



Studies in Success

STRATEGIES FOR BUSINESS DIVERSIFICATION
DEVELOPED BY THREE OKLAHOMA TRIBES

PREPARED BY
OKLAHOMA INSTITUTE OF INDIAN HERITAGE



THIS REPORT WAS PREPARED UNDER AN AWARD FROM THE ECONOMIC DEVELOPMENT ADMINISTRATION, U.S. DEPARTMENT OF COMMERCE



Oklahoma Institute of
Indian Heritage

**OFFICERS AND
DIRECTORS**

Executive Officers

Chairperson
Sue Folsom, Representative
Choctaw Nation of Oklahoma

Vice Chair
Curtis Zunigha, Representative
Delaware Tribe of Indians

Secretary
Russell Ellis, Secretary
Absentee Shawnee
Tribe of Oklahoma

Treasurer:
Merton Moore,
Representative,
Pawnee Tribe of
Oklahoma

Members at Large

Alene Miller,
Representative,
Seminole Nation of Oklahoma

Michael Darrow,
Representative,
Fort Sill Apache Tribe
of Oklahoma

Richard Bread, Committeeman
Comanche Tribe of Oklahoma

Bennett Arkeketa, Chairman
Ponca Tribe of Oklahoma

Board of Directors

Russell Ellis, Secretary
Absentee Shawnee Tribe of Oklahoma

Alonzo Chalepah, Chairman
Apache Tribe of Oklahoma

LaRue Parker, Chairperson
Caddo Indian Tribe of Oklahoma

John Ketcher, Council Member
Cherokee Nation of Oklahoma

Robert Tabor, Chairman
Cheyenne Arapaho Tribes of
Oklahoma

Sue Folsom, Representative
Choctaw Nation of Oklahoma

Linda Capps, Vice-Chair
Citizen Potawatomi Nation

Richard Bread, Committeeman
Comanche Tribe of Oklahoma

Curtis Zunigha, Representative
Delaware Tribe of Indians

Kelly Lines, Representative
Delaware Tribe of Western Oklahoma

Charles Enyart, Chief
Eastern Shawnee Tribe of Oklahoma

Michael Darrow, Representative
Fort Sill Apache Tribe of Oklahoma

Victor Roubidoux, Treasurer
Iowa Tribe of Oklahoma

Wanda Stone, Chairperson
Kaw Nation of Oklahoma

Jennell Downs, Secretary
Kickapoo Tribe of Oklahoma

Clifford MacKenzie, Chairman
Kiowa Tribe of Oklahoma

Julie Olds, Secretary/Treasurer
Miami Tribe of Oklahoma

Bill Follis, Chief
Modoc Tribe of Oklahoma

Wilbur Gouge, Council Representative
Muscogee Creek Nation

Jim Gray, Principal Chief
Osage Nation of Oklahoma

Julia Tah, Treasurer
Otoe/Missouria Tribe of Oklahoma

Merton Moore, Representative
Pawnee Tribe of Oklahoma

Bennett Arkeketa, Chair
Ponca Tribe of Oklahoma

John Berrey, Chairman
Quapaw Tribe of Oklahoma

Don Abney, Principal Chief
Sac & Fox Nation of Oklahoma

Alene Miller, Representative
Seminole Nation of Oklahoma

LeRoy Howard, Chief
Seneca-Cayuga Tribe of Oklahoma

Don Patterson, President
Tonkawa Tribe of Oklahoma

Dallas Proctor, Chief
United Keetoowah Band of Cherokee
Indians in Oklahoma

Frances Wise, Representative
Wichita & Affiliated Tribes

Leaford Bearskin, Chief
Wyandotte Tribe of Oklahoma

Our report deals with three Oklahoma tribes that have been successful in the field of economic and business development: the Citizen Potawatomi Nation, the Chickasaw Nation, and the Choctaw Nation. Each has succeeded in building a diversified tribal economy, and each has dealt with challenges along the way.

The insights and experiences of these tribes are being shared with other tribes in order to maximize the benefits of successful experience. A

National Indian Economic Development Conference, with appropriate workshops, was held in December 2001, attended by some 50 tribes from throughout the country, providing in-depth guidance from top leaders of each tribe.

The three tribes in our study, like most tribes in the United States, have a very small land base, with their membership diffused among the larger, non-Indian population.

Each of these tribes developed modest gaming enterprises in the 1970s and '80s. Thereafter, they systematically reinvested a portion of the gaming profits into new economic ventures. Today, the revenue from nongaming ventures has grown to such an extent that the tribes have self-sustaining economic development programs.

We have studied these three tribes in order to develop a model for tribal economic development that other tribes with little or no land base can use and replicate in their own circumstances

This information has broad applicability to

tribes throughout the country and addresses the issues of economic development from the unique perspective of landlessness and diffusion of population that have been previously overlooked.

We believe our final report, available to all of the tribes and others active in the field of tribal economic development, will be useful to tribal officials and planners in making the changes needed to foster successful economic development activities.

Studies in Success

SHARING THE INSIGHTS



Eighty tournaments a year are played on the Citizen Potawatomi Nation's Firelake Golf Course.

Studies in Success

THE CITIZEN POTAWATOMI NATION

The Potawatomi people were known to their kindred tribes and themselves as the “Keepers of the Sacred Fire” and as the “People of the Three Fires.” However, in the mid-part of the past century, the fires were burning low for the Citizen Potawatomi Nation.

The assets of the tribe had dwindled and nearly disappeared. In 1971, tribally owned land consisted of a two-acre tract with a portable building that served as the tribal office. And yet in that year, new thinking joined the Business Committee, and new funding sources became available through the BIA Indian Action Program, the Economic Development Administration (EDA), and the Office of Native American Programs.

The emerging new leadership of the Citizen Potawatomi Nation moved to grasp the opportunity.

Today, the tribe has just opened a new 82,000-square-foot supermarket, largest in the Shawnee, Oklahoma, area at an investment of some \$9 million. The state-of-the-art facility is designed to offer discount pricing along with full food service to the public. In addition to its grocery operation, it provides a separate convenience store, a food court, an ice cream shop, a free-standing florist, a one-hour photo processing center, a branch of the tribally owned First National Bank, and the tribally owned radio station KGFF.

The Firelake Discount Food Center is the latest and most ambitious business venture in a tribal economic program that has been unfolding since the turnaround days of the early 1970s. Today, the Citizen

Potawatomi Nation owns assets in excess of \$65,000,000, and the tribal land base has expanded to nearly 2,000 acres.

The Nation’s first efforts toward a business development program were unsteady steps. Plans for manufacturing 10-speed bicycles failed when a newly elected Business Committee killed the project. An artificial stone manufacturing venture faltered. However, an opportunity arose that led to success in the field of real estate

During the ’70s some 600 acres of federally owned land in the Shawnee area became surplus. The Potawatomi, with the help of Congressman Tom Steed, succeeded in acquiring the land. This provided a base not only for the growing tribal government but also for new economic ventures.

Some of the land lay in the 100-year flood plain, so planning focused on utilizing that portion for an 18 hole golf course as the best economic use. Utilizing grants from EDA and other federal agencies, the Firelake Golf Course opened in 1982.

The course is 6,630 yards in length and has 15 water holes. It has complete practice facilities, professional golf instructors, a full-service pro shop, and a snack bar. Each year Firelake hosts some 80 golf tournaments, with over 50,000 rounds of golf played.

The golf course took several years to develop. In the meantime the tribe established a smoke shop and a small bingo operation. These were poorly managed in the beginning, but, after reforms were made, the smoke shop became a steady money maker and eventually was expanded into two convenience

stores that sell tobacco products, gasoline, diesel, and convenience foods. One of the tribal stores is located on tribal land in Tecumseh, Oklahoma, and the other is across from the tribal headquarters in Shawnee.

With this first success, the tribe developed a pattern of reinvesting a high percentage of enterprise profits into further business expansion, although the tribe also invested in expanded social services for tribal members.

In 1983, the tribe entered into a contract with a gaming management company. A large bingo

proper accounting of gaming revenues.

After nearly five years of litigation, the tribe was able to take control of the operation. During the period that the management company was in control the tribe received from \$75,000 to \$150,000 in annual payments from the bingo operation. After the tribe took control, annual income greatly increased. The tribe has steadily invested a portion of the gaming revenues in new business start-ups, while also supporting vital tribal social programs. Currently, the tribe gives college scholarship aid to over 200 tribal young people.

In 1988, the tribe constructed a new 19,600-square-foot gaming center which features a 750-seat main bingo hall, electronic games, and off-track betting. Firelake Bingo employs about 70 full-time and part-time employees.

Also in 1988, the Citizen Potawatomi Nation purchased a controlling interest in the First National Bank of Shawnee, which had fallen under the control of the Federal Deposit Insurance Corporation.

This was the first time that an Indian tribe had purchased a federally chartered bank. The bank was one of the many Oklahoma banks that was experiencing difficulty at that time with bad loans in the real estate, energy, and farming sectors. In order to complete the purchase and provide capital for the bank, the tribe secured a \$1.3 million loan from the Bureau of Indian Affairs.

There was some risk involved. Tribal officials had some sleepless nights worrying that there might be a “run” on the bank when it was publicized

Controlling interest in First National Bank of Shawnee, Oklahoma, was acquired by the Citizen Potawatomi Nation in 1988.



hall was built with the funding provided by the gaming management company in return for a long-term contract to manage the operation. The tribe quickly came into conflict with the management company over a

that an Indian tribe had taken control. This did not happen. In spite of the fact that the tribe had to inject an additional million dollars to cover loan losses in the existing portfolio, the Citizen Potawatomi Nation was able to pay off the BIA loan in 33 months.

In 1994, the bank moved into a new 32,000-square-foot facility that cost approximately \$2.5 million to construct. With annual profits in the range of \$1 million, the bank has continued its growth and today has assets that exceed \$60,000,000. The bank currently has 26 full-time employees.

The Citizen Potawatomi Nation leadership regards gaming revenue as a means to long-term development of other business resources. Gaming is now part of a broader entertainment complex. In 1995, the



Citizen Potawatomi smoke shops are combined with motor fuel and convenience stores. Effective management has turned them into steady money makers.

tribe added the 24-lane Firelake Bowling Center. The center hosts about 20 tournaments each year, and over 550 bowlers are members of leagues headquartered there.

Continuing its plan to expand entertain-

ment venues, in the last year the tribe opened the Firelake MiniPutt, a 36-hole miniature golf course.

Other tribal enterprises include the Potawatomi Museum, which displays artifacts and important cultural items relating to Potawatomi history; the Museum Gift Shop, which features arts and crafts produced locally; the Firelake Restaurant, which features fine dining overlooking the tribal golf course;

Citizen Potawatomi Nation Industrial Services, which is a full-line sandblasting, painting, dry stripping, and power washing company; and radio station KGFF-AM.

Also, the Nation has developed CPN-Net, a low-cost, high-speed Internet provider. CPN-Net provides free dial-up accounts for local classroom teachers.

The Nation operates a data-entry company with some \$11,000,000 in contracts with federal agencies and others. Tribal officials expect substantial growth in this service in future years.

Recently, the Nation purchased 1,148 acres of prime farm land adjacent to the tribal complex and will continue to operate the acreage as a commercial farm operation. The property currently has successful crops including alfalfa, soybeans, corn, milo, wheat, and bermuda.

The Citizen Potawatomi Nation has developed a highly diversified and successful business program, while at the same time expanding tribal services and programs. They have not lost sight of their main goals as a tribe. They are not relying on gaming enterprise as the long-term support base for tribal activities, and have actively pursued a plan to develop other enterprises as a basis for tribal employment and income.



Sales at the Chickasaw Nation's Trading Post near Davis, Oklahoma, average more than a million dollars a month.

Studies in Success

THE CHICKASAW NATION

The Chickasaw Nation has announced that an application for a federal bank charter with the Federal Reserve and Comptroller of the Currency will be filed shortly. The tribe expects approval of the application during the latter part of 2002.

The bank, which could be open in six months, has been in the planning stage for several years. A sum of \$5,000,000 has been set aside from current business operations to capitalize the new bank. The successful founding of the tribally owned bank will be the latest development in the efforts of the Chickasaw Nation to become self-sufficient through economic development.

These efforts began in 1971 with the tribe's purchase of a motel in Sulphur, Oklahoma, from EDA, which had been forced to foreclose on its previous owner. The motel, which was renamed the Chickasaw Motor Inn, is located near the entrance to the Chickasaw National Recreation Area. It hosts local events and offers many conference rooms for special occasions and meetings. The tribe has operated the 71 room lodge and restaurant profitably for the past 30 years. The facility is fully staffed to meet local catering needs. The fifty employees are mainly tribal members.

During the 1970s the tribe developed a window and cabinet manufacturing operation and also established a construction company. These operations were not successful, and the tribe shut them down when it became clear they could not be profitable.

In 1983, the tribe established a bingo hall

in Ada, Oklahoma, on tribally owned property. The facility prospered from the beginning and the tribe began the process of setting aside a portion of the profits for new business start-ups.

In 1985, a tobacco store was established in Ada and a trading post was built adjacent to I-35 near Davis, Oklahoma. These would be the successful prototypes for additional smoke shops and trading posts that the tribe would establish in the next several years. A typical trading post is configured as an expanded convenience store and also sells gasoline. In the eight-month accounting period through May 2001, the Davis Trading Post had sales in excess of \$9 million.

In 1988, a smoke shop and a gaming center were established near Goldsby, on I-35 just south of Norman, Oklahoma. The expansion of gaming enterprises would lead to the continuing investment in new non-gaming enterprises.

Also in 1988, the Chickasaw Tribal Utility Authority was established. Through the utility, the tribe purchases electric power from the Grand River Dam Authority and resells it to facilities located on tribal lands. While this is a relatively small business in the overall mix, the utility has great potential for the tribe when Oklahoma completes its electricity deregulation plan.



One of five Chickasaw Nation gaming centers.

The tribe would then have a capacity to market electricity to retail users in neighboring areas.

In 1990, the Ada Trading Post was established. In 1991, a new gaming operation was constructed in Thackerville near the Texas border. In the next three years smoke shops were established in Marlow, Tishomingo, Ardmore (two locations), and Madill.

In 1995, the tribe acquired radio station KADA-AM and FM, which broadcasts from Ada and is the leading country and western station for the area. The tribe feels that the station has excellent long-term growth potential. It is also very valuable to the tribe in promoting various tribal enterprises in the area and in promoting the tribe in general.

In 1996, two major travel plazas were opened just south of the Oklahoma City metropolitan area. One is located at Newcastle near the entrance to I-44 and the other at the intersection of I-35 and State Highway 9 at Goldsby. The plazas consist of a convenience store with motor fuel facilities, a tobacco shop, and a KFC or Burger King Restaurant. Each has a separate truckers' area which includes separate dining, laundry, lounge, and shower facilities.

The cost of each of the travel plazas was approximately \$4 million. They were financed

through tribally issued bonds. Under the bond arrangement, the tribe operated the plazas but the bondholders had such a claim on the cash flow generated by the plazas that there was practically nothing left to cover the cost of operation. This led to the two plazas being shut down for several months.

Finally an arrangement was agreed upon that gave the tribe the operational authority needed to successfully operate the plazas. Since that time, they have been spectacularly successful, with the bonds paid off three and one-half years early. In the most recent eight-month reporting period, the two plazas generated over \$6,000,000 in net profit.

While the travel plaza debt was being paid off, no new business ventures were attempted. However, by 1999 the tribe was able to open up two new travel stops, one in Ada and the other at Wilson, Oklahoma.

The following year a new gaming center was built at Newcastle, and a travel stop was opened at Thackerville, near the Texas border.

Also in the year 2000, the tribe acquired the Bedre Candy Factory, which manufactures a line of high-quality chocolate candies. The factory is currently located in Ada and employs 20 people. Within a few months,



Chickasaw Nation's KADA is its area's top C&W station.

the candy factory will be relocated to a site on I-35 near Pauls Valley, Oklahoma. It is believed that this high-traffic location will lead to many travelers stopping to buy in the retail shop that will be located there.

To sum up, the Chickasaw Nation now operates, through its Division of Commerce, five gaming centers, seven tobacco stores, two travel plazas,



The Chickasaw Nation's economic development efforts began with the 1977 purchase of this Sulphur, Oklahoma, motel from the EDA.

three travel stops, two trading posts, one lodge and restaurant, one radio station, one electric utility, and a chocolate candy factory and retail outlet.

In addition to the bank which is in the planning stage, several other ventures are being considered for future development.

The tribe has purchased 1,100 acres at Lake Texoma. The possibility of building a major resort and marina and supporting infrastructure is being studied. It is clear that one of the tribe's core businesses is

motor fuel sales and convenience items with seven locations in the 13-county jurisdiction. The tribe will build new locations within this territory and is giving serious consideration to expansion outside its traditional jurisdictional area. In order to do this, a change must be sought in the Chickasaw Nation Constitution.

The Chickasaw Nation has created a diversified approach to economic development. And thus far, it has been highly profitable. In the 1999 fiscal year, tribal enterprises had net income of \$10,818,892 before transfers to the tribal government. In 2000, this had grown to \$16,414,442 and it appears that net income for 2001 will exceed \$20,000,000. In the last fiscal year, enterprises contributed \$5,000,000 to the tribal government in support of various social and educational programs. In the last eight-month reporting period, the tribe had sales tax revenue of \$592,456 generated by enterprise sales.

The Chickasaw Nation has developed a self-sustaining economic development program that would continue to grow and expand even if gaming were no longer possible. It proves the principle that a stable government following a sound business plan of reinvesting business profits into new business opportunities can create an ever-increasing number of jobs and ultimate financial independence for the tribe.



The 40-unit Choctaw Inn at Durant, Oklahoma, is located near two Choctaw Nation travel plazas and a tribal gaming facility.

Studies in Success

THE CHOCTAW NATION

The Choctaw Nation has this year broken ground on three new travel plazas to be located at Stringtown, Atoka, and Poteau, Oklahoma. When the three new ventures are completed, the tribe will have a total of twelve travel plazas and super convenience stores in operation strategically located throughout Southeastern Oklahoma.

In the meantime, Choctaw Manufacturing and Development Corp. has announced that it has landed a 10-year contract with the Army to design and manufacture space heaters. The contract, which could have a value of \$125 million, will create new employment opportunities for tribal members in the recently developed McAlester plant. The steady expansion of the travel plaza program and the operations of Choctaw Manufacturing are some of the latest development in the efforts of the Choctaw Nation to become self-sufficient through economic development.

These efforts began in late 1987 with the development of a gaming center in Durant. The gaming center was developed with financing from a private management company, which operated the facility for the first seven years. The gaming program was successful from the very beginning. However, due to the nature of the management contract, it would be several years before the tribe would see substantial profits from the operation. But this did not inhibit the tribe from aggressively pursuing an economic development program. The gaming facility is located on the south edge of Durant on U.S. 69/75, a heavily traveled road lead-

ing to Dallas. The tribe immediately began plans to build a travel center on the highway adjacent to the gaming center. The tribe, by pledging future cash flow from the gaming facility and by granting a limited waiver of sovereign immunity, was able to secure bank financing in excess of one million dollars to construct the travel center just one year after the beginning of the gaming facility. This was the start of a very successful economic and business development program that has seen new expansion every year for the past fourteen years.

Additional travel plazas and super convenience stores have been established at Idabel, Broken Bow, Pocola, Hugo, McAlester, Sharpe's Landing, Wilburton, and a second unit in Durant. Three new units are under construction. Travel plazas at Atoka and Stringtown will open this year and a unit in Poteau will open next year. When these new units are complete, the travel plaza program will employ more than 250 people with an annual payroll in excess of \$2.5 million.

Also in 1989, the tribe established its first manufacturing facility, Choctaw Nation Finishing Company in Hugo, which over the ensuing years has provided a wide variety of metal fabrications such as missile parts and shipping containers, electrical assembly products, water jet machines, and water filtration systems. Major customers have been the Department of Defense and private firms such as Texas Instruments and Raytheon Corporation. The Hugo facility now has more than 80 employees.

A few years later the tribe established Choctaw

Nation Fabricators in Atoka. The Atoka facility employs 20 people and is involved in the manufacture of large augers, some of which are 12 feet in diameter, for the construction and mining industries. The City of Atoka is constructing a new 20,000-square-foot facility to house an expanded manufacturing operation.

Over the years, Choctaw manufacturing operations have received numerous awards for quality and excellence of products. In 1998, the two manufacturing facilities were put under the umbrella of a new tribal entity: Choctaw Manufacturing and Development Corporation. This company received ISO 9001 certification in 1999. This is a certification of a management system that ensures quality outcomes and is based on international quality standards.

In recent years, the tribe has acquired industrial parks in Hugo and McAlester. The Hugo plant occupies 60,000 square feet of space and the new McAlester plant has 150,000 square feet available for use. By the

end of the year, Choctaw Manufacturing and Development Corporation will have over 100 employees and annual sales in excess of \$20 million.

In 1990, utilizing a direct BIA loan, the tribe acquired the major shopping center in Idabel. The 150,000-square-foot center had been poorly managed and had only a 40% occupancy rate. After doing extensive remodeling and with new management, the center quickly achieved near 100% occupancy. Stores in the center include J.C. Penney, Dollar General, Stage Stores, TruValue Hardware, Piggly Wiggly Supermarket, Dairy Queen, Subway, and 36 other retail outlets.

In 1999, the tribe established a unique program through its Housing Authority to manufacture modular housing for individual tribal members. The factory is in an 18,000-square-foot building in Coalgate, and employs 13 people. The homes range in size from one-bedroom houses of 750 square feet to two- and three-bedroom houses of 1,250 square feet. The average cost to buyers is \$45,000, which includes land and complete set-up. In 2001, a second manufacturing facility was established in Stigler. Total payroll at the two plants is about \$1.2 million annually. Eventually, the tribe may sell housing units to non-tribal members.

Also in 1999, the Choctaw Nation Hospital in Talihina was completed. This



The Choctaw Nation's gaming operation was successful from the start, but the tribe didn't realize significant profits for several years.

could be considered the crowning achievement of the Choctaw development program. This state-of-the-art facility was completely financed with tribal funds. It has 37 hospital beds and 52 exam rooms.

The Choctaw tribe has been very innovative in opening up the hospital to serve the local community and in aggressively developing third-party payee sources of revenue to operate the hospital.

In 1997, the tribe established Choctaw Services/Management Enterprises as an 8A certified company to compete for government contract opportunities. The success of this program has been a very pleasant surprise for the tribal leadership. In 2001, the program managed over \$65 million in contracts for the Immigration and Naturalization Service and for the Department of Defense. This program, which is growing even larger in the current year, now has over 1,500 employees worldwide.

In 2000, the tribe opened the Choctaw Inn and Three Arrows Restaurant in Durant, adjacent to the two travel plazas and the Choctaw Bingo



Choctaw Nation Fabricators makes huge augers used in mining.

facility. The venture consists of a 40-unit motel, conference center, entertainment center, and swimming pool.

The Choctaw Nation has over the past 14 years developed an ever-expanding economic development program that each year provides a growing number of jobs for tribal members and provides major support for tribal social service programs. This success has proceeded from a policy of sound planning and

reinvestment of a significant portion of enterprise revenues into new business ventures.

The Choctaw program could serve as a model that other tribes would do well to study in creating their own development policies and programs.



Gaming and gasoline rub shoulders at this Choctaw Nation travel plaza.

Studies in Success

COMMON STRATEGIC FACTORS

In the course of our research into these three tribes – the Citizen Potawatomi Nation, the Chickasaw Nation, and the Choctaw Nation – we have identified a number of common characteristics that we believe are essential for tribal success in economic development.

One of these is **willingness to work with the local non-Indian community** to achieve common goals.

These three tribes have not developed adversarial attitudes toward the non-Indian communities that surround them. On the contrary, they look for opportunities to assist local communities to meet their needs and this has generated tremendous good will toward the tribes.

For example, for several years the Choctaw Nation has provided transportation funds for the paving of over 60 miles of local roads used by both tribal members and the local non-Indian community. The tribe has also assisted with the funding of local water projects in several communities.

The Chickasaw and Citizen Potawatomi have pursued similar programs. This “good neighbor” policy has not been a one-way street. When the tribes want to develop new enterprises they receive total cooperation from local authorities in terms of traffic access and water and utility services for tribal businesses.

Having a high level of local cooperation is invaluable for tribal economic development. In many areas, the opposite situation exists. Both the tribes and local communities are at odds with one another. This is basically an attitudinal problem, no doubt resulting

from years of tribal resentment over lost lands on the one hand and erroneous perceptions on the part of the non-Indian community about tribes and Indians in general. The history of the three tribes suggests powerfully that building local community relations and avoiding “us against them” attitudes are essential elements in tribal economic development success.

Another factor is **governmental stability**. The three tribes in our study have all exhibited an exceptional degree of stability in their governing institutions.

The tribal leadership of the three tribes all expressed a strong belief that maintaining a stable government is a key necessity for a tribe to achieve a sustained, well-planned program. In short, any organization that undergoes frequent changes of leadership will find it difficult to carry out a long-term plan for economic development.

Changes in leadership frequently result in the shifting of priorities, with previously planned projects either rejected or neglected. A strong and experienced government will be one that is not only able to develop a strong vision for the tribal future, but will also be a government that can sustain and carry out the complex steps needed to successfully complete a project.

Chief Pyle, of the Choctaw Nation, has been part of the tribal administration either as Chief or Assistant Chief since 1983. Governor Anoatubby has been the leader of the Chickasaw Nation for the past fourteen years. Chairman Barrett of the Citizen Potawatomi Nation has been part of the tribe’s elected leadership for nearly thirty years.

The tradition of governmental stability exhibited by these three tribes has played a vital role in allowing them the opportunity to carry out a long-range plan without political interruption.

Another aspect of stability in government is the confidence that is given to outside investors, lenders, management companies, and consultants that agreements entered into will be honored.

Each of these three tribes has displayed **willingness to waive tribal sovereignty under certain circumstances**, agreeing to limited waivers of sovereignty to enter into business deals that are fair and equitable to all parties.

There are some people in the Indian community that do not believe that tribes should ever waive tribal sovereign immunity for any reason. This has led many potential business partners and lenders to be wary of involvement with tribes. It should be emphasized that when a tribe grants a limited waiver of sovereignty this is not so much a surrender of tribal power as an exercise of it.

Tribes must develop a **long range strategy or “vision” for development**. The three tribes in our study all had very few resources available to them when they started their development efforts. Each tribe started with very modest gaming incomes, but as soon as those revenues began to flow they immediately began to diversify into other businesses.

Notice that the Choctaws developed their first truck stop within one year of starting a gaming center – pledging gaming profits they had not yet received in order to secure bank financing. They were

following a plan from the very beginning. The same is true of the other two tribes.

This is very important. Tribes must develop a strategic plan for development based on their own local circumstances. And if a diversified tribal economy is to be achieved, certain priorities have to be set.

A principal priority must be reinvestment of a substantial amount of enterprise profits back into business expansion. Tribal governments have the purpose of providing essential social services to the membership, so there is a natural tendency to want to spend enterprise profits on expanded social services. But what happens to those social services if they are funded solely from gaming revenues that might not be available in future years? We know of tribes with modest gaming revenues that are spending all of these revenues on very modest social programs and thus have no opportunity for growth in their economic development programs.

Contrast this with the three tribes in our study. Each of the three tribes now spends several million dollars annually on health, education, and other vital social programs. As they expand their business enterprises they expand the services that can provide to the tribal membership. But this all begins with a plan for reinvestment and a plan for business expansion. As Governor Anoatubby has said: “Not to have a plan is a plan for failure.”

Tribes must be willing to **invest tribal funds and accept a certain level of risk**.

The world of business is not risk free. The Choctaws took a real risk when they pledged their

gaming revenues to start that first truck stop. The Chickasaws risked a huge amount and their business reputation when they issued bonds to build their two major interstate travel plazas. The Citizen Potawatomi took a leap when they purchased a failed bank and risked millions in the process. Chairman Barrett has said that he had a sleepless night worrying about a run on the bank when it was publicized that an Indian tribe now owned it.

This is not to say that tribes should be foolhardy. These three tribes have a record of exercising “due diligence,” thoroughly investigating deals that seem to be opportunities.

Through the use of expert consultants, the development of feasibility studies and business plans for success they have been able to minimize risk. Every investment must be made utilizing the best advice and consulting available.

Two key recommendations have emerged from the study:

Day-to-day management of tribal enterprises needs to be entrusted to a professional team rather than the Tribal Council.

Tribal enterprises should make hiring decisions on the basis of merit and competence, not for political or any other reasons.

All three of the tribes in our study observe tribal and Indian preference in hiring personnel for their enterprises. Yet they hire the best person available to do the job. While this sometimes results in the hiring of a non-Indian manager, it has fostered a meritocracy in the management of their business enterprises, resulting in increased tribal employment in tribal enterprises.

Oklahoma Institute of Indian Heritage

Oklahoma Institute of Indian Heritage was founded to preserve the culture, traditions and history of Indian tribes. Its board of directors includes representatives of 31 Oklahoma tribes, designated by tribal resolution

OIIH has as its principal goal the strengthening of pride in being Indian, preserving the past and protecting the future of American Indians.

Other goals include:

- Preservation of the culture, traditions and history of Indian tribes in Oklahoma;
- Increasing the awareness, enhancing the image and promoting respect for the American Indian among Indian and non-Indian populations;

National Indian Economic Development Conference

Two important problems shared by many Indian tribes are the lack of land resources with which to develop economic infrastructure and the diffusion of their membership throughout the non-Indian population.

The National Indian Economic Development Conference highlighted the economic developments of three Oklahoma tribes – the Citizen Potawatomi Nation, the Choctaw Nation and the Chickasaw Nation. The three tribes had been the focus of an intensive study to develop a record of steps they had taken over time to develop successful tribal economies.

Each of the three days of the Conference began with informative, descriptive presentations by leaders of the respective

- Enhancing the economic position of American Indians; and
- Helping Oklahoma tribes achieve self-sufficiency.

Pursuing these goals, OIIH conceived, laid out in detail and aggressively promoted a plan for development of an Indian Cultural Center to be owned by the tribes. The state of Oklahoma has subsequently formed the Native American Cultural and Educational Authority which is currently working to develop a cultural center at the OIIH proposed site.

OIIH has realized that the development of tribal economies is crucial to tribes and tribal cultures. A result was organization and presentation of the National Indian Economic Development Conference in Oklahoma City in December, 2001.

tribes – Chief Gregory E. Pyle of the Choctaw Nation of Oklahoma, Governor Bill Anoatubby of the Chickasaw Nation and Chairman John A. (Rocky) Barrett of the Citizen Potawatomi Nation.

David A. Sampson, Assistant Secretary for Economic Development of the U.S. Department of Commerce, was keynote speaker on the final day.

Tribal officials responsible for specific areas of economic responsibility detailed their tribes' successful programs in gaming, convenience stores, banking, media ownership and other enterprises.

Participants from 12 states ranging from Rhode Island to Alaska participated in the seminars and workshops of the Conference.

Oklahoma Institute of Indian Heritage

3001 S. Berry Road, Suite C, Norman, OK 73072 · 405/329-3772

Toll free 1-800-375-3737 · Fax 405/329-8488 · oiih@oiih.org

