



# KIUYUM-ID

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Dear Tribal Members:

In the past several months, the Tribe has experienced much growth and activity in the area of Economic Development. A culmination of individual and group efforts which began 4 years ago, has resulted in the scheduled opening date for the Canyonville Indian Bingo Center in mid-May of 1992.

The following is a chronological order of events that have taken place with regard to the economic development of our Tribe.

Following recognition of the Tribe on December 29, 1982, efforts to achieve a land claims settlement were successful with the Final Decree of Settlement on June 12, 1984, awarding the Cow Creek Band of Umpqua Tribe of Indians \$1.5 million. As a result of the tribal plan and vote by council, the Tribe succeeded in the passage of Public Law 100-139 on October 26, 1987. This act protects the principal amount of the award and divided the interest into 6 categories, which are; Elderly Assistance; Higher Education and Adult Vocational Training; Housing Improvement; Economic Development and Tribal Center; Miscellaneous Tribal Activity; and Evergreen Property Payment.

The Tribe was able to acquire property, commonly known as the Evergreen Property located in Canyonville, in 1985 through the Bureau of Indian Affairs guaranteed loan program. Reservation status on the Evergreen Property came nearly two years later on October 24, 1986. In 1988, the opportunity to purchase land adjacent to the Tribal Reservation was made available through a land acquisition grant administered through the Tribal Administrative Office. This grant allowed the Tribe to purchase the property, known as the Block Property, with a down payment of \$62,500.

After exploration of various income sources such as Shiitake Mushrooms, canola oil production (rapeseed) and forest product cultivation, the Tribe hired USA Research Company out of Boston, Mass. to conduct an in depth and statistical market study to determine the most profitable and viable enterprise for the tribe, with consideration to our reservation which could offer no natural resource.

The results of this marketing study were that a gaming operation and entertainment center was the most profitable and viable avenue of economic development available to the tribe. The study included gaming operations ranging from bingo, pull-tabs, and video machines to blackjack, keno and slot machines.

In May of 1989 the Tribal Board of Directors created the Umpqua Indian Development Corporation (UIDC) to conduct the Business Affairs of the Tribe. To this Corporation, 9 individuals were appointed; four non-tribal business-oriented members and five tribal members. The goal of this board was to obtain financing for the development project.

While concentrated efforts by the UIDC Board were aimed at the development of a loan package with assistance of financial consultants, the Tribal Administrative Office initiated the development of a sight plan, soils studies, and topographical studies through a tribal grant.

On October 17, 1988, President Reagan signed into law Public Law 100-497 known as the Indian Gaming Regulatory Act. This act applies to all gaming operations conducted on Indian lands. It divides gaming into three classes: Class I - refers to social games solely for prizes of minimal value; Class II - refers to games such as bingo (whether or not electronic, computer, or other), pull-tabs, and lotto; Class III - refers to forms of gaming that are not Class I or Class II. (examples are blackjack, roulette, keno, and slot machines and possibly *video machines*) In order to operate Class III, the Tribe must negotiate an agreement known as a Tribal/State Compact. Further, the act calls for a National Indian Gaming Commission to be established consisting of three individuals appointed by President Bush. The duties of the National Indian Gaming Commission are to develop regulations pertaining to gaming on Indian Lands and to further define each Class of the act.

With consideration to the findings of the marketing study conducted by USA Research, the Tribe opted to focus on bingo, pull-tabs, and video machines. The video machines in question are not specifically identified by the Indian Gaming Regulatory Act but will be classified by the National Indian Gaming Commission. At this time, our goal remains the same. The Tribe maintains the desire to operate Class II gaming, however, the National Indian Gaming Commission has not yet completed their regulations defining whether or not the video machines fall into Class II or Class III, therefore Class III Gaming must be considered to ensure our right to provide video machines in the Bingo Center. The Tribe cannot close the door to Class III gaming. Presently, the Tribe is in the process of negotiating a Tribal/State Compact which will

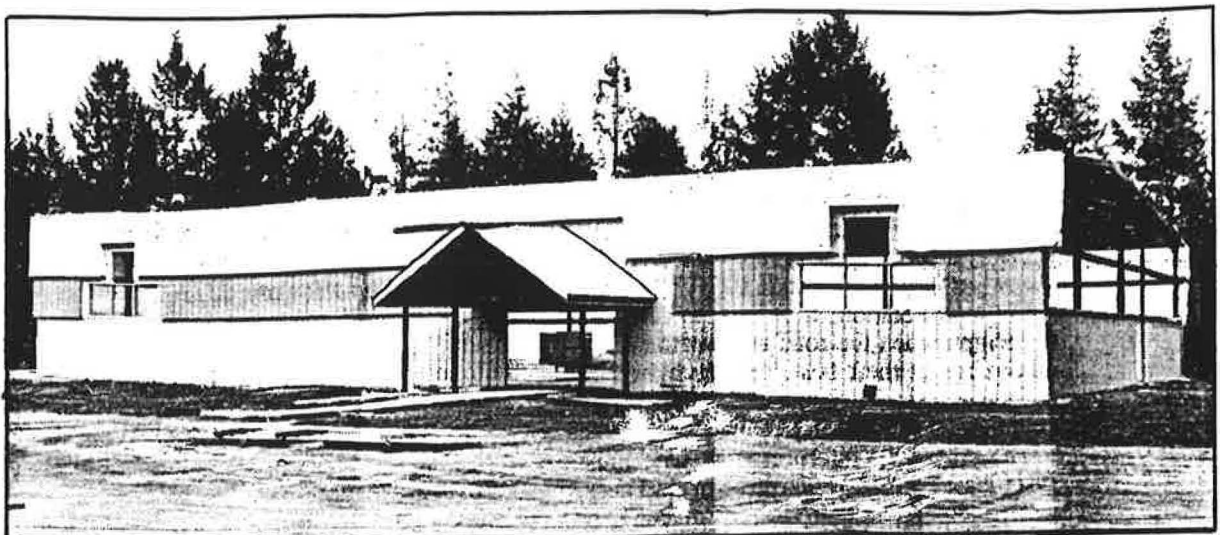
enable the Bingo Center to also provide video machines regardless of how they are classified by the National Indian Gaming Commission.

In addition to the creation of UIDC, the Tribal Board of Directors in July of 1991 created a Tribal Gaming Commission comprised of the same individuals serving on UIDC. This action was taken to be in compliance with the Indian Gaming Regulatory Act. The primary purpose of the Tribal Gaming Commission is to have oversight of the Bingo Center.

After much difficulty by UIDC in locating a bank that would become involved with the Bureau of Indian Affairs Guaranteed Loan Program, the Tribal Board of Directors made a request for a direct loan from the BIA. On November 27, 1991, the BIA Agency Superintendent, T.L. Traversie presented the Tribe with a check for the amount necessary for the construction of the facility on the Evergreen Property. Among the many factors considered by the BIA prior to granting the direct loan was their faith in the management company that the Tribe had selected, that the project would succeed and that the Tribe had placed a priority on debt retirement.

The Tribal Board of Directors have vowed to maintain our original goals and will take all steps necessary to protect and enhance the economic future of the Tribe.

For those of you who may not have had the opportunity to see the Bingo Center during the construction phase the following picture is provided.



News-Review photo by MIKE ANDERSON