Developing Mesa Grande
Lessons Learned

About Mesa Grande

- Located 65 miles northeast of San Diego, CA
- 620 enrolled members, 150 on reservation
- Government—General Council & elected Business Committee with limited powers
- No gaming—just CA revenue share & 638 funds
- Limited land base
  - 5,000 acres ancestral lands mistakenly patented to neighboring tribe
  - 120-acre designated reservation
  - Acquired lands—1700 acres in trust, 560 acres in fee
Formation of EDA

- **Reasons for EDA formation**
  - Past economic development failures
  - Separation of business from tribal politics

- **Features of EDA**
  - Created by tribal ordinance/charter as arm of tribal government, full sovereign immunity
  - Governed by Board (3 tribal members, 2 non-tribal)
  - Authority limited to recommending creation of businesses, vetting opportunities—no operational or management authority

Impediments to EDA Success

- Lack of qualified, interested tribal members to serve on Biz Committee members on all boards
- EDA not empowered to manage enterprises created by General Council=no EDA oversight once enterprises were created
- Separate enterprise boards but same people on each=confusion over roles, responsibilities
- Lack of funding to hire professional management=board members trying to manage enterprises as “volunteers” with limited time/expertise/availability/support
Successes and Failures

- **Success:** MG2 Tribal Energy JV (MG initiated)
- **Mixed Success:** Tekamuk Energy Solar (MG initiated)—Diagnosis: Good profit potential with improved management and marketing
- **Failure:** Tekamuk Financial Services (MG initiated)—Diagnosis: Poor management
- **Failure:** Tekamuk Training & Events (MG initiated)—Diagnosis: Poor marketing
- **Failure:** Tekamuk Environmental Management (Outside): Diagnosis—Poor marketing

Building a Better Structure

- **Dissolve EDA, replace with Mesa Grande Business Development Corporation (BDC)**
  - No Biz Committee members may serve on Board (3 tribal, 2 non-tribal)
  - Fully empowered to create and manage all enterprises, hire management, etc.
  - Accountability through tribal control of board composition, reporting requirements
  - Seed funding from major business success dedicated to BDC use for biz development
Advantages of New Structure

- Improved management/oversight of all enterprises by one board instead of four
- Cleaner separation between politics and business
- Shared use of infrastructure, support services for greater efficiency
- Frees up tribal leaders to focus on governance, community needs
- Ensures consistent approach to evaluation of future business opportunities

Evaluating New Business Opportunities

- Master planning is key
  - What opportunities and constraints will affect future development on tribal land?
  - What is the tribe’s vision for its community in 10 years? 20 years? 50 years?
  - How do potential biz opportunities fit with the tribe’s expressed vision?
  - How can tribal community and economic development needs be seamlessly integrated to ensure “highest and best use” of tribal lands to meet community needs?
Initiating New Opportunities

- Creating your own business
  - How does the proposed new business fit with tribe’s master plan?
  - Have you commissioned reliable market/feasibility studies, including financial projections, from qualified experts?
  - Can you fund start-up for 3-5 years before profitability? (Managing expectations)
  - Are qualified management and marketing staff available in your location?

Responding to Opportunities

- How does the opportunity fit with the tribe’s master plan?
- Have you followed rigorous due diligence process? (financials, management, legal issues, reputation, etc.)
- Have you secured independent valuation of assets to be acquired?
- Have reliable independent market/feasibility studies been provided to confirm quality of opportunity?
Final Lessons Learned

- Separation of politics from day-to-day business operation is critical.
- Qualified management and effective marketing are key to business success.
- Managing expectations re start-up costs and time to profitability is vital.
- Full communication and transparency always best approach—admit mistakes, correct them and move on.

Mesa Grande Band

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