



**INDIAN BUSINESS CORPORATION**

**SIKSIKA DEVELOPMENTAL LOAN FUND REPORT**

# COMPLEX ISSUES DEMAND INNOVATIVE SOLUTIONS

## ROB ROLLINGSON

General Manager

It has been 1 year since the Siksika Nation and Indian Business Corporation (IBC) signed the “Siksika Development Loan Fund” agreement. The fund is 100% owed by the Nation. The Nation allocated \$2,000,000.00 of their own funds and the Government of Alberta awarded a grant of \$700,000.00 to create a total fund of \$2,700,000. IBC administers the loan fund on behalf of the Nation.

IBC is proud to report on the outcomes of this fund for year 1. Siksika has been a great partner and have taken a leadership role for First Nation communities in Canada in assisting their own Nation members with this unique agreement.

The Siksika Nation, Government of Alberta and IBC are working together to ensure Siksika Nation members have “access to capital” to further advance their future.

IBC is proud to report the fund has met its objectives for the first year of operation. If anyone would like to discuss this unique agreement or the results reported, please contact us.



## CHIEF VINCENT YELLOW OLD WOMAN

Siksika Nation

The Siksika Nation is pleased to announce its partnership to improve and invest into Siksika Nation's entrepreneurs, social wealth & development, business and community.

With more than 27 years of experience, IBC is a developmental lending body that will provide its expertise in the administration of the financial resources on behalf of the Siksika Nation. IBC is owned by the First Nations of Alberta, and so much of their success is as a result of their deep cultural knowledge and understanding.

Siksika is proud to create a fund that goes towards improving access to capital to help the next generation of entrepreneurs for the people of the Siksika Nation to greater prosperity and health.



## KAREN LAMOTHE

Director Economic Development,  
Indigenous Relations, Government of Alberta.

Small businesses employ one in three Albertans working in the private sector and contribute over a quarter of the province's GDP. The number of Aboriginal self-employed is growing at a faster rate than non-Aboriginal Canadians. Indigenous people and communities make important contributions to Alberta's economy, and the Government of Alberta is making sure they have every opportunity to participate in and benefit from Alberta's economy. For many Indigenous Albertans, starting a business can mean economic prosperity and an improved quality of life for themselves and their families. Ensuring the success of a local business also means greater wealth generation and better social and economic outcomes for the community.





# SIKSICA NATION

In June 1992, Siksika became the first Nation to register its Symbol as a Coat of Arms with the Heraldic Authority of Canada. The buffalo was chosen as the symbolic animal of Siksika because it provided food, clothing and shelter; the arrow in seven pieces represents the seven sacred societies in the Tribe: The Horn, Crow, Black Soldier, Motoki, Prairie Chicken, Brave Dog and Ma'tsiyiiks; the medicine pipe symbolizes peace and crosses the tomahawk, the weapon of war which was put to rest forever; the circles represent the duration of treaty signed on September 22, 1877; as long as the sun shines, the grass grows, and the water flows.



**Siksika Nation** is located one hour's drive east of the city of Calgary and has a population of almost 7000 members – 3,700 are estimated to be living on reserve. In 1877, Chief Crowfoot negotiated and signed Treaty 7 at Blackfoot Crossing, a crossing of the Bow River, traditionally a bison-hunting and gathering place for the Siksika people.

In 2010, the Bassano Dam dispute was resolved resulting in an agreement to award the Siksika Nation for the illegal 1910 transfer of reserve land by Canada to the CP railway for the dam's construction. A portion of the the Bassano Dam Settlement Trust was used to establish the Siksika Developmental Loan Fund at IBC.

The Siksika Nation administers locally run health and wellness facilities, schools and social programs and is home to the Nation Sportsplex, Old Sun Community College and the world renowned Blackfoot Crossing Historical Park built for the promotion and preservation of the Siksika Nation Peoples' language, culture and traditions.

# THE SIKSIKA LOAN AGREEMENT

**This is the first time** a First Nation has used Band trust fund capital to establish a loan fund delivered by a third party developmental lender. The Government of Alberta was an important catalyst to this process, coming to the table with a grant of \$700,000 establishing an overall \$2.7M fund.

The Siksika Loan Management Agreement was signed in May 2015 between IBC and Siksika Nation to deliver on three objectives:

- › Foster positive social and economic outcomes on the Siksika Nation.
- › Maintain the fund's capital base of \$2,700,000.
- › Earn a modest financial return on the investment.

Through this model, the fund is invested at IBC for a six year term. Siksika is the owner of the money. Loans are made to community members according to IBC's policies and procedures. When loans are paid back, the money goes back into the fund and is re-loaned within the Siksika Nation. At the end of the six year agreement, Siksika can review the performance of the fund with the option to renew the agreement if the fund is delivering positive results. Over the 6 year term, Siksika will earn a blended return of the financial and social outcomes on their investment.

**A first in Canada:** Siksika Nation invests trust monies into the Indian Business Corporation to create a revolving loan fund directed at their own community.





# SIKSIKA DEVELOPMENTAL LOAN FUND - IBC APPLICATION PROCESS

**Your business is unique,** with its own opportunities and challenges. IBC will examine your priorities and apply our expertise to help you succeed, now and for the future. Whether you are a new or returning IBC client, starting a venture or growing your current business, IBC's loan managers are ready to assist you in the application process as well as provide business and financial consulting services, start-up and aftercare support.

## LOAN APPROVAL CRITERIA

The venture must have owner equity, technical and financial viability. All financing is secured by assets satisfactory to IBC.

## OWNER EQUITY

The minimum equity requirements for all loans is 10%, of which at least half is to be in the form of cash equity. This is the minimum requirement and may increase due the unfavourable risk factors such as prior credit difficulties, unfavourable risk evaluation or any other mitigating factor. Assets may be acceptable to IBC in lieu of cash.

## SECURITY/ COLLATERAL

All loan collateral must be free and clear of liens.

## CREDIT

Credit rating acceptable to IBC with any past credit problems resolved (i.e. no outstanding judgments or collections).

## REQUIRED DOCUMENTATION

IBC will assist you in completing the loan application process. IBC can also provide support to complete a business plan.

# LOAN ACTIVITIES AND IBC SERVICES

The IBC Siksika Joint Venture agreement was signed on **May 25, 2015.**

**51** loan applications were received and, of these, **42** have been approved to grow existing businesses and start new ventures.

IBC began lending funds from the Siksika Developmental Loan Fund on June 1, 2015. As of May 1, 2016 **\$2,680,000** of loan funds are fully advanced.

**3** loans have already been paid back in full.

**24** new loan recipients, **18** repeat IBC-Siksika clients.

IBC has completed **9** business plans for Siksika clients at no cost to the clients.

There are a total of **5** small business loans totaling **\$555,000** that are pending funding.

IBC has attended **4** events and speaking engagements in Siksika promoting and taking about the Siksika Fund, including a business plan training session and a presentation to the Siksika Youth agricultural group.

IBC has assisted **3** clients from Siksika in accessing SEAP grants in the amount of **\$198,000.**

**“Credit history and lack of collateral are big obstacles for most of our clients. Initial client visits never start with a ‘no’, it starts with exploring an individual’s character and where goodwill can be shown. The risk in development lending is high, but visiting clients, seeing their work and their pride, it feels good to help someone.”**

— IBC Loans Manager.



Darryl McDonald and Mona Royal, owners of M&R Gas and Trading Post  
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# ECONOMIC OUTPUTS

The Siksika Developmental Loan Fund has supported a diverse range of First Nation entrepreneurs:

- › cow-calf operations
- › equipment purchases: tractor trucks for long hauling, vac trucks, work vehicles, cattle trailer, farm equipment
- › moving company
- › gas bar expansion
- › flood remediation company

**6** new **full-time** jobs have been **created**

**25** new **part-time** jobs have been **created**

**29** **part-time** jobs have been **maintained**

**7** **loans** have been made to entrepreneurs **under 30 years of age**

**11** of the loan **recipients are women** and many loans are to family-run businesses

**“**Without IBC, I don't know, I'd still be trying to build my credit. But we have 153 head of cattle and right now we have 2 full-time employees working on fencing and building a new pen, we hire operators to cut and haul our hay, we get lots of volunteers from the community exercising their horses when we do our round ups, and we hire truckers to haul the cattle to their winter pasture. We want to get up to 500 head – that would be good for our family. IBC gave me a good start.”

— Jason Doore, IBC client, Siksika Band Councillor, cattle rancher and farmer, father of 5 children





## IN THE FOOTSTEPS OF HIS GRANDFATHER

No stranger to the world of horses and farming, **Mark Big Tobacco** is an accomplished bareback rider and was recently a stunt rider in the Oscar winning movie *The Revenant*. In his childhood, Mark would catch horses for a fee, and when proven as a trainer his horse business progressed to a “train a horse, get a horse” model – inherited horsemanship and a natural entrepreneur.

To augment his horse training business, Mark started working at the stockyards loading cattle on to weigh scales. As his interest and knowledge in the cattle business grew, he realized he had the land and the “know how” to start a cow-calf operation of his own. Mentored and encouraged by another IBC client and wanting to carry on his late grandfather’s strong reputation as a Siksika cattleman

and horseman, Mark approached IBC for a business loan in 2015. A visit to Mark’s home made it clear that he was a hard worker, having already taken steps on his own to build corrals and prepare his land for cattle. Working with an IBC loans manager, a business plan was completed, Mark’s loan was approved and he purchased his first 15 bred cows. By early April, the first two healthy calves had dropped, adding to his small but growing herd.

Mark has overcome many challenges in getting a good start on his business, including moving his herd to safer land on the other side of the Bow River, away from potentially dangerous roaming dogs. He knows he has to be patient, a valuable skill learned from working with horses that have never been handled or ridden

before. “At the start, they have no reason to trust me...they need patience.” Mark lights up with pride when talking about his horse and cattle business.

**“My eldest aunt, she’s really proud of me following in my grandfather’s footsteps.”**

With big plans for the future, Mark has developed a 5 year plan to increase his cow-calf operation, gain access to the land his grandfather used to farm, purchase a tractor so he can grow his own feed and sell feed to other Siksika cattle producers, and maybe even get his brother involved in a family business of next generation cattlemen. His grandfather, Francis Big Tobacco would be proud.



Mark Big Tobacco

# OLD BUSINESS, NEW OPPORTUNITIES FOR THIS FAMILY OF SIKSIKA ENTREPRENEURS

**Darryl McDonald and Mona Royal** are the owners and operators of M&R Gas and Trading Post, a 100% First Nations-owned business that has been situated on the south-west corner of the Siksika First Nation since it opened its doors in December, 2002. In 2015, they approached IBC seeking financial support to expand their existing business.

Managing and operating the M&R Gas has made a positive impact on the whole family. Darryl and Mona's

commitment to the success of their small business has instilled the importance of hard work and higher education in their 5 daughters.

With their combined 32 years of business experience, Darryl and Mona give back to their community by sharing their business administration, financial and management expertise with local highschool and college students, inspiring the next generation of Siksika entrepreneurs. Being positive role models for their

own children and youth in their community is extremely important. "If we don't build up our own youth, nobody else will."

With a business loan from the Siksika Developmental Loan Fund and a SEAP grant IBC helped to secure, M&R gas will be adding 6 new gas pumps, a restaurant featuring native cuisine, a native arts and crafts trading post, western wear clothing shop, offices and meeting space, and a fully paved parking lot. Currently

employing 10 people, M&R gas has hired 4 local staff for site security as they rebuild and will hire up to 6 more people to work in the kitchen, as cashiers, and gas attendants. The grand opening of the new and improved M&R Gas and Trading Post is scheduled for June, 2016.

"I'm really happy IBC stepped up for us. They've gone over and above the call of duty, helping us through problems we couldn't have tackled or even begun to figure out on our own. We're very thankful."

"If you work hard for what you want it's actually achievable."





# SIKSIKA SMALL BUSINESS GRANTS PROGRAM

**Identifying funders** and finding an available grant opportunity for individuals can be a daunting task. The Siksika Small Business Grant Program provides entrepreneur training sessions and grant funds for new or existing qualified businesses owned and operated by Nation members. Applicants can receive grants of \$15,000 each time and up to a total of \$25,000 per nation member in their lifetime. A comprehensive business plan must be submitted if the grant application is in excess of

\$5,000. Each application is unique, therefore a preliminary review is performed by the program to determine if the proposal meets eligible criteria before a recommendation is made to the Treasury Board for final approval.

This grant program compliments programs offered by traditional lenders and developmental lenders, like IBC. On the advice and help from IBC, 2 clients have obtained grants from the Siksika Small Business Grant Program this year.

IBC can also assist Siksika Small Business Grant Program applicants with a business plan and cover your cost up to \$2,500.

The Siksika Small Business Grant Program creates opportunity for aspiring Nation membership to build capacity, promote self-sufficiency and create opportunities. For information regarding the program, please contact Program Administrator Sherri Running Rabbit.



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# STATUS ENTREPRENEURS' ASSISTANCE PROGRAM (SEAP)



**The Status Entrepreneurs' Assistance Program (SEAP)** is a grant program that provides equity assistance for start-ups or the expansion of small businesses for Aboriginal entrepreneurs in Alberta. The program supports opportunities that help Aboriginal companies grow in regional, national or international economies. IBC loan managers provide guidance and assistance to clients in assessing eligibility and completing the business proposal application for SEAP funding. Three clients from Siksika have accessed SEAP grants totaling \$198,000 in addition to their IBC business loans.

Apeetogosan administers the SEAP Program in Alberta, in collaboration with IBC.

## SEAP ELIGIBILITY REQUIREMENTS

Project must be a start-up or expansion of an existing business.

The applicant must:

- generate an income of at least \$15, 000 annually;
- be the majority owner;
- be substantively involved in the operations of the business;
- have experience in the industry of the business;
- locate the business in Alberta; and
- have total project costs exceeding \$20,000.

For further information, questions or to start your application process, please call IBC or the Apeetogosan office.

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## SIKSIKA DEVELOPMENTAL LOAN FUND SUPPORTERS



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### **Government of Alberta**

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