



TFA Monthly Newsletter

May 2019

IN THE NEWS

Whoa! That was a lot of Conferences! Key takeaways from RES, NIGA and NAFOA

By William Crader, CFA

Over the past several weeks, the team from TFA has joined leaders throughout Indian Country in attending three key conferences: the Reservation Economic Summit (“RES”) in Las Vegas, NIGA’s Indian Gaming Tradeshow & Convention in San Diego, and NAFOA in Portland. TFA earnestly supports each of these host organizations with either a sponsorship or associate membership. Each of these events offers an effective way to network, attend topical panels and hold strategic meetings with clients, but, just as important, offers a glimpse into what economic opportunities lie ahead for Indian Country.

RES 2019. RES has always been focused on fostering and developing economic diversification within Indian Country, but as the gaming industry has reached maturity, this theme has gained increasing importance within tribal governments. This year, some of the key discussions focused on the [Opportunity Zone Program](#), private equity investing, structuring economic development corporations and two particular industries that offer significant opportunity

to tribes: cannabis and energy. There also continues to be extensive interest in forming 8(a) ventures with many exhibitors and conference attendees networking to discuss partnerships and potential financing solutions to grow their businesses. We continue to believe RES is a must-attend conference for those seeking to grow economic development opportunities for their tribe.

Opportunity Zone funding potentially offers tribes an alternative form of investment for projects on tribal land. That said, while several entities have raised investment funds since the program’s introduction in 2017, it remains to be seen how these funds will be deployed in Indian Country. This potential hurdle harkens back to the inception of Tribal Economic Development Bonds (TEDBs), in which allocations were awarded, but no framework had been developed to connect the capital markets to allocation recipients. Continuing to dialogue about this topic will help to identify potential projects and match them up with the appropriate group of investors

First Time For Indian Country – Tribes Join Together As Limited Partners To Provide Equity For Off-Reservation Hotel Development Fund

4/4/19 – [GlobeNewswire.com](#)

NIGA 2019 Tradeshow And Convention Concludes With Tribal Sovereignty In The 21st Century: Tribal Leaders On The Front Line

4/4/19 – [IndianGaming.org](#)

Cherokee Nation Helps Break Ground On Hotel Next To New Gaming Facility

4/9/19 – [Indiansz.com](#)

California Countdown

4/21/19 – [GGBMagazine.com](#)

Indian Country Can Help Solve Rural America’s Decline

4/22/19 – [HCN.com](#)

Native Businesses Prioritize Environmental Protection Beyond Earth Day

4/22/19 – [NativeBusinessMag.com](#)

Entrepreneurship On The Wind River Reservation Receives \$450k Injection From University Of Wyoming

4/23/19 – [NativeBusinessMag.com](#)

(continued from page 1)

looking to defer their tax liability on capital gains.

Indian Gaming Tradeshow & Convention. As always, an important gathering to discuss all things tribal gaming, from the latest gaming devices to innovations in food and beverage. Aside from the standard financial market update sessions, we took particular interest in what was being discussed with respect to expanding and enhancing existing gaming operations. The gaming market is mature and, in many cases, saturated. What are operators doing to make their properties stand out? And what are they doing to attract increased visitation, whether with existing players or, more importantly attracting new players onto the casino floor? Our chairman, Kristi Jackson, moderated a very interesting panel on the value of branding, which we often debate about internally. Whichever side of the debate you fall on, it's clear Indian Country is wrestling with how to deliver a more compelling gaming/entertainment experience to maintain and hopefully grow its casino businesses.

NAFOA. Hats off to the organizers of NAFOA. From our perspective, this was one of the best attended NAFOA conferences in recent years. What really stood out was the active participation in each panel discussion, with most sessions at capacity. Again, there was continued discussion on Opportunity Zone funding. Lots of funds appear to have been pulled together, but it remains to be seen how

effectively and efficiently these funds can be deployed. Whether equity or debt, there are a lot of very smart people thinking about how to structure transactions, but it's clear there is significant uncertainty around execution. Here's one thing that can be certain, whenever there is "new" or "innovative" capital, fees and expenses will certainly be materially higher. That's not to suggest you put a hard stop on pursuing Opportunity Zone funding, it just means the return on invested capital needs to warrant the cost of capital, including transaction costs.

Last but not least, TFA had the opportunity to participate in a panel discussion with Erika Weiss from Barnes & Thornburg, LLP, Geoff Urbina from KeyBanc and Clay Vanderpool from DWH, LLC to discuss the formation of economic development cor-

porations ("EDC"). The discussion provided great insight into EDC formation and the framework for evaluating investment opportunities, i.e. acquiring businesses. Many thanks to Waséyabek Development Company for sharing their EDC's framework for evaluating acquisition targets.

TFA gained a lot of insight from attending these conferences and we look forward to attending them next year. We are excited by the many future opportunities for Indian Country, both in gaming and non-gaming economic diversification efforts. Please reach out to us if you would like to discuss how TFA can assist your tribe in achieving its capital raising or strategic diversification efforts.



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