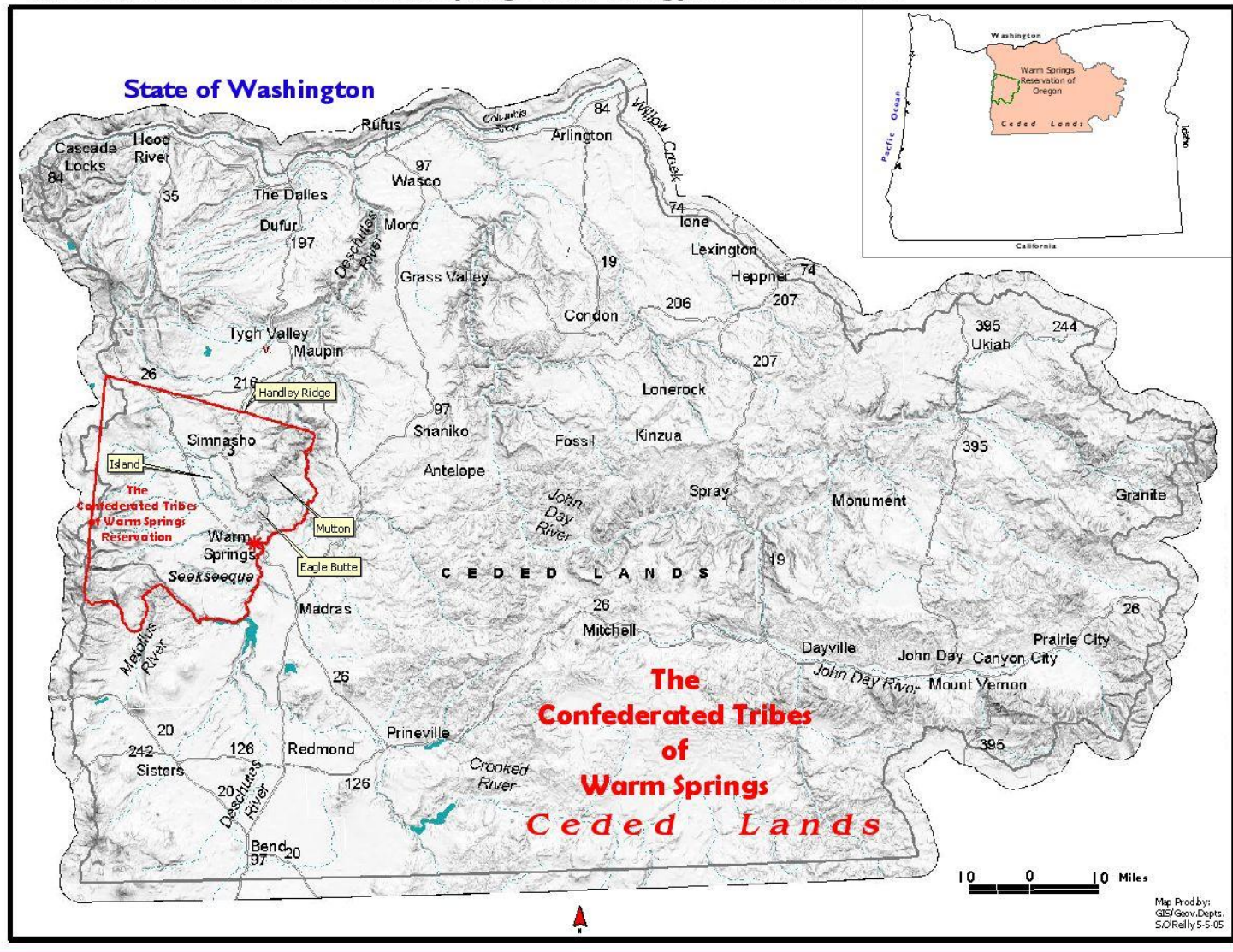


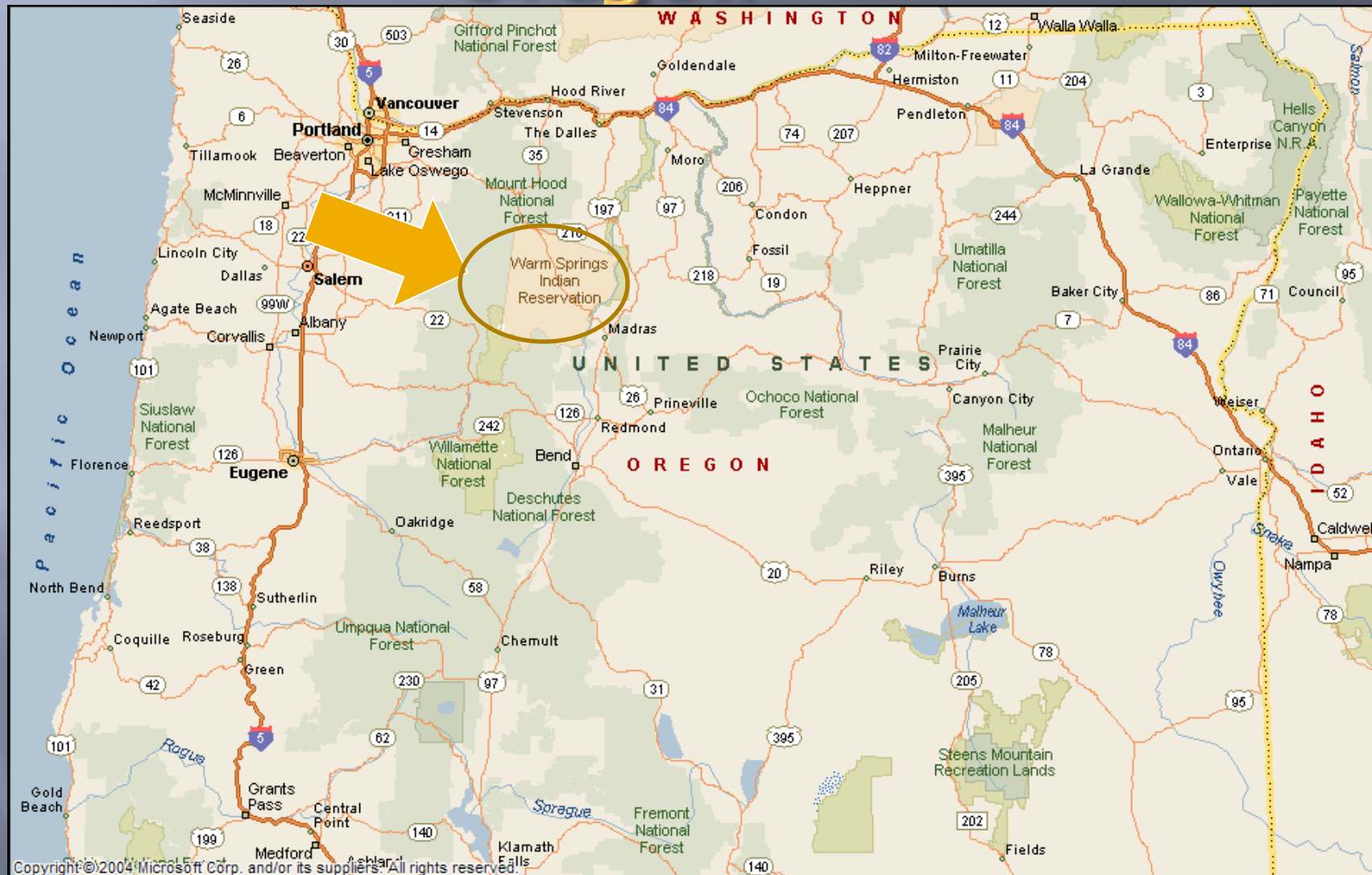
CONFEDERATED TRIBES OF WARM SPRINGS ECONOMIC DEVELOPMENT

Jim Manion – GM Warm springs Power & Water Enterprise/ BIRF
Committee Chair

The Confederated Tribes of Warm Springs Wind Energy Assessment Sites

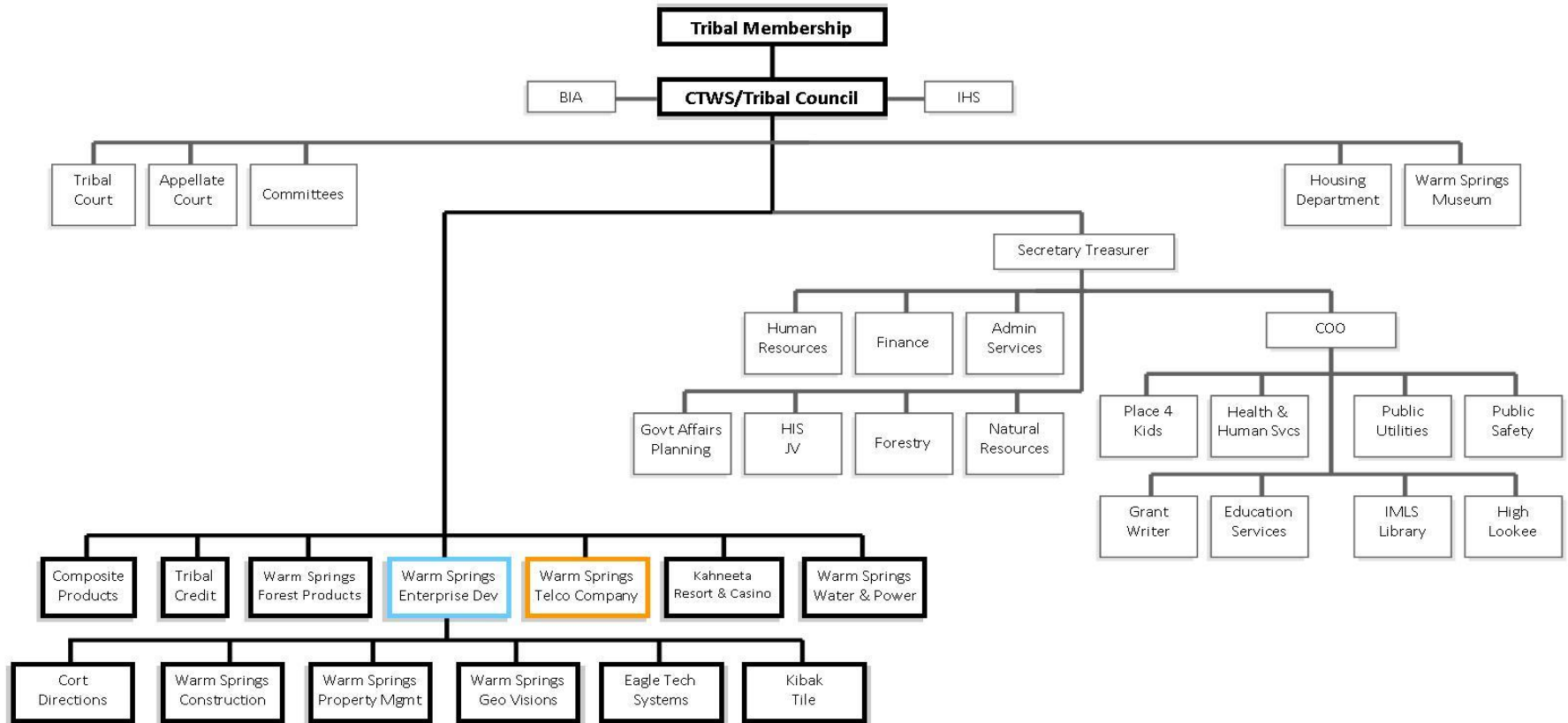


Warm Springs Reservation of Oregon





The Confederated Tribes of Warm Springs

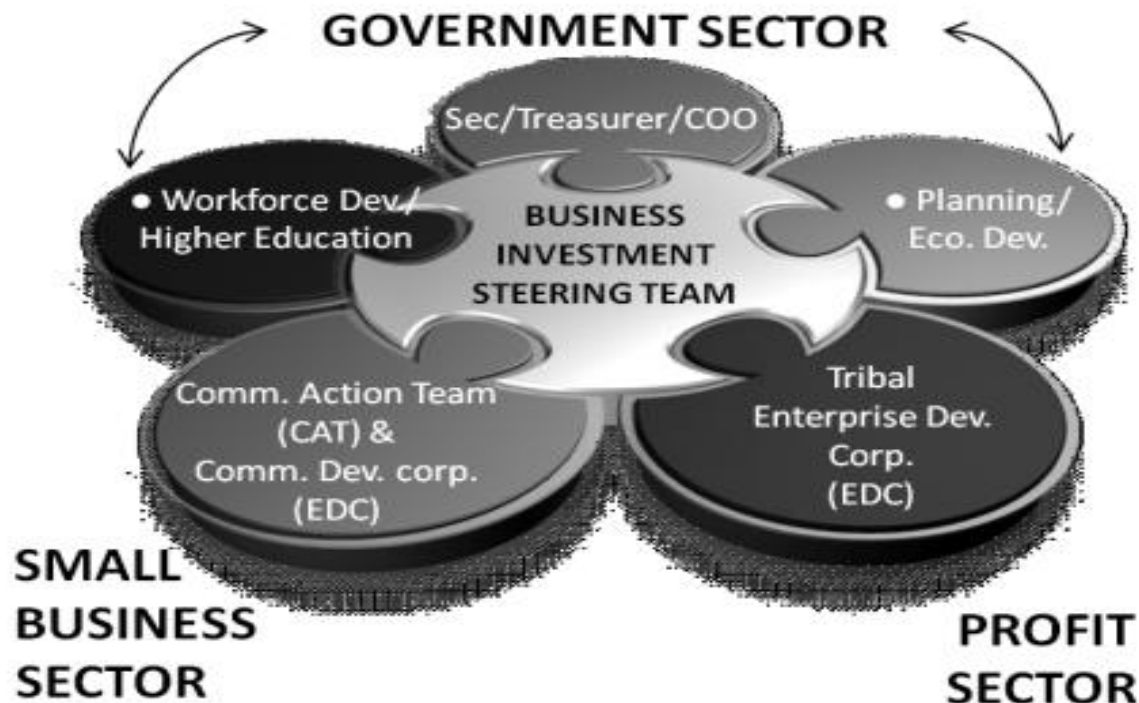


Economic Development

- ▣ The Tribes are experiencing continuing **declines in its traditional revenue** base from timber and power, along with increasing need for tribal income as population grows.
- ▣ Culture of cutting
 - The Tribes have instituted budget cuts in each of the past 4 years
 - The cuts have hampered the Tribes ability to grow its economy
 - Access to capital is limited for infrastructure projects
- ▣ Tribal members under the age of 25 account for 58% of the on-reservation population.
 - **More than 1,000 young tribal members will be entering the workforce in the next 10 years.**

Economic Stewardship Plan

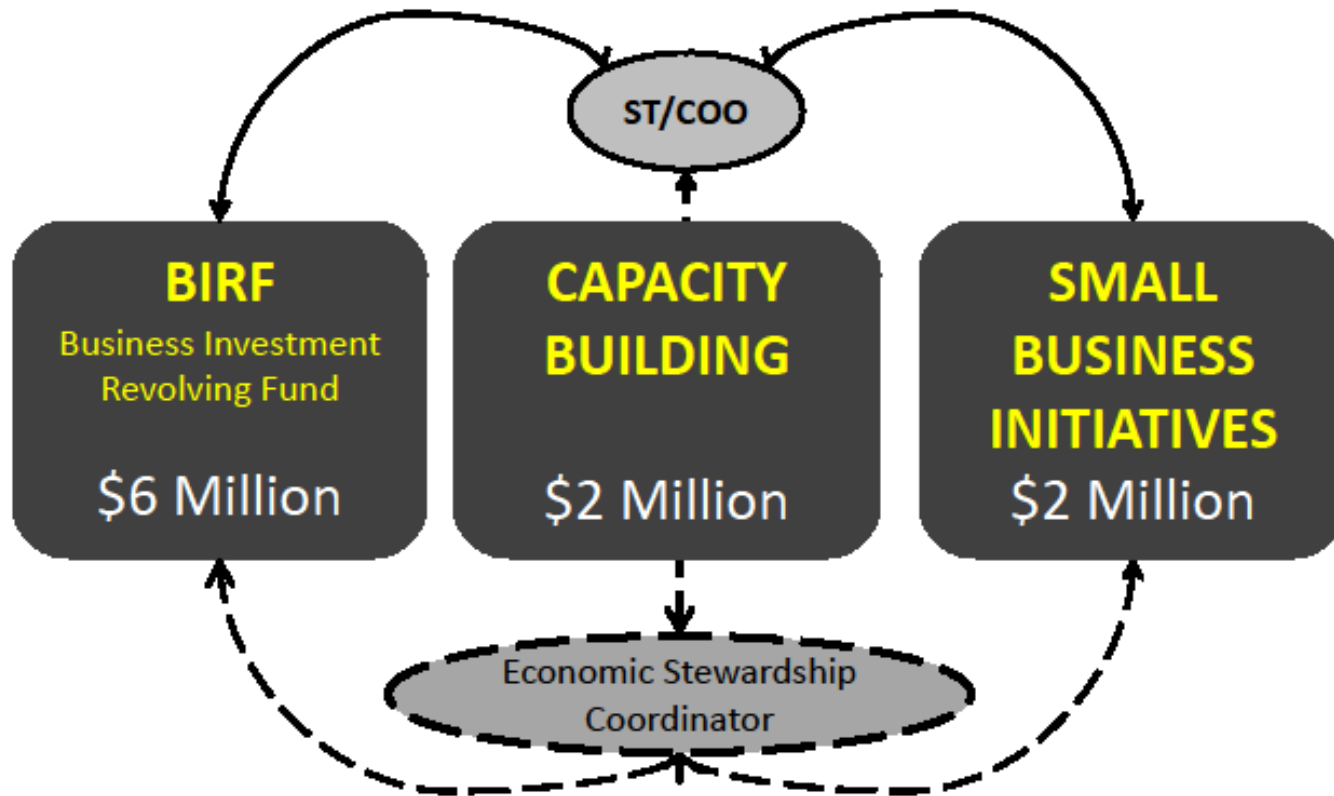
ECONOMIC LEADERSHIP AND RESOURCES



ECONOMIC STEWARDSHIP

\$10 M Investment

GOALS: *Revenue, Jobs, Private Businesses, Infrastructure*



Capacity Building and Business Investment Revolving Fund

- The Economic Stewardship Plan calls for the following:
 - Funds to build on the Tribes Capacity to grow small business, create jobs and implement the Plan - \$2 million
 - Funding for the Business Investment Revolving Fund - \$6 million
 - Small Business Revolving Fund - \$2 million



CTWS – Enterprises – Economic Development Opportunities



Kah-Nee-Ta
Resort & Casino



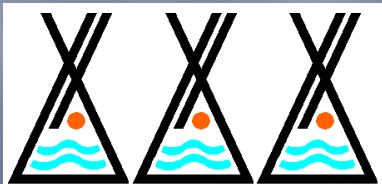
Warm Springs
Telecommunications
Company



Warm Springs
Power & Water



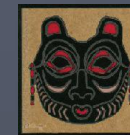
Warm Springs
Forest Products Industries



Tribal Credit Enterprise



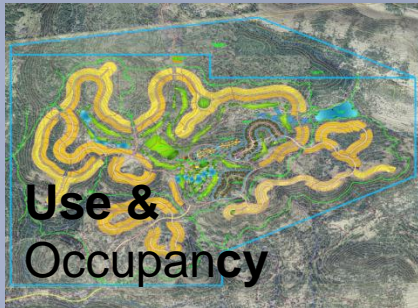
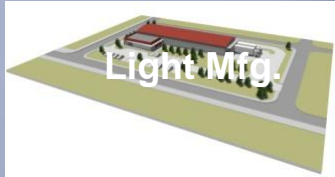
WS Property Management



KIBAK TILE
A Warm Springs Ventures Company of the
Confederated Tribes of Warm Springs, Oregon

CTWS Payroll Impact	Employees	Deschutes/ Jefferson County	Off Reservation Payroll (000's)
CTWS Government Employees	950	250	\$ 7,000
CTWS Enterprises	660	330	\$11,000
Other	200	100	\$ 4,000
Total	1,810	680	\$22,000

Economic Development Opportunities



Warm Springs
Telecommunications
Co.



Department of Defense Contracting

- Unmanned Systems
 - Insitu/Boeing leading UAV work
 - EDCO/Deschutes Economic Alliance developing business plan to develop CO opportunities
 - Interested in Tribal 8(a)
 - Unmanned Systems in need of test facilities to conduct testing



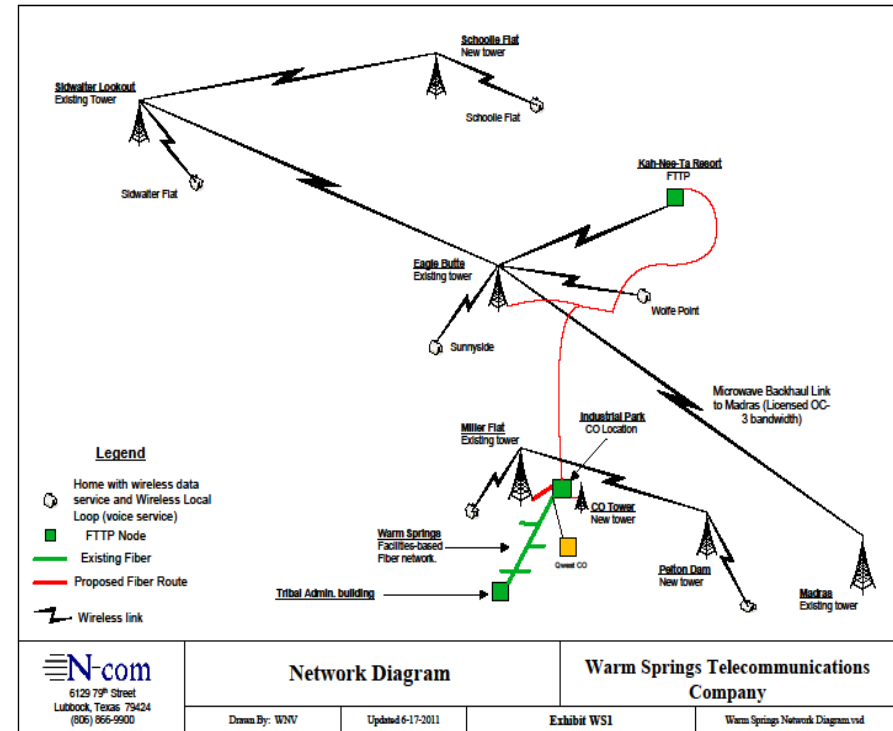
Composite Products

- In 7th year of 9 year Tribal 8(a) program
- Ballistics Group in Partnership with Lockheed Martin, Sandia Labs
- 30% of revenue generated from overseas contracts

Telecommunications

Received \$5.6 million ARRA award to build a Tribal Telecommunications company on the Reservation

- BIRF Funds: \$750,000
- Annual revenue of \$2 million
- 36 Total Jobs Created
 - 13 construction
 - 19 operations
- Procurement opportunities
 - Data collection hub
 - Video
 - Co-location

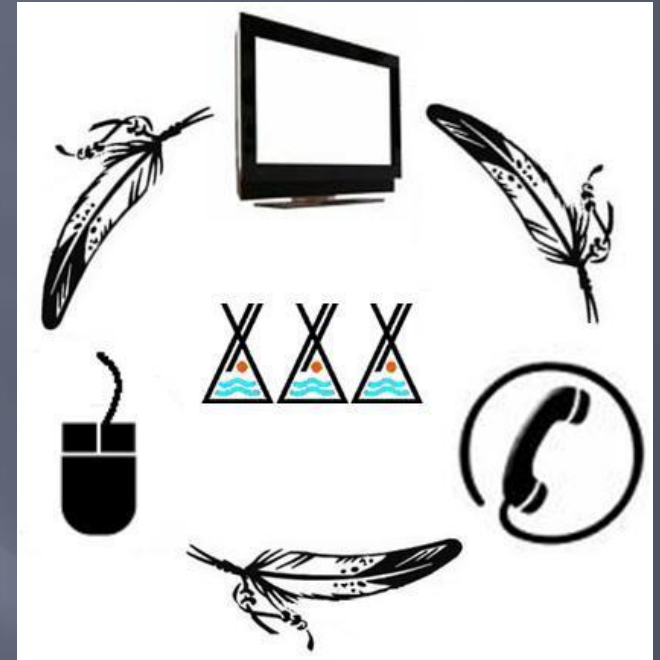


Telecommunications

Tech/Call Centers:

Leverage bandwidth provided by the Telco

- Conducting outreach efforts to Tech/Call center vendors
- Working with Microsoft's tribal liaison to identify potential partners
- Concept is a 50 to 150 seat facility in the industrial park servicing Microsoft and other Customers
- CTWS would be required to build a facility
- Landlord/Tenant arrangement



Industrial Site & Infrastructure

- Cost to improve electrical, sewage, and telecommunications
- Warm Springs Composite Products is seeking to expand
- Based on the current product mix a 20,000-30,000 sq ft increase in space would allow for \$3.4-\$6.5 million in growth
- Solar Panel Assembly plant would require 18,000 sq ft
- DoD Contract opportunities for light assembly/manufacturing
- Estimated Capital Requirements: \$3.1 million
 - BIRF Funds: \$1.2 million
 - Other Sources: \$1.8 million
- Estimated Infrastructure Costs: \$2 million
 - BIRF Funds: \$1 million
 - Other Sources : \$1 million
- 20-26 total jobs created



Biomass

- Biomass is a renewable energy the fuel source is derived from plants; in our case it is residual from logging and forest health improvement projects
- NESCO moving forward with the development of a biomass plant Dry Creek
- Summary:
 - i. 37 Megawatt capacity
 - ii. 248,000 bone dry tons (BDT) biomass / year
 - iii. 20 plant jobs
 - iv. 50 jobs for fuel procurement
 - v. Project cost \$150 million
 - vi. Revenue estimated \$1.5 million annual to CTWS
- Landlord with option to own in the future
- Bio Fuels LLC will provide 30,000 BDT with a put option for 11,000 more
- WSPWE will propose the potential agreement to the Council in November



Biomass Suppliers

- Bio Fuels LLC will provide 30,000 BDT with a put option for 11,000 more
- Developing the biomass industry on the reservation will create opportunities for small businesses
- Small business/entrepreneurs would need access to capital for capital equipment to operate mechanized thinning crews, start-up capital and mechanized bundler
- Small business revenue generator
- 30 – 50 Fuel Collection jobs created



Hydroponics/Greenhouse

- 45 acre hydroponic facility set up to take advantage of Biomass unused heat
- Glass structure that requires CO₂ and water
- On the Vine tomatoes and other niche agriculture products
- Cost \$50 million
- Jobs created: 260
- Developer looking for funding
- Greenhouse for first plants
- Use heat from biomass plant



Gasification

- In talks with a developer to utilize Madras Industrial Site
- Utilizes Municipal Solid Waste (“MSW”) plastics/tires/etc. to generate electricity
- 15 MW facility utilizes MSW generated in Central Oregon
- Cost \$50 million
- 30 to 50 jobs
- JV or Landlord deal



Solar

- WSP&WE funded CH2MHill to conduct a feasibility study for Warm Springs
- The project fits within Warm Springs' Renewable energy brand
- Three potential 300 acre sites have been identified
- Each solar farm would be developed over 6 years
- Yearly development includes:
 - 50 acres
 - 10 Megawatts
- High cost of transmission for solar power
- Business Enterprise Tax Credits reduced
- Looking for funding partners



Solar

- Solar utilizes the land efficiently

- Land use includes:

- i. 8.5% for access
- ii. 9.5% for buildings/storage
- iii. 82% for panels

- If the Tribes commit to developing ability to produce solar modules they could create 30 light manufacturing jobs

- Annual lease revenue of \$200,000 depending on the nature of the relationship with a potential developer

- Estimated Capital Requirements: \$32 million

- BIRF Funds: \$1 million for environmental permitting and developer negotiations

- Other Sources: \$31 million

1. 15 operational & maintenance jobs



Conclusion

- Warm Springs is open for business.
- Warm Springs has two companies with SBA 8(a) status.
- The Tribal Council has committed \$10 million for economic development.
- Warm Springs has formed a business group to explore and move forward with development opportunities.
- Diversification is necessary to move toward a sustaining future.



Thank you