

Economic Sovereignty

Confederated Tribes of the Umatilla Indian Reservation
Overall Economic Development Plan, 2010-2015

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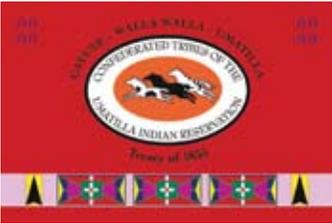
*Economic Development Administration of the
United States Department of Commerce*

*Administration for Native American of the
United States Department of Health and Human Services*

CTUIR Department of Economic and Community Development

Okagaki & Associates

Five Crows Design



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CTUIR

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Section 1

Intent of Plan—Overview

Economic Sovereignty

Economic Sovereignty invokes both the pride of the traditional era and the sophistication required to compete in today's global economy. Economic sovereignty is about expanding the Tribes' economic choices in a resource-constrained environment.

The CTUIR has adopted an Overall Economic Development Plan (OEDP) every five years or so since at least 1974. These plans document the intentions and capacity of the tribe during a period of remarkable economic change. Up until this plan, most if not all OEDPs have been subtitled "A Plan for Growth."

This plan comes between phases of expansion and economic growth. The CTUIR has recently completed over \$22 million in construction at Coyote Business Park and Arrowhead Travel Plaza. The Nixyáawii Governance Center is nearly complete, and the next phase of Wildhorse Resort expansion will begin in the spring. It is an appropriate time to pause, look at the results of growth to date, and have a community conversation about the direction and nature of change in the tribal economy.

We respectfully introduce "Economic Sovereignty" as a new subtitle for this plan to reflect an evolving attitude toward economic growth. Economic Sovereignty invokes both the pride of the traditional era and the sophistication required to compete in today's global economy. Economic sovereignty is about expanding the Tribes' economic choices in a resource-constrained environment. The treaty signers of 1855 were not economically isolated and did not have unlimited resources. They utilized the resources they had with great care and thoughtfulness to provide for the future. Similarly, today's leaders understand that sovereignty means a careful balancing of resources to counter threats, meet opportunities, and maximize the choices available to tribal families and to the community as a whole—all while protecting the gifts of clean water, clear air, and healthy land.

For some, it's hard to describe a vision for economic development that is consistent with tribal values. For so long, "development" and "progress" have been code words for destruction of tribal resources and culture. "Economic development" has been the supposed rationale for the taking of Reservation farmlands, forest lands, and the de-watering of the rivers. The benefit has always gone to the outsiders and newcomers. For some tribal members, "economy" and "culture" are irreconcilable opposites.

In the early 1970s, the Tribe's economic planners were facing declining population, lack of any kind of jobs on the Reservation, and an agricultural economy almost entirely controlled by non-Natives. Even at that time the Tribe was ambivalent about growth and not sure whether modern economic participation was consistent with traditional tribal values. But it was very clear that the Reservation economy was not able to provide for the people, and that something had to change so that tribal members could afford to

live on the Reservation. The dream at that time was to build a strong Native agricultural enterprise. Outside economic investment at an industrial park was a remote goal.

The first Overall Economic Development Plan in 1974 said the following about formal employment and economic development:

“Yet employment does not have to be full time, industries do not have to be year round efforts. There needs to be enough diversification in the local economy to provide both seasonal and year round work, yet the dream of “0” unemployment, a good paying job for everyone is never going to be realized and no one is sure they really want it anyway. The economic development program should be directed at providing the opportunity for the Indian people to achieve their goals. Many people’s views indicate that their goals are not for industrial expansion to end unemployment. They are a desired mixture of a strong community (culture) on a sound economic base (mostly agriculture and related industries). Many would like flexibility in the system to allow for a less structured work effort than is the basic rule in the non-Indian economic activities.”

— CTUIR, *Overall Economic Development Plan, 1974*, pg. 47

CTUIR has gone on to invest in agriculture and related industries (such as the grain elevator), but these industries have not proven to be a sound economic base in recent years. When natural resources are commodities traded on the global market the pressures for mechanization are immense—profit margins are slim, and job creation is minimal. The question of exactly what is a sound economic base that is consistent with strong community values remains an open one. But it is clear that there is no fortress wall reliable enough to protect the tribal community from outside economic pressures.

In the last 20 years, the tribal leadership has decisively moved to manage growth rather than resisting it. The look of the Reservation has changed noticeably. Large commercial buildings have grown up, with their attendant parking lots, power lines, and lighting, in what were once wheat fields. Thanks in large part to the National Indian Gaming Regulatory Act and Wildhorse Casino Resort, the Tribes control over 1,300 jobs and employ most of the tribal members living on or near the reservation who are ready and able to work. The new economic base is gaming/ tourism.

What kind of economic change do we want, and how much of it, and where? How do we meet our economic needs while protecting our values?

Fifteen years after Wildhorse Casino first opened, the question is no longer “should we have economic growth?” but “What kind of economic change do we want, and how much of it, and where?” The question is, “How do we meet our economic needs while protecting our values?” How do we plan for Economic Sovereignty, which means carefully pursuing economic flexibility within the framework of a strong tribal community structure, rather than just the mainstream model of economic growth at any cost?

Well, what does Economic Sovereignty look like? The traditional, pre-Reservation era tribal economy is an example of how people can honorably support their families, trade with their neighbors, and still leave enough resources for the future. Although the world has changed since then, these underlying cultural values of responsibility and stewardship are still strong.

What does Economic Sovereignty look like in the modern era? What do the values of responsibility and stewardship mean in today’s global economy that reaches into every household on the Reservation?

Here are a few suggestions for what Economic Sovereignty might mean in today’s world:

- Tribal values are honored ... because tribal government has the money to be able to pay for community priorities.
- Tribal members have strong enough skills and education to choose between staying on the Reservation or leaving and finding satisfying, decently paid work either way.
- More tribal families have savings and know how to manage their money.
- The Reservation economy has diverse Native-owned businesses and non-profit enterprises and has decreased its dependence on dollars that are controlled by outside economic interests, like government funding or grants.
- In order to be here forever and plan for the next seven generations, the tribe protects the resources of the Reservation, focuses on natural-resource based enterprises, and plans for significant changes in both the environment and the economy.

How do we achieve these goals? The Tribes have some very strong pieces of that puzzle in place already:

- Wildhorse Resort is an economic engine that affords the Tribes many choices. It funds many much-needed local government services including ambulance and other emergency response services, scholarships, and elder stipends. It helps pay for

The traditional, pre-Reservation era tribal economy is an example of how people can honorably support their families, trade with their neighbors, and still leave enough resources for the future. Although the world has changed since then, these underlying cultural values of responsibility and stewardship are still strong.

“Our history has demonstrated that the Americans are always so cut-throat. That’s why we lost our land. We weren’t ready to go into business, form a government, compete with them. Our history haunts us, it paralyzes us. That’s why it’s so hard to think about going into business now. If we’re going to go into business now, we have to know our competitive advantage.

Of everything we’ve tried, gaming has worked out the best. But once you go away from that you’re in with the piranhas. You’re competing with middle America. It’s hard work. We have to find our competitive advantage and make the most of it.”

-Les Minthorn, November 2009

land acquisition, natural resource restoration, cultural resource protection, cultural education, workforce development, housing, and youth services.

- The tribal community places a priority on economic and community development and has demonstrated patience and understanding that this is a long-term project that requires commitment over time. The community’s support for stability on the Board of Trustees affords CTUIR a strong competitive advantage compared to other tribes in the region.
- Thanks to many years of work, the Tribes have a strong community water and wastewater system that is the foundation for new housing and commercial development.
- The Tribes have a track record of successful economic and community project development and have a network of strong partners and allies in the region and beyond.
- Businesses owned by the Tribes have certain competitive advantages including exemption from corporate income tax assessment.

If we’re serious about Economic Sovereignty, we do need to do some things differently.

- Build alternate revenue streams so that the economy is not so dependent on one business enterprise (gaming) that is vulnerable to changes in state law; or on contracts from federal agencies.
- Understand the Tribes’ competitive advantage in building businesses; and understand that new tribal businesses will have to find that advantage and market the most of it if the businesses stand a chance of succeeding in highly competitive non-gaming industries. Get much better at building and managing enterprises despite the political challenges that come from the necessary government oversight role of tribal government.
- Develop meaningful career exposure, experience, and advancement pathways for tribal members.
- Make significant investments in expanding housing opportunities.
- Recognize the value of competition in strengthening our enterprises.
- Develop community investment strategies that strengthen families and expand choices.
- Plan aggressively for long term changes in energy and climate; and proactively protect land and water resources for the future.

This plan describes how to move in this direction—toward Economic Sovereignty.

Section 2

Overall Economic Development Plan Themes and Values

Based on input from community listening meetings, October 2008

These themes and values are not comprehensive, but they are consistent with many of the values expressed through other community based planning efforts, including the LEAP (“Listen, Engage, Act to End Poverty”) process in 2006, the Wellbriety Community Visioning in 2008, and the Community Beautification process in 2009.

- “We’re a subsistence people and we’re taught not to take more than we need. Growth is OK but we have to be very mindful of its impacts and careful that the benefits are distributed evenly through the community.”
- “Money is not one of our values. We’re here to be caretakers of the earth and all the natural resources on our land.”
- “Economic development has brought some negatives. People disrespecting the land and focusing on money.”
- “Tribal member employment? Our tribal members don’t have priorities in the businesses like they should. We need career ladders and mentoring plans to make this real.”
- “Focus on natural resource based businesses (salmon, forests, agriculture).”
- “We’ve got to keep finding ways to make money- we’re never going to stop doing that.”
- “We want the smaller projects that will help 1 or 2 people at a time and get us back to equality and healing in our community.”
- “Politics and business need to be separated more and they’re not. We can’t grow our tribal owned businesses like we should because of that.”
- “We’re missing opportunities by not taking care of our current businesses as well as we could and by not making the best use of the assets on the Reservation (like existing housing owned by non-Indians).”
- “Look at off-Reservation economic development. Why do we have to fill the Reservation with lights, paving & development?”

Section 3

Summary Overview

of Tribal Economy

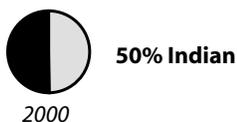
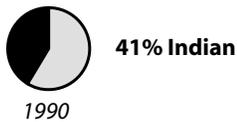
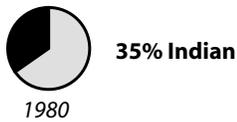
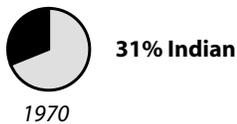
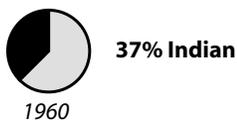
In 2008, CTUIR staff and economic consultant Alan Okagaki reviewed population, revenue, employment, and business trends on the Reservation. This analysis resulted in three central findings about the tribal economy:

1. The recent history of the tribal economy has been one of tremendous and unprecedented growth in population, employment, individual earnings, and government revenue.
2. The resulting tribal economy is highly dependent on a single industry (gaming/tourism) and disruptions in that industry would negatively impact employment, earnings, and government operations.
3. Significant employment growth has left an estimated 35-157 tribal members unemployed. Additional jobs created on the Reservation will result in very modest tribal employment unless underlying needs for education and skills training are addressed.

Each of these findings is discussed in more detail, below.

Umatilla Indian Reservation Population by Race

● Indian ● Non-Indian



—source: U.S. Census

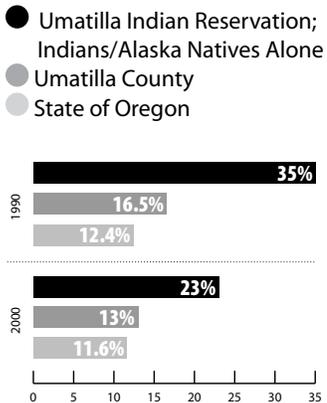
A. Tribal Economy Findings

1. History of Economic Growth

The CTUIR has made great progress in building a viable tribal economy “from scratch” since the early 1970s. This progress is indicated by quantitative measures such as total population, poverty and unemployment rates, and the growth of tribal government and tribal enterprises.

The Umatilla reservation has made substantial progress as measured by conventional standards of economic performance. As a general rule, successful economies experience population growth while deteriorating economies lead to population decline. Between 1970 and 2000, total population on the reservation rose from 1,800 to 2,927 persons. Most of that growth has come from the Indian population. In fact, the non-Native population on the reservation actually decreased between 1980 and 2000. Similarly, the total Indian population in Umatilla County nearly doubled between 1980 and 2000. This demographic pattern is consistent with a successful tribal economy.

Poverty Rate Comparison



Two other common indicators of economic success are poverty rate and unemployment rate. The poverty rate of Indians on the Umatilla reservation was cut almost in half in a 20 year period, from 41% in 1980 to 23% in 2000. In comparison, the poverty rate in the State of Oregon held steady at about 11% and crept upward from 11% to 14% in Umatilla County during that time. Between 1990 and 2000, the per capita income of Indians on the Umatilla reservation grew from \$5,265 to \$12,032. By 2000, the average income of Indians on the Umatilla Reservation was 57% of the state average, compared to only 39% in 1990.

Two other indicators of economic success have been the growth of tribal government, as measured by operating budget and total number of tribal employees. Since 1992, the CTUIR's operating budget has grown from \$7.5 million to \$167 million and the total number of tribal employees from 159 to 1,231. The size of government is much more significant on reservations than in the majority economy because of the extent that the tribal economy and tribal government are often virtual equivalents of each other. Both in terms of jobs and revenue stream, tribal government represents a significant economic base for a population the size of the Confederated Tribes. To put the tribal budget into perspective, the United States had a 2008 Gross Domestic Product of \$13.8 trillion and a population of 305 million: a ratio of about \$45,000 GDP/person. If the tribal budget is treated as the Reservation's Gross Domestic Product, the tribal economy has a GDP/person ratio of either \$61,000/person (counting all enrolled tribal members) or \$115,000/person (counting only tribal members living on Reservation).

The changes in these indicators are quite remarkable in a short period of time given that a formal tribal economy and an institutionalized tribal government were largely undeveloped in 1970. However, in the 1960s and 1970s many tribal members relied more on the subsistence economy and less on the formal economy than they do now.

Formal economic indicators fail to capture the contributions of the subsistence economy to a family's well-being nor do they account for cultural values. "Now that we all have jobs, we don't see each other as much," commented one young tribal member. "I miss my family, but now we're all so busy, we don't eat together like we used to."

Some nations have adopted alternate measures of economic and community well-being. The Kingdom of Bhutan, for example, measures Gross National Happiness each year. Over time, CTUIR may wish to develop a locally appropriate system of indicators

The Reservation economy is basically a company town, unusually dependent on a single employer, and highly vulnerable if something happens to that employer.

to track the well-being of important community indicators such as an increase in the number of native language speakers, reduction in rates of diabetes and substance abuse, continued land acquisition, and restoration of First Foods. The 2010 Comprehensive Plan includes a set of benchmarks that are a first step in that direction.

In the meantime, the primary, imperfect indicator of the strength of the Reservation economy is the size of the tribal budget, with the assumption that the more resources controlled by the Tribal government, the greater the benefit for the community.

The other indicator we introduce here is economic diversity. A stronger economy is one in which there are multiple sources of revenue. We can measure this by tracking the sources of revenue that supports the Tribes' General Fund. This leads us to the second major finding about the Reservation economy.

2. Structure of the Tribal Economy

The growth of tribal government has been propelled almost entirely by Wildhorse Resort and by the concurrent growth in federal contracts and funding. While the growth has benefitted the CTUIR, it has led to an economic structure that is far too dependent on two or three income sources. The Reservation economy is basically a company town, unusually dependent on a single employer, and highly vulnerable if something happens to that employer.

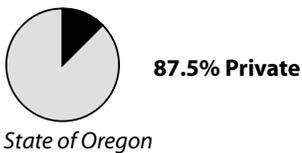
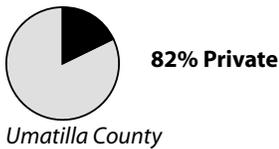
On the Umatilla Reservation, the tribal economy is largely equivalent to tribal government (counting tribal enterprises as part of tribal government). Consider the following:

- Most tribal members living on or near the reservation are employed by the tribe, either in tribal government or in tribally-owned enterprises.
- The number of tribal members on or near reservation who are employed in non-tribal entities is small.
- The number of private businesses owned by tribal members that sell product to some combination of tribal members and the outside public is very small.

The 2000 census gives at least one measure of the equivalence between tribal government and the tribal economy. According to the 2000 Census, 88% of all jobs on the Umatilla reservation were in the "Public Sector/Reservation Sector." (Since 2000, the CTUIR has

Public/Private Sector Employment Comparison

- Public Sector
- Private Sector



created an additional 400 jobs on the Reservation, so it's likely that the percentage of all jobs controlled by the tribal government on the Reservation is higher than 88% by now) Thus, by the measure of employment, tribal government accounts for nearly 90% of the tribal economy.

This near equivalence of the tribal economy and tribal government is so ingrained on the Umatilla Reservation (and generally in Indian Country) that it is accepted as normal. However, this is not the way the economy works in the outside world where most jobs and most economic activity are in the private sector. For example, in 2000, 18% of all jobs in Umatilla County resided in the public sector and only 12.5% of all jobs in the state of Oregon were in the public sector. Whereas tribal government accounts for seven out of every eight jobs in the Umatilla reservation economy, the ratio is exactly reversed in the rest of Oregon, where seven of every eight jobs rests in the private sector.

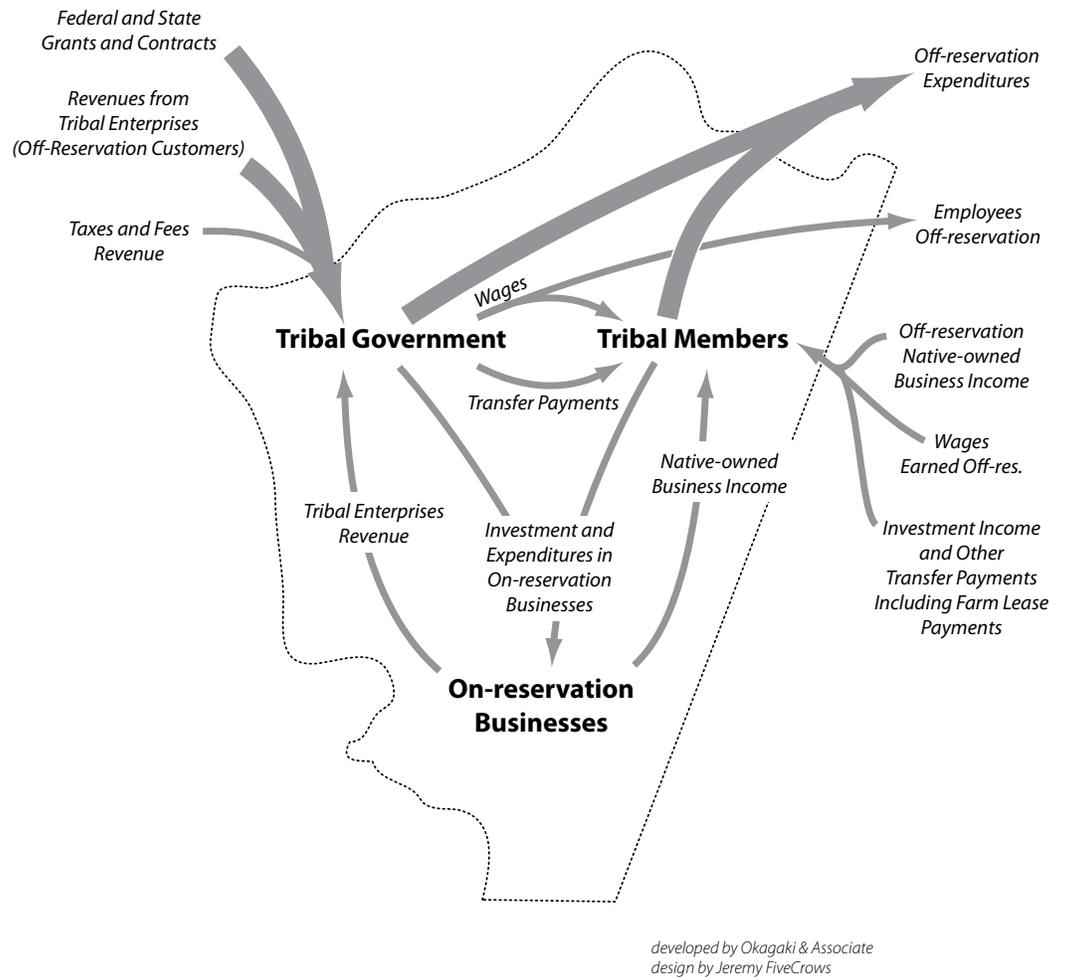
How do we describe a “tribal economy”? The notion of a “tribal economy” is somewhat imprecise and it has been conceptualized in several different ways. Two of those conceptualizations appeared in the 2003-08 OEDP: the Circle of Life and a chart labeled “Where does the money go?” both of which are presented in the Appendix D at the end of this report. Here is a third way to “map” the tribal economy (Figure 1); to present it in terms of dollar flows.

The purpose of Figure 1 is to show dollar flows into, through, and out of the tribal economy. Each arrow represents a dollar flow. Fat arrows indicate large dollar flows and skinny lines indicate smaller dollar flows.

1. There are three primary flows into tribal government:
 - Grants, contracts and other revenue streams from federal and state government.
 - Sales revenue generated by tribally-owned enterprises, principally Wildhorse Resort and Arrowhead Travel Plaza.
 - Income to tribal government from taxes and fees.

The vast majority of these dollars flowing into tribal government originate from outside the reservation: federal and state governmental funds, casino and Arrowhead customers. They are dollars that are being “imported” into the reservation economy.

Fig. 1 • Dollar Flows in the CTUIR Tribal Economy



2. Tribal Government (including the Tribal Enterprises) distributes dollars to tribal and non-tribal members. These dollar flows take the form of either wage income or transfer payments (such as dividends, scholarships, and stipend payments.)
3. While the dollar flows from tribal government (and enterprises) are the major source of income for tribal members, there are at least three other sources of income from off-reservation sources: wage income for those employed by non-tribal entities; small business income from the 20 or so private businesses owned by tribal members living on or near the reservation; and outside investment income and other

transfer payments paid directly to tribal members. However, these dollar flows are small compared to the dollar flows from tribal government.

4. Tribal and non-tribal members then spend their money. A small percentage gets spent on-reservation at Mission Market, Arrowhead, Wildhorse Resort and the like. A small percentage is saved or invested, rather than spent, most of it off-reservation (banks) and some of it on-reservation (“under the mattress”). But most of the expenditures go to off-reservation businesses.

Given this framework, we can examine the actual dollar flows into the tribal economy. Table 2 is based on the CTUIR budgets for 2001, 2005 and 2008. The table shows that total revenue grew by almost \$73 million (77%) in seven years, much faster than the growth in tribal enrollment during that time period. The greatest contributors to that growth were Wildhorse (+\$27.5 million), Arrowhead (+\$19.3 million), and Grants/Contracts (+\$12.3 million). Together they accounted for about 80% of the total growth in budget. In 2008, they comprised about 84% of the total tribal budget. Tribal enterprises as a whole constituted over 65% of the total budget.

Table 1 • Revenue Sources for Tribal Government

Revenue Source	2008		2005		2001	
Federal/State Grants & Contracts	31,342	18.8%	28,100	22.4%	21,019	22.3%
Wildhorse (All)	81,658	49.0%	66,482	52.9%	54,151	57.5%
Arrowhead	27,581	16.5%	13,200	10.5%	8,225	8.7%
All Other Tribal Enterprises	2,720	1.6%	2,844	2.3%	3,088	3.3%
Taxes & Fees	1,284	0.8%	1,347	1.1%	876	0.9%
Health Insurance Premiums	8,737	5.2%	4,900	3.9%	0	0%
All Other Income	13,493	8.1%	8,775	7.0%	6,798	7.2%
Total	166,815	100.0%	125,647	100.0%	94,158	100.0%

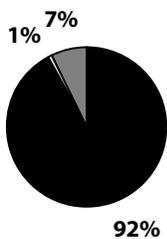
(dollar amounts in \$1,000s)

The first thing to note is that these numbers are gross revenues, not net revenues. They represent total sales or total income, and do not include the offsetting expenses.

While Wildhorse has grown substantially, it now comprises a lesser share of the total tribal budget than it did in 2001. Nevertheless, Wildhorse is even more important to the tribal economy than these numbers suggest because it is the only unit within tribal

CTUIR Revenues to the General Fund - 2009

- Net revenue (gaming)
- Net revenue (non-gaming)
- CTUIR Tax Program



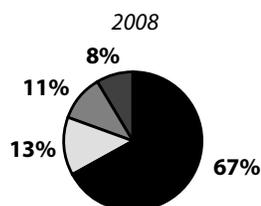
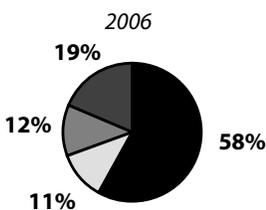
government/tribal economy that generates large surplus revenue – i.e., profit. In the 2008 budget, \$15 million of this profit subsidize other units within tribal government and another portion of the profit is redistributed to tribal members as dividends. It would probably be fair to say that Wildhorse covers most of the cost of core tribal governmental functions. If Wildhorse’s profitability were to falter to any significant degree, the ramifications to tribal government and the tribal economy would be huge. This reliance is demonstrated by the recent declines in gaming revenue nationally and subsequent layoffs that other tribes have had to turn to.

By the standards of mainstream business, Wildhorse’s profitability is an anomaly. Only a very small percentage of all businesses in the world enjoy the significant profit margin that Wildhorse has. The profit margin stems from the protected legal status of Indian gaming which, in essence, give Wildhorse a regional monopoly on gaming. If that legal status goes away or is diminished, Wildhorse’s profitability will shrink as well. Both Oregon and Washington state legislatures have considered legislation to expand non-Indian gaming in recent years. These measures would increase competition for tribal casinos and likely impact casino revenues.

3. Employment and Unemployment Data

Tribal Employment Percent

- Employed full-time
- Employed part-time or seasonal
- Unemployed seeking work
- Unemployed not seeking work



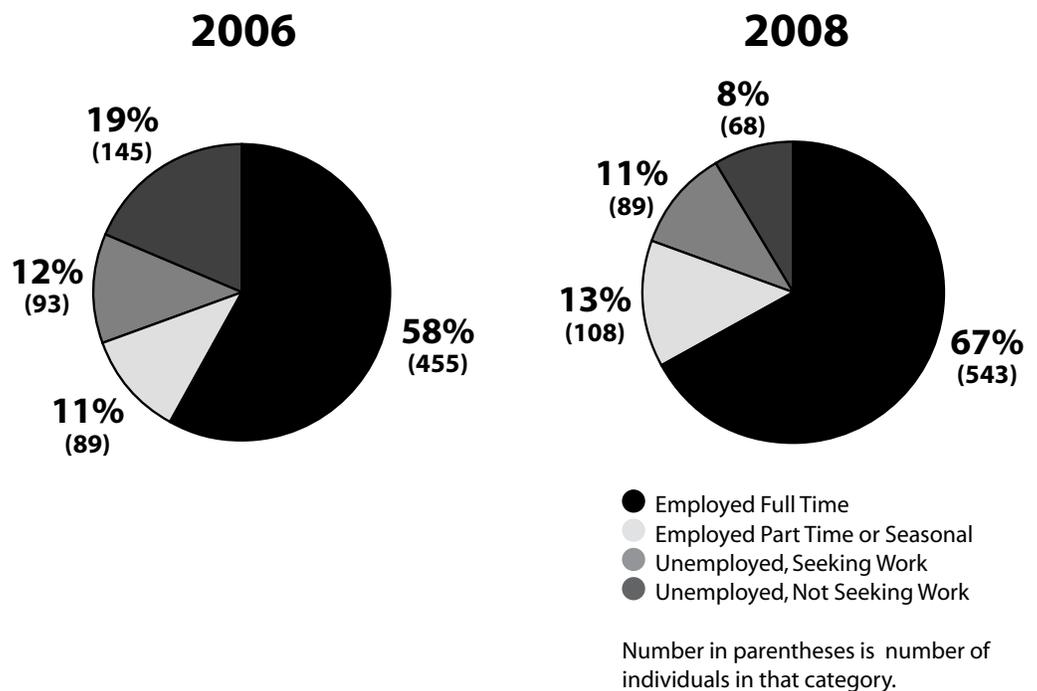
The most frequently heard criticism of the modern tribal economy is that it does not provide enough benefit to tribal members, particularly in terms of employment. “Why do we have so many non-Indians working here?” and “Why is tribal unemployment so high?” are frequently asked questions. But when you look at the results of a recent survey of tribal unemployment, it seems clear that unemployment among CTUIR members is mostly a function of readiness, ability, interest in work, not an inadequate number of jobs. This means that creating more jobs will not solve the unemployment problem. Education and skills training are the answer.

In 2006 and 2008, the CTUIR Enrollment Office completed two surveys of tribal members living in the 978—zip code (the area including most of the Reservation and Pendleton). (These surveys are included in Appendix D). The key findings from the two surveys are:

- The official unemployment rate (those seeking work and unemployed) of tribal members on reservation decreased from 17% in June 2006 to 12.9% in June 2008.

- The total number of employed tribal members increased by nearly 90 employed persons between 2006 and 2008. Of the 543 total employed persons in 2008, 435 held full-time jobs and 52 were in part-time positions. Almost all of the remainder took seasonal employment.
- The 2008 survey identified 157 persons who could be working but were not employed. Eighty nine of those unemployed persons indicated they were seeking employment; 68 said they were not seeking employment. The 2006 survey found 93 unemployed persons who were seeking employment and 145 persons who were not seeking jobs.
- Thus, the total number of unemployed tribal members was reduced by about 80: from 238 in 2006 to 157 in 2008. This is a dramatic reduction over two years.
- Of the 157 persons not employed in 2008, 122 (78%) indicated alcohol or addiction as the primary reason for their unemployment. One could reasonably assume that most of the 68 unemployed persons not actively seeking jobs suffer from substance abuse problems that inhibit their workforce participation.

Figure 2 • Tribal Member Workforce Living in ZIP Code 978



It appears that job growth or other factors between 2006 and 2008 caused a large number of persons to enter the labor force and become employed. Depending on the severity of the individual alcohol and addiction issues, the number of potentially employable tribal members who do not currently have jobs is probably between 35 and 157 persons.

Table 2 • Tribal Employment, 200_

Revenue Source	CTUIR Tribal Members	Other Indians	Non-Indians	Total
Tribal Government	222	68	183	473
Yellowhawk Clinic	33	14	30	77
Housing Authority	11	5	6	22
Total Tribal Government	266	87	219	572
Wildhorse Resort	137	56	370	563
Cayuse Technologies	20	12	64	96
Grand Total	423	155	653	1,231

Given the total number of jobs under CTUIR control, and the practice of following tribal member preference in hiring, it would appear that the CTUIR has sufficient jobs to absorb 35 to 157 unemployed persons into its workforce. The reasons those persons are not now employed are a combination of:

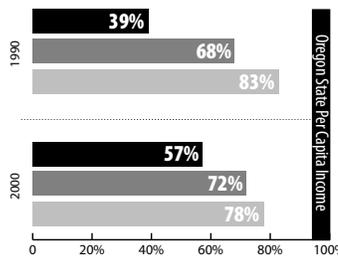
1. Their desire and ability to work;
2. Lack of education and work experiences necessary for those jobs;
3. Substance abuse; and/or
4. Unwillingness to conform to the discipline required in work settings.

Summary and Overview of National, State, and Regional Economy

Section 4

Per Capita Income Comparison

- Umatilla Indian Reservation; Indians/Alaska Natives Alone
- Umatilla Indian Reservation
- Umatilla County



A. National Economy

The national economic outlook has changed considerably in the last 12 months. The previous period of consumer-driven growth, fueled by what was, in hindsight, an unsustainable period of rising housing prices, has come to a sudden and abrupt stop. Housing growth was what led the national economy out of the previous recession, but the prospects for a housing-led recovery this time are dim.

The Obama administration's economic agenda focuses on investments in infrastructure, basic research and development, renewable energy, and education in order to rebuild the competitive advantage that the U.S. once held in manufacturing and innovation. These investments, if made as proposed, may take decades to show results in terms of new economic growth (with the exception of renewable energy, whose presence is already very strongly visible in Umatilla County).

B. Oregon Economy

Oregon's unemployment rate was 12.2% in August 2009 compared to the national average of 9.8% (U.S. Bureau of Labor Statistics), second-highest in the nation. Both Oregon and Washington are particularly vulnerable to economic downturns because of their reliance on only two of the three typical state tax revenue mechanisms (property and income tax in Oregon, property and sales tax in Washington). However Washington's economy is larger and more diverse.

Oregon's Business Energy Tax Credit (BETC) has spurred tremendous interest and investment in the renewable energy in Oregon despite the overall economic downturn. The credit has reportedly attracted billions of dollars of investment and has prompted world renewable energy leaders Iberdola Renewable, Vestas, and REPower to locate their North American headquarters in Portland. Two solar manufacturing plants have also been built in Hillsboro as a result of the program. Recently the Governor vetoed the legislature's proposed scale back of the program but the program's fate in the next legislative session is not certain.

C. Umatilla County and Northeast Oregon

Umatilla County's unemployment rate in August was 9.2%, slightly lower (better) than the national average and better than the Oregon average of 12.2% (U.S. Bureau of Labor Statistics).

In 2008, the State of Oregon Economic and Community Development Department analyzed the economy of Umatilla, Union and Wallowa Counties (Regional Analysis of Umatilla, Union and Wallowa Counties, Oregon Economic and Community Development Department, April 2008.) The study identified the region's most competitive industries. Competitive industries are important because they are the industries that import money into a local economy. (Local industries, which recirculate money in a local economy, are also important, but they are not the focus of this particular study.)

In this analysis the state defines competitive industries as those that meet three criteria:

1. Competitive industries are "over-represented" in the local economy compared to the state economy. These industries are employing more people in Northeast Oregon than they employ in the rest of the state.
2. Competitive industries pay higher wages than the state average for that region.
3. Competitive industries are experiencing more rapid employment growth than similar companies in the rest of the state.

Taken together, these three factors are signs of industries (and companies) that have some type of competitive advantage in the region. Competitive companies are the powerhouses of the region's economy and those best positioned for future employment growth.

Table 3 • Competitive and Rapidly Growing Industries in Umatilla, Union, and Wallowa Counties

Industries that meet all three criteria for competitiveness	Industries with a high number of employees that are losing jobs compared to rest of state
<ul style="list-style-type: none"> i. Agriculture & Forestry Support Activities ii. Waste Management and Remediation Services 	<ul style="list-style-type: none"> i. Food Manufacturing (-34.4%) ii. Crop Production (-25.4%) iii. Animal Production (-29.8%)
Industries paying at least 110% of state average	Industries with relatively small numbers of employment but high levels of job growth compared to rest of state
<ul style="list-style-type: none"> i. Crop Production (113.4%) ii. Agriculture & Forestry Support Activities (112.4%) iii. Waste Management and Remediation Services (182.1%) iv. Truck Transportation (128.5%) v. Utilities (128.1%) vi. Plastics and Rubber Products Manufacturing (117.3%) vii. Personal and Laundry Services (112.7%) viii. Couriers and Messengers (129.6%) 	<ul style="list-style-type: none"> i. Professional & Technical Services (+534%) ii. Health & Personal Care Stores (+366%) iii. Support Activities for Transportation (+141.5%) iv. Fabricated Metal Product Manufacturing (+37.8%) v. Rental & Leasing Services (+32.8%)

(Source: "Regional Analysis Umatilla Union and Wallowa Counties, Oregon Economic and Community Development Department, April 2008).

The region's top competitive industries are not a surprise (agricultural support services and waste management) and reflect recent, robust and continuing employment growth related to irrigated agriculture and at the Umatilla Chemical Weapons Depot. However, the Depot is a time-limited industry that will not continue to provide high paying employment at its current rate indefinitely.

The region's top job losses in food production, crop production, and animal production. This could reflect increasing mechanization rather than a loss of revenue. It could also be a warning sign that these industries may be threatened compared to their competitors across the state that are adding employment. The 2004 closure of Simplot in Hermiston and loss of 625 jobs highlights this vulnerability. (Reportedly, most if not all the Simplot workers were able to find jobs locally due to the diversity of the West Umatilla County economy.)

Industries that pay better than their competitors in the rest of the state represent one kind of opportunity for employees in the region. Competitive industries have relatively few employees but are growing rapidly compared to similar industries across the state are another opportunity for longer term growth.

The report also summarized employment projections by industry according to the competitiveness of the industry. Employment projections were made for the period 2006-2016.

Table 4 • Competitive High-growth Industries in the Region

Competitive Industries projected to add jobs faster than regional average between 2006-2016, along with projected rate of employment growth

- i. Professional & Technical Services (26.3%)
- ii. Support Activities for Transportation (21.2%)
- iii. Nursing and Residential Care Facilities (19.2%)
- iv. Social Assistance (17.4%)
- v. Fabricated Metal Product Manufacturing (15.5%)
- vi. Transportation Equipment Manufacturing (15.3%)
- vii. Animal Production (14.7%)
- viii. General Merchandise stores (14.0%)
- ix. Couriers and messengers (13.6%)
- x. Motor Vehicle and Parts Dealers (13.6%)
- xi. Food and Beverage Stores (13.5%)

(Source: "Regional Analysis Umatilla Union and Wallowa Counties, Oregon Economic and Community Development Department, April 2008).

Three of the region's most competitive industries are concentrated at wage levels well below the region's average wage of \$33,218 (which is itself below the state average wage of \$37,703). Nursing and residential care facilities, food and beverage stores, and general merchandise stores, for example, are all projected to grow over 12% employment between now and 2016. However these industries pay an average of \$20,000 or less.

Transportation equipment and manufacturing and motor vehicle and parts dealers pay nearly the state's average wage and are also projected to be right around 12% growth. However, this analysis was completed before the economic recession that began in 2008, which has severely restricted growth in the transportation equipment manufacturing sector and has resulted in the loss of 250 jobs at Fleetwood, so some of these projections would no doubt look different if re-done today.

This analysis leads to two conclusions:

1. In Northeastern Oregon, economic diversification in even relatively small industries is a very important way of building competitive industry clusters. For example, professional and technical services pay almost the region's average annual wage and are projected to grow in the coming years. Regional manufacturers often talk about the

The average wage in Northeast Oregon is a full 26.3% lower than the state average wage.

lack of skilled professional services as holding their industry back, so an increase in these firms would have positive ramifications throughout the region's economy.

2. The region's primary competitive asset at the moment is the availability of a low-cost workforce. In fact, the average wage in the three counties is a full 26.3% lower than the state average wage, according to this report. Strategies to change that are long-term and can be difficult to measure. Continued investments in quality education and workforce development would increase the effectiveness of the region's workforce and attract higher paying industries.

Tribal enterprises are not included in this report, likely because they are categorized as public sector employment. Neither does this study include Cayuse Technologies, which marked the doubling of the back office industry in Umatilla County between 2006-2008.

Economic issues that have emerged more prominently in the county since the report was completed include:

- Severe pressure on the RV and trailer industry after the gas price increases and financial sector collapse of 2008 reduced demand for product and made it much more challenging for consumers to finance purchases and for dealers to finance inventory.
- Continued strong interest in wind development in Umatilla County, partially as a result of the Business Energy Tax Credit.

D. Recommendations from the national, state and regional economy for CTUIR

1. The Reservation could potentially benefit from some of the renewable energies that are siting in Oregon. Eastern Oregon is not likely to be competitive for the manufacturing plants but could potentially pick up businesses in ancillary services.
2. There may be growth potential from business expansion support targeting those specialty manufacturing and service industries that are a small but growing part of the region's economy.
3. The region's relatively low-skilled workforce keeps wages low and may prevent recruitment of higher paying industries. A robust workforce development strategy would help ensure that tribal members can successfully find employment in higher wage industries in the region over time.

Section 5

CTUIR Economic Strengths, Weaknesses, Opportunities, and Threats

Table 5 • Summary of CTUIR Economic Strengths, Weaknesses, Opportunities, and Threats

Assets	Weaknesses/Challenges
<ol style="list-style-type: none"> 1. Growing portfolio of profitable and increasingly profitable tribal businesses. 2. Strong, consistent policy and community support for economic development & long term approach needed for success. 3. Track record of success in attracting outside investment to Reservation. 4. Physical land base with industrial and commercial development opportunities on and off-Reservation. 5. Tax-exempt status results in competitive advantage. 6. Strong positive relationships with federal and state funding partners. 7. Experienced development staff. 	<ol style="list-style-type: none"> 1. Overall economic conditions. 2. Lack of separate non-governmental management structure for business oversight. 3. Lack of tribal investment capital or mechanism for investment limits off-Reservation investment and business startup. 4. Available tribal workforce is relatively small and has emerging skills. 5. High cost of operating enterprises from within governmental structure compared to outside. 6. Tribal governance model with biannual elections means regular potential for shift in strategies and priorities. 7. Lack of coordinated overall tribal member development plan for all ages.
Opportunities	Threats
<ol style="list-style-type: none"> 1. Increase revenues at existing businesses. 2. Industrial sites at Coyote Business Park are “shovel-ready” and will likely attract new employers and investors in time. 3. Section 7 land has a valuable location for heavy industry. 4. Tribal status and relationships create potential for joint ventures with experienced firms. 5. Tribal members’ talents and abilities could be more fully developed and utilized in tribal government and enterprises. 6. CTUIR water settlement is an opportunity to secure tribal control over what is likely to be the 21st century’s most valuable asset. 7. Tribal farm and forest lands represent valuable assets for both “economic” and subsistence uses. 	<ol style="list-style-type: none"> 1. Federal and state policy changes that could impose new restrictions or reduce the Tribes’ ability to operate Wildhorse profitably. 2. Prolonged economic recession. 3. Rising energy costs will impact every aspect of the modern reservation economy. 4. Climate change and projected resulting physical environmental changes will impact both the modern and subsistence economy.

Goals, Strategies, and Workplan

Section 6

A. Overall Goal

The goal of this plan is to strengthen the Tribe's Economic Sovereignty. That is, the plan must describe how CTUIR will:

- Ensure that tribal government has a diverse and adequate revenue stream to pay for community priorities in education, natural resource protection, health care, public safety, and housing.
- Expand the options for tribal members who want to live and work on the Reservation, so that there is a variety of satisfying, meaningful, decently paid work choices in the tribal economy.
- Support the development of Native-owned businesses and non-profits.
- Encourage tribal members to develop their personal financial management abilities so that tribal families have increasing assets and increasing ability to weather financial downturns over time.
- Plan for tribal members being here forever and making sure that economic choices today reserve clean water, clear air, and healthy fields, range and forests for the future.

B. Planning Assumptions

1. Profit is part of sovereignty; or, "It's OK to make money."

The strongest tribal values that community members expressed to us in the community meetings had to do with stewardship and responsibility. These values were exemplified by statements like "Money is not one of our values. We're here to be caretakers of the earth and all the natural resources on our land."

In this plan we acknowledge that short-sighted focus on profit has led to the destruction of many of these resources, and that the outside economy places too high of a value on profit and not enough on responsibility. We also acknowledge that money is a resource that tribal government can use to implement tribal values. Before the casino economy, tribal government did not have the opportunity to exercise these values by purchasing land, paying for scholarships, or providing elder stipends (to name just a few uses of gaming proceeds.)

This plan assumes that earning money is a legitimate exercise of tribal sovereignty, on both the government and individual level. Money is valuable to the

There is an important difference between making money (economic development) and building up the community (community development).

degree that it supports the expression of tribal values and the protection of treaty rights.

Further, this plan assumes that there is an important difference between making money (economic development) and building up the community (community development). Both of these are important, but they are often lumped together and sometimes confused.

Economic development is focused primarily on revenue generation and diversification, or how CTUIR can create and improve CTUIR-owned businesses. Development of CTUIR-owned enterprises is crucial for economic sovereignty because CTUIR does not have the residential property tax base or income tax base that most non-tribal governments rely on to fund essential governmental services.

Community development focuses on activities that result in increased value to the tribal community. These enterprises may generate a profit, and are expected to be increasingly financially efficient over time, but their value to the community is measured primarily in non-monetary ways.

This clarity will help CTUIR in developing annual workplans and in allocating staff time and other resources appropriately between economic and community development.

Differentiating between economic and community development also helps us understand that businesses can't provide sustainable social value until they earn more money than they spend. Not-for-profit corporations do provide social value, but they rely on outside donors to operate. Our community development enterprises rely on tribal government.

Table 6 • Tribal Enterprises by Management Directive

Economic Development – Businesses Managed for Profit	Community Development – Enterprises or Programs Managed for Community Benefit
<ul style="list-style-type: none"> i. Wildhorse Resort* ii. Arrowhead Travel Plaza iii. Grain Elevator* iv. Cayuse Technologies v. Yaka Energy vi. Coyote Business Park vii. Tribal Farm Enterprise <p>*contributes to CTUIR General Fund</p>	<ul style="list-style-type: none"> i. Tamástslíkt Cultural Institute ii. Mission Market iii. Indian Lake iv. Tribal Environmental Recovery Facility/ Solid Waste v. Native Plant Nursery vi. Átaw Consulting

2. Economic Development Won't Solve the Tribes' Workforce Challenges

In the last Overall Economic Development Plan (2003), creating job opportunities for tribal employees was a central priority. Now we know that creating the opportunities is only part of the picture. The CTUIR Enrollment Office's 2008 employment survey documents the relatively small number of tribal members available and ready to go to work. Economic development is important, but just creating more jobs on the Reservation is not enough to ensure that the benefit of those jobs goes to tribal members.

Since 2007, the CTUIR TERO/ Workforce Development program has been focusing on job readiness, internships, and basic skill building to help tribal members make the transition into the workforce. These kinds of efforts are critical to the long term economic vitality and survival of the reservation.

3. The Economic Development Game is Changing: Lower Margins, More Competition

Like many tribes since the passage of the Indian Gaming Regulatory Act, CTUIR has focused economic development efforts on operating a special kind of business: a regional monopoly. Wildhorse Casino does have competitors, but also operates in a quasi-protected status with what is in effect a protected geographic buffer from other tribal casinos. This protects Wildhorse profits from the kind of direct competition found in most other industries.

CTUIR may need different and more robust forms of enterprise management structures that provide a higher degree of separation between business and politics.

As CTUIR and other tribes make the transition into more competitive industries, we will find that lower profit margins and greater competition are typical. In order to survive this competition, CTUIR may need different and more robust forms of enterprise management structures that provide a higher degree of separation between business and politics.

Economic development ventures can be arranged on a spectrum between low risk/low return on the one side, and high risk/high return on the other. Table 6 shows how risk and return increase with ownership of a company. The lowest risk position is the one generally assumed by governments: management of infrastructure (water and sewer) and provision of business assistance services. This is also the lowest reward position. Governments do not stand to profit directly from business success in these conditions although they do earn tax revenues and employment opportunities for their community. Many city, county, port districts, and tribal governments invest significant funds in creating industrial land infrastructure for this reason.

The riskiest and highest potential return is through full ownership of a business. Only in cases of last resort do most governments own or operate business ventures. It's widely recognized that governments by nature are not often effective business operators. In Indian Country the lack of a tax base has prompted tribal governments to take on this role.

It can be very challenging for any government to develop the necessary management and oversight mechanisms to compete successfully in the private sector, and to shelter those enterprises from politically motivated interference from the government itself. A significant body of research and analysis has sprung up about the best ways for tribal governments to succeed in the private sector.

The Grain Elevator is an example of the middle ground, where the tribes own the underlying economic asset but do not have any of the operational risk of the business. CTUIR is guaranteed a lease payment, but is not an equity partner in any profits (or losses) that the grain elevator operation earns.

Joint ventures with an established company represent an incremental step toward business ownership. This path is well established in Indian Country with

Arrowhead's profit margin of around 2% leaves very little room for inexperienced management or for on-the-job training. This profit margin is much more typical of most businesses that CTUIR will encounter in the future.

many tribes partnering with existing companies to develop internal operational and management expertise before striking out on their own. Wildhorse Resort was essentially a joint venture at startup, and Cayuse Technologies and Yaka Energy both operate very similar to a joint venture in that they pair tribal staff with companies that have extensive industry expertise.

Acquisitions are riskier still. The only company CTUIR has purchased is Arrowhead, and arguably, that has succeeded to date because of the retention of highly skilled and experienced management along with continual reinvestment in the facility. Arrowhead's profit margin of around 2% leaves very little room for inexperienced management or for on-the-job training. This profit margin is much more typical of most businesses that CTUIR will encounter in the future.

Startups are the riskiest of all options, because they include both ownership risk and startup risk. CTUIR can improve the chances of success by starting companies that it has significant operational expertise in and companies that it can operate with some kind of competitive advantage.

Átaw Consulting, CTUIR's cultural resource consulting company, is an example where existing tribal staff had cultural resource operations and management experience. There was a ready demand for cultural resource services and CTUIR had a strong relationship with clients who were ready and willing to pay for these services. A tribal cultural resource company has an operational advantage over a non-tribal cultural resource company because of its political and cultural connection to the resources being protected.

The assumption here is that over time, as CTUIR develops increasingly robust management and oversight structures, economic development ventures will move gradually from the low risk/low reward end of the spectrum toward the higher risk/higher reward opportunities. Developing sufficiently robust management and oversight structures for a diverse array of business enterprises and insulating those enterprises from political interference is a significant challenge for any government, and one that deserves detailed and careful consideration. Every tribe that has started or purchased a business enterprise has struggled with this challenge, and there are many experiences nationally, positive and negative, to learn from.

Table 7 • Risk and Ownership in Tribal Economic Development Ventures



Characteristics	Infrastructure	Business Assistance	Debt Financing	Joint Ventures	Acquisitions	New Business Start-Up solely by CTUIR
CTUIR Enterprises		Business Service Center	Grain Elevator	  		Native Plant Nursery  Átaw Consulting
Tribal ownership of business venture?	No	No	No	Partial	Full	Full
Risk	Low	Low	Moderate	High	High	High
Return	Indirect	Indirect	Limited	Direct	Direct	Direct
Venture Capital	No	No	No	Yes	Yes	Yes
Control of Operations	No	No	No	Potential	Yes	Yes
Business operations knowledge required for success?	No	No	Some	Partial	Yes	Yes

(based on Stone and Posner, "Joint Venturing for Successful Tribal Economic Development," Economic Development & Law Center Report, Winter 1983, Berkeley CA)

C. Economic Development Goals

1. Revenue generation. By 2013, generate an additional \$300,000 per year in revenues from new and existing tribal non-gaming businesses.

Why this goal:

Our long term goal is to earn a significant percentage of gaming revenue from non-gaming businesses. Currently, non-gaming businesses contribute an approximately \$85,000 to the CTUIR general fund. In five years, our goal is to reach \$300,000 (or more than triple the current level), which we believe is achievable based on our current portfolio and growth potential.

How we'll achieve it:

The first strategy is the simplest and most obvious: manage the non-gaming enterprises we have now for sustained and increasing revenues. Where possible, create new non-gaming enterprises.



Arrowhead Travel Plaza generates revenue, but so far the revenue has been directed toward repaying initial acquisition and now renovation/reconstruction costs of the facility. The business plan for Arrowhead calls for it to pay down sufficient debt that operating revenues will generate profit for CTUIR by the end of 2014. The recent reconstruction of Arrowhead was a necessary element in achieving this goal. Without the reconstruction, Arrowhead would have continued to lose market share in the face of competition from other truck stops and would have entered into a declining spiral of decreasing sales.

The **Grain Elevator** is approaching a turning point- the end of its 25 year lease to Pendleton Flour Mills. A major activity in the next year is to determine how to operate the facility to meet Tribal goals for profitability and sustainability.



Cayuse Technologies is still considered a startup company but operates independently of DECD. DECD will provide assistance as requested by Cayuse Technologies. Cayuse' business plan calls for it to begin to generate profit by the end of 2014, once it has paid down its initial operating debt. Cayuse Technologies operates in a highly competitive environment with enormous pressure on costs. It's success relies on its ability to compete successfully with similar businesses both in the United States and overseas.

2. Jobs creation. By 2013, create or attract an additional 100 jobs on the Reservation, either controlled by CTUIR or by outside companies, that follow tribal preference in hiring.

Why this goal:

We currently have more job opportunities on the Reservation than we have qualified tribal applicants for. We need other kinds of strategies to increase the number of tribal members ready and able to fill these jobs- primarily social services and education. But there is an ongoing need for diversity in the kinds of jobs available on the Reservation, and particularly for semi-skilled jobs for our young and growing population. We have an estimated 20-40 tribal members turning 18 each year on the Reservation. Some enter college but others seek jobs on the Reservation right away. 100 jobs in 5 years would represent new on-Reservation job opportunities for roughly half of these young workers.

How we'll achieve it:



Coyote Business Park. Lacking capital investment funds for tribal-owned start-ups, one of the most direct paths to job creation is to attract outside investment to the Reservation in the form of outside-owned companies at Coyote Business Park.

Coyote Business Park marketing plan focuses on industries that fit the assets and constraints of an on-Reservation location. Coyote Business Park has great interstate access, and is well-situated in the Northwest for companies that are trying to distribute goods to both east side (Spokane, Boise) and west side (Portland, Seattle) markets. But the business park does not have sufficient water, wastewater capacity, or power for heavy industry- nor the community interest in that type of manufacturing. Our reservation workforce is most suitable for semi-skilled industries such as assembly and light manufacturing. Given these issues, we will focus on five target markets:

- 1. Distribution and warehousing.** This is a natural fit for Coyote Business Park because of its location right on Interstate 84. Distribution and warehousing creates semi-skilled jobs, typically at the \$13/hour range.

-
2. **Light assembly and manufacturing.** Light manufacturing typically refers to the assembly of pre-constructed materials. RV manufacturing is an example where there is no primary processing of raw materials on-site. Light manufacturing jobs are typically semi-skilled and start at about \$9 or \$10/hour.
 3. **Renewable energy manufacturing or distribution.** Because of Oregon's Business Energy Tax Credit (BETC), there is tremendous interest from solar and wind manufacturers in locating in Oregon before (and if) that credit expires or is significantly reduced by legislative action. Many of these projects are considered heavy industry, requiring either more water, wastewater capacity, or power than is available at Coyote Business Park. Many require highly skilled manufacturing workers that are also not locally available. But a few projects might be suitable for Coyote Business Park, and DECD is prioritizing identifying and pursuing those.
 4. **Small business startup and expansion.** Small, locally owned businesses in the region may find Coyote to be an attractive location for business expansion. This is less likely in the current economic climate than it was two years ago, but at some point local businesses will recover to the point that they need to expand, and Coyote will be a good location for some of them.
 5. **Commercial expansion.** The "Coyote North" and "Coyote East" areas north of Interstate 84 have good commercial visibility for the estimated 750,000 people who visit Wildhorse each year. Demand for commercial expansion has been significantly reduced in the current economic environment, but at some point we will likely see interest in retail and commercial expansion in this area.

Off-Reservation Locations. Throughout the development of this plan, many tribal members expressed the desire that economic development increasingly be directed off-Reservation. In the next five years, DECD will increasingly seek opportunities to develop off-Reservation. This could include development of the Reservation trust parcel known as "Section 7" near McNary as well as other off-Reservation development options. Lack of capital for off-Reservation acquisition is a constraint.

Although this strategy may generate some additional revenues for CTUIR, it is likely to be less profitable if less risky than starting up our own enterprises from scratch. The Tribes' involvement in this strategy is that of landlord or lessor rather than business operator, so the Tribes are not exposed to operating risk but also do not earn an operating return.

3. Revenue diversification. By 2013, generate revenue from at least two profitable new tribal enterprises in a non-gaming industry.

Why this goal:

We are trying to replace and exceed revenues from Wildhorse Resort over the long term, but the interim steps in reaching that will require us to start or acquire new businesses. This is a risky and long-term strategy. We need an interim measurement of progress toward this goal.

For example, both Arrowhead and Cayuse Technologies will contribute toward the Tribes' general fund at some point in their lifecycle, but they both have initial operating and /or acquisition debt that needs to be paid down first. So the number of new businesses started is an indicator of progress, even if those businesses are still in their early stages of growth. Within five years, we would hope that both Arrowhead and Cayuse Technologies would contribute to the general fund, and that we would have two additional enterprises beginning on the path to profitability.

How we will achieve this goal:

The third economic development strategy has to do with creating new revenue streams directly. This strategy is likely to be more risky and, initially, less profitable than growing our existing businesses. Over time, it will result in additional profit centers for the Tribes.

New Enterprises. Unlike some tribes, CTUIR does not have a capital investment fund for acquiring or starting businesses. Any new businesses that CTUIR starts have to be bootstrap: started with very little if any cash. This is a challenge. The strategy in this situation is to leverage those assets that CTUIR does have: land, governmental relationships, specific staff expertise, and status as a minority business. Profits from any new enterprises that CTUIR is able to start by leveraging these resources are likely to be modest in comparison to Wildhorse revenues. But each incremental enterprise that is successfully started and managed, however small, represents an important learning opportunity for CTUIR as an enterprise owner and manager.

D. Community Development Goals

Identifying community development goals is much harder than economic development goals in that the needs are very broad and the strategies to meet them very wide-ranging. The community takes a broad view of “community development” which at times has included everything from public safety to wellness to land use. Everything that the government does could be done with mindfulness toward the community and so everything could be considered community development.

How do we identify community development goals that are modest enough that we could reasonably attempt them in a 1-5 year timespan, while being responsive for the larger long term goals of overall community vitality? Through our community meetings, certain key values and themes related to community development kept emerging. These include:

- Take care of what we have.
- We need to get better at creating career pathways for tribal members.
- We need housing.
- Why does government have to do everything?
- Benefits of growth should be evenly distributed.
- Growth can have negative consequences too.
- We need to plan for the long term.

Based on these ideas and values, we propose five strategies to develop community assets and improve community well being in the next five years:

Strategy 1: Improve social returns generated by Tribal non-profit enterprises

Why this strategy: We start from the principal of taking care of what we already have. Our government non-profit enterprises include TERE, Lucky 7, Tribal Farm Enterprise, Indian Lake, Native Plant Nursery, and Átaw Consulting. They are organized somewhat like businesses and most of them have business plans, but are managed to produce something for the community besides money. Our first strategy is to focus our time and energy on these enterprises.

How we'll achieve it: Each enterprise will update its business plan and each will be accountable for meeting targets identified in the plan.

TERF/ Solid Waste: This enterprise is a public works function of CTUIR although it is organized like a business. This is not an enterprise that will likely be a profit center for CTUIR due to the relatively high costs of providing garbage service in a rural area. Over time, TERF has succeeded in reducing expenses and increasing revenues each year. The recent grant-funded acquisition of a new garbage truck will further reduce expenses. DECD will continue to work closely with TERF to reduce expenses, increase revenues, and capitalize on opportunities to expand recycling and potentially identify new revenue streams.

Lucky 7: Lucky 7 is operated to provide affordable housing to Reservation residents and primarily tribal members who don't qualify for HUD housing due to income. Lucky 7 revenues are dedicated to upgrading those modulars that CTUIR does own and to purchasing and upgrading those that we don't own when they become available.

Tribal Farm Enterprise: The goal is to expand the acreage of CTUIR-owned land that is farmed as well as to increase the number of acres that are farmed with no-till practices. In the next five years one goal is to identify priority parcels to protect in farm status from eventual development.

Indian Lake: Revenues from the lake are modest in scale to the desired capital improvement needs. Over time, DECD has been identifying grant funding (primarily from Wildhorse Resort) to make improvements in the facilities. Within the five-year timeframe, we plan to construct improvements to sanitary facilities and campgrounds at the lake.

Native Plant Nursery. Native Plant Nursery was created by the CTUIR Wildlife program in order to capitalize on the opportunities for native plant restoration by federal and state agencies. The nursery is currently updating their business plan to address operational efficiencies and marketing opportunities.



Átaw Consulting. Átaw Consulting was created by the CTUIR Cultural Resources Protection Program as a vehicle to capitalize on cultural resource contracting opportunities with state and federal agencies.

Strategy 2: Support development of broad range of housing opportunities on the Reservation, resulting in 50 new housing opportunities (not just actual homes but also rural lots ready for development and potentially apartments and duplexes as well) within five years.

Why this strategy:

The need for housing on the Reservation is clear. Housing is becoming a constraint on workforce and on additional economic development. An investment in housing development may be one of the best ways for tribal government to ensure that the benefits of growth are evenly distributed.

How we'll achieve it:

DECD will work closely with the Umatilla Reservation Housing Authority and other departments to create a plan for developing housing development opportunities on the Reservation. Initially, these are likely to include development of properties now in CTUIR ownership that are close to existing water and wastewater services. The plan will also identify areas for acquisition for future housing development.

Financing will be a major consideration in developing this plan. CTUIR will consider available sources of infrastructure funding as well as opportunities for tribal members to individually finance home construction.

Strategy 3: Strengthen the Reservation private sector

Why this strategy: This strategy responds to the question tribal members asked throughout our input meetings: "Why does the government have to do everything?" The CTUIR has an overwhelmingly strong public (governmental) economy compared to the private or business sector. In June 2009, the Board of Trustees affirmed the development of the Reservation small business economy

Tribal non-profits build the capacity of the community to take care of its own needs. This strengthens the private sector and provides valuable experience for tribal members to grow and develop personally and professionally outside the governmental setting.

is a critical part of sovereignty when it approved the Small Business Master Plan. We are not duplicating the work of that plan here but incorporating it into this strategy by reference. We are highlighting just a few central elements.

How we'll achieve it:

- a. Develop affordable space for tribal small businesses.** The Small Business Master Plan identifies the need for affordable commercial space on the Reservation for tribal small businesses. Over the next five years, we will support the Business Service Center in identifying opportunities to create affordable space on the Reservation for tribal small businesses.
- b. Strengthen Tribe's Financial Education and Credit Programs.** Many tribes and non-tribal communities have adopted "family asset building" as a core anti-poverty strategy. Asset building means helping families better control and manage their money, build their savings, and be prepared for swings in income caused by unemployment, health emergencies, etc. Asset building programs also help families build a positive credit history, get out from under predatory loan programs, and access reasonably priced financial services.

CTUIR has at least three programs already in place that help tribal families better manage their money. The Umatilla Reservation Housing Authority offers regular financial education and homeownership education classes. The CTUIR Finance Department manages the Tribes' loan fund. Wildhorse Resort operates the Business Service Center which regularly offers small business startup classes, which include a significant component on saving.

These programs are scattered across the CTUIR organizational chart and don't have a regular mechanism to coordinate effort. We propose to start small and incrementally begin to improve communication between these programs. Over time we will identify common goals and begin to improve coordination and collaboration. Eventually this collaboration could determine whether there is a need for a local CDFI (or Community Development Financial Institution) or similar financial institution.

- c. Strengthen non-governmental non-profits.** The Small Business Master Plan also identifies the value of tribal non-profits and other non-governmental

Human capital, or human ingenuity, experience skills and ability, is becoming the most valuable source of new wealth in the new global economy.



groups (Veterans, Toastmasters, Crow's Shadow Institute for the Arts, and others) in building the capacity of the community to take care of its own needs. This strengthens the private sector and provides very valuable experience for tribal members to grow and develop personally and professionally outside the governmental setting. This objective will involve dedication of a specific number of staff hours per year to support these social enterprises with project planning or development.

Strategy 4: Support Tribal Member Development and Advancement

Why this strategy:

Earlier in this plan we talked about the importance of people. "Human capital," or human ingenuity, experience, skills and ability, is becoming the most valuable source of new wealth in the new global economy. CTUIR has made significant investments in human capital through its education and human resource programs, but these investments are not necessarily coordinated with each other or with economic and community development.

There is a need for a comprehensive human capital development strategy for the Tribe. That is beyond the scope of this plan. Here, we identify four specific objectives that are directly related to economic development.

How we'll achieve it:

- a. Expand tribal member awareness of economic and community development as a career pathway.** In order to achieve CTUIR objectives of increasing tribal member advancement into decision making positions in tribal government, we have to increase the number of tribal members interested in economic and community development as a career. Many tribal members aren't aware of what economic and community developers do, or of what a career in economic or community development means. One initial activity is to increase the visibility of economic and community development to tribal members by expanding "career exposure" opportunities for middle and high school students. Others include things such as increased interaction with Nixyaawii high school students, increased community visibility through open houses, direct communication with

tribal college students majoring in business and related fields, and similar.

- b. Increase number of tribal students completing internships in economic and community development.** Completing an internship in a field can be a very powerful way of “trying out” that kind of work. Lately, DECD has had trouble attracting students to economic and community development internships. The first step in turning this around is likely to improve relationships with tribal high school students who might then consider an internship in economic or community development when they get to college. The next step is to structure appropriate internships for college students and to successfully attract students to complete these internships.
- c. Support CTUIR Workforce Development efforts by improving tribal internship placement rate in the private sector.** CTUIR has relationships with many governments, businesses, and other entities that could become potential internship hosts for tribal members. CTUIR also has funding for tribal college students salaries in intern positions. Most of these interns have been placed within tribal government itself, even those that have specifically identified career goals outside of tribal government. We could be missing the opportunity to expose tribal college students to a broader range of experiences by not encouraging students to find internships in the private sector.
- The specific objective for the next five years is to expand the number of college students placed in private sector internships during college. This will require close collaboration with the CTUIR Workforce Development program that manages the internship project and funding.
- d. Support CTUIR Workforce Development efforts to develop a school-to-work training program such as Salmon Corps.** Tribal members still talk about the value of on the job type training programs (such as Salmon Corps, a project that put young tribal members to work in environmental restoration projects in the 1990s) to provide positive work experiences for young people. This activity will involve supporting the CTUIR Workforce Development program in restoring this type of project.

Success in the pending water rights negotiations are critical to the ability of the CTUIR to live in the homeland now and forever as contemplated in the Treaty of 1855.

Strategy 5: Protect Reservation economy from external threats: rising costs of energy, water, and food. Plan for tribal members to be “here forever.”

Why this strategy:

This strategy is intended to respond to emerging external threats in the coming century. Like much of the developed world, the Reservation community has become dependent on inexpensive energy and food. Even though the Tribes have strong traditions of local food and living memory of times before dependence on electricity and fossil fuels, the community would be hard-pressed if (or rather, when) the price of gasoline returns to \$4/gallon or more, and basic food costs double or triple.

This strategy is also important to protect the tribes’ assets for future generations. Success in the pending water rights negotiations in particular are critical to the ability of the CTUIR to live in the homeland now and forever as contemplated in the Treaty of 1855.

How we’ll achieve it:

Objective 1: Implement CTUIR Energy Plan

The first objective is not well defined because the CTUIR Energy Plan is still in draft form. We can expect a number of specific strategies to emerge from that plan that should be integrated into annual updates to the Overall Economic Development Plan. Initially, we can anticipate that some immediate objectives in the forthcoming plan will include:

- Seeking opportunities to expand CTUIR involvement in the generation of renewable energy within the homeland;
- Identifying economic opportunities in the manufacture, distribution, or servicing of renewable energy components and systems; and
- Identifying and pursuing employment opportunities in renewable energy fields for tribal members.

Objective 2: Support CTUIR water rights negotiation team

As requested and appropriate, CTUIR economic development staff will support the development of the water rights settlement proposals to ensure the long term

consideration of the Tribes' economic and community development interests are incorporated in the final settlement.

Objective 3: Strengthen Reservation food system

The purpose of this objective is to increase the community's access to affordable, quality food. Like most communities in the developed world, the Reservation is at the end of a long chain of industrial processes that transforms raw food into the processed food that most Americans rely on every day. These processes add cost and remove nutrients at every step of the way, resulting in adverse health outcomes including disproportionately high rates of obesity and diabetes.

There are many ways to expand access to local food. They include: community gardens, backyard gardens, "gleaning" projects to harvest food, food preservation classes, community kitchen, backyard chickens, schoolyard gardens, and much more. Some of these alternatives could result in increased opportunities for local tribal food growers and entrepreneurs, particularly those involved in the production of natural or organic foods. This objective is parallel and complementary to the Tribes' First Foods programs.

Objective 4: Support development of natural resource based businesses

Natural resource based businesses in the U.S. have been in decline over the last 25 years or more as a result of increasing global competition, lower environmental regulations overseas, industry trends toward mechanization, and the commodity nature of many natural resource products.

Establishment of the private Indian Country Livestock co-operative is one step forward and is a great learning opportunity for the co-operators in both grazing and business management.

Opportunities for CTUIR involvement and potentially investment are likely to continue to arise over the years. Currently, they include support of the Fish Processing Facility at East White Salmon; support for other non-governmental tribal co-operatives; and support of value-added natural resource processing on the Reservation. Development of a joint venture horse program with Blue Mountain Community College is another opportunity.

E. Workplan

Economic Development Workplan Strategy 1: By 2014, generate an additional \$300,000 per year in revenues from new and existing non-gaming businesses.

Tribal Value: "Take care of what we have." These revenues will support tribal government in taking care of community service needs.

	Yr 1 Activities	Yr 1 Outcomes	Yrs 2-5 Activities	Yrs 2-5 Outcomes	Evaluation Metrics
Wildhorse Resort	Beginning gaming and hotel expansion.	Wildhorse maintains competitive position in market and meets revenue objectives	Completion of expansion and successful operations in new facilities.	Same as Year 1	Contribution of revenues to Tribal General Fund.
Arrowhead Travel Plaza	Successful operation in new facility	Achievement of projected revenue targets	Same as Year 1	Same as Year 1	Contribution of revenues to Tribal General Fund.
Yaka Energy	Ongoing marketing and operations	Achievement of projected revenue targets.	Continue on-site internship program for tribal members. Secure advantageous industry certifications.	Same as Year 1	Contribution of revenues to Tribal General Fund.
Grain Elevator	Negotiate lease extension or release as appropriate.	Long-term operating and investment agreement in place.	Successful operations under new lease.	Achievement of projected revenue targets.	Contribution of revenues to Tribal General Fund.
Cayuse Technologies	Support company certification, marketing, workforce development, and other efforts as requested.	Achievement of projected employment and revenue targets.	Same as Year 1	Same as Year 1	Contribution of revenues to Tribal General Fund.

Economic Development Workplan Strategy 2: By 2014, create or attract an additional 100 jobs on the Reservation, either controlled by CTUIR or by outside companies that follow tribal preference in hiring.

Tribal Value: "Take care of what we have." This strategy will allow CTUIR to provide employment opportunities for the 20-40 young tribal members graduating from high school each year.

	Yr 1 Activities	Yr 1 Outcomes	Yrs 2-5 Activities	Yrs 2-5 Outcomes	Evaluation Metrics
Coyote Business Park	Implement targeted marketing plan aimed at regional market including expanding warehousing, light manufacturing tenants, site selectors, and developers.	Reach finalist stage with at least one potential tenant.	Same as Year 1	Industrial tenant beginning to generate revenue and employment at Coyote South. Sit-down restaurant secured for Coyote East. One small business tenant at Coyote North.	Job opportunities created that follow Tribal preference in hiring.
Section 7	Continue marketing Section 7 to appropriate industrial partners.		Identify at least one potential tenant.	Completion of letter of intent with at least one potential tenant.	Job opportunities created that follow Tribal preference in hiring.
Off-Reservation development strategy			Identify opportunities to manage and/or invest modestly in off-Reservation assets.	Completion of Investment guidelines and preliminary identification of opportunities.	Job opportunities created that follow Tribal preference in hiring.

Economic Development Workplan Strategy 3: By 2014, generate revenue from at least two new tribal enterprises in non-gaming industries.

Tribal Value: "Keep finding ways to make money."

	Yr 1 Activities	Yr 1 Outcomes	Yrs 2-5 Activities	Yrs 2-5 Outcomes	Evaluation Metrics
Establish criteria for investment	Approve investment policy	Adoption of Investment policy.	Implementation of investment policy in future economic development decision making	Reduced staff time on non-viable opportunities.	
Improve government functioning in effective oversight of enterprises	Review alternatives for enterprise management and oversight.		Develop corporate governance structure suitable to particular enterprises	Board adoption of appropriate structure.	Establishment of appropriate governance structure and consolidation of appropriate enterprises within that structure.
Establish tribal development company or other joint venture	Develop initial feasibility assessment for at least one new tribal joint venture.	Go/ no-go decision on at least one new tribal joint venture.	Startup operations if initial venture is pursued. Develop initial feasibility assessment for at least one other new tribal joint venture.	At least one additional tribal enterprise is beginning to generate revenues.	Establishment of company and beginning of operations.

Community Development Workplan Strategy 1: Improve social returns generated by Tribal Non-Profit Enterprises.

Tribal Value: “Benefits of growth are distributed evenly throughout the community.”

	Yr 1 Activities	Yr 1 Outcomes	Yrs 2-5 Activities	Yrs 2-5 Outcomes	Evaluation Metrics
TERF	Purchase new truck. Implement e-waste policy. Provide solid waste service.	Reservation solid waste is taken to facility instead of dumped. The facility breaks even on cost.	Provide solid waste service and increase recycling services.	Same as year 1, but with expanded recycling options and improved recovery volumes for recycled materials over time.	Volume of recycled materials diverted from waste stream.
Lucky 7	Maintain and operate affordable rentals.	Increase in number of trailers owned by CTUIR.	Same as Year 1	Same as Year 1	Number of affordable units rented to tribal members.
Indian Lake	Complete capital improvements including grill and tree planting.	Increasing revenues, visitor counts stable or increasing.	Additional capital improvements and improved maintenance.	Same as year 1	Capital investment (bathroom facilities)
Tribal Farm Enterprise	Increase acreage of CTUIR land farmed including no-till.	Same as Year 1 but also identify priority parcels of farmland for protection.	Same as Year 1.	Same as Year 1.	Number of acres farmed.
Native Plant Nursery	Grow and market plants as per business plan.	Determined in business plan.	Determined in business plan (currently under revision).		Determined in business plan.
Átaw Consulting	Provides archeological consulting services	Protection of cultural resources through maintenance of active archeological mitigation and research program.		Same as Year 1, but with increasing net revenues dedicated to protection of First Foods.	Net Revenues

Community Development Workplan Strategy 2: Support development of broad range of housing on the Reservation, resulting in 50 new housing opportunities (not just homes but also rural lots and potentially apartments and duplexes) within five years.

Tribal Value: “Benefits of growth are distributed evenly throughout the community.”

	Yr 1 Activities	Yr 1 Outcomes	Yrs 2-5 Activities	Yrs 2-5 Outcomes	Evaluation Metrics
Complete the Housing Master Plan	Complete market analysis, site analysis, development concepts, community input	Completion of master plan.	Implementation (see below).	See below.	Board adoption of Master Plan and investment strategy.
Complete infrastructure at one new housing development	Complete engineering cost estimate. Complete development scenario.	Completion of roads and utilities.	Housing sales and construction	Construction of at least 10 homes.	Number of homes constructed and occupied.
Pre-development on other priority housing facilities		Develop feasible plan for construction of at least 20 homes	Pre-development work completed on priority projects. Funding identified for construction.	Construction of at least 30 homes, buildable lots, or apartments/ duplexes as approved by the Board of Trustees.	Number of homes constructed and occupied.

Community Development Workplan Strategy 3: Strengthen the Reservation Private Sector.

Tribal Value: “Benefits of growth are distributed evenly throughout the community.”

	Yr 1 Activities	Yr 1 Outcomes	Yrs 2-5 Activities	Yrs 2-5 Outcomes	Evaluation Metrics
Develop affordable space for tribal small businesses			Work closely with Business Service Center to develop affordable flex space for tribal small businesses.	Construction of affordable, visible commercial space on Reservation.	Number of tribal small businesses operating in a visible location on the Reservation.
Strengthen Tribes’ Financial Education and Credit Programs	Convene quarterly meeting of tribal asset building staff. Identify common goals.	Align workplans to improve asset building services for tribal members.	Coordinate to improve and expand asset building services for tribal members.	Improved financial education and credit building services.	Number of tribal members completing financial education classes.
Strengthen non-governmental tribal social enterprises	Assist Crow’s Shadow Institute of the Arts with the development of a marketing plan.	Crow’s Shadow earns increased revenues.	Provide support to tribal members in the formation and/or strengthening of non-governmental social enterprises and non-profits.	An existing or emerging tribal nonprofit or social venture is stronger because of this assistance.	Number of hours of assistance provided to emerging social enterprises.

Community Development Workplan Strategy 4: Support tribal member development and advancement .

Tribal Value: “Make tribal member advancement real with career ladders and mentoring.”

	Yr 1 Activities	Yr 1 Outcomes	Yrs 2-5 Activities	Yrs 2-5 Outcomes	Evaluation Metrics
Build a career ladder for tribal members in economic development	Help tribal middle and high school students with economic and community development related school projects	At least 3 tribal high school students per year have a positive and direct interaction with DECD staff through job shadowing, project assistance, or class work.	Continue high and middle school student career exposure. Attract tribal members to economic and community development internships.	Continue Year 1 outcomes. In addition, at least 4 tribal members complete short term projects or an internship project with DECD.	Documentation of work products completed by tribal members in conjunction with DECD.
Support CTUIR Workforce Development efforts	Develop a plan to place at least 2 interns per year in the private sector	Placement and successful completion of at least 2 tribal members in private sector internships.	Continue to support placement of interns in the private sector. In addition, support efforts to expand school-to-work job training initiatives such as Salmon Corps or similar.	Continue Year 1 outcomes. Development and implementation of pilot school-to-work job training initiative.	Documentation of completed internships. Number of students involved in school-to-work job training initiative.

Community Development Workplan Strategy 5: Protect Reservation economy from external threats: rising costs of energy, water, and food. Plan for tribal members to be “here forever.”

Tribal Value: “Growth brings negatives too” and “Take care of what we have.”

	Yr 1 Activities	Yr 1 Outcomes	Yrs 2-5 Activities	Yrs 2-5 Outcomes	Evaluation Metrics
Implement CTUIR Energy Plan	Identify economic opportunities in the manufacture, distribution, or servicing of renewable energy components and systems.	To be determined based on CTUIR Energy Plan.	Expand CTUIR involvement in the generation of renewable energy. Support employment opportunities for tribal members in renewable energy fields.	Same as Year 1	To be determined
Support CTUIR water rights negotiation team	Participate as requested by negotiation team	Settlement team meets benchmarks for progress.	Participate as requested by negotiation team	Same as year 1.	
Strengthen reservation food system	Support CTUIR efforts to strengthen Reservation food system and develop community food security plan.	To be determined based on community food security plan.	Identify common goals and begin to align workplans. Identify priority projects and begin to implement.	Tribal members are eating more locally grown food.	To be determined after Year 1 of project.
Develop natural resource based businesses and ventures	Support East White Salmon Fish Processing Facility and other natural resource based opportunities as they arise. Support tribal horse joint venture development with Blue Mountain Community College.	To be determined	Identify, plan for, and develop natural resource based business opportunities	To be determined	Measurable increase in investment and/or employment in tribal natural resource-based ventures.

Section 7 **Evaluation**

DECD staff review progress on objectives and milestones with the Economic and Community Development Committee and with the Tribes' Executive Director on a quarterly basis. Reports are made to the Board of Trustees no less than quarterly. Budget reviews are conducted monthly with Tribal enterprises. Semi-annually, DECD staff review and provide formal reporting on progress in the form of a narrative progress report that addresses evaluation measures listed above.

Specific performance measures tracked in the workplan include number and type of investments and number of jobs created.

Section 8 Appendices

Appendix A: Tribal Organization

1. General Council

The Tribes' General Council is comprised of enrolled Tribal members 18 years and older. The General Council meets once per month and affords Tribal members the opportunity to provide input on a variety of Tribal issues including economic development activities. The General Council has authorized the Board of Trustees to act as the entity responsible for establishing direction and policy in areas of economic development on the Reservation. The Economic and Community Development Commission (ECDC) provides recommendations to the Board of Trustees on economic development activities and provides guidance to the Department of Economic and Community Development staff as they carry out the specific strategies and objectives. The ECDC is the commission overseeing the OEDP process.

2. Board of Trustees

The fall 2007 elections resulted in the following slate of officers and Trustees:

Antone Minthorn	Chairman
Leo Stewart	Vice-Chair
Kathryn Brigham	Secretary
Les Minthorn	Treasurer
Jay Minthorn	Member
Armand Minthorn	Member
Rosenda Shippentower	Member
Bill Quaempts	Member
Michael Ray Johnson	Chairman, General Council

All Board seats will be open in November 2009.

3. Economic and Community Development Committee

For 2007-2009 the Committee, which serves in an advisory capacity to the Department, had the following officers and members:

Gerald Reed, Chairman
Pat Walters, Secretary

Michael Ray Johnson
 Cedric Wildbill
 Brian Conner

4. Economic and Community Development Department Staff

William Tovey	Director
Stephanie Seamans	Economic Planner
Lisa Breckenridge	Economic Planner
Terre Cooper	Economic Coordinator
Bruce Zimmerman	Tribal Tax Administrator
Leigh Pinkham	Office Manager
Mae “Koko” Hufford	Land Project Director (3 employees)
Bonnie Burke	Solid Waste Ops Mgr (9 employees)
Don Nelson	Arrowhead Manager, Mission Market Oversight (51 employees)
Kevin Hudson	Farm Manager (2 employees)

5. Overall Economic Development Plan Process

The Department of Economic and Community Development (DECD) has been delegated the responsibility by the Tribes’ Board of Trustees for reporting on and evaluating economic development programs. In accordance with that delegation, the DECD prepared the 2010 OEDP for review by the Economic and Community Development Committee and the Board of Trustees.

DECD began the planning process with a series of Listening Meetings held in fall 2008. In summer and fall 2008, DECD worked with economic development consultant Alan Okagaki to review opportunities and potential strategies for diversifying the tribal economy. That work became the basis of a report accepted by the Board of Trustees in December 2008 and later incorporated into this OEDP.

In summer and fall 2009 DECD further held a series of economic development visioning listening sessions with General Council members. In fall 2009, DECD

presented the outline of the OEDP at a series of lunches for General Council members and to various tribal Committees and Commissions for review and comment. The OEDP was approved by the Economic and Community Development Committee and the Board of Trustees in fall 2009.

6. Private Sector Participation

One of the challenges in developing the tribal economic development strategy is how to strengthen the Reservation private sector. This topic is the subject of a more detailed companion strategy, “Master Plan for Reservation Small Business Economy,” published by the CTUIR in June 2009.

DECD is actively engaged with the regional private sector in identifying opportunities for development partnerships. This plan describes potential partnerships with local agricultural sector companies, utility companies, and renewable industry companies.

Appendix B:

Report on Comprehensive Plan Economic Development Goals (1996-2008)

The 1996 CTUIR Comprehensive Plan identified nine specific economic development goals. CTUIR has experienced notable success in meeting some of the goals, modest success in others, and little movement in some areas. Highlights are listed below.

1. Recruit Selected Non-Indian Owned Businesses.

- ✦ Blue Mountain Dialysis Clinic
- ✦ McDonald's

These recruitments have been successful because of CTUIR's investment in infrastructure at Arrowhead and at Coyote Business Park.

2. Recruit Light Manufacturing, Product Assembly Businesses.

- ✦ Cayuse Technology

This was a highly ambitious goal that would not have been possible without Coyote Business Park, the strong support of state and federal funding partners, and community support.

3. Industrial & Commercial Park Development.

- ✦ Coyote Business Park North and South Over 100 acres shovel ready light industrial and 40 acres commercial development land is fully serviced with water, sewer, utilities and roads.

Another ambitious goal that has largely been achieved.

4. Promote Indian Owned private businesses.

- ✦ In 1996 there were about six Indian owned private businesses on or near the Reservation. In 2009 there are over 20.

Indian owned small business development is less visible than the CTUIR-owned business growth in the last 12 years, but perhaps just as meaningful to the Reservation economy in long-term impact.

5. Strong Tribal business.

- ✦ Wildhorse Resort and Arrowhead Travel Plaza both have very strong financial performance when compared to similar businesses in their industry.

6. Strong Tribal subsistence economy.

- ✦ Generally, this directive has not been addressed by DECD and is considered the realm of the CTUIR Department of Natural Resources and of individual tribal families.

7. Strong resource based economy.

- ✦ Tribal Farm Enterprise has increased acres farmed each year and now farms about 6,100 acres.
- ✦ DECD is beginning to gain experience with thinning work on the forest.

It has been difficult to make much progress in this area in the face of larger economic forces that have really depressed natural resource based businesses in the region.

8. Retail and Service Businesses on Reservation.

- ✦ Mission Market
- ✦ Blue Mountain Dialysis Clinic
- ✦ Country Flowers.

This is a long-term goal that can best be supported as more tribal members open small businesses. The tribal community is still relatively small and the community purchasing power, while significant, tends to be drawn off-Reservation rather than shopping “at home.”

9. Develop neighborhood business community on Reservation.

- ✦ Mission Market Community Grocery

It was a long-cherished goal to rebuild Mission Market, and that has been accomplished, but it has continued to struggle. Larger economic forces—low fuel prices, greater variety and lower costs for larger “in-town” stores—will continue to make it very difficult to achieve a true neighborhood business community on the Reservation in the near term.

Appendix C: “LEAP”

Listen, Envision and take Action against Poverty

Rural Development Initiatives (RDI), North West Area Foundation, the Study Circles Resource Center and the Umatilla Indian Reservation community.

Winter-Spring 2007

The Process

Four stage program:

1. RDI assisted in recruitment and training of diverse facilitators. Mae “Koko” Hufford, Julie “Dit” Burke, Julie Taylor, Roberta Kipp, Angye Tilley, Lisa Ganuelas, Alanna Nanegos, Rosenda Shippentower and Kathy Fegan.
2. RDI worked with us to begin conversations (talking circles) regarding issues of poverty on the Umatilla Indian Reservation using the Thriving Communities Talking Circle booklet published by the Study Circles Resource Center. Small, diverse groups were randomly assigned at the first meeting and with the help of the facilitators, worked through the booklet and answered general questions such as how poverty has personally touched our lives, why it exists and how to address these issues.
3. RDI, Vision Quest 20/20 and Paula Wallis helped develop a plan of action for Vision Quest in coordination with LEAP through a visioning rally held at Wildhorse Resort and Casino.
4. RDI worked with us in a one-day follow up workshop to develop plans for action for LEAP.

Background

The four Talking Circles consisted of tribal employees, two BOT members, members of General Council and residents of the UIR. Thus, the diverse groups included those with good jobs and careers to the unemployed who often face many challenges in order to survive. We used the study circle booklet to help guide the discussions and to stay on track. Each facilitator received one-day training on how to effectively facilitate a complex group of people through tough and personal topics in order to keep the discussions moving forward.

We offered the use of “ground rules” (which are now used at the Tribal Nixyáawii Community School) that helped the participants, i.e., stay focused and respectful. These rules were also reintroduced and reinforced at each meeting. Each group facilitator used flip charts provided by RDI to document the participants’ comments, concerns and key discussion issues. The talking circles gave each participant an equal voice regardless of their level of community involvement. The group members were encouraged to remain in their same group throughout the program; thus, comfort zones and fellowship soon developed within the groups and many of the individuals found it easier to freely voice their opinions and recommendations. Everyone’s voice carried equal weight. Four talking circles were facilitated plus the Visioning Rally and Action Forum. Each talking circle included a meal and childcare for all participants.

In addition, local businesses and the BOT donated raffle prizes that were drawn for at each meeting. Arrowhead, Wildhorse Casino and Mission Market were the main donators as well as the BOT. The raffle prizes were much appreciated and the participants eagerly awaited the drawings.

The Visioning Rally was held in partnership with Vision Quest 20/20 and had a different “flavor” than the talking circles. The talking circles were held at the longhouse with a home-style meal cooked by the facilitators at the longhouse. The participants voiced their preferences on each of the menus. The Visioning Rally was held at Wildhorse Casino across from the Rivers Event Hall. The setting was quite formal (white tablecloths and linen napkins) in comparison to the informal settings of the previous talking circles held at the longhouse. Many people who attended the talking circles did not attend the Visioning Rally and many at the Visioning Rally had not attended the LEAP talking circles. Thus, the make-up of the people attending the Visioning Rally was somewhat unique.

LEAP Commentary

Attached are the comments and outcomes of the talking circles, the visioning rally, the action forum and recommendations from LEAP facilitators. Included are also copies of the resource guide used by the facilitators. The Study Circles Resource Center can and will provide similar guides on any topic of use to a community.

First of all, it is essential that it be noted that the participants had varying reasons for attending the talking circles. There were other reasons than listed below but many of the conversations were not fully captured because they occurred during the meals and social time.

Participants listed the following as reasons they enjoyed participating in LEAP:

- Shelter — “I had a place to be outside of the cold night air.”
- We all have an equal voice.
- Social problems are being recognized.
- We are building on our strengths.
- There was student participation — NCS students were able to stand on the wash and speak.
- We are all concerned and showing it by participating in LEAP.

Sessions

Session One: How are we connected to our community and to poverty?

- We are concerned with our elders and their resources.
- We would like to see more governmental programs accountable to the community.
- We would like to see job training and education matching future projected employment availability.
- There exists a great housing need for elders, college students and victims of domestic violence.
- There exists a lack of knowledge or accessibility of available resources in community now.
- The casino has not benefited the community members as much as we thought it would.
- In most households with children ~ both parents are working ~ WHO HAS THE KIDS? ~ What is there for them to do outside the 7:30 – 4:00 Mon–Fri schedule? If you have older than 3rd grade children what is there for them to do at all?
- There are not enough cultural education programs or participation in cultural events at all.

Session Two: A vision for our community:

1. What does poverty look like here?

- People are living from payday to payday (borrowing from pay day loan companies or getting advances from Arrowhead)
- Many households have no transportation and the shuttle only has drop off points (i.e. no transportation to commodities)
- Many are hungry and homeless
- There is a failure to recognize poverty is here and affects everyone in a different manner
- Discrimination exists—even tribal member against tribal member
- Alcohol and drug issues everywhere

2. We would like to see:

- Assisted living facility for elders with their leadership involvement in planning and design
- Job training available year round
- Legal representation for all tribal members and families
- Spiritual awakening
- Healthy nation (i.e., Boys and Girls Club/mentoring type programs, Wellness Center, age appropriate talking circles)
- Strong leadership that communicates (communication as listening, analyzing and advocating)

Session Three: Why is there poverty in our community?

1. Poverty exists because:

- Who is going to step up to take their place? Poor education levels
- Sometimes bad things happen when you aren't prepared
- We need more job diversification
- Economic inequality—look at the wages of tribal government administration
- Lack of support – elders are looked upon to be our community leaders and they are quickly vanishing

2. What issues have made us angry or upset?

- Death of a child due to A & D issues
- Children who are neglected because parents are gambling or drinking
- Abuse of social service resources
- Growing drug use within our homeland
- Children lacking spiritual guidance
- Recognition and taking responsibility of one's personal finances
- Elders inability to get along and manage finances

Session Four: Reaching our vision and reducing poverty

1. Focus on early Childhood, Youth and Schools

- Recruit, train and retain mentors that make a commitment to our youth and their programs
- Recruit more young adults for involvement in the community
- Traditional hunting/gathering/preservation
- Wood cutting/splitting/stacking for community members in need
- Continue to improve Yellowhawk Health Center to keep up with Native needs.

Visioning Rally

The presenter provided the top 10 attributes of a successful rural community. From that list the top items that were discussed and agreed upon by the majority of participants as areas we need improvement are:

- Communities are self-reliant- thriving rural communities seek great ideas and new resources from the outside, but in the long run, there is a wide-held conviction that “it is up to us”. People know their destiny is in their own hands and proactively take on roles that contribute to making their community a great place to live.
- Deliberate transition of power to new leaders – People under 40 regularly hold key position in civic and business affairs and youth are involved. Women, Native American, Latinos and other minorities hold influential positions as elected officials, plant managers, and entrepreneurial developers. Formal and informal avenues to cultivate new leaders exist.
- Strong presence of institutions integral to community life – social service organizations, service clubs, religious institutions, media, medical facilities and educational entities have strong influence on community development and social activities.

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- ✦ Participatory approach to community decision making – a broad cross-section of people with diverse interests, experiences and backgrounds make decisions for the community. Powerful opinion leaders work toward building consensus, achieving positive results and unifying around a common goal. Things get done with more cooperation and community involvement; people collaborate and share resources.

A complete listing of all of the attributes presented and definitions is also included with this report. The LEAP facilitators found the #1 attribute listed for needed improvement is the one of communities becoming self reliant where the community members take an active role to accomplish things for themselves.

Brainstorming included the following needs:

- ✦ Tribal member crafts/artwork consignment market during the summer months
- ✦ Tribal member mentorships
- ✦ Education children on natural resources and how to appreciate our home land
- ✦ Budgeting classes and money management classes for everyone
- ✦ Planned parenthood classes with elders and other mothers
- ✦ Job preparation and training with mentors
- ✦ Tribal food bank
- ✦ Basic life skills
- ✦ Community needs
- ✦ Increase support to A & D to proactive stages of prevention

Help people meet their urgent needs:

- ✦ Create our own local based community emergency banks of basics, food, clothing, shelter
- ✦ Create mentorship program for children to learn traditions of food hunting/gathering and caring for elders and those without hunters/gatherers in their families.
- ✦ Locate tribal commodities to a more local and easily accessible location.

Joining with others to create change

- ✦ Research and support Neighborhood Watch—Rez Watch is not large enough
- ✦ Community participation to assist those who need help cleaning yards/homes without tools to do it
- ✦ Teach youth to help each other no matter what and keep them busy
- ✦ Support and increase multi-cultural activities in the schools

Session Five: Moving to Action

When it came to our ACTION rally, there were 15 people that attended which was a very low count in comparison to the attendance at the talking circles.

Four priorities from the Action Rally included:

1. Alcohol and drug issues
2. Employment
3. Education
4. Spirituality

Several participants volunteered to work on the four priorities. However, after the Action Rally we were unable to draw the community volunteers to action without the funding to continue the same meeting format they had become accustomed.

In addition, we needed additional training in motivating and teaching the participants how to continue the program without the facilitators. In working with some of the individuals; it was apparent that some were not accustomed to self-reliance and needed additional support to continue the work. The four smaller groups never met as was anticipated.

Individuals who participated in the talking circles are asking, “When we are going to start meeting again?” One recommendation might be to fund a position to coordinate the work so that the group action might continue in the community. As we are aware, the past facilitators were volunteers and there may be others who will volunteer to help a coordinator especially one’s who were involved in the original talking circle sessions.

There was a lot of time and energy put into the talking circles; but, the rewards were immense to hear, share and talk about issues with community members. Poverty exists on the Umatilla Indian Reservation and although poverty may not affect some of us as much as others; there remains the fact that poverty engulfs many on the UIR. This is not advantageous to a healthy nation.

As noted, the four priorities that came out of the Action Rally all affect poverty in some way.

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- ✦ The abuse of alcohol and drugs; lack of a job for whatever the reason; lack of an education; and, the need to connect through spirituality can all lead to feelings of despair and poverty.
 - ✦ The bottom line that comes from LEAP is “all people of the community” want and need a format to gather to discuss the issues that face them while living in our community on a daily basis.
 - ✦ People must feel empowered to take action and help resolve many of the issues themselves without only looking to tribal government.

The following are recommendations of the LEAP facilitators and are not listed in priority order:

- ✦ Funding is needed (North West provided \$1,700 for the four circles) to continue the talking circle format. The funding is used to provide a cooked meal (not potluck) and childcare to encourage families or single parent household participation. The meals and childcare cost approximately \$200 per meeting. If we were to merge this format into the existing Community Forum we would need \$2,400. Fundraising by Community Forum members can also help in order to continue the cooked meals, however, a different location may be required to gain access to cooking facilities (currently Senior Center is primary location). Community Forum members are currently discussing how or whether there should be a merging of the programs.
- ✦ Create a full-time position for a community events volunteer coordinator to assist programs and to help organize a volunteer program. Frequently volunteers are willing to help if the events are well coordinated; however, more people must be recruited because generally the same faces are usually the volunteers. A volunteer coordinator could offer training to prospective volunteers which could eventually lead to permanent employment. Volunteer work is often considered very good work experience. These volunteers could also be used in place of or in coordination with emergency hires which at times are unreliable. The volunteer effort of individuals is also considered in terms of scholarship applications. As stated earlier, volunteer efforts can be used as consideration when evaluating employment applicants prior to interview or hire. A community volunteer coordinator could be used to manage the services being requested as action pieces from the community through LEAP (i.e. Woodcutting for elders, social powwow for youth, joining in “Rez” Watch, etc.)

There are many benefits to both the community and the volunteer of an ORGANIZED community volunteer program to list them all here in a short report. It is estimated that salary and fringe for such a position might be approximately \$50,000. This would not include any training materials or supplies or housing. Would it be possible to incorporate this type of position into DCFS or Public Affairs with possible grants?

- As noted, it is possible for the LEAP format to branch into an already established “community forum”. This format differs from General Council in that the community members at large are encouraged to participate regardless of tribal enrollment or affiliation. We would use the Study Circle Resource Center and RDI as resources to continue bringing community action on topics of community concern.
- Connect with court ordered community service supervisors. Those court ordered to complete community service could and should be participating in community endeavors in order to 1) gain the hours of required community service but more importantly to 2) participate and learn more about community concerns and how their behavior might have harmed the well-being of the community and to help them heal through their awareness.

The LEAP volunteers are thankful for the opportunity they had to share in the “talking circles” and listen to community member first hand. We are hopeful that others will also listen to the concerns and be inspired by the insight that came from the voices of the community.

Appendix D:

Economic Development Strategy: 2009 – 2014 Report
created by Okagaki & Associates