

General Council briefed on economic development, housing

By Danielle Frost
Smoke Signals staff writer

Economic Development Director Bruce Thomas briefed General Council on current and future opportunities for the Tribe to build its income and assets during the Sunday, May 5, meeting held at the Tribal Community Center.

Thomas, a Tribal member, was hired in November 2018 as the new Economic Development director, a position that had been vacant since 2016. He previously served the Tribe as the chief executive officer of Spirit Mountain Casino from 1993 to 2000.

“I came back to find business opportunities for the Tribe and to put systems into place for the Tribe to make sound decisions,” he said.

Thomas said his first objective was to develop a business plan in conjunction with the Tribe’s executive team and Tribal Council.

“A business plan requires several things,” he said. “It defines the Tribe’s vision and goals, sets minimum standards of investment size and acceptable risk, and describes basic criteria for investments. We want to partner with industry leaders if (the Tribe) does not have a competitive advantage.”

Thomas said that while it’s easy to weed out the opportunities that are not a good fit, the difficult part is finding new projects for the Tribe to invest in where it has an advantage over other industries.

“Going into a business head-to-head with people who are experienced in an industry, that is a very difficult thing to do and something that should be avoided,” he said. “So, we tried to identify businesses that by virtue of our sovereignty or status as a Tribe we have a special opportunity.”

Thomas said the best example is a Tribal casino.

“Other businesses can’t do a full-blown casino, but we can. It’s a Tribal advantage and has proven to be very successful,” Thomas said. “There are others, too, so those are the things we tried to identify. ... Some of the projects we are working on, a lot I can’t go into much detail on due to third parties (involved) and nondisclosure agreements, or it’s sensitive and we need to keep quiet until we are ready to



Photo by Timothy J. Gonzalez

Economic Development Director Bruce Thomas talked about Tribal investments and took questions during the General Council meeting held at the Tribal Community Center on Sunday, May 5.

announce.”

Some opportunities in the works include the medical field due to favorable reimbursement rates from the Indian Health Service, a major real estate investment firm partnership, a high-interest real estate asset-based loan, negotiating with a company to do a Section 8A business with bid credit advantages, solar development on Tribal trust land and marketing the Wood Village property for an opportunity zone project.

An opportunity zone can deliver significant tax savings on medium- to long-term investments in economically disadvantaged communities. In 2018, the U.S. Treasury made opportunity zone designations across the country to encourage long-term investments through a federal tax break.

“The best benefits under the opportunity zones is if you hold the property for 10 years, so that would argue for projects such as assisted living and apartments are highest and best use,” Thomas said. “We’ll try to enhance the Tribe’s profit on that property.”

Current Tribal economic development projects are Chemawa Station in Keizer, the Cherry City Shopping Center in Salem, the Portland building, SAM Medical in Wilsonville and Shasta Administrative Services in Redmond.

A new business opportunity in Grand Ronde may be a card lock service station, which is an unattended fueling site that is typically open 24 hours a day, seven days

a week, and designed for commercial fleet vehicles. Card lock stations have easy accessibility for larger commercial trucks.

“We’re still in the early phases of considering whether to advance that project,” Thomas said.

Although Thomas’ presentation at General Council was only 12 minutes long, audience questions consumed an additional 35 minutes and included suggestions from timber investment to RV parks to purchasing a waterpark.

“We should have a diverse portfolio of investments,” Thomas said. “The endowment funds we have are a diverse portfolio and we need to follow that approach with economic development, and look for long-term investments and property resale. With timber, you may not get your money back for 40 years, but we can take a long-term view.”

Regarding the suggestion to purchase Wings & Waves Waterpark in McMinnville, Thomas said that these are largely dependent on local population use.

“My initial thought is that if it doesn’t reach the profit margin threshold, we don’t pursue it,” he said.

However, something like an RV park as an amenity at Spirit Mountain Casino is something that is feasible.

“I feel that project will be built, but it’s a question of timing,” he said.

Tribal Council and Spirit Mountain Gaming Inc. Board of Directors member Kathleen George agreed.

“We do have the decisions yet to make yet on timing and financing, but I think it’s something Tribal Council is very positive on and really wants to do,” she said. “In addition, Tribal Council, in response to last year’s advisory vote on casino amenities, is getting ready to put out an RFP (request for proposal) to look at additional resort-style amenities to enhance Spirit Mountain Casino. There will be more to come on this as well.”

After questions concluded for the Economic Development presentation, lunch was served. Following the meal break, the membership heard from Housing Department Manager Shonn Leno about the department’s mission, grant programs, services, prior and new construction, partnership projects and ongoing challenges.

One frequent topic of discussion in housing has been more home-ownership opportunities in Grand Ronde in addition to rentals. There will be a community meeting on that topic at 6 p.m. Thursday, June 13, at the Tribal Community Center. An initial survey and housing information handouts will be available.

“I’m excited about the new apartments and Elder housing, and the home ownership kick-off meeting,” Leno said. “Do we want workforce housing with a few houses or full-sized neighborhoods?”

One of the biggest challenges in housing is the increasing number of meth-contaminated rental units. In 2018, six out of 27 units – 22 percent – that were vacated were meth-contaminated and required cleaning. Leno said it cost \$109,000 to renovate those six units for an average cost of more than \$18,000 each. The Tribe pays for the cost of cleanup, then bills the renter for the full amount. However, recovering the money is very challenging.

“It costs a minimum of \$5,000 to renovate even a small amount of contamination,” Leno said. “This creates a longer wait time and wait list stagnation. We are having discussions about how to solve this problem and work with other departments.”

Housing applicants are drug-tested before applications are approved, but not one of these tests has caught meth users due to the relatively short time – three days – it takes the drug to leave a user’s body. The Tribe is considering using hair tests, which are much more accurate and keep a record of drug use for months.

Leno fielded 10 questions from the audience, many of whom supported stricter policies for those caught using drugs while living in housing.

Simone Auger, Isabelle Grout, Julie Duncan, Lise Alexander and Valerie Alexander won the \$50 door prizes. Brenda Tuomi, Peter Grout and Linda Brandon won the \$100 door prizes.

Auger and Peter Grout donated their winnings to Isabelle Grout’s class fundraiser for Doernbecher Children’s Hospital. Tuomi donated her prize to the Veterans Special Event Board.

The next General Council meeting will be held at 11 a.m. Sunday, June 30, at the Tribal Community Center to conduct Tribal Council nominations.

The entire meeting can be viewed on the Tribal government’s website at www.grandronde.org by clicking on the News tab and then going to Video. ■

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