Memo to: Qualla 2020 Committee Members

From: John Weiser

Ben Sherman

Date: May 1, 2014

Re: **Notes from April 23rd meeting**

This memo presents the notes from the April 23rd meeting of the Qualla 2020 Committee.

Meeting Attendees:

The meeting was attended by the following individuals from the Qualla 2020 Committee:

Bill Boyum

James Caldwell

Missy Crowe

Hope Huskey

Carla Jamison

Marie Junaluska

Amy Kaloneheskie

Lisa Leatherman

Jason Lambert

Adele Madden

Skooter McCoy

Charlene Owle

Amy Parker

Forrest Parker

Ray Rose

Jacob Reed

Russ Seagle

John Tissue

Angie Votaw

Paula Brown Wojtkowski

Qualla 2020 overview

This was the third of six meetings for the Qualla 2020 Project. The committee reviewed the purpose and timing of the Qualla 2020.

The purpose of the Qualla 2020 Project is to diversify the Cherokee economy and reduce its risks so that it can better ensure the well-being of the Cherokee population into the future.  In order to do this, the Qualla 2020 Project will seek to mitigate the dependence of the economy on gaming revenues, and to develop and expand businesses in ways that uphold the core values of the Cherokee people.

There will be three additional Committee meetings:

* Wednesday, May 21, 9:00 am – 3:00 pm
* Friday, June 27, 9:00 am – 3:00 pm
* Tuesday, July 15, 9:00 am – 3:00 pm

Task teams will meet by phone between Committee meetings to develop detailed action plans for Committee review. At the final meeting in July, the Committee will choose action plans to recommend to EBCI Administration, EBCI Tribal Council and Cherokee Preservation Foundation.

Presentation on Small Business and Entrepreneurial Development

Ben presented information on small business and entrepreneurial development. To download the PowerPoint for this meeting, including these presentations, please click [here](https://www.dropbox.com/sh/cfsgruitn8y97lo/8uDfweTiFC). One of the key discussion items was about how support for native arts can be an important driver for entrepreneurial development.

Russ Seagle presented the Sequoyah Fund’s multi-part proposal to take a leadership role in helping to expand the sales of by Cherokee artists (both traditional and contemporary) of their work. There are three elements to the proposal:

* Create and manage a web site that would enable the artists to sell their work on line. Currently, although the Qualla Coop has an excellent web site, it does not allow objects to be purchased on line. It also is limited to traditional art. The web site would be branded as authentic Cherokee art. The art that is sold through the web site would have some way of providing a demonstration of authenticity (perhaps a logo, a seal, or a document). The web site would be moderated by an artist’s council, which would eventually take over the running of the web site.
* Serve as middleman for Cherokee artists by purchasing their work and then selling it on consignment in stores off the Boundary. One potentially attractive location for sales is Colonial Williamsburg. The store there has indicated an interest in stocking Cherokee art in the past, but the Cherokee art community wasn’t able to guarantee the level of production that Colonial Williamsburg wanted.
* Provide micro-loans to finance the expenses that are associated with starting up an artist’s participation in live events off the Boundary.

This three-part proposal is complemented by the training for artists’ businesses provided by Onaben.

More details about the web site:

* The Sequoyah Fund has three artists currently interested in selling their work through the web site. The web site is planning on developing its growth organically, and demonstrating the ability to make regular sales. Once the site has demonstrated success, the Sequoyah Fund will then work on attracting more artists.
* The web site will use a full range of tools to tell the artists’ stories. This will include a gallery of their work, videos of them discussing their background and their work, and content for web, press releases, and media. The site will also educate viewers about the meaning and importance of being a federally recognized tribe.
* The site will use search engine optimization, earned media, and social media tools to attract individuals to the site.

Discussion of Success Factors for Small Business and Entrepreneurial Development

The participants discussed the small business environment. One of the key points made was that there are a range of factors required for success in small business and entrepreneurial development, as highlighted in the graphic below.

The participants discussed some of these factors and what could be done to help improve the environment for small business and entrepreneurial development.

*Economic Development Authority*

The participants noted the pressing need for an independent entity that was focused solely on helping to create economic development. This entity would need to be independent from the legislative branch of the government, and have its own budget and authority to make and implement decisions.

Participants noted that there were a range of ways that this entity could be structured, including a form similar to the TCGE, a holding company (which could be structured as a Tribal 8(a)) and a development authority. As Lance Morgan noted in his presentation in February, this entity could either aim primarily at creating jobs or at creating revenue for the Tribe. It’s hard to do both. In general, participants felt that revenue diversification for the Tribe was probably the most important focus.

*Chamber of Commerce*

The participants also noted that creating an Economic Development Authority (or the equivalent) does not remove the need for a Chamber of Commerce. The Economic Development Authority would focus on revenue diversification, but there was still a need to focus on the other success factors required to support small business and entrepreneurial development. Amy Parker stated that the Chamber was very supportive of the creation of an Economic Development Authority, and interested in participating in it.

The Chamber is struggling financially. The membership is too small to support the Chamber on member dues alone. The Chamber will need the support of the Tribe to be financially sustainable in the long run. There may be a need to educate the public and business on the role of the Chamber – and the value that it creates for both public and business. Participants felt that it was important for the business community, the Chamber, and the EBCI Commerce Department to work together closely and to build the case for the Chamber and the Economic Development Authority.

*Real Estate and Leasing*

The difficult and cumbersome process for leasing land for business use on the Boundary has been acknowledged for years as a disincentive to doing business on the Boundary. The Tribe is currently investigating the possibility of creating a new regulatory structure for leasing of tribal trust land authorized by the Hearth Act. The Act allows participating tribes to develop tribal leasing regulations, including a tribal environmental review process (which replaces NEPA) and to obtain the Secretary’s approval of those regulations prior to enter into leases. Once these tribal leasing regulations are approved by the Secretary, the Act authorizes tribes to negotiate and enter into agricultural and business leases of tribal trust lands with a primary term of 25 years, and up to two renewal terms of 25 years each, without the approval of the Secretary of the Interior. If the HEARTH Act process can be implemented successfully, this will help to significantly improve the environment for small business on the Boundary.

*Increasing Market Demand*

Participants noted that business owners and operators need clear, firm market demand numbers to help them decide whether or not to locate in Cherokee.

There are also factors in Cherokee that depress market demand, particularly for restaurants. The fact that alcohol cannot be served on the Boundary (except on Casino property) sharply reduces the revenue and profits that can be earned by restaurants, making it hard to attract restaurants to the Boundary. There may be ways to link alcohol control to the Economic Development Authority, making it more politically possible to open up specific sites for restaurant development.

*Increasing Capital Availability*

Business owners in general do not see access to debt as a problem. Banks are willing to make loans to businesses located on the Boundary. The more challenging financing to acquire is equity capital. In that regard, Ryan Sherby noted that the Southwestern Commission is working on developing an angel capital network. Participants also noted that crowdfunding sites like Kickstarter can provide start-up capital as well.

*Entrepreneurial Culture*

Participants discussed the need to build a more entrepreneurial culture on the Boundary. As compared to other parts of the US, individuals on the Boundary are more likely to pursue a stable job with a salary and benefits than to strike out on their own to start a businesses.

Existing entrepreneurs on the Boundary include artists, shop owners, and small business owners (represented by the Chamber). It may be useful to think about bringing together these individuals by geographic districts (downtown, gaming district, etc.) rather than by type of business sector (hotel, restaurant, gaming, etc.).

Participants also noted the need for a representative from the business community to the Tribal Government. As one business owner noted, “I pay levy and privilege tax. I have to abide by the sign ordinance and the Tribal regulations. I have to keep my building up to Tribal code. But who is my representative when I want to speak to Tribal government?”

Discussion of Action Plans

The objective of the Qualla 2020 initiative is to develop action plans that will help to diversify the Boundary economy. The participants discussed the following potential action plans:

*Sequoyah Fund Arts Initiatives*

Participants encouraged Russ and Hope to develop more details on all three of their potential action plans: creating a web site to sell Cherokee art; serve as a middleman for the sales of Cherokee art off-Boundary; and, create a micro-loan program to finance the expenses that are associated with starting up an artist’s participation in live events off the Boundary.

*Chamber of Commerce*

Participants discussed the need for a baseline source of support for the Chamber. The pressing need to fundraise every day takes staff time away from the core functions of the Chamber. The participants encouraged the Chamber to develop an action plan for long-term funding. One potential approach would be to have the Chamber funded through the incremental increase in levy and privilege tax on all non-Casino businesses. If the Chamber helps small business on the Boundary to grow, and thereby and increase the levy and the privilege tax, it will gain a long-term source of support. The participants also discussed analyzing the return on investment (ROI) to increased support for the Chamber and the Fishing program.

*Economic Development Coalition*

The experience of the Asheville Chamber of Commerce, and its positive relationship with the Asheville-Buncombe County Economic Development Coalition led participants to suggest that it would be useful to have a coalition that would help to integrate the efforts of economic development. Potential members of the coalition include:

* Chamber of Commerce
* EBCI Commerce
* Sequoyah Fund
* Tourism Division
* Swaine, Jackson, and Haywood County economic development staff
* Opt In
* Smokey Mountain Host

Individuals who agreed to work on the creation of an Economic Development Coalition:

* Jason Lambert
* Russ Seagle
* Amy Parker
* Mary Jane Ferguson
* Steve Morse

*Real Estate Task Team*

The Real Estate Task Team reported out on the action plans it is considering that would help streamline and simplify leasing process for individual possessory holdings

* Conduct research to determine process, costs and potential funding for Tribe to take over Real Estate function from BIA
  + How much it would cost the Tribe to take over the function?
  + What are the options for 638 contracts and compacts?
  + How much money would the BIA pay the Tribe?
  + What has been the experience of other tribes?
* Conduct research to determine the feasibility and cost of rewriting tribal statutes to simplify leasing process
  + How much legal work would be required to create a new set of statutes and regulations? How big a project is this?
  + Have other tribes with similar possessory holdings done something like this?
* May wish to consider HEARTH Act potential

*Knowledge Industry Task Team*

The task team reported that it is reviewing topics for potential action plans:

* Support for small business high-bandwidth connectivity:
  + Cost of installing high-bandwidth connectivity for business can be $7,000, which is barrier for small business.
  + Concept: a loan/grant program supported by the Foundation and/or the Tribe. Loan for connectivity would be forgiven 20% a year, so if business stayed in operation on the Boundary for five years, it would have the entire cost paid off.
* Tech office space:
  + Concept: a tech building with connectivity built into all the units.
  + All offices would have built-in fiber connectivity, VOIP phones, telepresence conference rooms, etc. There could also be co-working spaces for individuals who are not ready to rent an office.
* Call center:
  + Explore potential for development of a call center on the Boundary for Caesar’s Entertainment. This call center could support multiple properties

Options for Increasing Tourism

Skooter McCoy, Director of Destination Marketing for the EBCI, presented an update on his department’s work in developing and sharing a vision for the development of a coherent set of districts in Cherokee. Skooter discussed some initial renderings of the districts:

* Cultural – Unto These Hills and the Oconaluftee Indian Village are moved down from their current site onto what is now the Fairgrounds. Unto These Hills is set in an enclosed space rather than being open air, which eliminates rainouts. It also adds the possibility of using modern technologies such as laser shows. A fly fishing museum and the Chamber of Commerce are located where the Welcome Center is now, and additional retail is added in that area. This brings together multiple cultural and natural resource attractions in one compact area.
* Downtown: Base Camp of the Smokies – the downtown area shops are strongly encouraged to focus on providing equipment, clothing, supplies and tours focused on the natural resources in the Smokies, making downtown the “go-to” place for tourists interested in outdoor activities. A parking garage is developed downtown, to provide additional parking spaces and make it more attractive for visitors to park and walk throughout the downtown area. The design highlights the fact that the downtown is connected by walking paths and greenways all the way up 441 to the Park. The downtown area may also eventually be changed from a four-lane to a two-lane road, to enable it to have more room for pedestrian walkways and to be able to create an outdoor fair experience with street-side shopping.
* Convention/Fairgrounds – the Fairgrounds moves to the site of the former Cherokee High School. A convention center is added, and a fully roofed event center that seats 3,500. Arrangements with hotels in walking distance will enable the convention to guarantee blocks of rooms to convention visitors – key to the ability to host conventions. There is also a possibility of adding a bridge over the Oconaluftee to the hotels on 441, and to add a fishing pier as well.
* Wildlife – in the current site of the Oconaluftee Indian Village, the wildlife attraction is developed, using the existing walking trails and adding observation platforms to enable visitors to see animals in their native habitat. This also helps to address the problem of the negative publicity coming from PETA for the current treatment of bears in Cherokee.
* Saunooke Village – the existing Village is supported with additional signage and highlighted as an area for family fun and retail.
* Gaming – the area around the Casino remains as a gaming destination, with additional restaurants and amenities for the Casino visitor.

New way-finding signs would be developed, to make it easier for visitors to identify and find the districts of greatest interest to them. The participants also discussed having gateway signs and banners at the entry points to the Boundary: “You have arrived in Cherokee – the sovereign lands of the Cherokee people”.

Participants also noted that it would be useful to have a “community gathering district” – a place where community members can meet one another and socialize. This could be near the downtown, or could be near the old High School. Currently, the Post Office is the place where most people meet and greet one another.

*Tourism Next Steps:*

Skooter noted the following set of next steps in moving forward on the district concept:

* Bring the concept to the CHA and Museum Boards, and get their acceptance and approval
* Communicate the district concept to Council, business owners, and community leaders
* Convene a coalition of organization within each district to provide input during the transition
* Develop a master plan with renderings and an overall price tag for the creation of the districts
* Start archeological and Phase I environmental studies
* Develop pro-forma financial statements for specific projects

Creation of Economic Development Authority

The participants agreed that winning the approval and support of the Tribal Council will be a key task in the creation of the Economic Development Authority. The participants brainstormed a list of what might be exciting or positive for Tribal Council in the creation of the Economic Development Authority, and also what might be concerning.

*Potentially exciting/positive aspects of Economic Development Authority:*

* Creation of well-paying jobs that are appropriate for tribal members
* Increase in levy and privilege tax
* Increase in the number of cultural jobs
* Improvements in services and amenities for tribal members
* Entrepreneurial opportunities for tribal members
* Ability to tell the Cherokee story
* Potential to include Snowbird in the development activities
* Potential for partnership with developers and business owners

*Potentially concerning/negative aspects of Economic Development Authority:*

* Economic development projects will require a lot of investment
* Creating the Economic Development Authority will mean a loss of control over important decisions that affect the voters

*Potential methods for addressing concerns and reducing the negative aspects:*

* Concern over high cost
  + Bring in outside investors to pay for a significant portion of the investment required
* Concern over loss of control over important decisions
  + Create a structure that gives the Tribal Council control over the selection of the Board of the Economic Development Authority and over key decisions
  + Find examples of how this has worked well, and why this is necessary
    - Show examples from other Indian tribes
    - Bring in people that Tribal Council members admire and trust who will help to explain why this is necessary
    - Create meetings with investors who will help make clear that having the Authority will make them more interested in investing
  + Build support for the idea among constituents, so that the Council members can feel confident that voters will support their actions