

# THE BOND BUYER

## Washington state tribe uses bond proceeds for expansion projects

By

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A small Native American tribe located near Spokane, Washington, has closed a \$53.5 million bond deal that will allow it to pursue several capital improvement projects on reservation land.

The Kalispel Tribe of Indians will use the bonds to build new roads, offices for the tribal police department and upgrades to its sewer system, according to KeyBanc Capital Markets, which served as the initial purchaser of the bonds in May.

Proceeds from the bonds will also be used to refund a 2008 bond issue and finance the tribe's economic development projects that include two new RV parks.

Orrick, Herrington and Sutcliffe was the bond counsel.

The business ventures are the latest by the tribe which opened its first casino in 2000.

The 470-member tribe has an 11-square-mile reservation established in 1914, located 55 miles north of Spokane, according to the Kalispel Tribe website.

Once one of the poorest tribes in the country, it has become one of the region's biggest employers creating around 2,000 jobs since it opened its casino as well as a resort hotel, convenience store and gas station, the tribe stated.

"They've been very successful with their resort and casino," said Geoff Urbina, managing director at KeyBanc. "It's certainly been a benefit to the community."

Though the Kalispel tribe has used bond financing before for capital projects, Urbina said the latest issuance reflects a trend in which the high-yield market is more attractive than bank loans.

"There's been quite a bit of entry, not just by native tribes," he said. "We're seeing a lot of trending issuance in the high-yield space."

Resources from gaming have allowed the tribe to put money into improvement projects on the reservation and pursue other economic development ventures, Urbina said.

The tribe has begun construction of a \$20 million, 40,000-square-foot expansion of its Northern Quest Resort & Casino, a high-end RV resort, a movie theater and a 216-unit apartment complex, according to a news release from the tribe. It is also building a new \$10.5 million casino on 60 acres that will include a gas station, market, RV resort and storage unit business.

“The Kalispel people have long envisioned expanding their economic footprint in the Pend Oreille Valley,” the tribe said on its website.