

MICMACS OF GESGAPEGIAG BAND ECONOMIC DEVELOPMENT STRATEGIC PLAN 2016-2020



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**Micmacs of Gesgapegiag Band
Economic Development Strategic Plan
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I. Executive Summary

In January 2015, the Gesgapegiag First Nation expressed its need for assistance in the development of a five year economic development plan that would provide guidance for Chief and Council. Gesgapegiag wishes to develop an economic strategic plan to map out their current and future business opportunities as well as identify internal strategic initiatives that will support greater economic sustainability.

Gesgapegiag needs to improve its economic situation by reducing economic leakage outside the community, creating jobs and generating revenue.

Taking into account research done on the external environment, market opportunities and community interest and resources, three main industries have been identified as having the most potential for Gesgapegiag. The community already has expertise and great potential in the fishing industry; tourism is one of the most important activities in Gaspésie; and having real estate assets with stores and office space will boost economic activity within the community.

These industries are also coherent with the values, priorities and capabilities of the community. The projects related to each industry are the following:

1. Fisheries: development of the Lobster Hut, increase fishing opportunities, development and management of wholesale and processing operations;
2. Tourism: development of a lodge; and
3. Real estate development: implementation of a strip mall and a gas station.

These initiatives will respond to the community's needs and interests, create jobs and increase revenue. During this mandate, MNP also observed that to enhance successful implementation of the plan, the governance model must be reviewed and a land use plan should be prepared.

Strategic Planning

During the meetings that were held with community stakeholders, including brainstorming sessions with Chief and Council members and key people from the administration office, the project team identified the vision, mission, values and strategic directions for the Gesgapegiag economic development organization. These serve as guidelines for the community and provide a structured approach to economic development over time.

Vision

Our economic development vision describes where we want to be.

- To build an independent, sustainable economic base respecting Micmac values and enhancing community livelihood and prosperity.

Mission

Our economic development mission describes how we intend to achieve our vision.

- The Economic Development Organization will create, support and manage business ventures to generate profits for the band and create jobs.

Core Values

- **Respect for Mother Earth**
All our ventures, businesses and practices will be respectful of the environment.
- **Transparency and Accountability**
The Economic Development organization must operate with clear, transparent business practices to be accountable to the Micmac community of Gesgapegiag.
- **Openness**
Our community is open to support from internal and external stakeholders in order to achieve successful economic development initiatives.
- **Sustainability**
Economic activity conducted and supported by the Gesgapegiag First Nation will enhance community, financial, cultural, and environmental sustainability.

Strategic directions

We have identified three strategic directions that will guide economic development programs, activities and operations for the next five years:

- Toward an improved livelihood for community members;
- Toward a sustainable economic base; and
- Toward community initiatives that foster pride and promote Micmac values.

It will also be very important to inform and involve community members. A full lifecycle communication plan should be developed and executed on an ongoing basis as this is a key success factor for this five year Economic Development plan.

A placemat including the vision, mission, values, directions and an action plan are presented at the end of this document.

II. First Nations Business Governance Structure and Land Use Plan

Economic Development Corporation

One of the major themes highlighted by research and practice across the country has been the importance of distancing political motivations of the First Nation away from the wealth creation component which is responsible for business creation and economic development. Independent studies have demonstrated the direct correlation between the success of First Nation economic development corporations and the structural distance from elected Chief and Council. In addition, explicit involvement of Chief and Council often acts as a deterrent for external stakeholders to become involved with economic development projects or provide adequate financing for them. A corporate entity would also facilitate partnerships with industry and community stakeholders. The advantages of a Separated model from a Council run model are documented in the Harvard Project study.¹ The odds of profitability of an enterprise under a Council run model are less than even (31 profitable vs 32 not profitable). Under a separated model, the results are dramatically in favor of success with 48 being profitable vs 10 being not profitable. Nation owned businesses that are insulated from political interference are nearly 5 times as likely to be profitable as those that are not.

The objectives of an economic development corporation therefore are to (a) separate business management from politics by giving responsibility to a Board of Directors subject to Nation by-laws and policies; (b) protect the Nation and its assets from liabilities; (c) minimize taxes from on and off reserve revenues; and (d) provide clarity of structure and results of business operations for the community.

Economic development corporations will provide Nation liability protection as follows:

- Chief and Council are not on the Board, thereby not exposing the Nation to liability;
- Each business is a separate operating entity, protected from each other;
- Significant assets are held separately from operations in an Asset Holding Entity; and
- A limited partnership structure offers liability protection from lawsuits.

(1) The Harvard project was a study of 121 tribally owned/operated enterprises on more than 30 US Indian reservations (1990, 1992, 2002).

Band Council's Role

Typically, Band Council is responsible for the definition of the mission, vision and values of the community and to set the strategic direction.

Council will not participate in business decision-making and must allow the business leaders to make these decisions independently from the politics of Council. This does not eliminate the Council's role in economic development on its lands or traditional territory. Council has law-making authority and has the right to be consulted with and accommodated, irrespective of whether there is an economic development corporation carrying on the business. Council's overarching role is to determine and prioritize strategic goals for economic development. Council has the right to determine where its resources are to be utilized which is the main component of economic development.

The separation of business from politics does not remove Council's right, as an example, to remove a member of the Board of Directors if they are not acting in the best interest of the Nation. Transparency and accountability remain key components. Therefore, the business leadership will carry out its mandate under its oversight within a governance structure that will need to be confirmed.

Steps to implementing a Governance Structure:

- (a) Consult with community and Chief and Council;
- (b) Create and finalize structure;
- (c) Establish legal entities and initial agreements and policies;
- (d) Recruit and select Board of Directors;
- (e) Board training; and
- (f) Recruit an Executive Committee.

That being said, the implementation of an economic development corporation will only be beneficial once there are sufficient business reasons to do so. There are significant costs to set up this structure and the need must be identified and it must be clear that the advantages will outweigh the costs. The timing of when this structure is needed will become more apparent as the business ventures come to fruition. The type of business,

revenues and profits generated, legal impact, taxation issues, etc. are all factors that will be taken into consideration when deciding when to set up a new governance structure.

Land Use Plan

A proper land use plan is mandatory to maximize the effectiveness of the economic development plan. A land use plan will allow the Chief and Council to determine the optimal location of every project. It will also ensure that sacred lands and in particular, community sites, are not compromised by any of the economic development projects. It allows the community to have a global territorial outlook of the current sites, facilities and future economic development projects to be built on the Reserve while maximizing revenues and minimizing potential issues.

Further to discussion with Chief and Council in January 2016, the issue was raised as to the potential for acquisition of additional lands for development that are adjacent to the current Reserve lands. This type of initiative should be investigated as part of your review of your land use plan and future land requirements. As this will have certain political implications, the timing and desirability must be assessed at a high political level and can incur significant time delays.

III. Industry Opportunities

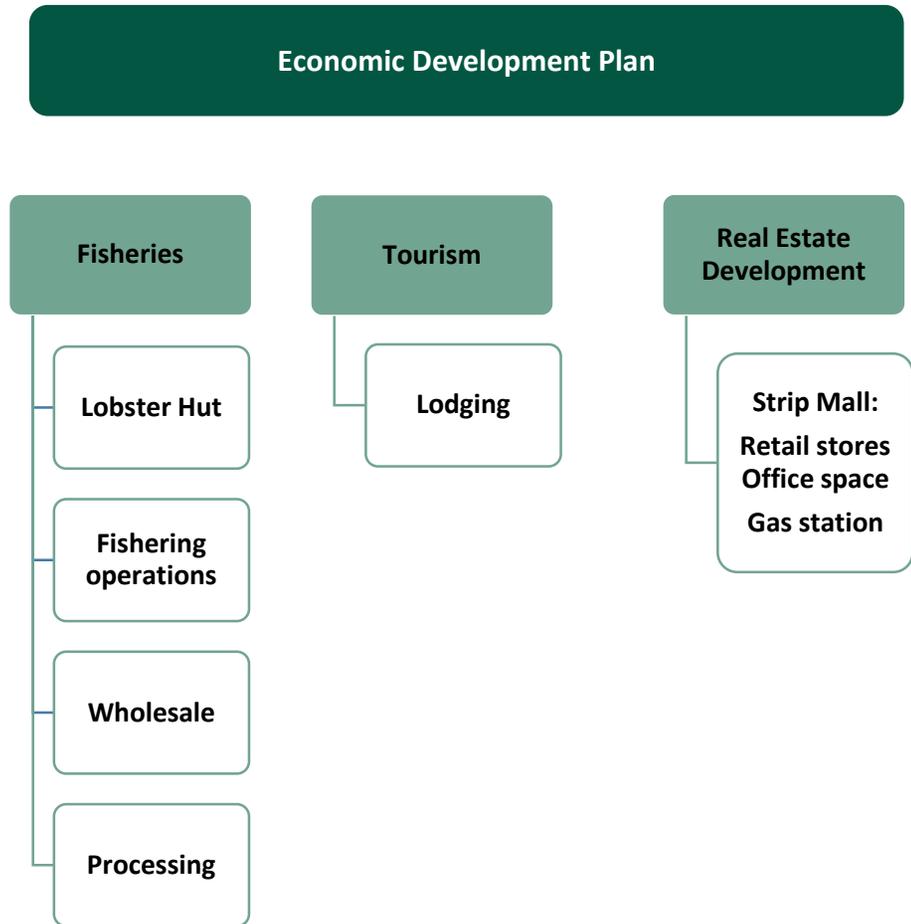
The focus of this section is on the following three major industries:

- Fisheries;
- Tourism; and
- Real estate development.

The Gesgapegiag community is already involved in a major wind energy project with two other Micmac communities through MMBC Corporation. Consequently, this initiative will not be discussed any further. Agriculture is not a substantial industry for economic development due to limited land availability on reserve and lack of community background in this domain. Small community gardens could provide opportunities to individual entrepreneurs to produce small harvests but should not be considered as a viable economic activity with significant community revenue potential. Fish farming is currently being considered by the community. A feasibility study is currently being conducted to determine the viability of the project and, accordingly, this report will not delve into this opportunity.

Job creation is one of the primary objectives of this community economic development strategy. All of the initiatives examined herein will create various types and levels of job opportunities for community members. However, each completed project has significant start up ranges and employment will vary extensively, depending on the scope that is decided for each initiative. In addition, each project that initially involves bricks and mortar will result in the creation of construction jobs for community members. Each project will therefore develop its appropriate size depending on the business plan for each venture. For these reasons and for purposes of this high level study, it is not practical or possible to assess job creation numbers with any accuracy as these will be highly dependent on the selected width and breadth of each project.

Project Analysis



Fisheries

Lobster Hut

The Lobster Hut opened in 2014. In the summer of 2015, Lobster Hut had gross revenues of more than \$50,000, according to Band data.

One of the ways of growing the business is to have tanks to store the lobster well after the lobster fishing season has ended. This results in higher post season prices and ensures that sales will continue throughout the entire summer and into the Fall. The season was extended in 2015 with the purchase of tanks and this should be analysed further to determine whether it is feasible and desirable to extend this facility for the 2016 summer.

Primary research indicate that the nearby municipalities of Carleton-sur-Mer and New Richmond have recorded increased traffic during the summer of 2015. Managing the Lobster Hut with best business practices, while developing enhanced product offerings, could lead to more customers and increased revenue for the community. Also, tourism is likely to increase due to the weak Canadian currency compared to the US dollar, driving Canadians to take vacations at home and Americans to visit Canada².

(2) Radio-Canada (2015). La faiblesse du dollar encourage les Canadiens à prendre des vacances au pays

**Micmacs of Gesgapegiag Band
Economic Development Strategic Plan**

Set out below is a summarized high level overview of the Lobster Hut:

Objective	Benefits	Pros	Cons	Investment	Jobs and Skills Required	Risk factors
Maximize potential of the Lobster Hut	<p>Financial: increased revenues & bottom line profit.</p> <p>Job creation.</p> <p>Social: improved small business operations; marketing and customer service</p> <p>Increase in community awareness</p> <p>Increased tourism traffic</p>	<p>Easy to implement, summer 2016 is approaching quickly, relatively low investment required</p> <p>Lobster tanks have been installed and will extend the season</p> <p>No added stress to community infrastructure</p> <p>Band owned and operated on reserve</p> <p>No outside stakeholders or partnerships required.</p> <p>Asset leveraging: community has certain experience, know-how, clients, awareness, good products, own supply chain</p> <p>Respect for cultural values</p>	<p>Limited gross revenue potential: low gross profit</p> <p>Short summer lobster season</p>	<p>Marketing activities, web & print promotion, restaurant equipment, landscaping, signage etc.</p> <p>Business plan needed</p>	<p>Additional client service and kitchen staff commensurate with increased revenue/customer traffic</p>	<p>Food safety</p> <p>Uncontrollable tourism traffic</p> <p>Major summer road construction</p> <p>No barriers to entry</p>

Key Success Factors

- Customer service and proper maintenance of the premises:
 - ◆ Employees must be trained to adopt a business culture that values customer service; and
 - ◆ Proper maintenance of premises to ensure positive customer feedback.

- Location:
 - ◆ Easy access to the premises but enhanced signage visibility needed from both east and west.
- Marketing:
 - ◆ A structured marketing plan needed to reach targeted segment markets, comprising tourists and local residents.
- Effective cost control:
 - ◆ Food supply and stock management needed; and
 - ◆ Labor cost control needed.
- Business operations expertise:
 - ◆ Operation's manager with business background is required.
- Timing:
 - ◆ Summer 2016 tourism traffic will likely dramatically increase due to the low Canadian dollar.

Recommendation

A business plan should be undertaken immediately with to capitalize on the 2016 summer tourist season.



(3) Green light = Low risk Orange light= Moderate risk Red light = High risk

Fishing Operations

The global production of fish product is consistently growing, reaching 158 million tons in 2012, a 12% increase from 2007. Human consumption is the main driver of demand, reaching 136 million tons in 2012, a 16% increase from 2007⁴. Export markets represent the greatest growth potential for Canadian producers, with the US and China representing a combined 73% of Canadian exports⁵. In line with these trends, Quebec’s exports for fish and seafood has reached a record \$213M, representing a 31% increase from 2010⁶.

The community possesses 8 fishing boats, of which 3 are leased. These leases should be reviewed to ensure they are priced at current market rates. Current fishing activities have a potential of almost \$6M with actual assets, permits and quotas. Supplemental revenues could be created by maximising usage of permits owned by Gesgapegiag.

Gesgapegiag currently holds five licenses for lobsters, four for snow crabs and one for shrimps. There are also four licenses for turbot and halibut which are leased to non-native fishermen and which generate \$27,000 net profit per year. There is potential for growth that was identified through consultations with community department heads. Profitability on some of the activities could be increased as noted above by raising the lease rates on fishing boats, increasing the number of days at sea per boat, etc.

Set out below is a summarized high-level overview of the fishery project:

Objective	Benefits	Pros	Cons	Investment	Jobs and Skills Required	Risk factors
Maximize the potential of fisheries, increase efficiency and profitability of actual activities	Financial: increase revenues for the community Social: increase job opportunities for the community Maintain traditions Opportunity to grow local and international distribution	High potential revenues community members already have good know-how of the sector Activity respects cultural values Band owned and band operated	High investment required if more equipment is needed, (for example, a boat Seasonal activity, resulting in unemployment during winter Dependent on quotas, fish stock and government regulations	Fishing trawler or boat acquisition may require up to \$2M financing for one boat	Additional Captains and experienced fishermen	Product price fluctuations Due to climate change, ecosystem and fisheries degradation and damage. Changes in biological resources Species reorganization and displacement Endangered species.

(4) Food and Agriculture Organization of the United Nations (2014). The State of World Fisheries and Aquaculture

(5) Conference Board of Canada (2013), Strengthening Canada’s Commercial Fisheries and Aquaculture: From Fin to Fork

(6) MAPAQ (2015), Exportations internationales

Key Success Factors

- Number of quotas and permits:
 - ◆ Sufficient number of quotas and permits and ability to maximize their use.
- Experienced workforce:
 - ◆ Experienced and trained workers needed.

Recommendation

Due to current involvement in the sector, assets held by the community and current know-how of the sector, fishing is a valuable opportunity for the community. An analysis must be done to assess which steps are the lowest cost to implement and that bring in the most potential for increasing revenues and jobs. This will be the primary focus for now.

Large investment in capital assets must be fully explored to determine feasibility depending on financing availability & costs, available labor, higher risk factors in many aspects, opportunity costs, etc.



Wholesale Fish and Seafood Operations

Sustained demand in the United States, Canada’s biggest export market for fish products, and growing middle class in key export markets like Asia and Southeast Asia have spurred demand for local fish products⁷. As such, Québec’s fish product exports have increased by 31% between 2010 and 2014⁸.

Gesgapegiag currently sells its products to a third party food processor as well as to brokers who sell to the global market. Gesgapegiag could profit by reducing middlemen in the distribution network. There are various steps of activity that can be developed over time. Initially the organisation wants to be able to sell directly to buyers to increase profitability. However, developing global customers can be challenging and take significant amounts of time. This is a first step that will require experienced and knowledgeable people. Following success in this phase could lead to more vertical integration. For example, next steps could involve a joint venture to manufacture fish products.

Summarized below is an overview of the fish and seafood wholesale project:

Objective	Benefits	Pros	Cons	Investments	Jobs and Skills Required	Risk factors
Control wholesale activities to reduce dependency on current distributors Generate more revenues and profits	Financial: increase in profit for the community Social: increase job opportunities for the community Increase control over the value chain in the sector Become less dependent on current distributors Develop new skills with the help of external experts as partners or employees	Community members are familiar with the sector Strong global demand for lobsters & other species Good potential for profit Band owned	Difficult to secure experienced sales person	Feasibility study needed	Experienced director of commercial retail and wholesaling Industry knowledgeable sales representatives	Competitive sector, mainly on price Potential high capital investment required Skilled management team needed Food safety

(7) Conference Board of Canada (2013). Strengthening Canada’s Commercial Fisheries and Aquaculture: From Fin to Fork

(8) MAPAQ (2015). Exportations internationales

Key Success Factors

- Ability to position Gesgapegiag fisheries on the market :
 - ◆ Experienced sales and marketing person with strong negotiation skills.

- Efficient shipping and distribution:
 - ◆ Establishing reliable shipping procedures, logistics and network; and
 - ◆ Must rigorously respect food safety standards in a highly regulated environment.

Recommendation

This is a natural fit for the community however there are significant challenges to be met. This is a longer term opportunity that will take time to implement and achieve success.



Fish Processing Plant

A fish processing plant is a major project that requires significant investment and significant industry expertise. This project would allow Gesgapegiag to control the whole chain and benefit from value added activities. This would likely lend itself well to a joint venture with other third parties, be it an existing industry operation or teaming up with MMBC, for example. Clearly, this requires a major investment in time and expertise in order to determine the viability of going down this path,

Fish processing is a robust industry in the Gaspé region, with 34 fish transformation companies generating total sales of \$290 million in 2013⁹¹⁰.

The fish processing plant project is summarized below:

Objective	Benefits	Pros	Cons	Investment	Jobs and Skills Required	Risk factors
Build and operate a processing plant to benefit from vertical integration	Financial: increase revenues & profits for the community Social: increase job opportunities for the community Consolidate market presence by integrating processing activities Establish community awareness in the region	Reduce leakage of jobs and profits Reduce dependence on third party processors Increase revenue share Good opportunity for joint venture with a well- established partner	Requires high financial investment Need for a specialized workforce Food safety is a major challenge	Start-up of a processing plant requires a substantial investment and expertise	Experienced project manager Fish transformation specialists and skilled, experienced personnel	Very competitive market Food safety in a highly regulated environment

(9) MAPAQ (2015). Usines en régions maritimes

(10) MAPAQ (2013). Profil régional de l'industrie bioalimentaire au Québec: Estimations pour 2013

Key Success Factors

- Access to markets:
 - ◆ Products have to be in demand and have a competitive advantage.
- Managing operation costs:
 - ◆ Control of operating costs and efficiency is paramount to profits and to be competitive in the market.
- Access to a well-trained workforce required.

Recommendation

Due to the capital intensity and complexity of a fish processing plant, required know-how to manage operations, need to develop high quality products and market competitiveness, this project can be viable but should be considered later on in the Economic Development Plan. Feasibility and exploratory studies could be done in this 5 year window, however implementation is beyond the scope of this Economic Development Plan.



Tourism

Tourism is one of the leading economic development sectors in the Gaspé region. The sector’s economic impact in the region has increased by 4% between 2012 and 2014, reaching \$287M in 2014.

Preliminary statistics revealed that traffic has increased in the region between 2014 and 2015¹¹. Currently, the lodging industry includes multiple segments: camp grounds, motels, hotels, etc., with 71% of establishments offering 2 or 3 star accommodations¹².

A lodging project could yield significant revenues for the community, benefiting from the increased tourist traffic in the region. However, a lodging project would require a robust planning process as well as major financial investment. Participation of external stakeholders such as banks, Tourisme Québec, SOCCA and other government bodies such as the SAA and INAC would be needed to ensure the project’s success.

Lodging

Summarized below is a high-level overview of the lodging project:

Objective	Benefits	Pros	Cons	Investments	Jobs and Skills Required	Risk factors
Provide lodging to take advantage of tourist and business traffic in a primary location on the region’s only highway	Financial: increase revenues and profits for the community Social: increase job opportunities for the community Create leverage for other services & businesses Increase awareness of the community	Generate traffic on reserve for other local businesses Reduce economic leakage Creates varied skill level jobs Profits generated Band owned and band operated	Seasonal business Must be able to attract business people during low seasons; occupancy rate is a key factor for profitability Requires marketing investment and know-how	Will vary according to scope of the project Average development costs per hotel room can range from approximately \$65,000 for a budget hotel to \$100,000 for a medium range hotel ¹³	Skilled people in hotel business Number of jobs created will vary according to number of rooms Unskilled labor for maintenance, etc.	Highly sensitive to economic environment; Significant operating overhead even during low occupancy Significant capital risk including ongoing financing cost

(11) These statistics were communicated to MNP during phone interviews conducted with representatives of the regional tourist offices of New Richmond and Carleton-sur-Mer in August 2015.

(12) Tourisme Québec (2015). Guide touristique officiel 2015-2016: Gaspésie

(13) HVS (2011). Canadian Monthly Outlook Survey: HVS Hotel Development Cost Survey 2010

Key Success Factors

- Market positioning:
 - ◆ A well targeted type of lodging is absolutely necessary to succeed.
- Customer service:
 - ◆ High quality service standards.

Recommendation

Due to current industry trends, consumer spending and tourist traffic in the region, the community should pursue this opportunity. Joining an established hotel banner would provide significant benefits including reservation system, operating procedures, staff training, customer service standards, etc. This will reduce many risk factors and increase likely success. The Lodge is also an opportunity to introduce an aboriginal theme to the project which will increase the attractiveness of the property. The hotel project is also an opportunity to investigate a joint venture with another established local hotel.



Real Estate Development

Gas Station

A community owned and operated gas station/convenience store located on community land on Highway 132 would take advantage of the continuous business and tourist traffic flow on a year round basis. This would generate profits for the community and would reduce economic leakage. All Band departments using Band owned vehicles as well as community members would benefit from lower costs of gas purchased on reserve.

Gesgapegiag already has the infrastructure for a gas station although the state of it is unknown. While a gas station can be a lucrative business, it must also be strictly managed to be profitable. Historical data for the last 10 years show that margins on gas are small, ranging from 3 to 10 cents per litre. Therefore, a carefully designed business model that takes into account market potential, marketing mix and well-managed operations is needed to create a successful venture.

Objective	Benefits	Pros	Cons	Investment	Jobs and Skills Required	Risk factors
Restart the gas station operation & take advantage of heavy traffic on the region's only highway; generate revenue & create employment	Financial: increase revenues and profits for the community community members can benefit from government gas tax exemptions Social: increase job opportunities Reduce economic leakage	Restarting operations may be done without adding significant stress to community infrastructure Community members and public service vehicles can ensure business transaction volume Band owned and operated on reserve Business model is flexible: full or limited service, franchise or independent Outside stakeholders can be leveraged in a franchise model to provide brand awareness, a marketing plan, training and POS/inventory management systems	Margins on gas are low and commodity price fluctuations can affect profitability Can be susceptible to leakage if not strongly controlled	Feasibility study, business and marketing plan, land use study required Total investment will vary depending on the scope of the project: franchise, national brand, independent, etc.	Dedicated bookkeeper to input transactions Skilled manager to oversee operations Number of jobs will vary according to the business model and may include client service staff and unskilled labour for maintenance	Gas price fluctuations Financial or product leakage Uncontrollable tourism traffic Environmental risk

Key Success Factors

- Marketing mix:
 - ◆ Retail pricing strategy must be robust to react to the daily changes in gas prices and remain competitive on the local market.
- Good management:
 - ◆ Transparent financial management, including bookkeeping and managing tax exemptions claims, is crucial to avoid leakage and ensure the business's profitability. Discipline on inventory management and tight operations management to control labour costs are also very important.

Recommendation

Due to current traffic, limited stress on community infrastructure and tax benefits, the community should pursue this opportunity. Joining a national banner could help leverage assets and provide significant benefits to the project such as staff training, a structured marketing plan and proven POS / inventory management systems.



Retail Strip Mall and Office Space

Building a strip mall with premises for rent including space for a range of retail stores and / or offices could be developed. This will provide opportunities for local entrepreneurs to open businesses that will attract, tourists and also will provide different products and services to the community, thus reducing economic leakage. This is a major initiative that will require a community land usage plan and will necessitate a significant financing effort to raise construction and working capital. A study must be conducted to determine the long term viability of this type of structure and the impact that it will have on many aspects of community development.

Construction of the development can be done in phases in order to reduce financing costs and risk exposure. Plans for future construction phases can be assessed at a later date once initial success has been achieved and demand for additional space is created.

As for the lodging project, a retail strip mall and office space project could yield significant revenues for the community. However, such a project would require a robust planning process as well as major financial investment. As previously mentioned, participation of external stakeholders such as banks, SOCCA and other government bodies such as the SAA and INAC would be needed to ensure the project’s success.

Summarized below is an overview of the strip mall project:

Objective	Benefits	Pros	Cons	Investment	Jobs and Skills Required	Risk Factors
Build a strip mall to provide the community, tourists and passing traffic with a range of retail products and services	<p>Financial: increase revenues and profits for the community by generating rental income from tenants</p> <p>Social: increase entrepreneurial business and job opportunities for the community</p> <p>Reduce economic leakage</p> <p>Increase relationships with surrounding communities and tourists</p> <p>Develop entrepreneurship and independence of community members</p> <p>Develop marketing and retail know how</p>	<p>Will create opportunity for small retail businesses</p> <p>Reduce economic leakage</p> <p>Can start as a small Phase 1 development, pending success for future phases</p>	<p>High rental occupancy rate is critical to success</p> <p>Need for retail and project management expertise</p> <p>Sustaining demand year-round can be challenging</p> <p>Capital intensity in the development phase; significant ongoing overhead costs for maintenance, etc.</p> <p>Difficulty in financing the project</p>	<p>Feasibility study, business and marketing plan, land availability study required</p> <p>Total investment will vary depending on the scope of the project (number of square feet, number of units, etc.)</p>	<p>Experienced, qualified project manager during project development</p> <p>General contractor and construction workers</p> <p>Entrepreneurs for start-up retail businesses</p> <p>Salespeople</p> <p>Real estate management team</p>	<p>High occupancy rate needed</p> <p>High tenant turnover</p> <p>Significant capital risk including ongoing financing cost</p>

Key Success Factors

- Location and proximity to customers
 - ◆ Physical location: easy access, visibility and high traffic area.
- Tenant mix:
 - ◆ Attractive tenant mix including retailers as well as office tenants.

Recommendation

Due to the high cost of entry, level of financing required, the importance of finding and securing long term financially viable tenants, ability to secure an appropriate site for development, etc. , this project needs to be carefully evaluated. A robust feasibility plan must be undertaken before proceeding further. This must be planned in conjunction with the land use plan.



Other Recommendations

In addition to the projects described above, the community should evaluate several other opportunities, as follows:

Craft shop

The craft shop is adjacent to the Lobster Hut. The community did not request specific development for this project. Therefore, we shall only highlight the fact that the craft shop should benefit by generating more revenues from the increased traffic to the Lobster Hut.

Billboards

Billboards are another effective way to generate extra revenues for the community. Multiple communities throughout the country, including Kahnawake, have leased roadside space to billboard companies who pay for the ability to erect billboards for advertising purposes. The current model of billboards are sensitive to lighting levels so as to eliminate glare for traffic, lessen impact on nearby homes, etc. The billboards can also be used to promote community events, services, etc. which may drive customer traffic to the different venues. This type of contract will bring bottom line revenue to Council without requiring any labor.

Cultural Activities

To attract tourists in the area as well as to develop community awareness, Gesgapegiag could develop cultural and eco-environmental activities.

These types of activities are a great, inexpensive way to increase tourist traffic to Gesgapegiag. Statistics show that tourists appreciate First Nation cultural activities. Although generally not the primary reason for travelling, a significant percentage of tourists will show interest and take time to participate in activities of this kind. Cultural events, cultural displays, flea markets, etc. are all ideas that will generate traffic and increase spending in other retail outlets in the community.

The community should also increase participation in other nearby regional events in order to promote the Gesgapegiag First Nation. For example, the community should have food stands at regional summer festivals to sell local lobster and fish products. It is also an opportunity to create friendly partnerships with neighbouring communities while creating marketing opportunities for Gesgapegiag.

Also, eco-environmental activities should be leveraged to create local tourist traffic. As highlighted in the interim report, the region has tremendous natural attractions that have untapped four season potential. Recreational salmon fishing, trekking, nature walks, canoeing and sailing are examples of activities that could be developed to increase revenues without compromising the Gaspé's natural environment.

Appendix A — Strategic Placemat and Action Plan

VISION

To build an independent, sustainable economic base respecting Micmac values and enhancing community livelihood and prosperity

MISSION

The Economic Development Organization will create, support and manage business ventures to generate profits for the Band and create jobs

ECONOMIC DEVELOPMENT ORGANIZATION VALUES

Respect for Mother Earth

All our ventures, businesses and practices will be respectful of the environment.

Transparency and Accountability

The Economic Development department must operate with clear, transparent business practices to be accountable to the Micmacs community of Gesgapegiag

Openness

Our community is open to support from internal and external stakeholders in order to achieve successful economic development initiatives.

Sustainability

Economic activity conducted and supported by the Gesgapegiag First Nation will support community, financial, cultural, and environmental sustainability.

STRATEGIC DIRECTION 1

Toward an improved livelihood for community members

STRATEGIC DIRECTION 2

Toward a sustainable economic base

STRATEGIC DIRECTION 3

Toward community initiatives that foster pride and promote Micmac values

OBJECTIVES

1. Create revenue for the community
2. Create jobs for community members
3. Offer basic services to the community
4. Take advantage of local and tourist traffic
5. Increase community awareness
6. Leverage current know-how and assets

ECONOMIC DEVELOPMENT OPPORTUNITIES

Industry	Actions	Potential Revenue/Profit	Employment Potential
Fisheries	Maximize potential of the Lobster Hut	✓	✓
	Maximize potential of fisheries, increase efficiency and profitability of actual activities	✓	✓
	Control wholesale activities to reduce dependency on current distributors and generate more revenues	✓	✓
	Build and operate a processing plant to consolidate sectorial activity	✓	✓
Tourism	Offer lodging to take advantage of tourist and business traffic	✓	✓
Real Estate	Build a strip mall for both retail and office space	✓	✓
	Restart the gas bar operation	✓	✓

Sectors	Actions	Person Responsible	ANNUAL PRIORITY					
			Y1	Y2	Y3	Y4	Y5	
Governance	Determine the Economic Development structure with roles and responsibilities	C & C	✓					
Land Use	Create land use plan to determine the optimal location of every project and assess the potential for development	DG	✓					
Fisheries	Maximize potential of the Lobster Hut	DF	✓					
	- Prepare a business plan with marketing strategies and financial projections		✓					
	- Get funding for expansion		✓					
	- Prepare landscaping to enhance attractiveness and make the site more visible		✓					
	- Execute the marketing plan		✓	✓				
	- Hire and train staff members		✓					
	Maximize the potential of fisheries, increase efficiency and profitability of actual activities	DF	✓	✓				
	- Assess current permits and quotas to determine the fishing operation potential		✓	✓				
	- Determine additional equipment requirements and budgets, if any			✓				
	- Assess human resources needed and training requirements			✓				
	- Review business practices to increase output and productivity			✓				
	- Prepare a business plan			✓				
	Control wholesale activities to reduce dependency on current distributors and generate more revenues and profits	DF		✓	✓	✓	✓	✓
	- Identify the potential of products that could be sold directly by Gesgapegiag's fishery department			✓				
	- Prepare comprehensive business plan			✓				
	Build and operate a processing plant to consolidate sectorial activity	DF					✓	✓
	- Prepare a feasibility study					✓		
- Identify training requirements and financial needs						✓		
Tourism	Offer lodging to take advantage of the tourist and business traffic	EDO		✓	✓	✓		
	- Prepare a comprehensive business plan			✓				
	- Identify funding sources and the potential for partnership				✓			
	- Train and hire people					✓		
Real Estate	Gas station	EDO			✓			
	- Assess existing location and/or find a new one		✓	✓				
	Strip Mall (retail and office space)	EDO						
	- Determine the tenant mix		✓	✓				
	- Establish a clear vision of the project and assess community's needs as well as the potential				✓			
	- Evaluate potential for franchise tenants					✓		
	- Identify key business partners						✓	
	- Prepare business plan					✓	✓	
- Get funding					✓	✓		