

Business Development in Indian Country **Rick Hill, Chairman, TFA Tribal Board of Advisors**



Prior to joining Tribal Financial Advisors (TFA) in 2011, Rick Hill served two terms as the Chairman of the Oneida Tribe of Wisconsin, the first being from 1990-1993, and most recently from 2008-2011. Under Rick's first term of leadership, the Oneida Tribe was one of the first tribes to enter into a gaming compact with the State of Wisconsin in 1991. Also during his first term, he simultaneously served as Chairman of the National Indian Gaming Association (NIGA). Under his leadership, NIGA became a nationally recognized voice on Indian gaming issues and established regulatory standards and policies for tribal governmental gaming nation-wide.

Beginning in 2002, Hill consulted with various entities to identify economic development projects and partnerships in Indian Country. He is credited with the development of the first ever off-reservation, tribal consortium hotel investment, commonly referred to as "The Four Fires".

You've been involved in the Indian gaming industry from its earliest days. What are some of your observations?

Early on, Wendell Chino, Mescalero Apache's Chairman, challenged the Indian Gaming Regulatory Act (IGRA) because it was unconstitutional; Roger Jourdain as well as Purcell Powless and James Billie also challenged it. The Oneida of Wisconsin and other tribes supplied the briefs. The case was never heard, but the Nations have used IGRA to promote and enforce our inherent tribal sovereignty and rights as Nations. This gives a historical context for our inherent sovereignty, and without gaming, we would not have the revenues to build strong Nations and effectively participate in a level of government-to-government relations.

The most important principals of IGRA were to build strong tribal governments, self-sufficiency and economic development. We have accomplished that to a certain extent with a number of tribes. The principals were to establish these things and also afford the tribes an ability to more effectively work as governments as they dealt with local/state issues and policies with the federal government to help promote sovereign rights with regards to jurisdiction, regulation and other governmental rights. Many tribes accomplished the principles of IGRA, but with that said, we still have a long ways to go.

With gaming revenue and other tribal endeavors, we are able to provide the necessary services for our communities; whether it is housing development, healthcare, education, infrastructure for industrial parks and so on. The buzzword in the last few years is that we need to diversify the economies.

A solid foundation for a tribes diversification efforts may lie in manufacturing, the importing and exporting of products, natural resources – whether it be timber, wind or green energy projects, or waste energy projects. Also, tribes are considering everything from buying existing businesses, participating in static joint ventures to creating entirely new businesses. One thing is certainly clear, business opportunity and investment doesn't stop within the tribal borders anymore.

Even though we've come far, there is still a long way to go to really take care of all the needs on the reservation. We all know that gaming didn't work for everybody. It worked best for tribes that had good demographic areas. Sometimes gaming worked even better for tribes that had smaller populations. It has worked for a number of tribes, but there are roughly 560 tribes in the country; so there hasn't been a windfall for everybody – but it did help the large and smaller casinos create some employment when they didn't have that before. Some people think that all tribes are rich, and so you have to go through this drill of explaining the full story, including how many with gaming operations have their own problems because of debt and over building.

What are some of the success stories of the Oneida Tribe of Wisconsin?

The Radisson Hotel has been a success for the tribe. We bought into that and trained our own people to run it. The development of our industrial park, the Walmart development here on the reservation and Bay Bank, the tribally owned bank, have all been success stories for the tribe.

The branding we did with the Green Bay Packers has been beneficial. It was just last year that our marketing people started meeting with them to figure out how to cross brand that opportunity. With that you've got two good brands coming together for the same purpose – to do business together. It is pretty cool, especially when you've got a town of 100,000 people with an internationally known football team. Other tribes have come together with sports brands to complement each other, such as the Padres with Viejas; and you now see Mohegan Sun signs at Yankee Stadium.

What would you say have been the biggest obstacles your tribe has had to overcome?

Our tribe and other tribes weren't immune to the economic crisis. We're not always able to hire as many people as we would like to hire who have the expertise to do the things we need to do in a fast and efficient manner. Sometimes resources are not available because we're trying to meet the tribal needs in terms of healthcare, elderly care, social needs, housing needs and other important areas. So the resources aren't always available to make the investments with some of the businesses we'd like to be investing in. Sometimes marketing is a big challenge; having the level of professional expertise on staff on a daily basis to help develop and market properly.

There are also many challenges that come with the leasing and permitting processes for resource development. This relates to the need for trust reform; a lot of those outdated laws and policies are still on the books. They're still hamstrung with a lot of old bureaucratic Bureau of Indian Affairs (BIA) rules and regulations that are a hindrance.

In many cases, the tribes have become the largest employers in their areas – however, I still think there's not parity in terms of the access that we should be getting at many of the governmental levels. Fortunately, the federal government is trying to make it more efficient to do permitting so people will do business for development reasons and get through the whole maze of issues, rules and regulations.

What advice do you have to share regarding the importance of diversification?

Whatever the states are doing, the tribes need to look closely at that. So if they're in manufacturing, we better get into manufacturing; if they're into agriculture then we had better move into agriculture; if they're into green energy, then we should be in green energy; if they're into tourism, we need to be in tourism. We need to follow the money in terms of where those incentives are, because states are mostly following suit with whatever the federal government is subsidizing. States are also trying to build incentives to bring

new business in, so we should build a good partnership with the state in terms of the sectors I mentioned. We need to pay attention to where the momentum is, and where the opportunities lie.

It is paramount that diversification occur, because we're governments without a tax base. We must have the revenues to run our governments more efficiently and support our communities. Everybody else knows that through the states, there is going to be more competition in the gaming area. Internet gaming is going to have an impact as well. There's going to be a bigger place for market share in the future of gaming, in addition to much greater competition.

Looking to the future, how can tribes work together to protect their interests?

We all have the same goal in mind. The “Four Fires” project is a good example to look to, because the tribes combined expertise and resources with a corporate partner to maximize revenue for the tribes. You can take that model and stretch it out for many things. There's a lot of opportunity as tribes grow and become more sophisticated with their infrastructure, and partner with tribes who have the capabilities. Fortunately, there's a lot of that sharing going on in Indian Country. You have Shakopee giving grants and loans to tribes who have great business ideas, but fall between the cracks in terms of leveraging their own assets to get the financing they need. So there's a little bit of philanthropy going on here and there to help our brothers and sisters out.

What are you looking forward to at this year's Reservation Economic Summit (RES)?

RES is a good opportunity for people to network and see other economic examples that we can share and potentially participate in. I'm glad many corporations are interested to learn about tribes, and that many have actually dedicated divisions and people to examine opportunities within Indian Country, which encourages me.

There are lots of opportunities for business on reservations. For instance, corporations have outsourced call centers all around the world, which they could instead be putting on reservation lands. They don't have to go to India; they could do that right here. Corporations need to have a “101” on Indian business and learn what the advantages would be if they could do business in their own backyard instead of outsourcing things out of the country. ♣

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