



TFA Spring Conference Roundup

By Braxton Sato

April was a busy month for conferences for the Native American finance and casino business. TFA and our affiliates covered the Native American Finance Officers Association (NAFOA) conference in Seattle, the International Casinos Exhibition (ICE) in London, and the National Indian Gaming Association's (NIGA) annual trade show in Anaheim. It was wonderful seeing so many of you there in person, the atmosphere felt much more like pre-COVID conferences (some would say "normal"). For those who couldn't attend – in this month's newsletter we offer highlights of trends and topics on the minds of industry leaders.

Off-reservation Gaming

Most interesting to us were the discussions being had surrounding the acquisition and development of off-reservation gaming assets – highlighting recent successes including:

- The Palms in Las Vegas just reopened on April 27 after the **San Manuel Band** purchased it from Red Rock Resorts for \$650 million last year.
- The Laguna Pueblo (**Laguna Development Corporation**) acquired the Ellis Park Racetrack in June 2019, and are now benefiting from a recent change in Kentucky law allowing them to develop a new "satellite" location in Owensboro, Kentucky's 4th largest city.
- The **Eastern Band of Cherokee Indians** acquisition of the operating business of Caesars Southern Indiana – a model for future diversification using REIT financing. They are also partnering with Caesars on a greenfield development in Virginia.
- The **Poarch Band of Creek Indians** are continuing to look at

IN THE NEWS

EPA Arizona Smashes Handle Record as Wagers Reach \$563.7m in January
4/11/22 – [igamingbusiness.com](https://www.igamingbusiness.com)

Legislative Leaders Finally Agree to Tribes' Request to Take a Big Look at Gambling in Oregon
4/18/22 – [wweek.com](https://www.wweek.com)

California Tribes Gain Support For Sports Betting Referendum That Leaves Out Mobile Wagering
4/18/22 – [gamingtoday.com](https://www.gamingtoday.com)

State Small Business Credit Initiative (SSBCI) Program Application Deadlines Extended for Tribal Governments
4/21/22 – [treasury.gov](https://www.treasury.gov)

IGA Tradeshow attracts 6,500, highest outside of two past Las Vegas conferences
4/22/22 – [cdcgamingreports.com](https://www.cdcgamingreports.com)

Small tribe takes giant leap for Indian gaming
4/28/22 – [indiancountrytoday.com](https://www.indiancountrytoday.com)

Washington Tribes win this change in sports betting lawsuit. Here's how
4/29/22 – [thenewtribune.com](https://www.thenewtribune.com)

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acquisitions and developments beyond their blockbuster purchase of Sands Bethlehem, domestically (Chicago, Nevada, Pensacola) and internationally (Curacao, Aruba).

Looking forward, we summarize a couple take-aways for our tribal clients:

- REITs and OpCo / PropCo arrangements are pushing up acquisition multiples and asset prices across the board – lowering the relative return on investment compared to greenfield developments and management agreements.
- Essential to securing these opportunities is the ability to act quickly. Having a strategy and infrastructure in place to quickly evaluate and approve opportunities without getting bogged down in politics is essential to securing these deals before the competition.
- Having the right internal and external team to build the pipeline and evaluate what comes through it is crucial to a tribe's off-reservation growth strategy.

Sports Betting and iGaming

Sports betting was a big topic at all of the conferences. The trade show floor at NIGA featured more sports book displays, seating and kiosks than in prior years. Conference attendees discussed the various leg-

islative and litigative efforts at the state level and their impact on Tribal gaming operations. The situation in California with three competing ballot measures is the most watched scenario, with the state's potential to be the largest sports betting market in the country. The legal challenge to the Seminole Tribe's sports betting operations in Florida is also of interest, as the outcome will likely have ramifications on future Tribal-state agreements.

In parallel to the legal efforts, Tribes are navigating the business and economics of sports betting partners, or the option of going it alone. Many Tribes are still in information gathering mode – trying to figure out the differences between the different types of sports betting providers, how to appropriately run an RFP process and comparing partnership structures. For some, the real "prize" is full mobile sports betting and iGaming, with some Tribes opting to lobby against these elements to keep the operations in their retail (brick and mortar) domain.

Leveraging Federal Dollars

Outside of Indian Gaming, there was a lot of conversation surrounding the recent unprecedented, some saying "once in a lifetime," federal stimulus into Indian Country. Between CARES Act, American Rescue Plan, Fiscal Recovery Funds, State Small Business Credit Initiative and

the upcoming Infrastructure bill, billions of dollars have been distributed to Tribes to offset the effects of the pandemic. However, navigating this "word salad" of federal programs can be daunting even for Tribes with robust government affairs operations. We are seeing a lot of "decision paralysis" related to these federal funds. With more choices to evaluate, decisions become more difficult. In addition to having to decide on what to spend this money on, there is the additional stress of ongoing compliance requirements for each program.

An example of this decision paralysis can be seen in the State Small Business Credit Initiative – a program within ARPA designed to put money in the hands of Tribes to kickstart small businesses in their economies via venture capital, loan guarantees, and loan participations. The application deadline was extended YET AGAIN to September 1, 2022, driven by a lack of applications from Tribes. This is a program for which we believe all Tribes should apply, but many have not. Please contact us if you would like to discuss potential examples of how your Tribe could leverage SSBCI or other types of funds for economic development.

We look forward to seeing everyone again at the upcoming RES, WIGA and OIGA conferences this summer.

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