

Gaming Report

GAMING REPORT - JESSIE DAVIS

Agreement Signed For Financing Construction of Chinook Winds

After two months of intensive discussion by phone and face-to-face meetings, the Ad Hoc Gaming Committee successfully completed negotiations with Miller and Schroeder and the United States National Bank of Oregon for financing the construction of the Tribe's Chinook Winds Gaming and Convention center.

As reported earlier, Comstock has been responsible for obtaining construction financing for the gaming project. In August of 1995, Comstock brought the Tribe and John Hancock (a national insurance and investment company) to the negotiating table. After about four months of discussion with John Hancock officials, negotiations were terminated by the Ad Hoc Gaming Committee when it was determined that Hancock's conditions, which were tied to Comstock's percentage of revenues, were unacceptable. With the breakdown of negotiations with John Hancock, the search for a viable alternative by the Ad Hoc Committee started anew.

With the help of Fritz Opel, a marketing consultant for Chinook Winds, and an officer of the Inland Casino Corporation, the search led to Miller and Schroeder (M/S) of Minneapolis, MN, and subsequently, to the U.S. National Bank of Oregon.

As authorized by the Tribal Council, the Ad Hoc Committee, represented by Dee Pigsley, Jessie Davis and Craig Dorsay, finalized negotiations on February 13th with Steve Erickson of M/S and Stacy Dodson, senior Vice President of the USB. (Also involved were Mike Darcy who was, until recently, a member of the Ad Hoc Committee and Zak Zakoji who provides staff assistance to the committee).

It is now "a new ballgame". Comstock will not manage the gaming enterprise as called for in the Management Agreement but will provide consultant services. Comstock, which provided the \$3 million loan for the purchase of the Lincoln City property for gaming, and has been since June of last year, Chinook Winds' consultant in the operation of the temporary facility, will continue to provide consultant services to our permanent center.

In contrast to the Management Agreement under which Comstock would have received a percentage of the gaming revenues, Comstock will receive a fee for specific consultant services, resulting in substantial revenue savings to the Tribe.

Since Comstock will not manage the gaming operation as originally planned, the Tribe has requested the National Indian Gaming Commission to return the Management Agreement currently under Commission review. NIGC has been notified that a Consultant Agreement will be submitted.



Construction of Permanent Facility

Since the Topping Off Ceremony on January 26th, when the last steel beam was put into place, construction of the gaming and convention center has been preceding at an amazing pace. The construction work has become a major attraction in Lincoln City with the facility dramatically taking shape with each passing day. Opening day is only four months away!

Assistant Secretary Approves Compact Amendment

In a letter dated January 19, 1996, Assistant Secretary Ada Deer notified the Siletz Tribe that the proposed Amendment to the Tribal-State Compact for regulation of Class III gaming was reviewed and approved. The proposed amendment, the letter stated, "...does not violate the Indian Gaming Regulatory Act of 1988 (IGRA), Federal law or our trust responsibility."

The Amendment authorizes the conducting of house banked blackjack in the temporary gaming facility. Relative to conducting house banked blackjack, the Tribe agrees to adopt rules and procedures for a system of internal controls that meet minimum standards, provide training to all affected personnel, establish a security and surveillance system, adopt rules of operation for house banked blackjack, establish dispute resolution procedures, etc.

The Amendment when into effect when the notice of approval was published in the Federal Register on February 6, 1996. The Tribe will negotiate with the State for the operation of house banked blackjack in the permanent facility.

Training Sessions For Gaming Commission

Seminars for the Siletz Tribal Gaming Commission were held during February 17th thru the 19th in Lincoln City. The sessions were conducted by Sharon House, Oneida Tribal Attorney and one of the lead attorneys for the National Indian Gaming Association. Sharon also serves as consultant to the Spokane and other tribes. (It was as a result of my involvement with the NIGA Task Force during the past three

years that I persuaded Sharon to conduct our training sessions.)

The recently completed 3 day session was a follow-up of training conducted by Sharon soon after the Siletz Commission members were appointed.

Reminder: Informational Meetings

As announced in the last issue of the Newsletter, informational meetings are being held monthly in the Portland, Salem/Springfield and Siletz areas.

The purpose of these meetings is to provide current information and to address any questions or concerns community members have regarding the gaming project.

They also serve a useful purpose in obtaining community input in improving gaming center operations. It was because of concerns expressed at the Salem meeting about the "at will" termination policy, among other personnel issues that Burgess Harmer, the GM, established a Task Force to review and make recommendations to management. The meetings are conducted by me, as Chairman of the Ad Hoc Gaming Committee; Burgess Harmer, Chinook Winds GM; Joe Lane, Chairman of the Gaming Commission; and Tim Viles, Tribal Monitor. If any of us must be absent, someone else will be present to represent us.

The meetings are held from 6 PM to 8 PM according to the following dates and locations:
Monday, March 11-Springfield Area Office
Tuesday, March 12-Portland Area Office
Wednesday, March 13-Salem Area Office
Thursday, March 14-Siletz Community Hall
Tuesday, April 16-Portland Area Office
Wednesday, April 17-Salem Area Office
Thursday, April 18-Siletz Community Hall

We advise Tribal Members who plan to attend these meetings call the Chinook Winds office, 1-800-789-5189 to confirm that the meeting is being held as announced.

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