

# Spilyay Tymoa

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## Council hears options for future of Kah-Nee-Ta

By Dave McMechan  
Spilyay Tymoa

Tribal Council and the Kah-Nee-Ta High Desert Resort and Casino Board of Directors met last week to discuss the long-term future of the resort. In the future, the casino portion of Kah-Nee-Ta is expected to relocate to a different site, which raises the question of what would then happen to the rest of the resort.

"If the casino moves, what would happen to Kah-Nee-Ta?" said Garland Brunoe, Kah-Nee-Ta General Manager. "It can't become a financial burden on the tribes like it used to be."

Brunoe explained that years ago, the Kah-Nee-Ta Village was able to provide jobs and at the same time at least

break even financially.

Then in the 1970s, with the addition of the lodge and golf course, the resort was not able to fund itself. The addition of Indian Head Casino in 1996, however, made the operation financially worthwhile to the tribes.

In order to continue as a viable enterprise without a casino, Kah-Nee-Ta will have to make significant changes, said Ken Smith, board chairman.

Toward identifying the needed changes, the Kah-Nee-Ta Board commissioned the development of an economic evaluation of the resort. This report was presented last week to the Tribal Council at their meeting with the Kah-Nee-Ta Board.

After evaluating the circumstances of the Central Oregon resort market, the report makes a series of recom-

mended improvements. These improvements, with estimated costs totaling between \$15-\$20 million, are recommended if the casino portion of the resort were to relocate away from Kah-Nee-Ta. Even if the casino were to remain at Kah-Nee-Ta the Board recognizes the need for a number of significant improvements to the property.

One of the single largest recommended items is the Kah-Nee-Ta Golf Course. The report recommends redesigning several holes; adding new tees, greens, bunkers, irrigation and landscaping; adding a new driving range and practice area; and increasing annual maintenance. Total cost would be approximately \$5 million.

Another large item, cost-wise, would be the development of a large-scale

resort pool at the lodge. This would involve adding a high caliber, family-oriented, four-season indoor-outdoor pool complex with waterslides, an upscale hot tub area, terraced and lawn areas. Cost estimate is \$4 million.

The report also recommends replacing the existing spa located at the Village with a new upscale spa at the resort. Estimated cost, \$1.5 million.

Basic hotel improvements, such as siding, roofs, upgrades and renovations to the lobby and rooms, would cost between \$3-\$4 million, the report says.

### Resort signs

Some other recommended changes could be done for less money, said Brunoe.

For instance, one recommendation

calls for bringing all the resort signs — those at the golf course, lodge and Village, and along the roads — into a unified theme.

Currently the signage at Kah-Nee-Ta, and on the roads leading to the resort, have various designs with no common theme. This is not recommended for destination resorts, and is not as costly to correct as other items. And once design of the signs are agreed to, they are fairly easy to construct and erect.

### Treatment system

Part of the report to Tribal Council and the Kah-Nee-Ta Board was in regard to the sewer treatment system at the resort.

See KAH-NEE-TA on 11

## Tribal art featured at museum

Anita Davis received the Judges Choice Award for Best in Show this year at the Fourteenth Annual Tribal Member Art Exhibit.

Davis received the award for her beaded purse with eagle feather, "Spirit and Elements." Besides her beadwork, Davis works for the Community Health Education Team of Warm Springs.

She first started beading as a young girl, but quit for a while. She started again in 1979, with encouragement from her cousin Delcie Scott, and has been making beaded items ever since.

The Tribal Member Art Exhibit is made possible with the generous sponsorship from Timberline Lodge and Warm Springs Composite Products. (For a list of all winners, see page 14.)

At right, tribal artist Anita Davis with beaded purse.



Dave McMechan/Spilyay

## Fatal wreck claims 3

A one-vehicle accident killed three people and injured two others on Highway 3 last weekend.

At around 11:55 a.m. on October 7, a Dodge van traveling south drifted off the highway and then overcorrected, causing the van to go into a sideways slide and roll.

The van had five occupants on board, and all but one was ejected at the scene. The one remaining passenger was in the right front passenger seat.

Three of the occupants were deceased at the scene. One of the occupants with serious injuries, Avery Americanhorse, was airlifted to St.

Charles in Bend. He was then transported to OHSU in Portland, where he was in stable condition earlier this week. Warm Springs Fire Safety transported another passenger, Raynelle Weaselhead, in an ambulance to Mt. View Hospital in Madras.

Deceased at the scene were Ellen Thompson, 66, Roscoe Thompson, 31, and Alonzo Jim, 31.

The Warm Springs Police are investigating this motor vehicle rollover accident with assistance from the Oregon State Police and the FBI. The investigation is still pending and no further information was available at press time.

## Tribes complete sale of software subsidiary

(Submitted by the office of the Secretary-Treasurer.)

Warm Springs Ventures personnel recently brought two years of intense labor to fruition by completing the sale of Cort Software, a Bend-based company owned by the Confederated Tribes.

The sale of Cort, which designs and sells payroll software, is expected to reap approximately \$3 million for the tribes, including interest, license fees, and other aspects of the deal.

"We've been looking to sell Cort for some time and we're very happy this went through," said Ventures board chairman Ken Smith.

"It makes more sense for Ventures to pursue development here on the reservation than to own a company in Bend that doesn't employ tribal members. Our focus is creating jobs for members and generating revenue for the tribe, and Cort just didn't fit into that vision the way we wanted."

The buyer, NuView Systems of Boston, Mass., is a human resources software firm that will be able to quickly integrate Cort's payroll system into the kind of web-based payroll and human resources package that most customers are looking for.

According to Jeff Anspach, Ventures chief financial officer, Cort was making good headway on its own integrated human resources software when it was sold, although the development had been slower than anticipated.

"We had started to work on a new HR product early on as part of our restructuring of Cort," Anspach said.

"But we ran into obstacles in the development phase and had to regroup. We changed our restructuring strategy by looking for outside investment and eventually a buyer. It turned out we were on the right track with the software, though. Our work on the product was important in making Cort attractive to NuView."

### Cort restructuring prior to sale

Ventures purchased Cort in 2003 for \$600,000. At the time, Cort had a good product and a strong customer base, but had suffered for several years under poor management. Management troubles continued after the tribes' purchase and led to significant operating losses that were damaging to Ventures.

The losses at Cort made up a large part of Ventures' own losses between 2003 and 2005. When Tribal Council hired Hamstreet & Associates consulting firm to restructure Ventures in 2005, fixing Cort's problems was the first major goal.

The Hamstreet team looked into selling Cort right away, but found that it wasn't worth very much at the time.

"People who knew the software business told us we might get \$850,000 for Cort and that it would be hard to sell because it didn't have the integrated HR software or the web-based platform," said Clyde Hamstreet, Ventures chief executive officer. "At the same time, we felt the company had value and that it would be a shame to liquidate it or sell it at such a reduced price."

Instead of selling, Ventures decided to work on enhancing Cort's value.

See SALE on 11

## Budget, Bear Springs discussed at meeting

By Leslie Mitts  
Spilyay Tymoa

The tribal budget is improving with an upward trend in the net cash flow and an end in sight for budget cuts. Finance staff presented the budget during a general council meeting last week.

An increase in revenues is what is needed to turn the budget around, they said, and plans are moving forward to create such an increase.

According to Secretary-Treasurer Jody Calica, the current budget displays a significant rebound from budgets in prior years.

Ray Potter, chief financial officer, said the long-term outlook for the tribe is greatly improved.

While at one point the tribal budget outlook showed the tribe running short of money by 2009, they now have a financial plan for safety until 2015.

"That's something that everyone here can really be proud of," Potter said.

Jeffrey Anspach, chief financial officer for Warm Springs Ventures, presented the supplemental budget plans

at the meeting.

Because approximately 900 tribal members are estimated to be entering the work force in the next ten years, he said, there has to be a way to create additional jobs—both for the future workers and those tribal members who are already unemployed.

"It is vital that we find a way to create jobs on this reservation, and that's what the supplemental budget is all about," he explained.

Tribal Council recently directed the tribes and Ventures to work with OSU in order to develop several potential projects for the tribes to increase revenues.

These included resource-based projects, such as potential hydro, wind and geothermal power projects, as well as manufacturing projects, professional services projects, and projects in the hospitality industry like spas or hotels.

From that partnership stemmed the recommendation to pursue development in the Bear Springs-Quartz Butte area.

While still in the conceptual stage, Ventures staff spoke at the meeting about what could be created through

the Bear Springs Project.

Though they haven't performed any archaeological or cultural assessments yet, they hope to build houses, a golf course, a trail network and more in the Bear Springs area off Highway 26.

A \$40 million investment would be required to start up the project, and it would therefore involve working with development partners.

After 14 years, a projected \$30 million in profits are expected.

As for jobs, the Bear Springs Project would create 447 jobs after two years, eventually leading up to 1,091 jobs after 10 years in areas such as construction, operations and maintenance.

The supplemental budget for 2007 includes a long-term feasibility study for Warm Springs Forest Product Industries, as well as a plan for tectonite product marketing and sales.

In addition, the tribes hope to participate in Native Ameridream, a down payment assistance program.

Plans also include support for on-reservation economic development as well as entrepreneurial support.