Memo to: Qualla 2020 Committee Members

From: John Weiser

Ben Sherman

Date: July 13, 2014

Re: **Notes from June 27th Meeting**

This memo presents the notes from the June 27th meeting of the Qualla 2020 Committee.

Meeting Attendees:

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

Jim Bigwitch

Bill Boyum

Ethan Clapsaddle

Mary Jane Ferguson

Lynn Harlan

Robert Harris

Hope Huskey

Carla Jamison

Jason Lambert

Wanda Lawless

Courtney Lewis

Ruth McCoy

Skooter McCoy

Steve Morse

Paxton Myers

Amy Parker

Paisley Raby

Jacob Reed

Tommye Saunooke

Ryan Sherby

Perry Shell

Bo Taylor

John Tissue

Mary Wachacha

Darlene Whitetree

David Wyatt

Qualla 2020 overview

This was the fifth 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 one final Committee meeting after this:

* 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.

**Small Business and Entrepreneurship Development**

The Qualla 2020 Committee discussed action plans intended to help spur small business and entrepreneurship development on the Boundary. A copy of the PowerPoint presented at the meeting can be accessed [here](https://www.dropbox.com/sh/cfsgruitn8y97lo/AAC_o_S6SR_2N3AwiqMyElyCa).

Action Plan: Create a Source of Information for Small Businesses

The goal for this action plan is to create a single source of relevant information on the web for businesses operating on or interested in coming to the Qualla Boundary. This would be similar to the Asheville Chamber of Commerce, and complementary to the web site already operated by the Cherokee Chamber of Commerce. The existing Cherokee Chamber of Commerce web site is targeted toward individual customers. These additional web resources would be targeted toward businesses.

Specific information to be included online:

* + Tribal law and regulations
    - Tribal approval and lease process
    - Tribal tax environment
    - Contact persons
    - Process flow chart or diagram
  + Business and demographic data
    - Revenues by business segment
    - Relocation information
    - Business that are in demand from tourists – but not yet on Boundary
    - Unemployment rates and workforce skills and experience

Participants noted that although this data would be quite useful, some of it does not exist for the Boundary. For example, unemployment rates are gathered for NC counties, but not for the Boundary as a separate entity. Similarly, the type of information that would be of interest in a business location decision (housing availability and cost, schools, cost of living calculator, etc.) is not available for Boundary. The Commerce Department and other EBCI departments will need to decide what of this information is most important, and how to gather it. Professor Steve Morse of WCU offered the use of student volunteers and WCU to help collect and analyze the data.

Qualla 2020 participants noted that for some small business owners who are not enrolled members, not being able to own their own buildings is a disincentive for locating on the Boundary.

Action Plan: Strengthen the Chamber of Commerce

As noted at the last meeting, the Chamber is struggling financially. Membership dues are sufficient to cover just 1/3 of the membership expense. The revenues from the fly fishing museum will help to close some of the gap, but not all of it. Support from the Foundation is winding down, and the Chamber needs to develop additional sources of revenue. The Chamber focuses on serving its members, and helping them to access markets. At the moment, the primary focus is on tourism businesses, which are the majority of the Chamber members. The Chamber will be expanding services for non-tourism businesses in the future.

The Tribe is one potential source of additional revenue. There is precedent for having the public sector fund Chamber operations. For example, Haywood County provides $240,000 per year to the Haywood Chamber of Commerce for performing the Economic Development Council function for the County.

To persuade the Tribal Council that supporting the Council is a worthwhile expenditure of scarce Tribal funds, the Chamber must develop a compelling argument that an investment in support of Chamber operations will yield a substantial return for the Tribe. One avenue that might be productive is to explore the ability of the Chamber to increase levy and privilege tax for the Tribe by increasing merchant sales and overnight stays.

The Chamber prints and distributes 40,000 brochures a year describing Cherokee attractions, retail and hospitality businesses. The Chamber web site provides visitors with a full range of information about attractions, events, lodging, restaurants and shops. Visitors can link to the web sites of all of these directly from the Chamber web site. The Chamber web site also has promotions for members, including discount coupons, special offers, and time-limited events and activities.

Anecdotal evidence indicates that this past year, the Chamber was responsible 75% of the on-line bookings for hotel, motel and campground options. If additional direct marketing and promotion by the Chamber could increase overnight stays in Cherokee significantly, that would provide an attractive return on investment for the Tribe.

Participants inquired about whether there was overlap and competition between the Destination Marketing web site and the Chamber web site. Skooter and Amy are in regular communications to help make sure that there is not overlap and competition. The goal of the Destination Marketing web site and promotional activities is to increase awareness and interest among target markets in visiting Cherokee. The goal of the Chamber web site is to direct people who are interested in visiting Cherokee to local merchants, hospitality businesses, and attractions. Ideally, the two web sites should be closely linked.

The proposal for increased support as presented on June 27th included a suggestion that the Chamber receive an additional portion of the funding for marketing from the GCTC funding allocation. The participants suggested that approach was not appropriate – one of the key purposes of the GCTC funding allocation is to have all of the attractions, the Chamber and Tribe work together to set joint priorities for all destination marketing, and then to fund that out of a single pot of money. Having the Chamber pull money from that joint pot for its individual marketing activities defeats the purpose of the GCTC joint funding design.

Participants discussed the following set of activities that the Chamber might take to strengthen its finances in the long run:

* Develop a business case for supporting the Chamber from levy and privilege taxes on Cherokee businesses; work with EBCI Finance to develop potential formulas for obtaining funding from levy and privilege taxes
* In parallel with the above, create a plan for expanding business assets in Cherokee
* Coordinate closely with the Destination Marketing Office to ensure maximum impact from marketing and promotion efforts
* Serve as an effective voice for the small business community at the Tribal Council and with Tribal government.

Amy Parker agreed to work on a first draft of the business case for supporting the Chamber.

Action Plan: Support for 8(a) Businesses

Each year, the Federal government purchases $500 billion in goods and services. The 8(a) program provides opportunities for Native American Tribes and individuals to be able to participate in in these procurement opportunities.

The EBCI is currently considering the creation of a Tribal Enterprise Structure, which would be the entity that would hold the Tribal 8(a) license for the EBCI. Since this is already underway, there is no need for an additional action plan for the Tribal 8(a) certification. Instead, Qualla 2020 will focus on an action plan for assisting individual tribal members to apply for 8(a) certification.

Potential steps to assist individuals interested in 8(a) and other programs:

* Identify opportunities for Federal procurement contracts that may be appropriate for businesses owned by Tribal members
  + Review businesses owned by Tribal members to determine which industry code they fit under (NAICS)
  + Research federal purchasing opportunities for these codes to review potential opportunities
* Reach out to business owners to make them aware of Federal procurement opportunities.
  + One Feather
  + Email
  + Direct contacts
* Work with SBA to develop and deliver training programs and resources to support individual entrepreneurs.
  + Technical assistance in preparation of 8(a) application
  + Development of mentor/mentee relationships for 8(a)
  + Training for Hub Zone status
  + Connection to SBDC procurement specialists
* Provide training required for 8(a) application
  + Provide support for application costs
  + Facilitate mentor/protégé relationships
  + Provide training required for Hub Zone application
  + Connect business owners to SBTDC procurement specialists and to PTACs
* Organize mentoring and coaching opportunities for Tribal members seeking to expand their own business through 8(a) and other programs.
  + Enrolled members and SCORE volunteers with successful experience in 8(a) programs can help coach and mentor members seeking to expand 8(a) work
  + Potential for formal mentor/protégé relationship, which creates benefits in seeking new work

Action Plan: Expand Sales of Cherokee Artwork

As noted in the previous meeting, the Sequoyah Fund is proposing a multi-part Action Plan to help expand the sales of by Cherokee artists (both traditional and contemporary) of their work. There are three elements to the Action Plan:

* 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.

Russ and Vicki Cruz have talked, and Vicki is supportive of this effort. Vicki does not want to take on Internet sales at the Qualla Coop.

Action Plan: Create Economic Development Coalition

Participants reviewed the action plan for creating an economic coalition to support small business attraction, development and growth. This idea is based on the experience of the Asheville Chamber of Commerce, and its positive relationship with the Asheville-Buncombe County Economic Development Coalition. Potential members of the coalition include:

* Cherokee Chamber of Commerce – Amy Parker
* EBCI Commerce – Jason Lambert
* Sequoyah Fund – Russ Seagle
* Destination Marketing – Skooter McCoy
* Swain, Jackson and Haywood Counties
* Smoky Mountain Host
* WCU – Steve Morse
* CPF – Mary Jane Ferguson

This would be similar to the Economic Development Coalition of Asheville-Buncombe Counties.

Specific activities that the Coalition would undertake:

* Develop a coordinated strategy to create new jobs in all sectors of existing businesses through expansion and growth
* Create and implement a coordinated plan to attract businesses to locate in Cherokee and the surrounding three counties
* Develop a strategy that encourages entrepreneurial efforts to start businesses in targeted fields
* Coordinate and integrate the efforts of economic development on the Boundary with neighboring interests, including economic development agencies and Chambers in Swain, Jackson and Haywood Counties

Action Plan: Build a More Vibrant 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. This action plan links to the discussion above on the environment for small businesses.

Specific activities that may be included in an Action Plan:

* Establish a baseline description of a desirable/optimal small business environment
* Complete research necessary to map the small business environment in Cherokee
* Identify gaps/constraints between Cherokee environment and baseline
* Prioritize the challenges and attack the problem
* Create incentives to come to Cherokee
* Develop the resources and avenues to connect with potential small businesses locally, regionally and beyond
* Offer Indianpreneurship training
* Start, gain momentum, and sustain the effort

**Real Estate Action Plans**

As discussed at the last meeting, the Qualla 2020 members reviewed the outline for an Action Plan for developing a new legal framework for individual possessory holdings:

* Goal:
  + Fund the legal work required to conduct research on how/whether other tribes have changed statutes regarding individual possessory interests, and to develop draft statutes and regulations that would simplifying the process for leases and sales of individual possessory interests
* Activities:
  + Engage outside expert counsel
  + Survey relevant tribal experience
  + Review existing EBCI statutes, regulations and case law
  + Develop initial draft of new proposed statutes and review with Executive and Tribal Council leadership
    - Public comment and community engagement
  + Prepare final draft of new proposed statutes for submission to Council
  + Develop regulations and procedures required to fully implement new statutes
* Resources required: approximately $40,000 for research, legal drafting and community engagement

The Committee also reviewed an outline of the Action Plan for compacting the BIA Realty function:

* Goal: create an implementation plan for compacting the BIA Realty function
* Activities:
  + Assessment of current Tribal Land Records documents management by BIA
  + Analysis of Realty Services workflow and procedures
  + Recommendations and modifications to Land Records Management database schema
  + Estimate of the initial startup implementation cost
  + Estimate of the long-term operating cost
* Organizational leadership – Commerce Department
* Organizational participants in addition to Commerce
  + Tribal Housing Program - Paulette Cox
  + EBCI Courts – Hannah Smith and her staff
  + Chief’s Office - Paxton Myers
  + Finance – Corey Blankenship or his designee
  + GIS Office – David Wyatt
* Total cost of implementation plan development: $50,000

*Discussion*

Darlene Whitetree, Superintendent of the EBCI office of the BIA, provided some clarifying comments about the role of the BIA. Because of the unique way in which the EBCI holds its land, the BIA only has a fiduciary responsibility to the Tribe for the Boundary as a whole. It does not have any fiduciary responsibility to individual enrolled members for their individual possessory holdings.

The BIA has been engaged in providing support, record-keeping, surveying, and so forth for individual possessory holdings, essentially as a favor to the Tribe. There is no requirement for it to provide these services. Very importantly, the BIA management has stated that it will stop providing these services at some point in the future, and it would like the Tribe to start preparing its systems and people for that time. The Tribe has started this process with two staff persons whose costs are being covered through a 638 contract.

Equally importantly, if the Tribe takes over all of the real estate functions through a compact now, it will receive all the funding that the BIA spends on this function now. If the Tribe waits to take over the real estate function until after the BIA stops providing the services, there is a risk that it will receive no funding from the BIA for these services.

The participants raised a number of concerns about having the Tribe take over the real estate function:

* **Fairness:** Disputes about land ownership and leases will be resolved in Tribal Council. Having the BIA involved provides a measure of protection for individuals. How will that be maintained if the Tribe takes over the realty function?
* **Efficiency:** Although the BIA process may be slow at times, it does work, and it’s not paid for by the Tribe. It seems likely that taking over the realty function will end up costing the Tribe money. How do we know if the new system will be so much better that it is worth the cost?
* **Privacy:** the current system protects the privacy of all landowners, which some enrolled members really value. How will the new system protect privacy?

**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:

* The CHA Board voted in favor of moving the Oconaluftee Indian Village down to 441.
* The Fly Fishing Museum is exploring the potential for a partnership with the Tennessee Aquarium.
* The Commerce Department is exploring potential sources of funding for feasibility studies.
* The Chamber and Destination Marketing are working together to build business coalitions by location across the Boundary.
* Skooter is seeking opportunities to engage with the Tribal Council to develop a deeper understanding of the plan, and to understand any concerns that they might have. He is planning on starting the discussions at the next Planning Board session (June). He is also seeking to have a work session with the Tribal Council, and has found work sessions to be an effective way of engaging the Council members.
* It is important to engage community members in discussion and input, although this can at times feel overwhelming. Helpful tools for reaching the community include community clubs, Smoky Mountain News, the One Feather and Channel 28.

Participants raised concerns about moving the Oconaluftee Village down the hill to 441 and moving the Fairgrounds to the former HS school. There concerns included:

* Is this move necessary? The Village has been in the current site for many years.
* Will there be enough parking for the Village if moved to 441?
* Where will the Archives be located?
* How will all of this be paid for?

In response, Skooter noted the following reasons as to why moving the Oconaluftee Village and the Fairgrounds would be both necessary and beneficial:

Why relocate Oconaluftee Village?

* Need to boost visibility, so that visitation is increased
* Allows more space for programming and crafts
  + 6.8 acres vs. current 4.5
* Complemented by being next to Museum
* Parking will be available across the street and in the former Justice lot on Acquoni Road
* A separate location for the Archives is under study now

Why relocate Fairgrounds?

* Expanded space allows more diverse programming
  + 18 acres vs. current 6
* Increases parking by 1/3
* Enables EBCI to attract conventions, which would build traffic for retail and expansions

Skooter noted further that at this time, objective is to determine if there is sufficient interest among Tribal Council and community to make pursuing a feasibility study worthwhile. Destination Marketing would like to avoid spending hundreds of thousands of dollars on a feasibility study only to find that the project is not of interest to Council and community. If there is interest, then it will be imperative to study the feasibility, both from a cost and from a revenue perspective.

Participants raised the following concerns and suggestions about other aspects of the Tourism Master Plan:

* Putting an Animal Park in the current location of the Oconaluftee Village
  + Will people go up the hill to visit the Animal Park?
  + Is there enough room for the animals, so that they will be in conditions that are good for them?
  + Might this area be better served as a Botanical Garden?
  + What might be reasonable estimates for cost and visitation?
* Moving the Welcome Center to the edge of the Boundary, so visitors encounter it when first entering the Boundary
  + Will this reduce the level of service currently provided?
* Drama Inn
  + Does the Tribe currently own the Drama Inn? If so, what are the best options for the use of this property under the reconfigured design for the east side of 441 after the Village is moved to the Fairgrounds?
* Parking deck
  + Would it be possible to find a place to develop a parking deck in the Cultural District?
* Competition with existing retail
  + Are there ways to mitigate or avoid creating additional competition for existing retail in downtown and the cultural district?
* Wayfinding
  + It’s important to improve the wayfinding signage for attractions and the downtown

Skooter agreed that these questions are important to address, and many of them would be part of the feasibility study, should the Tribe decide to move forward.

**Attracting Knowledge Industries**

The Committee members briefly reviewed the outline of an Action Plan for a marketing plan to attract knowledge industry businesses:

* Goal: identify and attract small-midsize knowledge businesses to Boundary and 7 counties of Western NC
* Activities:
  + Inventory and quantify the key assets of Mountain West Alliance region that make it uniquely attractive to small, growing, entrepreneurial knowledge industry businesses
  + Conduct market research to develop clear profiles of target market segments/customers who would find the assets of Mountain West Alliance locations attractive.
  + Develop “market offering”: sites, information, incentives to share with potentially interested companies.
  + Develop and launch marketing campaign
* Organizational home: Southwest Commission
* Potential Partners: EBCI Commerce, Economic Development Depts of 7 Western Counties, Duke Energy, Drake Software
* Resources: TBD
* Potential funding in cash and in kind
  + Drake Software?
  + Special assessment from 7 counties?
  + EBCI? Cherokee Preservation Foundation?

The Committee members also reviewed the outline of an Action Plan to conduct a feasibility study for a fiber-enabled building and co-working space:

* Goal: determine whether sufficient demand exists at specific rental price points to support cost of fiber-enabled office building/co-work space (similar to Mojo in Asheville)
* Activities:
  + Develop profile of potential users
  + Conduct individual interviews and online survey of tech and home-based entrepreneurs businesses within a 30-mile radius/located in Jackson or Swain County
  + Develop estimate of potential demand for office and co-working space and a suite of services at particular price points
* Organizational leadership: Sequoyah Fund and Southwestern Commission
* Potential Partners: Chamber of Commerce, EBCI Commerce Department, WCU Small Business Technical Development Center, Haywood Committee College Entrepreneurial Program and the TERO Office.

**Success Measures**

The Qualla 2020 Committee discussed “success measures” – what indicators the EBCI might look at over time to determine how well the Qualla 2020 action plans are meeting the goals of the Qualla 2020 initiative: *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.*

The Qualla 2020 Committee suggested that the following success measures would be useful in measuring the progress made by the action plans over time:

* Quantitative
  + The proportion of the Tribal levy and privilege tax that comes from Casino versus the proportion that comes all other businesses
    - Currently, approximately 40% of levy and privilege comes from Casino. The Committee suggested aiming for 20%. This would require a significant growth in the non-Casino sector
  + Employment on the Boundary by sector
    - This could be measured through TERO and US Census data
  + Revenue on the Boundary by sector
    - This information is collected by EBCI Finance
  + Business openings versus closings on the Boundary per year
  + % of retail stores occupied
* Qualitative
  + Increased perception that the Boundary is a good place for business investment
  + Increased perception that Boundary offers good career opportunities

The Committee also felt that it would be important to develop measures for how well the diversification in the economy was helping to improve life for enrolled members. They noted the gap between the “haves” and “have-nots” on the Boundary. The growth of the Casino has improved the overall economy on the Boundary, leading to the creation of many good jobs with family-supporting wages. But only a portion of those living on the Boundary have the education and ability to get and keep these jobs. There are many enrolled members who haven’t been able to get family-supporting jobs, and who rely heavily on the per-cap to make financial ends meet. Attention should be paid to whether those individuals are benefiting from the growth generated by the Qualla 2020 action plans. One metric to look at might be whether the Qualla 2020 action plans have generated year-round jobs with family-supporting jobs that are available to residents.

Participants suggested that there should be a workforce action plan that complements the economic diversification action plan. While it’s important to have family-supporting jobs, that’s only half of the issue. The other half is the workforce development needed for residents to be ready for the jobs that get created. This will require education and training, both in the technical skills required by the jobs, and also in the “soft skills” of customer service, workplace culture, and conflict management. The workforce development activities should lead to an EBCI population that is fully ready and able to take advantage of the new job growth, rather than being left behind.

**Communication Plan**

The Qualla 2020 Committee reviewed the plan for communicating the recommendations of the Qualla 2020 process to the EBCI community. The goal is to communicate all of the Qualla 2020 action plans together as a complete set of recommendations 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. The hope is that communicating the action plans together will help enrolled members to see this as a unified and mutually supporting set of activities that will work together to build a diversified economy. Each of the plans helps to support the overall success, and many of the plans depend on one another to make adequate progress.

The Qualla 2020 action plans will be communicated through a wide variety of channels:

* In-person meetings
  + Tribal Council work session
  + Meetings with community members in a range of settings
* Television
  + A short video that can be broadcast in a loop on Channel 28
* Printed materials
  + Three-fold, double-sided brochure that describes the proposed action plan goals and strategies
  + Can be distributed at Chief’s Office, Hospital, Revenue Office, TANF building
* On-line
  + Information on Cherokee Preservation Foundation web site; also potentially on EBCI web site
  + Qualla 2020 Facebook page
* Email and social media
  + Email, Twitter, Facebook posts to highlight plans and meetings
* Newspaper
  + Article in One Feather and other local papers
  + Insert in One Feather

Meeting participants made the following comments:

* Facebook is a particularly useful channel. It is very widely used by enrolled members, and it is very inexpensive. LinkedIn and Twitter are also useful.
* Gaining buy-in from the Tribal Council will be critical. Council members will want to understand the need for action, the cost of the proposed Action Plans, and the benefits that will be created through the investment of EBCI Tribal dollars. They will be very interested in leveraging additional resources beyond EBCI Tribal dollars, as well as understanding the alternatives.
* Individual EBCI members will need to be educated on why diversifying the economy is important. The Casino is doing very well, and likely will continue to expand for the next several years. Why is it important to start now to diversify? Developing some case examples showing how other Tribes have been hurt when their casinos started to decline, and some scenarios about the impact of potential declines on the EBCI could be a useful way to raise awareness about why starting now is important.

The Communication Plan will be reviewed again at the July meeting.