

# Tribal TANF Summit

What Can Tribes Do?

*Strategies and Institutions in American Indian  
Economic Development*

*Presented by: Joseph Nayquonabe, Jr.  
August 31, 2015*



**MILLE LACS**

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C O R P O R A T E   V E N T U R E S



# WHO IS THE MILLE LACS BAND OF OJIBWE INDIANS?



MILLE LACS BAND OF  
**OJIBWE INDIANS**



# CHAIRMAN ART GAHBOW'S VISION



# GRAND CASINO MILLE LACS & HINCKLEY



# PROFIT DISTRIBUTION

- Profits are distributed annually for the following:
  - Base Government
  - Long Term Savings
  - Economic Development
  - Housing Initiative
  - Permanent Initiative
  - Circle of Health
  - Dividends



# PAST BUSINESS PORTFOLIO



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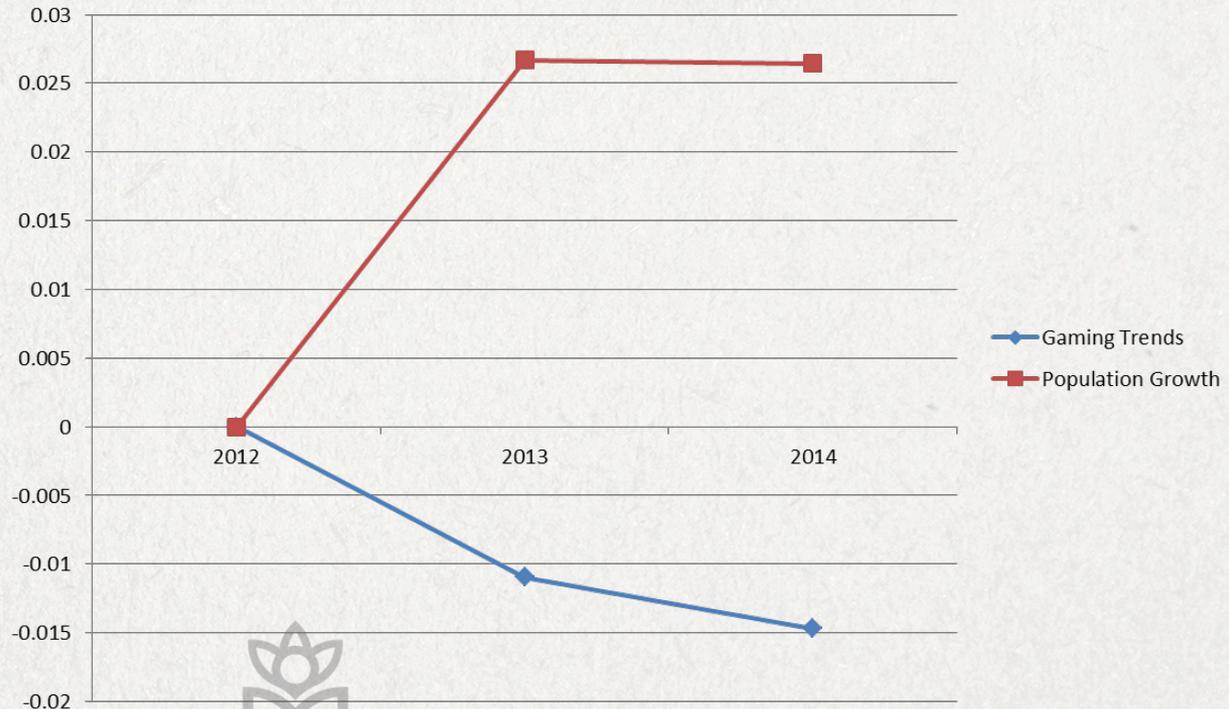


**GRAND  
MARKET**  
*Grocery*



# SITUATIONAL ANALYSIS

- Population Growth
  - Band member population is growing on average – 2.6% each year
  - This puts pressure on distribution to meet the needs of the Band
- Gaming revenues have been down in this region of the country\*
  - 2013 – 1.1% decline
  - 2014 – 1.5% decline



*\*Information provided by the Gross Gaming Revenue Report (2013, 2014) NIGC, St. Paul region.*

# SITUATIONAL ANALYSIS

## Strategy:

- Heavily job focused
- Exclusively on or near reservation approach
- Passive investment levels
- Swinging for fences
  - Undeveloped markets
  - Risky sectors
  - Sectors without expertise
- Smaller investments
- Employment:
  - License regulations the same across all businesses

## Results:

- 2012 – operating a loss in our non-gaming businesses
  - ~ \$10M in revenue
  - ~ \$300K in losses
- Limited interaction with tribe's TANF program



# CHAIRMAN ART GAHBOW'S VISION

*“Art used to say that, gaming was a tool, but not the solution. Part of Art’s vision was that we would not be dependent on gaming. He wanted us to invest gaming revenue into rebuilding our economy around many businesses.”*

- Chief Executive Melanie Benjamin



# MILLE LACS CORPORATE VENTURES MISSION

“Improve the quality of life of our tribal member shareholders and communities throughout East Central Minnesota.”



# PATHWAY FOR MLCV

## Strategy:

- Identify strengths
  - Expertise in hospitality
  - Large internal demand for certain products/services
  - Financial strength
  - Tribally owned/minority status
- Investment criteria
- Rebranded
- Built deal flow



# OUR PORTFOLIO

- Our mission is to grow:
  - Associate engagement
  - Guest/client satisfaction
  - Cash flow
- Four lines of business focus:
  - Local business
  - Gaming
  - Marketing
  - Hospitality
- Two Approaches:
  - Community Development
  - Capital Development



# COMMUNITY DEVELOPMENT APPROACH



# CAPITAL DEVELOPMENT



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HOTELS®



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SPORTING PARLOUR  
WOOD-FIRED PIZZA • PINTS



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HOTELS & RESORTS



DOUBLETREE  
BY HILTON™



# WE HAVE MORE JOBS. NOW WHAT?



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# FUNCTIONS OF THE TANF PROGRAM

1. Reduce Teen Pregnancy
2. Increase Number of Two Parent Homes
3. Keep Children in their Homes
4. Promote Work to Reach Self-Sufficiency



TANF



# BENEFITS TANF BRINGS TO MLCV

- Shared Mission
  - Work to improve quality of life of Band members
  - Long-term employment
  - Increase job pool
- Labor – Career Exploration
  - Identify interest/skills which are matched with open positions
  - Wage subsidies
- Retention
  - Accountability by maintaining client relationships
  - Assistance programs
    - Cash Assistance
    - Support Services



# EMPLOYMENT AND RETENTION

## Strategy:

- Bridge a relationship with TANF
  - Monthly strategy meetings (match makers)
  - Coordinated a job fair
  - Policy adjustments with employment contracts
- Revised the Suitability Standard
  - Identified challenges TANF clients face
  - HR/General Counsel hold panel hearing with eligible applicant
  - Recommendation to continue the employment process, sent to CEO



# PATHWAY FOR MLCV

## Economic Development Results:

- By 2015 – significant improvement
  - ~ \$54M in revenue
  - ~ \$5.7M in EBITDA
- 2016 forecast – exceed expectations
  - ~ \$86M in revenue
  - ~ \$12.1M in EBITDA

## Employment and Retention Results:

- Client placement grew by 333% since 2012
- TANF subsidies increased by 249% since 2012



**Strengthening our Tribe.**

**Benefitting the Region.**

**Thank you.**



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