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Real estate's race to net zero is picking up pace

KEYNOTE INTERVIEW

Economic reconciliation is 'just good business'



*A common vision and strong partnerships can create long-term benefits for citizens, while respecting the land for future generations, explains Canderel's **William Briscoe***

The Taza development – a joint venture between Canadian private real estate company Canderel and the Tsuut'ina Nation, a reserve home to 2,300 community members adjacent to the city of Calgary, Alberta – is the flagship ESG project in Canderel's portfolio and one of the largest First Nation development projects in North America. By combining industry best practices with direct Indigenous participation and leadership, Taza reflects the partnership's vision to transform and realize economic reconciliation, explains Taza Development Corporation's chief executive, William Briscoe.

Q What is economic reconciliation? And why is it an important goal for ESG-

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conscious real estate players?

The definitions of economic reconciliation vary, but for us, it comes down to just doing good business.

Lasting businesses are built on relationships, not transactions. And the foundation of strong relationships is building an empathetic understanding of someone's worldviews: considering the context of how they think and where their emotions are rooted. By genuinely being interested in the other person or community, you can begin to form trust, find alignments and create strong bonds of partnership, and good and lasting businesses.

From an Indigenous perspective, economic reconciliation is often grounded in the land and that is at the heart of their worldview. Real estate development is also based in land, but it's not always in the same context. When we apply ESG principles and expand the discussion to include community, the discourse becomes people-centric, examining the relationships and interactions people have with the land. This naturally progresses to how best to manage and govern the land. From an ESG-conscious viewpoint, there are many natural synergies that can be applied that advance economic reconciliation. Bringing an Indigenous perspective to a business relationship brings forward the ESG principles and vice versa.

For instance, the Taza development spans 1,200 acres on Tsuut'ina reserve land and is programmed for over 35 million square feet of development over the next 40 years. The zoning we created enables a comprehensive list of complementary uses, including residential, office, retail, hospitality and entertainment, as well as medical and life sciences. Taza is becoming a diverse community within the Tsuut'ina reserve, and a regional employment area with the administrative infrastructure and capacity like any municipality.

The development embraced the traditional Tsuut'ina approaches of responsible land management and their perspective of community and citizen involvement. We sought input and advice from thought leaders in engineering and urban planning, and constructed a legislative framework that optimizes the pace of business with the intention of realizing Tsuut'ina jurisdiction and governance. This created an inclusive way forward to economic reconciliation; one that captures the principles of a genuine partnership and is open to all.

Real estate development in North America has traditionally operated in a colonial framework, but that mindset is being disrupted now. Economic reconciliation is required for Indigenous communities to fully participate in the economy, and to have equitable access to that of non-Indigenous communities. Our partnership with the Tsuut'ina Nation is about creating multigenerational economic opportunities and providing access to private capital and the expertise to deliver on them, and to create opportunities for private capital to participate in Indigenous real estate development and investment.

Q What are the main challenges investors encounter when trying to deliver economic reconciliation? How did you address them?

Real estate investors wanting to make impact investments need to think like



Building 'ESG' into the Taza development

Canderel's William Briscoe explains how a retail center in the Taza development hired 25 percent of its workforce from the Tsuut'ina Nation in the middle of the pandemic.

In August last year, a 150,000-square-foot Costco warehouse opened at the mixed-use Taza development on the Tsuut'ina Nation. The store was the first anchor tenant in a 425,000-square-foot retail center called The Shops at Buffalo Run. It was also Costco's first warehouse located on a First Nation development in Canada and was built to LEED Silver requirements.

Despite the covid-19 pandemic, which has seen Canada's Indigenous population particularly affected by unemployment, 25 percent of the workforce hired by Costco for the new site came from the Tsuut'ina community.

"This didn't come from a prescriptive approach that laid out mandatory thresholds," says Briscoe, "It came from an approach of mutual inclusion and of sharing core values."

"We didn't say, 'You have to have this percentage of employees.' Rather, we asked, 'Costco, what is the right involvement of the Tsuut'ina community in your store that is located on their lands?' They responded, 'Our goal is to maximize the number of employees that come from the communities in which we serve, and it is our desire to have as many Tsuut'ina and other Indigenous people become part of the Costco family.'

"Thus, we were aligned in our visions. Costco has an existing, comprehensive program to hire and train their workforce. Tsuut'ina has the internal resources that help to train and find job opportunities for its community. So, by working together, this didn't involve extra costs, but instead a different approach. It was developing trust and finding alignment, which is just good business."

innovators and resist saying, “But this is how things are always done.”

The main challenge with an investment like Taza is addressing the burdensome and restrictive policies that the Canadian government enforces through the Indian Act, which negatively impacts a First Nation’s ability to manage and develop their lands.

We analyzed how things had been done and then asked a simple question: is there a better way? Sounds modest, but that’s primarily what we did when we put the partnership together with Tsuut’ina. We listed all the challenges that existed from policy restrictions, impediments to decision-making, to market perceptions and general acceptance, and then began to find solutions.

For instance, the partnership worked within the existing legislation and focused on amending the policies and procedures that could make it easier for Indigenous communities to develop and finance their land; a significant route toward economic reconciliation. This resulted in precedent-setting changes to how the lands would be managed, recognized the jurisdiction of Tsuut’ina, and enacted a development approval process based on leading market standards. It was disruptive and took a lot of time and money, but the partnership has paved the way for us, and other real estate investors, to now say: “This is a new way that things can be done.”

Operational challenges were also addressed – for instance, how the process of development and construction, which the business community faced, could be improved. We were able to reduce the issuance time of a development permit to 45 days versus our neighboring municipality, which measures it in years. By pursuing economic reconciliation, the speed of business was improved, too. It’s not the number of challenges that are overcome, but the innovation behind solving them and a view of conducting better business.

“Indigenous sovereignty and jurisdiction is a social and governance value within ESG. It’s about people. It’s about the rights of self-determination”

Q How are ESG and economic reconciliation related?

In terms of environment, our development is guided by the Tsuut’ina value of respect for the land and all its inhabitants. We develop in the spirit of planning with seven generations in mind, ensuring the land and climate is safe and healthy well into the future. This is coupled with green building best practices, such as low impact development principles and a green lease that ensures environmental responsibility and data tracking from design to operations. The Sustainability Design Standard is informed by LEED and WELL credits, allowing Taza to align cutting-edge technology with Tsuut’ina teachings and traditions.

On the social side, we include a schedule that outlines the principles of a tenant’s relationship with Tsuut’ina and includes respecting inherent treaty rights, recognition of the UN Declaration on the Rights of Indigenous Peoples, and the Calls to Action of the Truth and Reconciliation Commission of Canada. It also addresses the importance of culture and Indigenous awareness training, the use of bilingual signage, and working with Tsuut’ina on employment initiatives. The positive impact this has created with tenants has been impressive.

The jurisdiction of the Tsuut’ina Nation is respected. When all the ESG principles are embedded into the

business and investment plans, economic reconciliation becomes an outcome that is truly impact investing.

Q Can you deliver economic prosperity to communities while achieving attractive returns for investors?

Attractive returns and delivering prosperity to communities is not mutually exclusive. Investors that think there must be a cost to delivering prosperity to communities – or at least a trade-off – most often are not expanding the scope of their understanding of how to make and measure community impact. There are both tangible and intangible aspects that create real value. Our work in implementing ESG principles highlights the need to know what and how to measure a variety of elements.

From a return perspective, Taza is achieving higher rents and receiving more interest than our competitive set. This is due to traditional factors such as location and zoning principles, and a transparent administrative environment that moves at the speed of business, as well as a unique offering from an experiential and cultural perspective.

The ESG elements we’ve added – design standards that ensure energy efficient, durable, comfortable, healthy and accessible buildings, which are constructed through effective community consultation – are additional return items. They are an enhancement, not a trade-off. If we didn’t have these ESG factors embedded that produce economic prosperity in the community, we wouldn’t have the high investment returns. So yes, you can absolutely deliver community economic prosperity while achieving attractive returns.

Indigenous sovereignty and jurisdiction is a social and governance value within ESG. It’s about people. It’s about the rights of self-determination. And, equally importantly, it gives Indigenous communities access to economic opportunities and capital, while delivering attractive returns for private equity investors. ■



TAZA

DOWNTOWN
CALGARY



TAZA PARK



TAZA CROSSING



TAZA EXCHANGE

1200 ACRES

3 villages stretching 10 kilometres
along Tsuut'ina Trail

35 MILLION SQUARE FEET OF DEVELOPMENT

Representing a mix of retail, commercial,
residential and specialized space

ESG TRAILBLAZERS

Taza is a leader in Environmental,
Social, and Governance performance

\$15 BILLION PROJECTED VALUE

Taza is a beacon for First Nation and
Indigenous investment with significant
investments already realized

ECONOMIC RECONCILIATION

It's time for Indigenous and
non-Indigenous peoples to move
forward, together. We all have to take
steps to pursue genuine reconciliation.

It's time to reconsider how we approach business

Developed on Tsuut'ina land near Calgary, Alberta, Taza is a partnership led by the spirit and wisdom of the Tsuut'ina people and Canderel's proven track record of industry leading development practices.

Taza is a partnership generations in the making. To simply describe Taza as a "development" would not do justice to the depth of trust and good faith that both Tsuut'ina and Canderel have shared to build something wondrous.

Taza exists to serve the community as a joyful expression of human experience. Ultimately, Taza is a home to grow connection; connection with one another, with culture and with the land.



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