municipality's relationship with resource development activities?

There is nothing written on Flin Flon's experience that is both brief and suitable for referencing in the study.

8. Is there anything else you would like to share with us about your town/city's experiences?

No.

City of Thompson, Manitoba (www.thompson.ca)

Dennis Fenske, Director of Personnel and Community Planning, tel 204 677-7951, dfenske@city.thompson.mb.ca; interviewed January 31, 2007

1. Can you tell me a little bit about (town/city's) experience with nearby resource development?

Thompson has been affected by three major developments – mining, logging and hydroelectricity.

Mining:

INCO CVRD has operated a nickel mine outside of Thompson city limits since 1956. The mine and original town site were developed in the original agreement between Manitoba, INCO and the community (1956 Agreement). The mine pays a grant in lieu of taxes because they are outside of city limits. Last year's payment was \$6M. The city then pays a portion to the school district and local government district (LGD).

Logging:

Tolko, based out of The Pas, has logging rights outside of Thompson in the LGD area. Tolko annually advises Thompson about their harvesting programs. They require permits to use designated truck routes through Thompson but have no financial link to the city. The city deals with Tolko on an ad hoc corporate sponsorship basis.

Hydro:

Manitoba Hydro is building a new dam called Weskatum which will be in the LGD area and crown land. They are one of the top employers in Thompson. Their regional office is in the city and their warehousing plant is just outside of the city. They pay a small lease payment for this land to the LGD. Manitoba Hydro is involved as a corporate citizen on an ad hoc basis funding city events, swimming pools, rinks, etc.

2. Has (town/city) put in place or discussed any strategies to benefit from resource development activities?

The 1956 Agreement with INCO was put in place. Other industries are dealt with on an ad hoc basis.

Thompson has been talking with Manitoba Hydro (MH) about joint development. For every kwh that Thompson does not use, MH can sell this surplus electricity to other consumers. Therefore,



they work with Thompson to develop strategies to minimize electricity usage. Thompson is interested in expanding its municipal boundaries and is working with MH on an efficient design.

Thompson is a sort of mini Fort McMurray. There are huge hydro-electricity expansions happening; nickel prices are at an all-time high; the community is the geographic centre of Manitoba and is a service centre out of geography and out of choice; they've expanded the hospital for regional services; an addictions treatment facility is opening next year; they are becoming the health centre for northern Manitoba.

There are discussions to extend the road to Churchill and to Nunavut – all will go through Thompson.

They are becoming a government service centre to outlying areas.

Their goal is for their University College of the North to expand to where Prince George, BC is at.

Their industry growth includes selling cold weather. Thompson is now a cold weather testing centre for Ford and Honda. Ford tests all of its prototypes in Thompson and just expanded and built a cold soak building. Over a four month period, 90-100 engineers are in Thompson with about 200-250 vehicles. This represents revenue in terms of fuel sales, hotel rentals and restaurants – probably \$1.5 M annually.

Thompson's focus is on health, education, transportation, industry and government.

3. What would you characterize as the most positive impacts resource development has had on your town/city?

Thompson has the highest average income per household in Manitoba. Businesses are doing well and are very busy.

4. Has your town/city experienced any negative effects as a result of resource development? Please explain.

There are pressures on housing and commercial lot needs. Only five commercial lots remain and then the City is out of land. There is currently an inventory of 120 single family dwelling lots and a shortage of lots for multi-unit dwellings. The vacancy rate for apartments is 0.67%.

The service sector is experiencing a shortage of workers.

Social issues increase with the increase in income (alcohol, etc).

5. Does your town/city have a formal document, community plan, or long range development plan – essentially a strategy to follow to ensure that your municipality ends up with net benefits?

Thompson is in the process of looking at developing a 4-5 year strategic plan and visioning process. They have looked at Yellowknife, Estevan, Trail and other communities of similar size.



6. Is there any evidence available yet that this strategy is achieving its objectives?

N/A

7. Do you have any written documents that speak about your municipality's relationship with resource development activities?

Thompson's development plan can be found on their website www.thompson.ca (under government services section).

8. Is there anything else you would like to share with us about your town/city's experiences?

If this study becomes a public document, Thompson would be interested in reading it.

City of Greater Sudbury, Ontario (www.city.greatersudbury.on.ca)

Mark Simeoni, Senior Planner and Mining Specialist, Greater Sudbury Development Corporation, tel 705 674-4455, ext.4292, interviewed January 17, 2007

1. Can you tell me a little bit about (town/city's) experience with nearby resource development?

The City of Greater Sudbury (3,300 sq km and population of 155,000) was formed on January 1, 2001, as recommended by the Report to the Minister of Municipal Affairs and Housing on Local Government Reform for Sudbury (November, 1999). The new city represents an amalgamation of the towns and cities which comprised the former Regional Municipality of Sudbury, as well as several unincorporated townships.

Greater Sudbury considers itself the mining capital of Canada. It has more than 100 years of mining history and "boasts the world's largest integrated mining complex, major operations from global mining giants INCO Ltd. and Falconbridge Ltd., 12 operating mines, 330 mining supply companies, 20,000 mining related personnel, ..." (Wayne Floreani, "Strengthening Canadian Ties," Mining Mirror, August, 2006, pp.60-66).

The city boundaries encompass all of the known mineral deposits and operations associated with the Sudbury Basin (a geological feature believed to be an ancient meteor crater). The principal minerals are nickel and copper although there are also precious metals. The extent of the city boundaries means that the city has service provision responsibilities but it can also include surface mining operations in its tax base.

There have been major changes in the nature of mining operations in the Sudbury Basin. Mining companies have divested themselves of railways, power plants and other peripheral activities, while investing in increasingly sophisticated mining equipment. Within the past 30-40



years, the numbers of underground miners has dwindled from 25,000 to 4,200 (for Falconbridge) and from 8,000 to 1,500 (for Inco) while the volume of production has tripled.

In 2005/2006, changes occurred in the ownership of both of the major mining companies operating in the Sudbury Basin. Falconbridge Limited was taken over by Swiss-based Xstrata PLC and Inco was acquired by the Brazilian company CVRD.

2. Has (town/city) put in place or discussed any strategies to benefit from resource development activities?

The city began a community-based strategic planning process in August, 2002 to guide the city in its economic development over the next decade. Following the involvement of over 300 community leaders in a variety of forums, the city released a strategic plan (Greater Sudbury Development Corporation, "Coming of Age in the 21st Century: An Economic Development Strategic Plan for Greater Sudbury 2015" June, 2003).

Some of the steps taken in preparing this plan were:

- Recognizing forces at work in the 21st century and the effects of increased global turbulence – one of these is the necessity of sustainable community development
- Understanding from selected other cities how they are re-inventing themselves – lessons learned from these experiences revealed four key criteria (quality of place, local strength, work together/learn together, and insist on government leadership)
- Rating the city on how well it meets seven conditions for wealth creation
- Defining five economic engines of growth (i.e., economic drivers) that enhance core capabilities and shore up areas for improvement
- Highlighting four areas which serve as igniters or fuel for developing the growth engines
- Formulating the visions for 2015 and showing engine by engine specific strategies and tactics

3. What would you characterize as the most positive impacts resource development has had on your town/city?

Mining is the reason for Sudbury's existence. Currently 30-35% of the city's workforce is directly active in mining. Much of the resource still remains in the ground, however it is prudent for attention to be given to diversifying the local economy. One major initiative now getting underway is the Centre of Excellence for Mining Innovation (CEMI) with funding from senior levels of government and the mining companies. Another is NORCAT, the research arm of Sudbury's Cambrian College which is pioneering technologies for shrinking mining equipment for use on the upcoming Mars mission.

*4. Has your town/city experienced any negative effects as a result of resource development?
Please explain.*

Environmental damage in Sudbury is extensive; trials of moonrover vehicles were conducted here because of the city's appearance as a moonscape. However, major efforts have been made at greening the city. Unfortunately, the image lingers and this makes it difficult to attract professionals and others. Sudbury attempts to benchmark against other cities on quality of life issues.

The boom and bust cycle associated with mining is another negative effect, and fears about the next cyclical downturn serve to hinder improvement projects. The population tends to move between about 150,000 and 165,000 depending on the price of nickel. Currently, times are good, over the past two years this price has exceeded US\$15.00/lb compared to a long-term average price of \$1.90 to \$2.50/lb. With a nickel dividend (bonus) of \$40,000/year currently payable to mine company employees, a driller gets a total salary of \$150,000 and a warehouse worker earns \$90,000/year.

There is a difficulty with wear and tear by mine trucks on city roads. With the decline in railways and higher mined tonnages, the haulage is more intense than ever before. Unfortunately, the city does not receive any additional funds to maintain the road system. There is no relation between the flow of mining royalties to senior governments and the funds that return to the city for infrastructure.

5. Does your town/city have a formal document, community plan, or long range development plan – essentially a strategy to follow to ensure that your municipality ends up with net benefits?

The work on the Strategic Plan was mentioned above. More recently, the Greater Sudbury Development Corporation has, with a number of partners, produced a community sustainability plan: The Community Stakeholders' Task Force on the Future of the Local Mining Industry, "Claiming Our Stake: Building a Sustainable Community," September 7, 2006.
http://www.sudburychamber.ca/pdfs/city/Claiming_Our_Stake_Final.pdf

The document characterizes mining industry in the Sudbury Basin, including the relationships between the companies and the Sudbury community, and explores the investments that will be necessary for the city to achieve its vision to become the world's premiere high-tech mining centre of the 21st century. The document (especially p.11) is clear about corporate social responsibility and heightened public expectations for a more equitable sharing of the benefits of resource extraction to ensure a high quality of life for the communities involved. Specifically, the City of Greater Sudbury expresses an intention to forge a 'dynamic partnership' with the new owners of Inco and Xstrata Nickel, one which "must encourage a sustainable development that will benefit both the local community and the new owners by equitably sharing the enormous wealth of the Sudbury Basin."

Yet another document is the Official Plan which is a strategic land use document. Just revised, this plan refers often to mining; the text is available at www.planning.sudbury.com



6. Is there any evidence available yet that this strategy is achieving its objectives?

The above documents are a starting point, they say nothing about indicators.

7. Do you have any written documents that speak about your municipality's relationship with resource development activities?

Mark Simeoni may be able to email me some additional materials.

8. Is there anything else you would like to share with us about your town/city's experiences?

Sudbury tends not to follow the experiences of other mining centres but rather larger industrial cities (such as Toronto, Halifax, Pittsburgh, Rochester and Manchester).

City of Timmins, Ontario (www.timmins.ca)

Joe Torlone, CAO, City of Timmins, tel 705 360-1315, interviewed January 18, 2007

1. Can you tell me a little bit about (town/city's) experience with nearby resource development?

The City of Timmins was created in 1973 with the amalgamation of three towns and several townships; at 12,000 sq miles (45 km from side to side) it was Canada's largest municipality until the Regional Municipality of Wood Buffalo was created in 1995. Timmins is a major mining centre, with mines located both inside the city boundaries (Goldcorp's gold mine and Xstrata's nickel-copper-zinc mine and refinery) and outside the boundaries (the Montcalm nickel mine and, at some distance, the De Beers Victor diamond mine at Attawapiskat). There are also several small mines and a great deal of mineral exploration. Other sectors of note are forestry (three companies but only one sawmill operating at the present), companies servicing the mining and forestry sector, an inbound call centre (TeleTech Inc.) employing 700 people, city government and some commercial.

2. Has (town/city) put in place or discussed any strategies to benefit from resource development activities?

Formation of the city in 1973 was influenced by the need to establish a tax base. Mines inside the boundaries contribute 15-18% of the city's total tax revenues (compared to about 25% in Sudbury). The city is currently working on a position paper for use in the upcoming provincial election; it will contain a call for a more equitable sharing of the province's revenues from mining. There is also an initiative underway to persuade the provincial government to alter the formula for collection of the education tax.

3. What would you characterize as the most positive impacts resource development has had on your town/city?

Mining has filled the city's hotels and created employment. Timmins has been fortunate in that downturns in mining and forestry have tended not to coincide. The larger mining companies have traditionally been generous with their donations, however there is a question over whether this will continue following the ownership change from Falconbridge to Xstrata.

4. Has your town/city experienced any negative effects as a result of resource development? Please explain.

Wear and tear on city-owned roads, especially by the Montcalm Mine located beyond the city limits to the west. Large mining trucks haul ore through the city and the company has been unresponsive to the city's concerns, with the company indicating the current ore hauling arrangements are necessary if the 120 jobs at the mine are to be maintained. The city is now attempting to plan with the province and the mining company a new route around the city, however costs are expected to be high (\$30 million) and regulatory hurdles are expected to be time-consuming, and the remaining mine life is down to 7 years.

No important environmental effects that Joe Torlone is aware of. Good closure planning and revegetation programs are underway. Goldcorp is attempting to expand its open pit operations and access some rich reserves under the old community of Schumacher. The company has already funded re-routing of 13 km of provincial highway, and has purchased for bulldozing a number of houses and businesses. This initiative clearly has planning implications for the city.

5. Does your town/city have a formal document, community plan, or long range development plan – essentially a strategy to follow to ensure that your municipality ends up with net benefits?

In late 1999, community partners engaged in a five-year strategic planning exercise "Building Our Future" to plot a course for economic prosperity. In total, 461 ideas were presented for business and community development – including the attraction of call centres, building a state-of-the-art athletics and soccer complex, completing a rail extension feasibility study and having Timmins act as the regional coordinator for emergency services. In April, 2005, the partners launched a new planning process called "Building our Future 2005-2008." An outline of the Timmins Strategic Plan 2005-2008 "Building our Future – Phase 1 Opportunities" is available at: <http://www.timminsedc.com/stratplan/index.html> Main thrusts of the plan are said to be the need to enhance the tax base within the city, attract quality jobs to the area, and address other development opportunities specific to Timmins. The city also has a Statement of Priorities and Directions (November, 2004) which is currently being updated.

Another document is the Official Community Plan/Zoning Bylaw which is being reworked on by the city's Director of Community Services, Mark Jensen; the new plan/bylaw will be more closely tied to mining development than previously. This drafting exercise is following the usual path of balancing off interests of the city in creating a nice place to live with the interests of the mining and forestry companies.

6. Is there any evidence available yet that this strategy is achieving its objectives?

Some progress is evident but challenges remain, especially with respect to the long-term viability of Timmins if mining and forestry were to come to an end. (The nearby community of Smooth Rock Falls is jeopardized right now by closure of the Tembec forest products mill, and there are difficult precedents with mining shutdowns at Elliot Lake and Kirkland Lake.) Currently, the city is setting up a Mayor's Task Force on Sustainability (with help from the Association of Municipalities of Ontario and the FCM) because of a realization that the current period of prosperity will be short-lived. Strengths (e.g., skilled and bilingual labour force) and weaknesses (cost/ inconvenience of travel into Timmins from the south) will be reviewed. Attention will also be given to the relatively new link with De Beers (re placement in Timmins of their office and staging area for the Victor Diamond Project), and diversification efforts such as new technologies (as in mining data storage) and tourism (as with the Shania Twain Centre). Joe Torlone noted that the new Victor Project has only a 12-15 year lifespan.

7. Do you have any written documents that speak about your municipality's relationship with resource development activities?

Joe Torlone recommended that this question be posed to the very knowledgeable Christy Marinig, CEO of Timmins Economic Development Commission tel 705 360-8486.

8. Is there anything else you would like to share with us about your town/city's experiences?

Joe Torlone helped organize in 2006 a conference on building bridges and opportunities between the city and aboriginal peoples along the James Bay coast. He brought in as a guest speaker the municipal administrator of Val D'Or, Quebec, where there is extensive experience cooperating with aboriginal communities. With the number of overall similarities that exist between Timmins and Yellowknife, Joe Torlone suggested it would be useful to have an information exchange with the City of Yellowknife.

Village of Salluit, Nunavik, Quebec (www.nvsalluit.ca)

Don Cameron, General Manager, Nuvumiat Developments (Land holding corporation of Salluit), tel 819 255-8908, interviewed January 19, 2007

1. Can you tell me a little bit about (town/city's) experience with nearby resource development?

- Salluit (population 1,143) has been in business with the Raglan mine for over 10 years
- The goal is to have 30% Inuit employment at the mine (last year it ranged from 12-16%)
- The community benefits from profit sharing with the mine – last year Salluit received \$4.3M (the profits were used to build a church and everyone in Salluit received a cheque for \$2,400)



- Fly-in/out mine operation
- Mine is located 60km south of Salluit
- Rotation schedule is 2/2 or 3 in and 2 out

2. Has (town/city) put in place or discussed any strategies to benefit from resource development activities?

- The mine has had to support local involvement through joint ventures, partnerships and employment
- 50/50 Partnerships for open pit mining at the site and exploration drilling
- there is also a 50/50 partnership in a trucking company that hauls ore from the mine to the dock
- the mine brings revenue into the community

3. What would you characterize as the most positive impacts resource development has had on your town/city?

- New church
- Income to individuals through profit sharing and employment income

4. Has your town/city experienced any negative effects as a result of resource development? Please explain.

- Negative social effects

5. Does your town/city have a formal document, community plan, or long range development plan – essentially a strategy to follow to ensure that your municipality ends up with net benefits?

- Mine provides guaranteed income to the community
- Profit sharing is 4.5% of mine's profits
- Kativik regional government has its own environmental department and now does environmental assessments

6. Is there any evidence available yet that this strategy is achieving its objectives?

- N/A

7. Do you have any written documents that speak about your municipality's relationship with resource development activities?

- N/A
- Newspaper reports
- Believes that the federal government may have some information because they came to the community last year asking questions about the mine

8. Is there anything else you would like to share with us about your town/city's experiences?

- Goal is to have 100% Inuit running the mine
- They need more education and training programs, feel that the mine is not doing enough in this area
- Last year there was an HEO training program that had 14 graduates (mine worked with government and land holding corporation)
- Closest college is 200km south in Inuujuak (sp?)

Cape Breton Regional Municipality, Nova Scotia (www.cbrm.ns.ca) Doug Foster, Director of Planning and Development, tel 902 563-5088, interviewed January 30, 2007

1. Can you tell me a little bit about (town/city's) experience with nearby resource development?

The Cape Breton Regional Municipality (CBRM) is comprised of one city, six towns and a county government. It was created on July 1, 1995.

Since the early 1900s, the economy in this area has been built on coal and steel – both industries are now defunct.

The CBRM is now dealing with the possibility of a new sub-marine coal mine coming on-stream (Xtrata Coal). This project is currently in the pre-feasibility assessment stage. The proposed mine will employ 250 persons but will produce more coal than any of the other previous mines. In comparison, over 11,000 miners were employed at the peak of coal mining in the region.

DEVCO, the Cape Breton Development Corporation (a crown corporation), is still in existence and is planning for remediation of several brownfield sites in the region.

2. Has (town/city) put in place or discussed any strategies to benefit from resource development activities?

The CBRM was born out of necessity as each of the six former municipalities were near insolvency and were applying for emergency funding from the province. They were annexing

land in an effort to increase their financial stability. The province decided that they wanted the region to amalgamate and wanted to deal with the one regional government.

While amalgamation has been helpful, it does not solve all problems. Both revenues and problems related to resource development can accrue to the municipality.

3. What would you characterize as the most positive impacts resource development has had on your town/city?

In the 1920s and 1930s, the region had similar characteristics to Fort McMurray and Yellowknife in that there was rapid growth, a booming economy and diversified culture because of immigration. The area still has rail service (the most easterly rail service in Canada), and two publicly owned wharves.

As a result of resource development activities, the CBRM has a lot of infrastructure that an area its size typically wouldn't have. There is also a good hospital, health care system, good schooling system and it is a nice urban area to live in.

The proposed new coal mine represents big industry coming into the region, but will not be a big employer.

4. Has your town/city experienced any negative effects as a result of resource development? Please explain.

The CBRM has the highest level of out-migration in the province. There is desperation for jobs and they are not certain what the future will be like. The new coal mine probably won't turn the economy around but could add stability. CBRM revenues are declining due to declining market values for property assessments.

The region is comprised of a large amount of company housing that was not built to last for 100 years. There has been poor planning and infrastructure is in bad shape.

5. Does your town/city have a formal document, community plan, or long range development plan – essentially a strategy to follow to ensure that your municipality ends up with net benefits?

Regional planning strategy

http://www.cbrm.ns.ca/portal/services/departments/planning/Municipal_Planning_Strategy.asp.

CBRM issue paper – strip mining activities

http://www.cbrm.ns.ca/portal/civic/council/studies_reports/documents/stripminingMPSamend.pdf

The infrastructure in the region holds potential for the future (port, rail, airport). CBRM is involved in many planning exercises that tend to involve government (federal and provincial) since major industry in the area has been operated by governments.

The proposed coal mine at Donkin is a 22 foot seam which is an extremely deep coal seam and therefore more economical to mine.



All of the infrastructure and communities left behind have problems – some are assets and some are liabilities (e.g. Sydney Tar Ponds, virtually new coal loading facility at DEVCO wharf). The CBRM needs to hold onto infrastructure and try to capitalize on it.

6. Is there any evidence available yet that this strategy is achieving its objectives?

There is modest evidence. The CBRM represents a more efficient municipal government that is clearly working. For example, new water quality standards were met more easily because none of the municipalities would have had the capacity to do it alone. Similarly, policing standards have risen as a result of provincial regulations and these can be better dealt with as a regional municipality.

Some people resent the regional government model and feel a loss of identity as a result.

New Dawn Enterprises (www.newdawn.ca) is a not-for-profit organization that has taken over some of the region's abandoned assets and turned them into revenue producers. They have built apartment buildings, nursing homes and senior's housing.

7. Do you have any written documents that speak about your municipality's relationship with resource development activities?

No.

8. Is there anything else you would like to share with us about your town/city's experiences?

Prior to the CBRM's creation, there was competition for industry because each of the municipalities wanted the industrial/commercial tax base. Now this competition is eliminated.

APPENDIX D

Notes on Different Types of Benefits Agreements



In Canada, the Impact and Benefit Agreement (IBA) has been used between resource development companies and aboriginal groups. There are also two variants – the Memorandum of Understanding and the Participation Agreement – as shown in the table below. Both IBAs and Participation Agreements have both been signed between diamond mining companies and aboriginal groups in the NWT¹⁸. Not shown in Table xx is the use of Socio-Economic Agreements between the GNWT and diamond mining companies, such as one concluded between the GNWT and De Beers concerning the Snap Lake diamond mine in May, 2004.

Table D1: Types of Formal Agreements Used by the Mining Industry with Communities in Canada

AGREEMENTS		
Type of Agreement	Definition	Example
Memorandum of Understanding (MOU)	MOUs are simply a way of creating an understanding between a community and a mining or exploration company. The MOU defines principles for working together for mutual benefit. MOUs are not legally binding contractual arrangements (like IBAs).	The Timiskaming First Nation (TFN) and Tres-Or Resources signed a Memorandum of Understanding covering exploration on lands the TFN claims as its traditional territory. The MOU provides a framework in which the company and the First Nation can mutually participate in exploration and potential discoveries.
Impact and Benefit Agreement (IBA)	An IBA is a contractual agreement between an aboriginal community or entity and a mining company. It defines agreements made between the two parties about employment opportunities, business opportunities, and training. The IBA spells out the obligations of each party in these areas and the funding arrangements as appropriate to the development. The content of an IBA varies depending on current important issues.	In 1994, Inmet Mining Company and the Cree of Mistassini signed an IBA related to operation of the Troilus gold mine, located near James Bay, with particular emphasis on employment. As of 2005, the Troilus mine employs 285 people of whom 17% are Cree. Another example is the Raglan Agreement between Falconbridge and the Inuit of northern Quebec. This is an historic agreement that saw the introduction of “revenue sharing.”
Participation Agreement (PA)	PAs are essentially the same as IBAs.	The Diavik Diamond mine has four PAs in place covering the construction and operation phases of the mine.

Source: Mine Development. 2006. Mining Information Kit for Aboriginal Communities. Government of Canada. PDAC, The Mining Association of Canada, Canadian Aboriginal Minerals Association. Ottawa, Ontario. ISBN 0-662-43816-7.

In Flin Flon MB, there is an instance of a formal agreement (actually two agreements, an older broad-based one and a more recent one that is strictly financial) between the city and the mine smelter complex owner. The Tri Party Agreement signed in the 1930s provided for company contributions and municipal collaboration over a wide range of topics. A further agreement signed in the early 1980s focused on financial arrangements. Most importantly, the company

¹⁸ A list of existing IBAs is maintained by the IBA Research Network at <http://www.impactandbenefit.com/home.html>.



agreed to pay 55% of all of the operating costs (including interest costs) of the municipality with the exception of the water and sewer system, and the municipality agreed to limit its borrowing. Further details on these agreements could be requested from the City of Flin Flon by the City of Yellowknife.

Outside Canada, references were found to Good Neighbour Agreements that have been signed in the US by companies and their local community in an effort to raise environmental standards and enhance local accountability (Illsley, 2002). Good Neighbour Agreements have been most commonly pursued where there has been a dispute between a local community and a corporation. Common elements of such agreements include provision of information about the operation of the plant, regular community inspections of the plant and community participation in preparing emergency procedures. Illsley (2002) has described the first instance of a Good Neighbour Agreement to occur in the UK, negotiated in the Scottish city of Dundee between the owners of the Dundee Waste-to-Energy Plant and the adjacent community of Douglas.

Another, somewhat similar instrument called a Community Benefits Agreement (CBA) is also being used in the US (Goss, 2005). A CBA is a legally enforceable contract signed by community groups and a developer, setting forth a range of community benefits that the developer agrees to provide as part of a development project. In exchange, the community groups promise to support the proposed project before government bodies that provide the necessary permits and subsidies. An example of a CBA is the agreement which was struck in 2004 between the City of Los Angeles and a 22-member coalition of environmental, neighbourhood, labour, social and religious groups and two school districts regarding a proposed upgrade and expansion of the city-owned Los Angeles International Airport.

In Western Australia, the State Sustainability Strategy (State of Western Australia, 2003, p.279) provides an implementation framework for non-binding agreements between government (in partnership with local communities and relevant public interest organizations) and industry innovators in sustainability. There is at least one instance of a sustainability covenant being drafted between Australand Holding Ltd. and the Western Australian Government. Ideally, this type of agreement covers all aspects of a company's or industry's economic, social and environmental performance and commits the government and the company/industry to use their best endeavours to create net benefits in each of these areas.¹⁹

¹⁹ www.sustainability.dpc.wa.gov.au/docs/consultation.htm