



# CDFA Tribal Finance Webinar Series

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**Tribal Community-Driven Economic  
Development Solutions**

# Tribal Community-Driven Economic Development Solutions



## Brendan Barry

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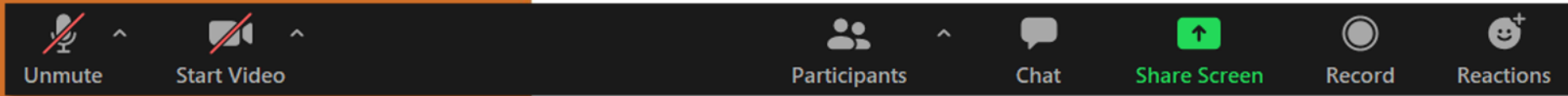
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# Tribal Community-Driven Economic Development Solutions

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## Shannon Ward

Senior Vice President  
Native American Bank

## Zechariah Harjo

Deputy Secretary of the Nation and Commerce  
Muscogee (Creek) Nation

## Tom Durkee

Business Development Manager  
Michigan Economic Development Corporation

# Tribal Community-Driven Economic Development Solutions



**Shannon Ward**

Senior Vice President  
Native American Bank



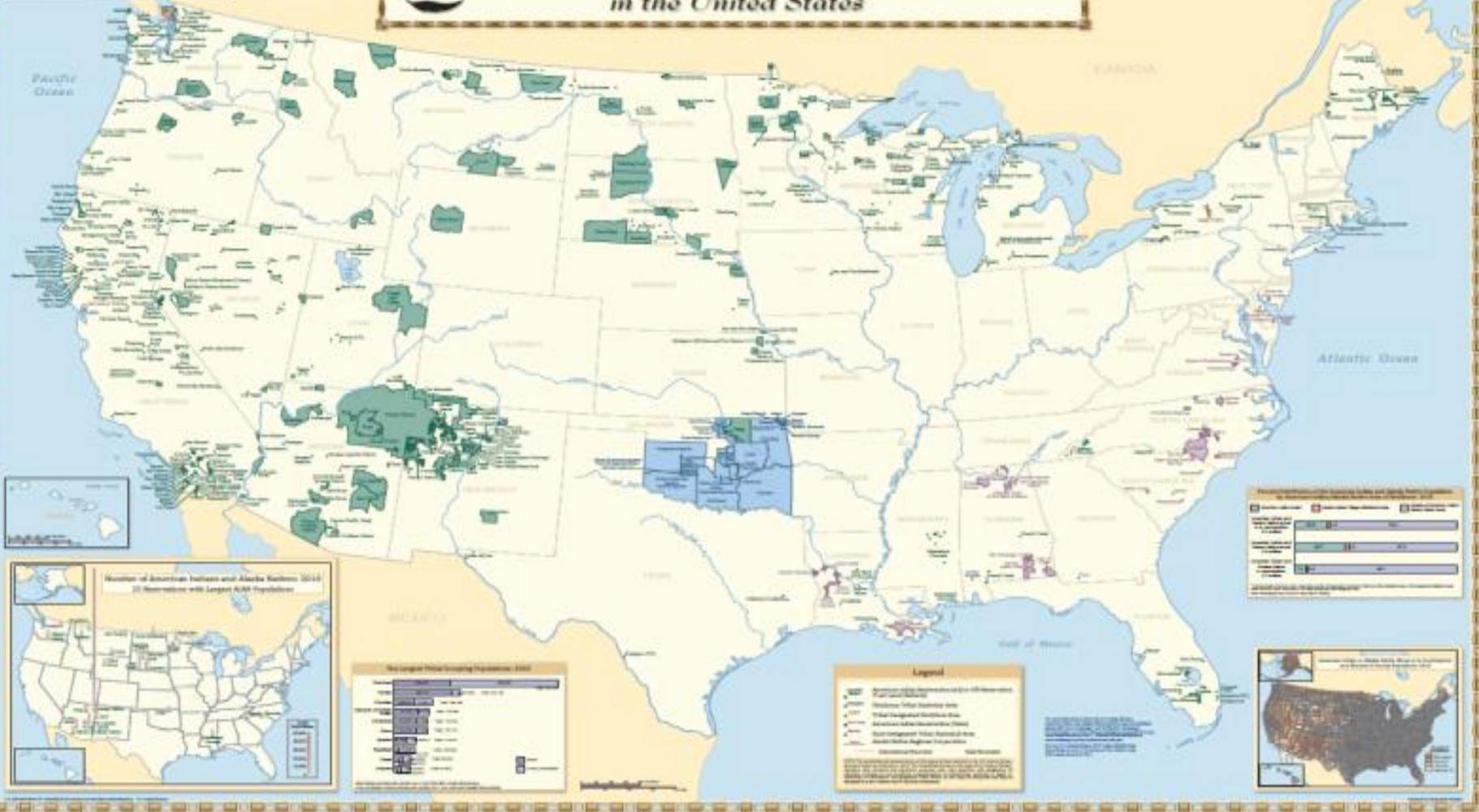
# Tribal Community Driven Economic Development Solutions

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# American Indians and Alaska Natives in the United States



# 2020 Indian Country Demographics

- 9.7 million Native Americans and Alaska Natives
  - Up from 5.2 million in 2010
- 574 tribes
- 326 reservations
- 29,989 native owned firms
- Native American's serve in the armed forces at a larger rate per capita than any other ethnic group (Smithsonian National Museum of the American Indian)

# Indian Country Demographics

- Native Americans have the lowest employment rate of any racial or ethnic group in the U.S. (2018 Bureau of Labor Statistics)
- Single-race American Indians and Alaska Native people have the highest percentage in poverty of any racial group (2017 American Community Surveys)
- 40% of homes on reservations are substandard and nearly one-third are overcrowded (National American Indian Housing Council)
- Four of the five poorest counties in the U.S. are on reservations
- The Pine Ridge Reservation:
  - Unemployment rate: approx. 90%
  - People living in poverty: approx. 97%
  - Drop out rate: approx. 70%
  - Teen suicide: approx. 150% higher than the national average

# The Problem: Banks Have Historically **Red-lined**

- ▶ Don't understand tribal trust land
- ▶ Don't understand tribal jurisdiction
- ▶ Don't understand sovereignty
- ▶ Don't understand tribal government financial capacity.

**This is why Native American Bank exists!**

# Background

- ▶ In 2001, twenty Tribal Nations and Alaskan Native Corporations set out with a dream, “To create a national bank to serve all Native people, communities, governments and enterprises across the country” and established Native American Bank, N.A. (NAB).
- ▶ NAB recognizes that among the many issues facing Native Americans, the absence of access to financial capital and services has been a significant impediment towards the realization of self-sufficiency and financial freedom across Indian Country





## **VISION**

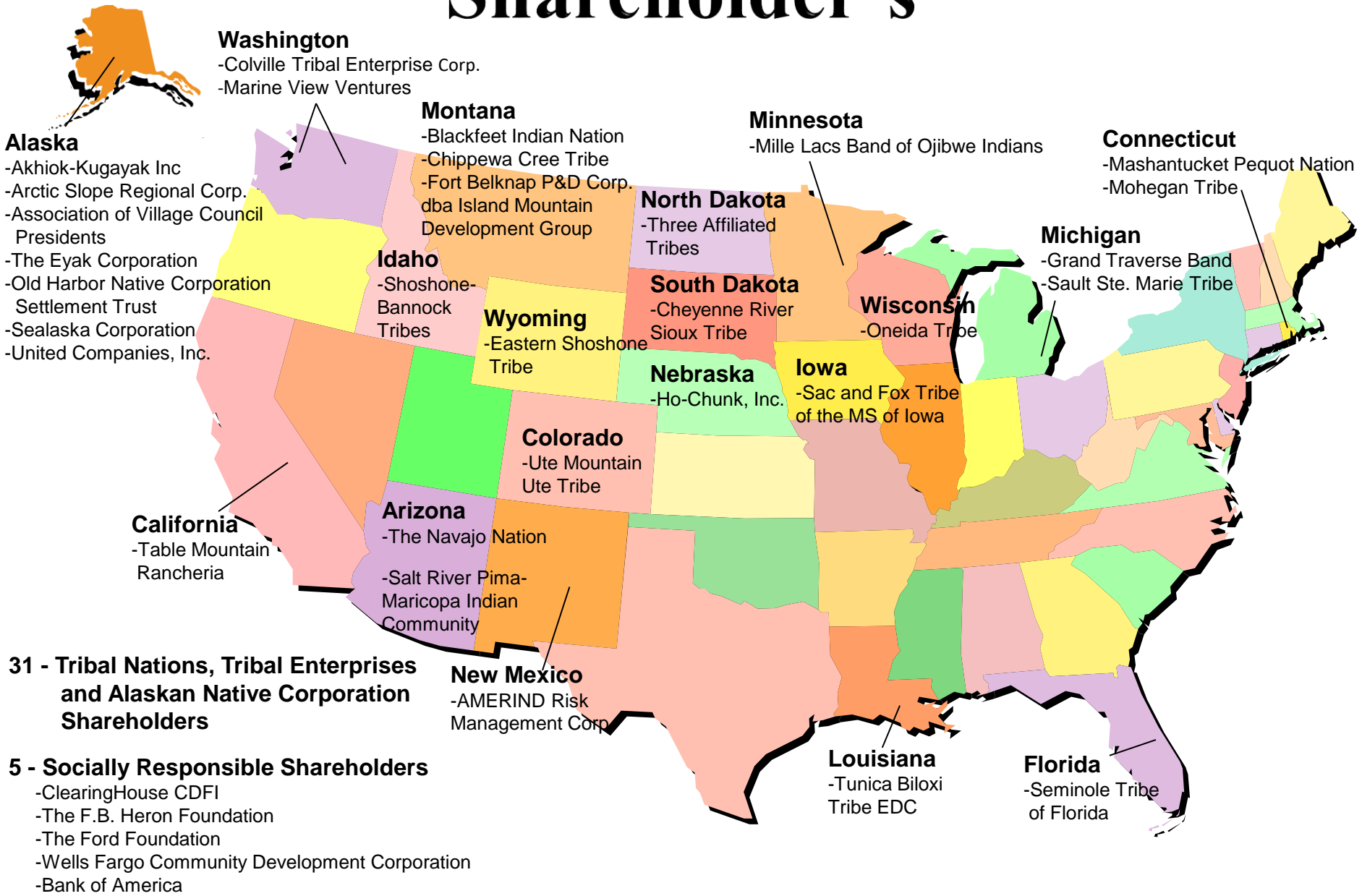
THE trusted Native owned nationwide bank meeting the financial needs of you, your family, your business, your nation.

## **MISSION**

Through collaboration, provide access to financial services for Alaska Native and Native American communities creating economic independence, development and sustainability.

*Banking with Impact*

# Shareholder's



**31 - Tribal Nations, Tribal Enterprises and Alaskan Native Corporation Shareholders**

**5 - Socially Responsible Shareholders**

- ClearingHouse CDFI
- The F.B. Heron Foundation
- The Ford Foundation
- Wells Fargo Community Development Corporation
- Bank of America

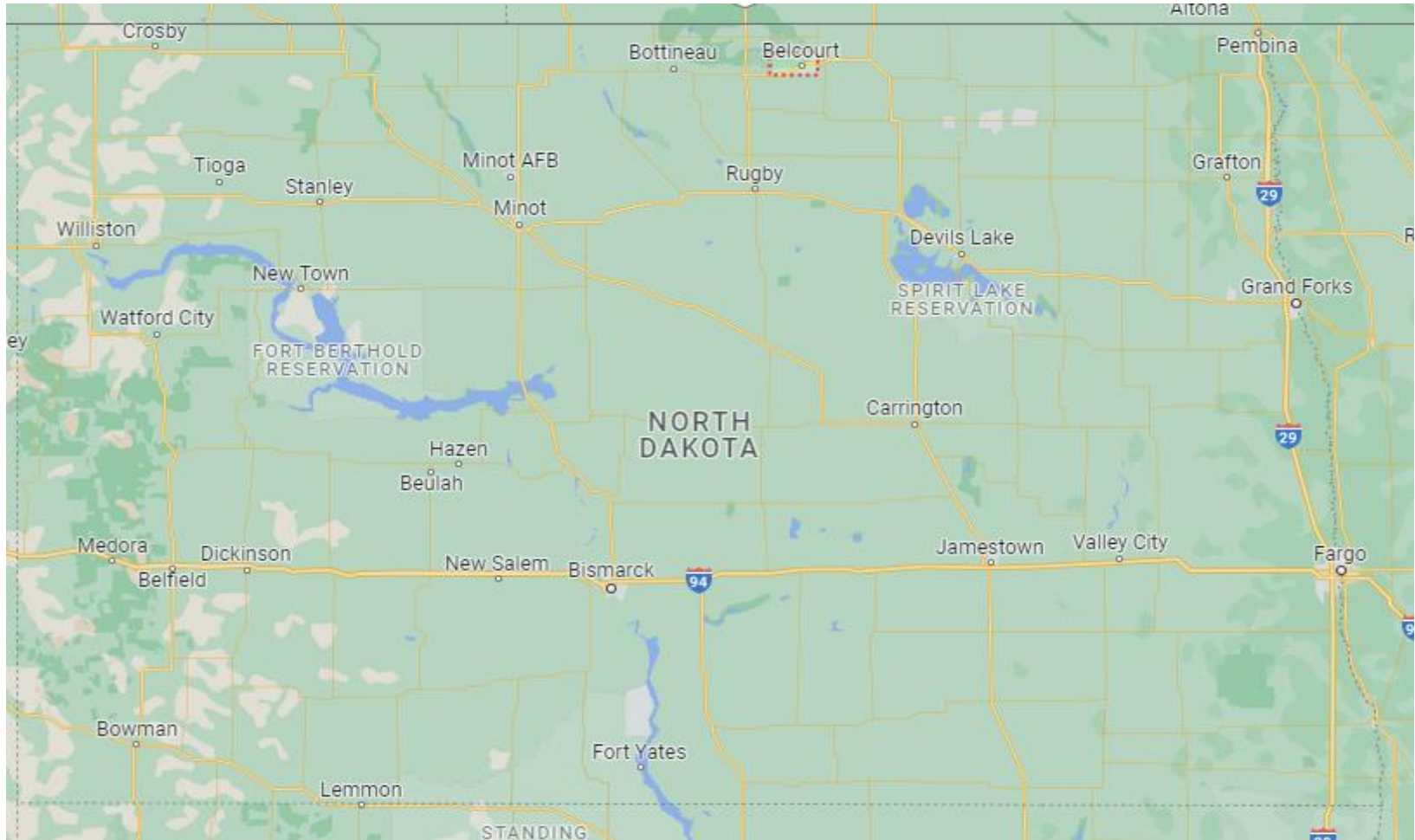
# Loan Activity by State



\*Values as of December 31, 2021



# Turtle Mountain Band of Chippewa Indians



# Turtle Mountain Band of Chippewa Indians

- ▶ Approx 30,100 enrolled tribal members
- ▶ 5,815 reside on the main reservation with another 2,516 residing on off-reservation trust land
- ▶ As many as 750 enrolled members required substance use treatment in 2019. (9%)
- ▶ Tribe had established 5<sup>th</sup> Generation to provide outpatient services
- ▶ Treated 137 patients in 2019

# Turtle Mountain Band of Chippewa Indians

- ▶ Nationally certified, culturally based treatment
- ▶ Formed a new, non-profit organization called Turtle Mountain Recovery Center
- ▶ Behavioral Healthcare Facility
- ▶ New building will be over 20,000 sq ft
- ▶ Center campus will include recovery residences
- ▶ Equine therapy, confidence course, outdoor classrooms, sweat lodges and dance arena

# Turtle Mountain Recovery Center

- ▶ Total project costs – over \$16 million
- ▶ Tribe committed \$5.7 million in equity, including ARPA funds
- ▶ Two CDE's committed a total of \$18 million in NMTC allocation
- ▶ Generated \$4.54 million in net benefit from the sale of the tax credits
- ▶ Native American Bank provided a source loan of \$10 million
- ▶ Groundbreaking was in Nov 2022, with an expected two-year construction timeline

# Turtle Mountain Recovery Center

- ▶ Established Turtle Mountain Recovery Center Land Holding Company (non-profit)
- ▶ This entity is an eligible borrower under the USDA's Community Facilities Loan Guaranty program.
- ▶ The Recovery Center is the operator, leasing the facility and pays rent to the holding company.

# USDA Loan Guaranty/NMTC Structure

- ▶ NAB loan proceeds and the borrower's equity originated the leverage loan to the single purpose investment fund to combine with tax credit equity.
- ▶ A single principal advance at closing that flowed to the QALICB.
- ▶ QALICB is a state chartered non-profit – Turtle Mountain Recovery Center Foundation
- ▶ Upfront long term lease payment similar to the economics of a building sale.

# USDA Loan Guaranty/NMTC Structure

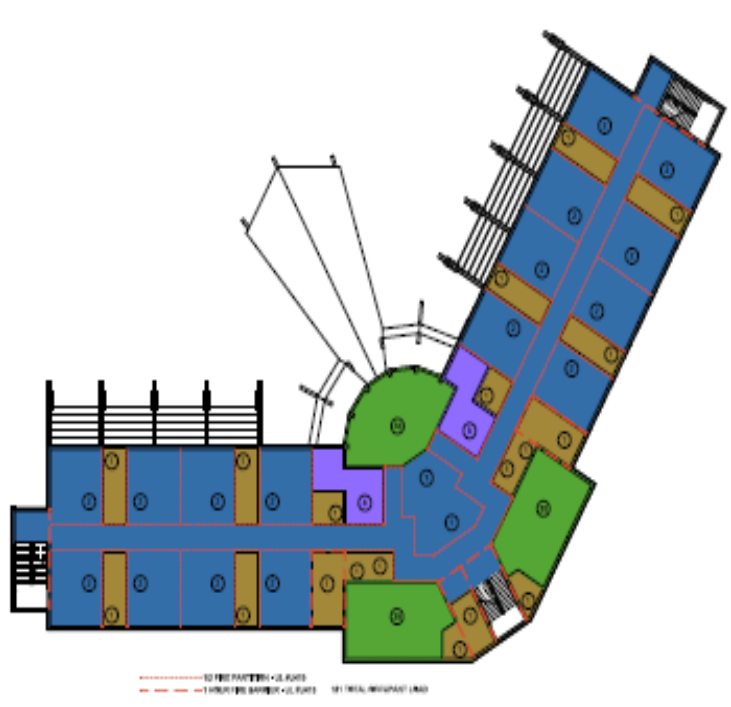
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# Turtle Mountain Recovery Center





# Turtle Mountain Recovery Center



**SECOND FLOOR CODE PLAN**  
1/16" = 1'0"

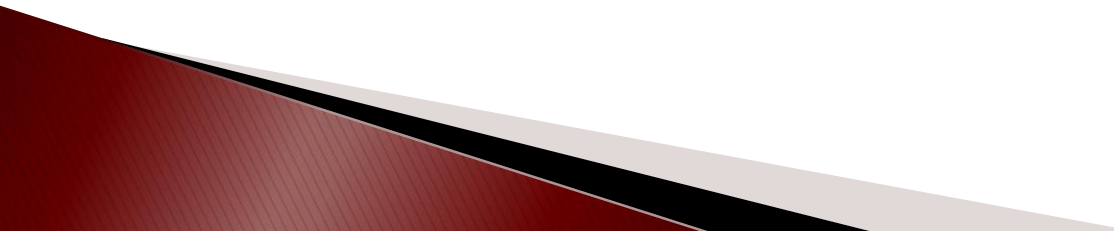


**MAIN FLOOR CODE PLAN**  
1/16" = 1'0"

# Turtle Mountain Recovery Center



# Additional Outcomes

- ▶ Native American Bank is currently working with three other borrowers on projects involving health clinics or behavioral health treatment.
  - ▶ NAB efforts have been highlighted by Kamala Harris and Janet Yellen in two different forums.
  - ▶ NAB is a CDE with a NMTC allocation application
- 



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# Red Lake Grocery Store Replacement

- Red Lake Band of Chippewa Indians
- Trading post includes a grocery store, dollar store, deli, convenient store, fuel center, bakery, and a Subway®
- Development created 45 construction jobs, 20 new jobs, and retained 30 jobs



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**NATIVE**  
AMERICAN BANK

# Project Investment



**Red Lake Trading Post Project**

**\$10,000,000 NMTC Allocation**

**\$6,542,000 Senior Debt**



**Co-Lender**



**Guarantor**



**Lead Lender**



**CDE Allocatee**



**NMTC Investor**





## Blackfeet Housing Authority (BHA)

- Located on the Blackfeet Reservation in Browning, Montana
- Built 40 homes for tribal members
- Rents-to-own until families qualify to have their home transferred
- Provided the construction

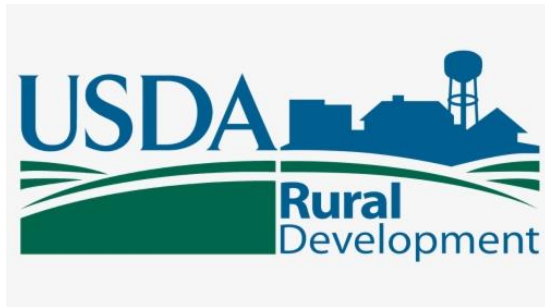


## Who We Are

- **Native American Bank is certified as a:**
  - Community Development Entity (CDE)
  - Community Development Financial Institution (CDFI)
  - Minority Owned Depository Institution (MDI)
- **Native Control & Leadership**
  - 50% of Staff & 71% of Board is Indigenous
  - Representing tribes from around the country

*Banking for Impact*

# Use of Federal Agency Programs



U.S. Small Business  
Administration





# Understanding the Landscape

- ▶ Inflation Reduction Act
- ▶ State Small Business Credit Initiative
- ▶ Tribal Infrastructure Needs
- ▶ Prepare for pre-COVID federal funding levels
- ▶ Broad economic impacts
- ▶ Individual tribal priorities
- ▶ Relationship with state and local governments
- ▶ Other sources of revenue/funding



# Representative Pipeline

Construction of an in-patient, behavioral health facility in Oklahoma

• \$10 Million

Tribal Elder Care Facility, Montana

• \$11 Million

Construction of a tribal enterprise owned office building, New Mexico

• \$3.6 Million

Working capital line of credit to small business owner

• \$500,000



*Thank You!*

Shannon Ward, Chief Lending Officer  
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[www.nativeamericanbank.com](http://www.nativeamericanbank.com)

*Share the Mission*

# Tribal Community-Driven Economic Development Solutions



**Tom Durkee**

Business Development Manager  
Michigan Economic Development Corporation



**MICHIGAN ECONOMIC**  
DEVELOPMENT CORPORATION

# Michigan Economic Development Corporation

## Tribal Business Development

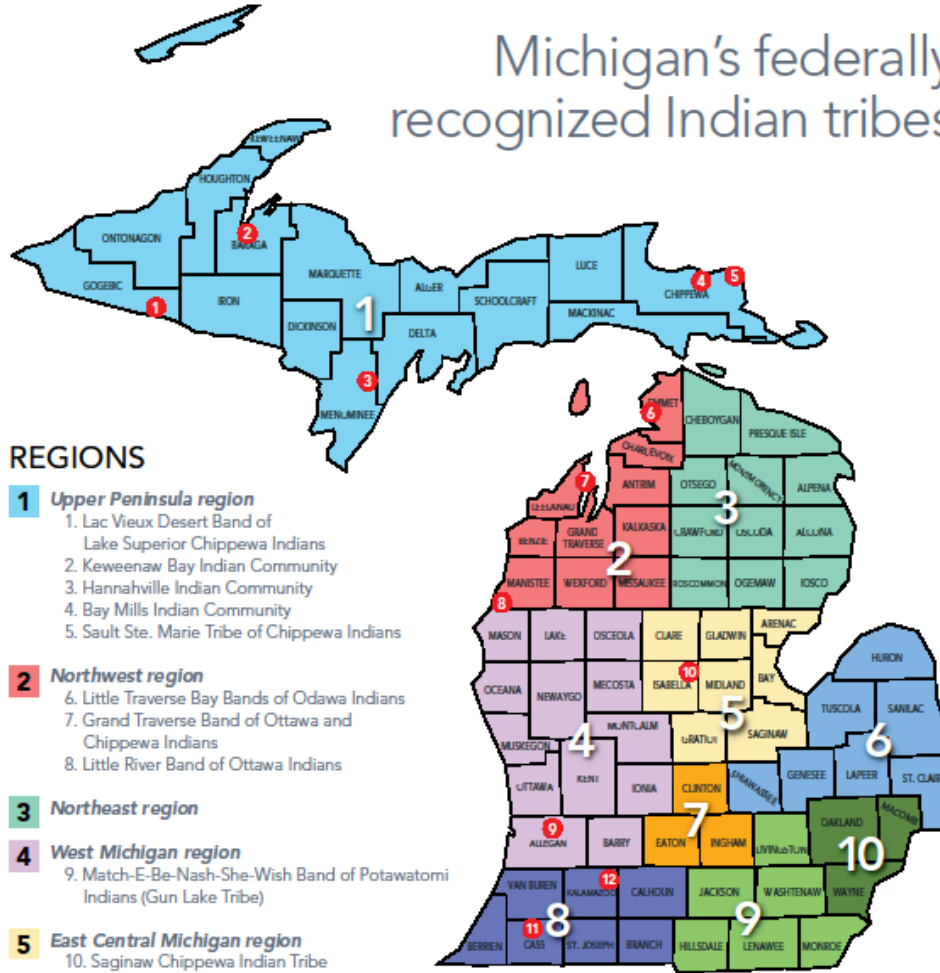
### Program Summary – March 2023

Tom Durkee, Director, Tribal Business Develop

# The 12 Federally Recognized Tribes of Michigan

- Bay Mills Indian Community (Bay Mills)
- Grand Traverse Band of Ottawa and Chippewa Indians (GTB)
- Gun Lake Tribe (Match-E-Be-Nash-She-Wish Band of Potawatomi Indians)
- Hannahville Potawatomi Indian Community (Hannahville)
- Keweenaw Bay Indian Community (KBIC)
- Lac Vieux Desert Band of Lake Superior Chippewa Indians (Lac Vieux Desert or LVD)
- Little River Band of Ottawa Indians (Little River or LRBOI)
- Little Traverse Bay Bands of Odawa Indians (LTBB)
- Nottawaseppi Huron Band of Potawatomi Indians (The Nottawaseppi)
- Pokagon Band of Potawatomi Indians (The Pokagons)
- Saginaw Chippewa Indian Tribe (Sag Chipps)
- Sault Ste. Marie Tribe of Chippewa Indians (The Sault Tribe)

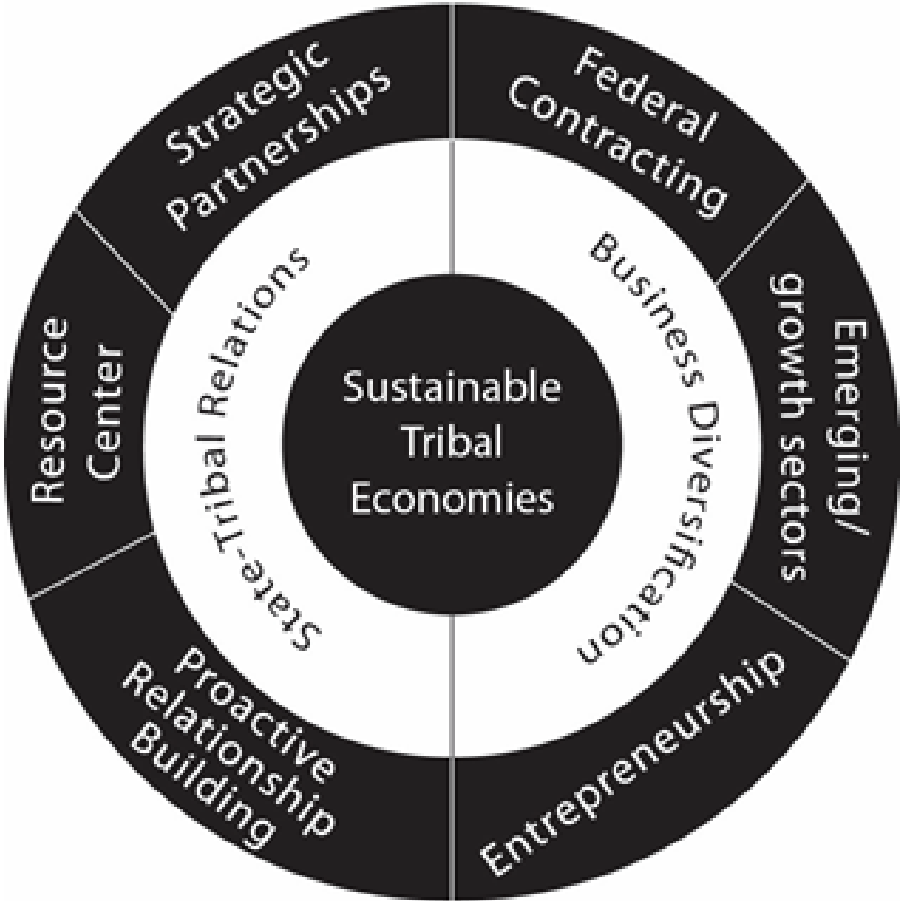
# Michigan's federally recognized Indian tribes



## REGIONS

- 1 Upper Peninsula region**
  - 1. Lac Vieux Desert Band of Lake Superior Chippewa Indians
  - 2. Keweenaw Bay Indian Community
  - 3. Hannahville Indian Community
  - 4. Bay Mills Indian Community
  - 5. Sault Ste. Marie Tribe of Chippewa Indians
- 2 Northwest region**
  - 6. Little Traverse Bay Bands of Odawa Indians
  - 7. Grand Traverse Band of Ottawa and Chippewa Indians
  - 8. Little River Band of Ottawa Indians
- 3 Northeast region**
- 4 West Michigan region**
  - 9. Match-E-Be-Nash-She-Wish Band of Potawatomi Indians (Gun Lake Tribe)
- 5 East Central Michigan region**
  - 10. Saginaw Chippewa Indian Tribe
- 6 East Michigan region**
- 7 South Central region**
- 8 Southwest region**
  - 11. Pokagon Band of Potawatomi Indians
  - 12. Nottawaseppi Huron Band of Potawatomi Indians
- 9 Southeast Michigan region**
- 10 Detroit Metro region**

# MEDC Tribal Business Development Strategic Plan





# The Role of MEDDC Staff

- Business Development – manufacturing, business services, food or material processing
- Community Development – downtown projects, property redevelopment
- Grant implementation, Reviews, Payments and Monitoring & Reporting like a Grant Specialist
- Government Relations Liaison Focused on Economic Development
- Regular meetings or contacts
  - United Tribes of Michigan – Quarterly Meeting presentations
  - Monthly State / Tribal Conference calls hosted by GOV Office
  - Working with other State and Federal agencies on Tribal projects – MDOT, EGLE, DNR, MDARD, USDA, EDA, SBA

# The Role of MEDDC Staff

- Event planning and sponsorships
  - Workshops and Conferences – Annual Economic Forum and others
  - Annual Tribal Liaison Meeting – State Departments and Tribes
  - Annual Tribal Summit Meeting – Government to Government
  - United Tribes of Michigan
  - LPGA Golf events – hosted by tribes

# Examples of Tribal Projects

## **Studies and Pilots**

- Regional Economic Development Asset Study
- Federal Government Contracting Framework
- Aquaculture Study
- Solar Energy – Various Tribes
- Mixed Use Development – downtown land use study
- Recreational land study
- Multi-Tribe economic impact study – 9 Tribes

## **Technical Assistance**

- EDC Development and Organization
- Financial Modeling
- SBA 8(a) Certification – several tribes
- Unmanned underwater systems

# Examples of Tribal Projects

## **Business Development**

- Composite Material manufacturing and an apprenticeship training through a tribal community college.
- Plastic Mold company and A&E firm
- Solar Company
- Commercial Fishing Docks
- Manufacturing – several tribes – some defense contracting

## **Community Development**

- Property Redevelopment
  - Commercial building renovation – 2 phases
  - 22 acre \$26M commercial development former casino site
- Non-Motorized Trail development
- Regional Sewer project
- Farmers Market

# How it Works

- \$1.3M Budget currently for all Tribal Projects
- Only work with Tribally owned businesses or initiatives and interests. Not Tribal members. MEDC refers members to other resources – SBDC, ,PTAC, Michigan Works, etc.
- 2 - 3 visits annually with the Tribes – at least once on their Reservation. Often with Leadership and/or Economic Development staff. Proactive outreach.
- Project meetings as needed mostly on-site – both Proactive and Reactive.
- Recognize each Tribe has its own goals and mission: Job creation for members, new revenue sources, Reservation based, investment anywhere that makes sense.

## Points to Consider

- Tribes are operating Economic Development Corporations – more are arms length from Government
- Tribes present in varied roles related to projects – Community, Investor, Developer, Local Partner
- MEDC Tribal grants most common for: M&E, workforce training, infrastructure, site improvements, renovation and rehab, engineering and design work, planning and studies
- All Tribal Reservations are rural – most projects will occur within or near their Reservations
- Tribes are often one of the largest employers in a local region especially in the U.P.
  - Hotels / Restaurants
  - Casinos
  - Social Services
  - Health Services
  - Police & Safety
  - Roads and Public Works

# The Way Forward

More focus on Regional Economic Development.

- Engaging Tribes more with local and regional resources.
- Invite tribes to the table for any regional project.
- Travel Michigan / Pure Michigan regional tourism campaigns

Some examples of tribal involvement:

- Tribal representation on Economic Development Boards.
- Connecting tribes with regional economic development organizations (EDO's)
- A tribe is lead for a mobile FAB LAB CNC training program.

Working across State and Federal agencies to stay in communication and looks for engagement opportunities.



**MICHIGAN ECONOMIC**  
DEVELOPMENT CORPORATION

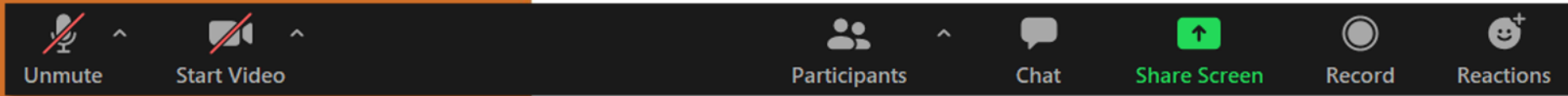
# THANK YOU

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# Audience Questions



Submit your questions by  
using the chat function!

# CDFA Community Facilities Technical Assistance Program for Tribal Communities



## 4 Core Components

### **Direct Technical Assistance**

One-on-one in-person technical assistance to tribal communities from a dedicated team of development finance experts, supported by CohnReznick.

### **Tribal Communities Project Marketplace**

A virtual networking platform with a dedicated space for tribal communities to connect with potential financing partners, discuss best practices, and collaborate to address economic problems.

### **Tribal Finance Resource Center**

A searchable online tool with information about tribal finance programs, resources, and best practices from communities.

### **Tribal Financing Webinar Series**

A four-part online offering that explores the tools and approaches available to uplift native communities.



# Direct Technical Assistance Eligibility

Have a question about  
eligibility?

Contact us at  
[bbarry@cdfa.net](mailto:bbarry@cdfa.net)

## Eligible Borrowers

- Public Bodies
- Community-based non-profit corporations
- Federally-recognized Tribes

## Eligible Areas

Rural areas with no more than 20,000 residents (according to U.S. Census Data).

## Funding Priorities

- Small communities with population of 5,500 or less.
- Low-income communities (median household below 80% of the state nonmetropolitan median household income).

## What is a community facility?

- Healthcare facilities
- Public facilities
- Community support services
- Public safety services
- Educational services
- Utility services
- Local food systems



## Upcoming Events at CDFA

### CDFA TRAINING INSTITUTE

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### CDFA // BNY Mellon Development Finance Webcast Series: Exploring 501c3 Bond Finance for Nonprofit Organizations

Tuesday, March 21, 2023 / 2:00 PM - 3:00 PM Eastern

### CDFA-TEDC Webinar: Texas Access to Capital Update

Wednesday, March 22, 2023 / 10:30 AM - 12:00 PM Eastern

### 2023 CDFA Federal Policy Conference

Tuesday & Wednesday, April 11-12, 2023 / Washington, DC

# Contact Us



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