

Spirit Mountain, other tribal casinos take huge hit from coronavirus closures

Written by Administrator
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When Oregon health officials identified the state's [third known victim](#) of COVID-19 early last month as an adult who worked at the Wildhorse Resort & Casino near Pendleton, the Confederated Tribes of the Umatilla Indian Reservation jumped into action.

Tribal leaders immediately [announced](#) the case as a public health emergency and set up an incident command center to manage their response to the pandemic. By noon, the tribes' board of trustees closed the casino, hotel, convention center, restaurants, and other resort facilities to begin what they described as a 48-hour "thorough and deep cleaning."

Those closures marked the first time that the tribal organization – a union of Cayuse, Umatilla and Walla Walla tribes – had shut down the casino in a quarter-century of operation. By mid-March, even before Gov. Kate Brown issued her stay-home order, all nine of Oregon's casinos, owned and operated by eight of the state's nine federally recognized tribes, had closed. The Cowlitz Indian Tribe's casino resort in southwest Washington, ilani, deferred to guidelines from Gov. Jay Inslee and will remain closed through May 4.

These casinos were not alone. Across the United States, tribal officials have reportedly closed more than 500 casinos, a shutdown that is not only hammering tribal economies but also surrounding communities. The greatest job losses will be among non-Indians, who are at risk of losing more than 900,000 jobs, [according to](#) a Harvard research team.

The Wildhorse Resort & Casino employee stricken with COVID-19 was [not a member](#) of Confederated Tribes of the Umatilla Indian Reservation. The tribe reported that the employee worked in a restricted area of the casino with no contact with the public. That person, who has not been publicly identified, was hospitalized in Walla Walla, Washington, and has recovered.

That was just the beginning of the coronavirus outbreak and its impacts on Oregon's tribal casinos. Some of the casinos announced target dates for reopening, but the closures have since been extended, in most cases until further notice. Closures have also affected casino-related facilities such as hotels, RV parks, restaurants, and golf courses.

Brown [has prohibited](#) non-essential recreational and social gatherings, banned on-premises

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consumption of food or drink, and ordered Oregonians to “to the maximum extent possible.” However, the governor [has made it clear](#)

[stay home](#)

that she has no authority to close casinos on tribal lands. As sovereign nations, tribes make the decisions about when their casinos will open or close.

“We have followed the rule of whatever’s best for our customers and our tribal members,” said Delores Pigsley, chairman of the Confederated Tribes of Siletz Indians, which owns the [Chinook Winds Casino Resort](#)

in Lincoln City. The tribes have a weekly call with the governor and, Pigsley said, the state has respected their decisions. She added that Brown wants to know about anything the state and tribes can jointly do to address the pandemic.

The Siletz Tribal Council, which serves as the board of directors for Chinook Winds, closed its casino on March 17, and it will remain closed through April 30. Although each Oregon tribe will make its own decision about when to reopen, Pigsley said the tribes have had a couple of multi-tribe meetings since the casinos closed to share information and ideas.

“What we all are doing is the same guessing game,” she said. The question on everyone’s mind: “Do you think we’re going to be able to open in May?”

The answer will have an enormous impact on the jobs and services that tribal governments provide across Oregon.

Pigsley described the revenues derived by Chinook Winds and other casinos across the state as extremely significant. Tribal governments do not collect taxes like a state or local government, so revenues from gaming and other tribal enterprises are effectively their tax base. The amusement, gambling and recreation sector — along with casino hotels — [accounted for](#) nearly 60 percent of Indian tribal government employment in Oregon last year.

Casinos also provide jobs for non-tribal members, who are the majority of casino employees. Oregon casinos are located on tribal lands in predominantly non-urban areas, where they stimulate tourism and are major drivers of the local economy.

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Casino closures affect nearly all employees who staff casinos and resorts — from food service to conference room bookings. Photo by CTUIR.

The Oregon Tribal Gaming Alliance, a coalition that includes seven of Oregon's nine tribes, reports that tribal gaming [accounted for](#) \$1.49 billion dollars in total economic output in 2017, the latest year for which data are available. This supported 11,262 jobs statewide either directly or indirectly. Casino revenues provided \$131.5 million in 2017 to the tribes operating them.

Oregon's tribal casinos donated \$134.1 million to local charities from 1992, when the first Oregon casino opened, to 2017. In Washington, the ilani casino resort last month donated \$775,000 to Pacific Northwest nonprofits aiding people affected by the COVID-19 pandemic. In a [press release](#), tribal chair William Iyall called this “a bittersweet moment” for the tribe, noting that the donations “are made possible by the many individuals who have been integral to the success of our casino, ilani, which has temporarily ceased operations as we work to protect our team members and their families as well as our guests and the wider community.”

Project director Bob Whelan, the lead author of the economic analysis prepared for the Oregon Tribal Gaming Alliance by the consulting firm ECONorthwest, estimates that Oregon tribal casinos and the hotels and restaurants associated with them probably would have pulled in about \$620 million in revenue this year, if not for the COVID-19 closures. The tribes would have paid at least \$215 million of that revenue in wages and benefits for approximately 4,500 casino employees. After expenses and charitable donations, the tribes would have been left with roughly \$130 million to support tribal services, Whalen estimates. Those programs employ about 650 teachers, dentists, social workers, and other personnel.

The casino and tribal government jobs are about half of the total workforce supported by gaming, according to the ECONorthwest analysis. Casino restaurants on the Oregon coast, for example, indirectly support local jobs in the fresh seafood business.

When the casinos shut down last month, tribal income abruptly stopped, but the bills for utilities and other expenses keep coming, and the tribes need to retain key staff for their eventual reopening.

Researchers at the Harvard Project on American Indian Economic Development released the

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preliminary results of a study [reporting](#) that “the COVID-19 crisis poses an immediate threat to three decades of steady improvement in economic conditions across Indian Country.” Across the nation, the study noted, tribes have closed more than 500 casinos, as well as non-gaming businesses.

Prior to this mass shutdown, according to the study, tribes’ gaming enterprises alone channeled more than \$12.5 billion per year into tribal government programs. Researchers warned that “the *largest* share of lost jobs and lost income would be borne by non-Indians,” who stand to lose 915,000 of the 1.1 million jobs at stake.

Here’s a snapshot of financial miseries after four Oregon casino closures:

— Chinook Winds: The Siletz Tribe paid all employees for two weeks after the casino closed and extended health benefits through April, but laid off 720 employees.

— Wildhorse Resort & Casino: The Confederated Tribes of the Umatilla Indian Reservation paid wages and health benefits for its employees through the end of March. Since then, the casino [furloughed](#) employees from April 1 to April 12, giving them the option of using accrued sick or vacation leave. All non-essential employees are on unpaid leave until April 26 and can file for unemployment benefits.

— Indian Head Casino: The Confederated Tribes of Warm Springs, which owns and operates the casino, has committed to paying wages and continuing benefits to all employees until April 29, to cover the first six weeks since Oregon’s stay-at-home order went into effect.

— [Spirit Mountain Casino](#) : Oregon’s largest casino, owned and operated by the Confederated Tribes of Grand Ronde, has paid employees for six weeks of time off, including compensation for tips – enough to cover them through the end of April. Spirit Mountain manager Stan Dillon said the casino will use the time off to continue remodeling its hotel.

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“Economically, it’s really slow in the community right now,” said Chris Mercier, vice chair of the Grand Ronde tribal council. “I still see people at the gas station and the convenience store, but it’s just a bit of a ghost town out here.”

Congress has approved \$8 billion in [pandemic aid](#) for tribal governments, with another \$2 billion for federal programs that serve tribal nations. However, this relief package and the previous two signed into law last month are of little help to casinos—the largest employers for most Oregon tribes.

Businesses that derive more than 30 percent of their gross annual revenues from legal gambling activities are ineligible for the Paycheck Protection Program under CARES (the Coronavirus Aid, Relief, and Economic Security Act), and businesses with more than 500 employees are ineligible for Small Business Administration loans. Tribes and gaming industry associations are hoping for some relief in the fourth federal package.

“It could bring in some stimulus dollars to hold us over,” said Chuck Sams, who serves as the COVID-19 incident commander for the Confederated Tribes of the Umatilla Indian Reservation.

For now, tribal governments are focused on how and when they can safely reopen their casinos. Siletz Tribal Chair Pigsley said managers at Chinook Winds “are coming up with lots of different scenarios, so we’re ready when the time comes.” One possibility is a soft opening with limited numbers of casino guests, Pigsley said. “It’s not going to be business as usual.”

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