
The Future of Tribal Investments and Economic Development



Aboriginal Financial Officers
Association of Saskatchewan

The Need to Diversify

Foxwoods Casino

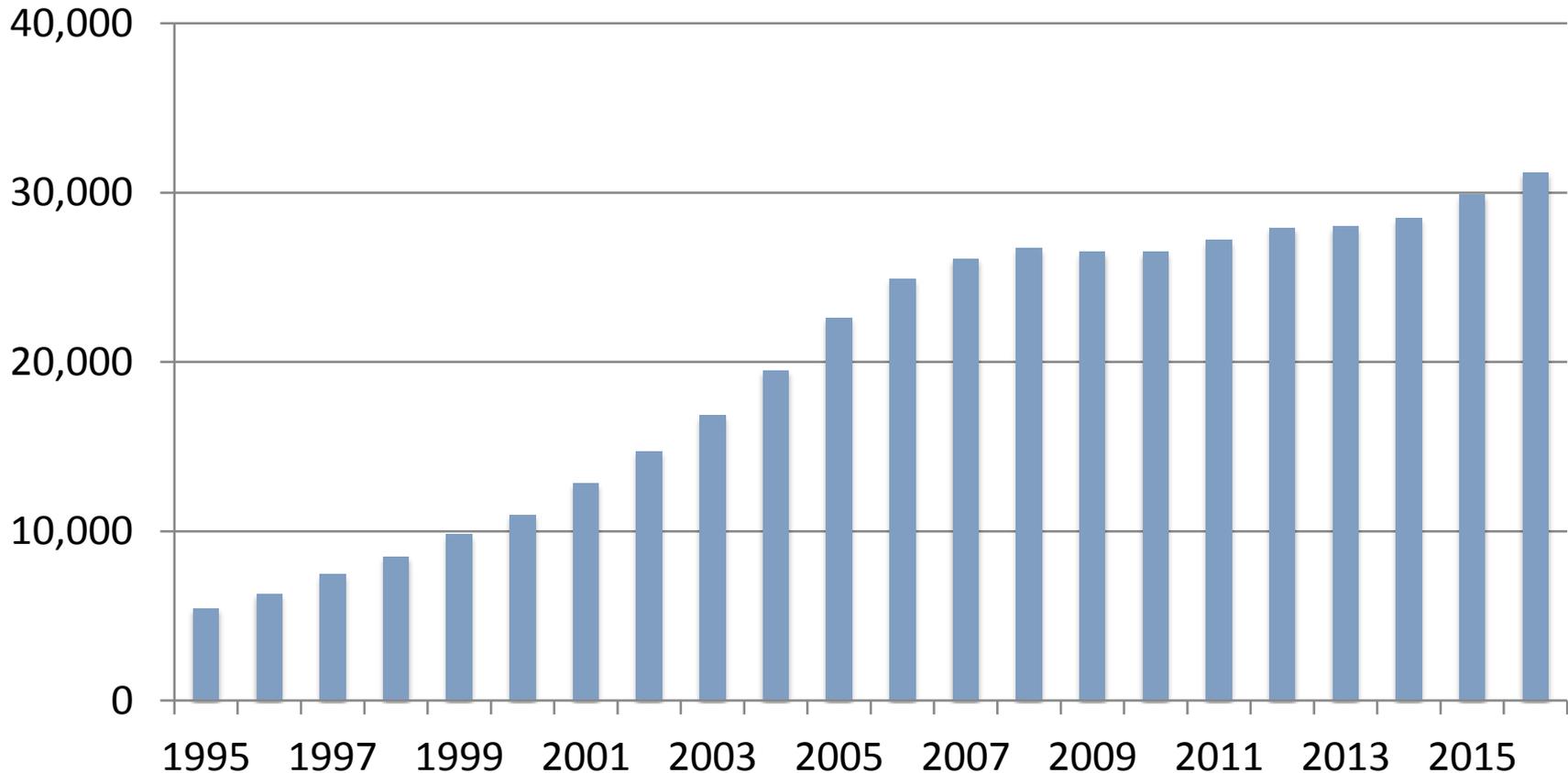
Foxwoods Resort Casino is one of the largest casinos in the world in terms of gaming space

- Resort contains over 340,000 square feet of gaming floor space, with over 380 gaming tables and 7,200 slot machines, one of the most in the world
- The casino founded in 1986, has grown into a full-scale resort with revenues of approximately \$1.2 billion in 2010 but only \$858 million in 2016
- Foxwoods carries more debt and has more bond investors than any other Tribe.
- In 2009 the debt load became untenable and the Tribe went into default



Tribal Gaming Revenues Trends

Growth in National Gaming Revenues (\$ in Millions)



Diversification Trends in Indian Country

Hard Rock Cafe

The New York Times

Seminole Welcome Hard Rock Café into the Tribe



The Seminole Tribe of Florida agreed to buy the **Hard Rock Cafe** chain of restaurants and casinos chain from the **Rank Group**, a British gambling and leisure company, for \$965 million. The 35-year-old business, which encompasses 124 cafes, six hotels and two casinos, has been up for sale since July.

In buying the franchise, the 3,300-member tribe will also acquire the world's largest collection of rock-and-roll memorabilia, including guitars owned by Jimi Hendrix, Bob Dylan and Eric Clapton, much of it lining the walls of its various restaurants. For the year through June, Hard Rock reported revenue of 133.7 million pounds (\$262.5 million) and profit before interest and taxes of 18.9 million pounds (\$37.1 million), Rank said in a statement.

The sale is expected to close in March, pending shareholder approval.



Poarch Creek Acquisition

Sands Bethlehem sold for \$1.3b to Poarch Band of Creek Indians

BY Steven Stradbroke ON March 08, 2018

TAGS: FORBES, LAS VEGAS SANDS, PENNSYLVANIA, POARCH BAND OF CREEK INDIANS, SANDS BETHLEHEM

Casino giant **Las Vegas Sands** has sold its Pennsylvania property **Sands Bethlehem** to a prominent Alabama Indian tribe.

On Thursday, Sands announced that it had reached a \$1.3b deal to sell Sands Bethlehem to **Wind Creek Hospitality**, an affiliate of the **Poarch Band of Creek Indians** of Alabama. The deal is subject to a regulatory review and other standard closing conditions.



Mohegan Sun to Break Ground on \$5 Billion

NOVEMBER 22, 2017 BY [KATIE BARLOWE](#)

Connecticut tribal gaming operator Mohegan Sun is readying to break ground on its first foreign development project. During a conference call this week, Mohegan Gaming and Entertainment CEO Mario Kontomerkos said construction on its \$5 billion integrated casino resort in South Korea will begin before the year's end.



Arctic Slope Regional Corporation

ASRC is owned by and represents the business interests of its approximately 11,000 Iñupiaq shareholders, based in Barrow, Alaska

ASRC operating companies include:



ASRC Energy Services

Oilfield services including engineering, operations, maintenance, construction, fabrication, regulatory and permitting



ASRC Federal Holding Company

Provides a wide range of professional and technical services to the federal government, including aviation, space and missile defense, base and range operations and maintenance, resource and development, engineering



Petro Star Inc.

The largest Alaskan-owned refining and fuel marketing operation in the state



ASRC Construction Holding Company

Provide industrial, building, earthwork, paving and general construction services for commercial clients throughout Alaska, specializing in remote areas



Alaska Growth Capital BIDCO

Leader in economic development finance through loans and investments in economically underserved areas of Alaska

Tribal Online Lending

TRIBALPAYDAYLOAN.COM

GET A CASH ADVANCE UP TO
\$1000.00

HASSLE-FREE FAST CASH!

Apply Now
100% Online

Instant Approval
1 Minute Application

Cash Today
Get Funds Fast

Get Cash Now!

Privacy Secured



Tribal Patent Ownership

Allergan strikes deal transferring ownership of Restasis patents to Saint Regis Mohawk Tribe

Allergan will sign over ownership of patents to the Mohawk tribe, who will then claim sovereign immunity to avoid the patent-review process

Restasis, a drug commonly used to treat chronic dry eye disease, is developed and sold by Allergan

- Next to Botox, Restasis is the Allergan's second biggest selling product, bringing in **\$336.4 million** in revenues for the company in the second quarter of 2017

Drug patents are reviewed and challenged by the Patent Trial and Appeal Board (PTAB) and federal courts

The deal is an attempt by Allergan to avoid the patent-review process overseen by the Patent Trial and Appeal Board

An overview of the deal:

- Allergan has agreed to pay the Saint Regis Mohawk Tribe in New York **\$13.75 million**
- In exchange, the tribe will claim **sovereign immunity** in order to dismiss a patent challenge
- The tribe will **lease the patents** back to Allergan and receive **\$15 million** in annual royalties for as long as the patents remain valid

The deal will provide an additional revenue stream for the Mohawk tribe



This deal could set a precedent allowing other pharmaceutical companies to follow suit

Allergan's chief executive, Brent Saunders, supported the decision claiming that it **protects the company from the "double jeopardy"** of having patent challenges come up in two venues

Opponents of the deal claim that allowing pharmaceutical companies to skirt the PTAB's regulations will make marketing generic drugs more difficult, thus **increasing the cost of medications for the public**



The Future of Tribal Investments

Sovereign Wealth Fund

Definition:

A state-owned investment fund that invests beyond its sovereign borders in stocks, bonds, real estate private equity, etc.

There are two types of funds: stabilization funds and savings funds.

- ❖ Stabilization SWFs are created to counter the boom-bust cycles' adverse effect on government spending and the national economy.
- ❖ Savings SWFs build up savings for future generations.

Strengthening the native community



Nature and Purpose of SWFs

- ❖ SWFs are typically created when governments have excess cash, and have little or no debt. Many sovereign wealth funds have been created by governments that are dependent on a single asset revenue source, such as oil and gas
- ❖ In countries where resources are the main source of income, the main reason for creating a SWF is to ensure long term financial security for the government in anticipation of the day that resources are depleted

Resource rich countries and SWFs



Sovereign Wealth Fund Rules

Governments with SWF's follow certain rules:

- ❖ Accumulation Rule- what portion of revenue can be saved/spent
- ❖ Withdrawal Rule- when the Government can withdraw from the fund
- ❖ Investment Rule- developing an asset allocation and investment criteria

Policies that govern SWFs



Tribal Sovereign Wealth Fund

Triple Bottom Line for Tribal Sovereign Wealth Funds:

- ❖ Good return for their membership
- ❖ Build economic security for future generations
- ❖ Provide capital for future economic development opportunities

Having financial resources to help the Native community



Creating Financial Security

- ❖ There is a large and growing amount of wealth in Indian Country, but it won't happen unless Tribes make a concerted effort to build funds
- ❖ Politically unpopular decisions for the good of the community need to be made
 - ❖ **10% or more of revenues from gaming and/or resources into a long-term investment fund with very limited access to the principal of the fund**

Tough decisions made for the betterment of the community

