GOVERNMENT CONTRACTING AND ECONOMIC OPPORTUNITIES

- THE NCCIG PERSPECTIVE -

A presentation to the:

Honouring our Past, Building our Future Conference

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ABOUT NCCIG

- NCC Investment Group Inc. (NCCIG) is a property management and construction and development company that operates in all three regions of Nunavut
- NCC consists of two wholly-owned subsidiaries: NCC Properties Limited and NCC Development Limited.
- NCC is 100%-owned by the four Nunavut Inuit birthright development corporations

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QIKIQTAALUK CORPORATION

Sakku Investments Corporation
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NUNASI CORPORATION

KITIKMEOT CORPORATION
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ABOUT NCCIG

Ownership structure facilitates pan-territorial presence – a truly all-Nunavut company

Allows for distribution of benefits despite concentration of assets in Iqaluit

NCCIG MISSION & VISION

- Our Mission
  - To be an innovative group of companies renowned for delivering quality Arctic development opportunities and solutions since 1995
- Our Vision
  - To be the leader in Arctic development solutions in real estate, construction, and investments that generate pride, economic returns, employment and partnerships for Nunavummiut

NCCIG HISTORY

- NCCIG was incorporated in 1995 to build, own and lease infrastructure required by the Government of Nunavut (GN) at the time of the creation of the Territory of Nunavut
- At that time, the Federal Government gave NCCIG the exclusive right to construct, own and operate the buildings required by the territorial government
  - In lieu of direct capital funding, federal authorities committed to 20-year leases
  - This commitment allowed NCCIG to secure project financing to build 250 staff houses in 11 Nunavut communities, nine government office buildings in nine Nunavut communities, as well as the Legislative Assembly in Iqaluit

NCC DEVELOPMENT

- NCC Development Limited ("NCCD") specializes in construction and development projects
- NCCD staff are experts in construction methods that endure the challenging locations and weather conditions
- NCCD projects range from multi-million $$ construction commercial projects to home renovations
- Clients include the GN, Inuit Organizations, Inuit Development Corporations, Federal Government entities, private sector (e.g. miners), and homeowners

NCC DEVELOPMENT

NCCD's construction crew is predominantly Inuit

We support our workers through training, apprenticeships and mentoring

We rely on a network of qualified Inuit and northern suppliers and contractors

We promote safety on site through training and supervision

NCC PROPERTIES

- NCC Properties ("NCCP") manages a portfolio of 100% Inuit-owned real estate assets located across Nunavut
- NCCP's assets include industrial, commercial and residential properties leased to both private- and public-sector tenants
  - An important source of wealth for Nunavut Inuit, and an asset base that provides steady, long-term returns
- Prudent management of NCCP's properties generates revenues and serves as collateral to leverage financing of new projects

BUSINESS DEVELOPMENT HISTORY

- Between 2005 and 2022, GN construction projects formed a very small portion of NCCD's work
  - NCCD instead focused on development opportunities secured through Inuit Organizations and via relationships with Nunavut's private sector
- NCCIG continued to serve the GN as property owner and manager through NCCP
  - Many of the 1990s assets were sold to the GN following the expiration of the 20-year leases
- The late 1990s approach of engaging NCCIG to execute a major construction program ('Negotiated Contract') was never replicated again by either territorial and federal governments until 2022
- In 2022, a new initiative emerged that seems to have broken with this long-standing trend

'WHAT'S PAST IS PROLOGUE'

- NCCIG's 1990s origin story is important because it identifies a business model that proved successful and is still available to help address the Nunavut's massive infrastructure gap, especially in housing
  - The infrastructure gap is simply too large and complex for any level of government, or any single private entity to tackle on its own
- A collaborative business model involving Inuit organizations, Inuit development corporations and governments provides best conditions for developing Nunavut's infrastructure at the speed and scale needed to respond to the territory's housing crises

REVISITING NEGOTIATED CONTRACTS

Federal, provincial and territorial governments seeking to optimize Indigenous and Northern benefits as part of a 'best-value' procurement process should re-evaluate their procurement policies concerning 'Negotiated Contracts' – Also promotes 'Economic Reconciliation'

For large scale, complex initiatives such as major infrastructure programs, directly negotiating contracts can help ensure a higher level of local benefits and wealth retention are achieved relative to the 'typical' competitive contracting process

It is valuable to reference the pre-Nunavut infrastructure construction program (1996 – 1999) as proof that such a model can work for the mutual benefit of all parties

NUNAVUT 3000

- Nunavut 3000 is the Nunavut Housing Corporation's (NHC) strategy to increase the territory's housing supply by 3,000 new housing units by 2030
- NCCD is a full partner of Nunavut 3000 with agreements in place with NHC for the construction of up to 2,000 Housing Units in Affordable, Market, Public and Transition housing categories
- The Agreements also focus on developing Inuit workforce capacity and providing Inuit with opportunities for meaningful employment and careers in the building sector

NUNAVUT 3000 - A GAME CHANGER FOR NCCIG!!!

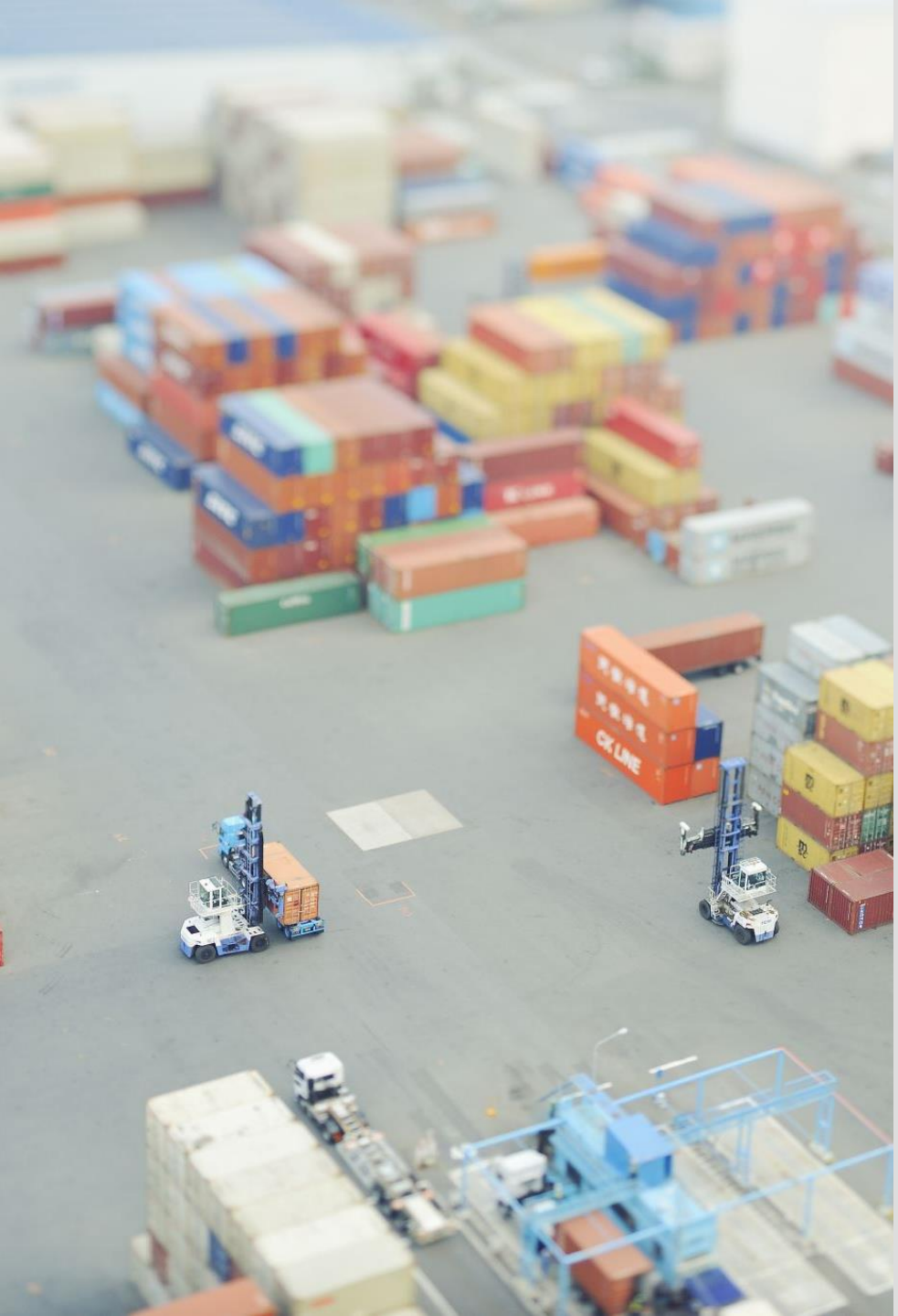
- Largest business development opportunity in NCCIG's history
- Exceeds the infrastructure build-out at Nunavut's creation
- A major test of NCCIG's capacity, but one that NCCD has prepared for over its 27 years of operation
- Creates opportunity to rethink supply chains for procuring equipment and construction materials
- A tremendous opportunity for NCC Properties to increase its revenue generating assets through co-investment arrangements

NUNAVUT 3000: HOUSING CATEGORIES

- **Public:** Units to be leased or owned and managed by the NHC based upon need and an allocation priority process
- **Affordable:** Units that NCCD will rent or sell at below-market rates
  - NHC to provide funding for the construction of units in exchange for rental rates or sales price being set at below-market level
- **Market:** Units NCCD will construct and make available for rent or sale on the private market
- **Transitional:** Temporary housing for certain segments of the homeless population

THE STRATEGIC PARTNERSHIP

100% INUIT OWNED
Sakku Investments Corporation



SUPPLY CHAIN TRANSFORMATION OPPORTUNITIES

- Nunavut 3000 offers opportunity for NCCD to rethink main processes for procuring and shipping equipment and construction materials
- Large scale of program allows for more potentially-impactful processes to be employed
- **Primary Goal:** Drive down overall procurement costs
  - Reduced procurement costs can result in:
    - Greater profits flowing to NCCD and its shareholders
    - Reduction in building costs that makes housing more affordable to Nunavummiut
- **Secondary Goal:** Reduce management burden

FUTURE TRAINING PROGRAMS

- NCCIG's key role in executing the Nunavut 3000 Strategy will include significant obligations to provide training and professional development
- NCCIG is and will continue to develop partnerships with territorial and national level education institutions to deliver training and builds local, Inuit capacity in the construction sector

NUNAVUT 3000 – BENEFITS FROM CONTRACTING APPROACH

- Economies of Scale
  - Nunavut 3000 approach does away with incremental and piece meal construction tendering, creating economic efficiencies in its wake
  - Greater efficiency means lowered cost of housing and/or more units constructed
- Leveraging Finance
  - Guaranteed participation in a large-scale, government-backed development program facilitates NCCIG's efforts to engage lenders
- Time for Training
  - A decades-long timeframe allows Inuit training program to be fully centred in development plans

FINAL THOUGHTS

- NCCIG was created because of the negotiation of the Nunavut Agreement and the creation of the Territory of Nunavut
- Due to its unique ownership structure and status, NCCIG continues to have an important role in addressing Nunavut's housing crises and infrastructure gap
- Both federal and territorial governments recognize NCCIG's capacity to 'get the job done' while also advancing Economic Reconciliation