

2025 SENATE JUDICIARY

SB 2376

2025 SENATE STANDING COMMITTEE MINUTES

Judiciary Committee
Peace Garden Room, State Capitol

SB 2376
2/5/2025

Relating to a tribal-state gaming compact that permits gaming in Grand Forks County.
--

9:00 a.m. Chair Larson opened the hearing.

Members present:

Chair Larson, Vice Chairman Paulson, Senators: Castaneda, Cory, Luick, Myrdal, Braunberger.

Discussion Topics:

- Tribal gaming compact
- Economic impact of casino development
- Local community support
- Job creation and workforce development
- Tourism and hospitality growth
- Gambling addiction

9:00 a.m. Senator Scott Meyer introduced the bill and submitted testimony in favor #35288.

9:07 a.m. Senator Marcellais testified in favor and submitted testimony #34456.

9:11 a.m. Representative Landon Bahl, District 17, testified in favor and submitted testimony #35024.

9:15 a.m. Brandon Bochenski, Mayor of City of Grand Forks, testified in favor and submitted testimony #35182 and #35283.

9:20 a.m. Jamie Azure, Chairman of Turtle Mountain Band of Chippewa Indians, testified in favor and submitted testimony #35298.

9:31 a.m. Alysia LaCounte, General Counsel Attorney for Turtle Mountain Band of Chippewa Indians, testified in favor and submitted testimony #35328.

9:31 a.m. Bill Kalanek, Charitable Gaming Association of ND, testified in opposition.

9:32 a.m. Jacob Thomsen, Policy Analyst of ND Family Alliance Legislative Action, testified in opposition and submitted testimony #35036.

9:37 a.m. Cony Wisowski testified in opposition.

9:42 a.m. Mark Rusted, Vice Chair of Grand Forks Commission, testified in opposition.

Additional written testimony:

Mike Fridolfs, City Council Member of City of Grand Forks, submitted testimony in favor #34862.

David A. Tamisiea, Executive Director of the ND Catholic Conference, submitted testimony in opposition #34675.

9:46 a.m. Chair Larson closed the hearing.

Kendra McCann, Committee Clerk

Senator Richard Marcellais
Senate District 9
Testimony for SB 2376

Chairwoman Larson, members of the Senate Judiciary Committee for the record Richard Marcellais, North Dakota State Senator in District 9.

SB 2376 relating to a tribal-state gaming compact that permits gaming in Grand Forks County.

As a former Assistant General Manager of the Skydance Hotel & Resort, Turtle Mountain Band of Chippewa Indians Chairman, I can see how this tribal-state gaming compact would help in tourism, major economic boost to the region and help with unemployment for the Turtle Mountain Band of Chippewa members and Grand Forks County citizens.

The tribe proposes a "high-end resort" that would cost approximately \$280 million or more to build, employ approximately 800 and include a Class III casino, conference facilities and family entertainment. This facility would include an arcade, bowling, maybe some golf centers, around 200 rooms, a family entertainment center, a conference facility and spa.

The Grand Forks City Council on Monday approved a letter of intent with the Turtle Mountain Band of Chippewa Indians for the band's proposed casino and event complex.

I am in favor of SB 2376 and I will try and answer any questions you may have.



*Representing the Diocese of Fargo
and the Diocese of Bismarck*

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To: Senate Judiciary Committee
From: David Tamisiea, Executive Director
Re: Senate Bill 2376 - Tribal Casino in Grand Forks
Date: February 5, 2025

The North Dakota Catholic Conference opposes Senate Bill 2376 that seeks to establish a tribal casino in Grand Forks, North Dakota.

Although the Catholic Church teaches that games of chance or wagers are not in themselves immoral, they become morally unacceptable when they deprive a person of what is necessary to provide for his or her own needs or those of others.¹ Today, gambling carries a high risk of becoming an enslavement and addiction.

With their flashing lights, free-flowing alcoholic drinks, all-night hours and generally intoxicating atmosphere, casinos are more likely than other gambling options to lead to bad decisions and catastrophic losses for patrons, particularly those prone to problem or compulsive gambling.

Furthermore, the erosive affect of widespread availability of gambling can undermine the common good. When gambling as a revenue stream becomes overly prevalent in a society, the risks associated with problem gambling multiply. Studies repeatedly show increased crime, personal bankruptcies, and addiction rates associated with casinos and expanded gambling opportunities.

Evidence is growing to suggest that young people, especially young men, are among those particularly vulnerable to gambling addiction.² People in their early twenties are also the fastest growing group of gamblers, according to recent research. Starting young carries a relatively high burden of psychological distress and increased chances of developing problems.

SB 2376 would expand gambling in North Dakota in an area populated by around 15,000 college students. By situating a casino near the University of North Dakota, it would make gambling much too easy to access for young people away from home for the first time and at an age when they are more prone to develop gambling problems, especially young men.

¹ *Catechism of the Catholic Church* No. 2413.

² Emily Sohn, "How gambling affects the brain and who is most vulnerable to addiction," American Psychological Association website, at <https://www.apa.org/monitor/2023/07/how-gambling-affects-the-brain> (accessed February 4, 2025).

The state has a duty to protect and uphold the dignity of the human person and to promote the common good. This means protecting our young people from the harms of gambling.

We urge a **Do Not Pass** recommendation on SB 2376.

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City of Grand Forks
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TESTIMONY ON SENATE BILL 2376
Senate Judiciary Committee
Feb. 5, 2025

Mike Fridolfs, City Council Member
City of Grand Forks, ND

Mr. Chairman and members of the committee, my name is Mike Fridolfs and I represent Ward 5 on the Grand Forks City Council. I'm providing this testimony in support of SB 2376.

On Monday, February 3rd we on the Grand Forks City Council approved a Letter of Intent to work with the Turtle Mountain Band of Chippewa on a proposed casino and resort to be located just South of the City of Grand Forks along I-29.

As a City Council member I understand that this Letter of Intent is only the first of many steps that the City of Grand Forks will need to take to help make this project happen.

We also know that there are still many unknown answers to questions on what this development looks like for both the Turtle Mountain Band of Chippewa and the City of Grand Forks.

As a City Council member, I would like to continue to work to get answers to some of those questions.

The answer to one of the many questions is addressed in SB 2376 which would allow the Turtle Mountain Band of Chippewa to operate tribal gaming in Grand Forks County.

On behalf of the Grand Forks City Council I support a DO PASS on HB 2376.

Respectfully
Mike Fridolfs
Grand Forks City Council Member – Ward 5



North Dakota House of Representatives

STATE CAPITOL
600 EAST BOULEVARD
BISMARCK, ND 58505-0360



Representative Landon Bahl

District 17
701-340-7732
lbahl@ndlegis.gov

COMMITTEES:

Industry, Business and Labor
Government and Veterans Affairs

Madam Chair Larson, and Members of the Committee,

For the record, my name is Landon Bahl, and I reside in Grand Forks, and have the privilege of serving the great citizens of District 17 in the house of representatives.

Thank you for the opportunity to provide testimony in support of Senate Bill 2376, a bill that I consider a forward-thinking bill. As a hospitality industry professional and a co-sponsor of this bill, I strongly believe in the positive economic and social impacts this development will bring to our state, and particularly the city of Grand Forks.

The hospitality industry is a driving force behind economic growth, job creation, and community development. A casino of this scale would bring significant investment to the area, providing well-paying jobs, increased tourism, and a strengthened local economy. It would also create opportunities for small businesses, from restaurants and hotels to entertainment venues and retail establishments, all of which would benefit from the increased traffic and demand for services.

Furthermore, this legislation aligns with principles of economic self-determination for tribal nations. By allowing the tribe to develop this casino, we are recognizing their right to engage in commerce and contribute meaningfully to the economic fabric of North Dakota. Many states have seen the benefits of similar developments, where tribal casinos have led to substantial regional economic stimulation without adverse impacts to existing industries. We share often we are one of the friendliest states to do business in for companies outside of our state, I would ask the question, "Why don't we extend the same opportunities for our Native American citizens to build their businesses?"

Grand Forks is uniquely positioned to benefit from such an establishment. The city's proximity to a major university, a strong regional transportation network, and a diverse business community makes it an ideal location for a gaming and entertainment destination. This project would attract visitors from across the state and beyond, further bolstering Grand Forks' reputation as a regional hub for business, tourism, and entertainment.

Opponents may express concerns about competition with existing gaming and hospitality operations, but history has shown that a well-managed and strategically located casino can complement, rather than diminish, the success of other entertainment and hospitality businesses. Increased tourism, higher occupancy rates in local hotels, and a boost in ancillary spending all contribute to a stronger, more resilient economy.

In closing, I urge the committee to support this bill and recognize the long-term benefits it will bring to our state. This is not just about economic opportunities, it is about fairness, progress, and ensuring that North Dakota remains competitive and forward-looking in its approach to economic development. Madam Chair & Members of the Committee, thank you for your time and consideration. I am happy to stand for any questions.

Regards,
Landon



Testimony Opposing Senate Bill 2376

Jacob Thomsen, Policy Analyst
North Dakota Family Alliance Legislative Action
February 5, 2025

Madam Chair Larson and honorable members of the Senate Judiciary Committee,

North Dakota Family Alliance Legislative Action is testifying in opposition to Senate Bill 2376 and respectfully requests that you render a “DO NOT PASS” on this bill.

This bill would establish the first casino built in a major city in North Dakota which isn’t located on tribal land. Our organization is ardently opposed to the expansion of gambling in our state, because of the cost it has on the people of North Dakota.

The main issue we have with this bill is associated with compulsive gambling disorders. According to the North Dakota Department of Health and Human Services, around 3 percent of North Dakotans struggle with compulsive gambling¹, which means around 23,517 North Dakotans have a problem with gambling that harms them and their family. These numbers exist *without* a casino in a major city. These numbers will undoubtedly increase with a casino being in Grand Forks, especially considering that UND hosts 15,000 students merely 6 minutes away from the proposed location of this casino.

According to CollegeGambling.org, “Research has shown that teenagers and college-aged young adults are more impulsive and at higher risk for developing gambling disorders than adults,” and “research estimates that 6 percent of college students in the U.S. have a serious gambling problem that can result in psychological difficulties, unmanageable debt and failing grades.”² That would be equivalent to roughly 900 students³ at the University of North Dakota.

¹ KX News, *How Can You Fight Gambling Addictions in North Dakota?* (2025), <https://www.kxnet.com/news/top-stories/how-can-you-fight-gambling-addictions-in-north-dakota/#:~:text=According%20to%20the%20ND%20department%20of%20Health,of%20North%20Dakotans%20struggle%20with%20compulsive%20gambling.>

² College Gambling, Inc. (n.d.). *Gambling disorders among college students*. College Gambling. <https://www.collegegambling.org/cg-information/fact-sheet-gambling-disorders-among-college-students#:~:text=Research%20has%20shown%20that%20teenagers,gambling%20at%20an%20early%20age.>

³ 6% of 15,000 (Fall 2024 enrollment at UND)

It is also important to note that students have a high probability of using student loans or financial aid money to gamble.⁴ Adding a casino just minutes away from our state's largest university would be a big mistake. If this bill were to pass, we should be sure to include money for building a facility in Grand Forks solely for counseling to deal with the issue of problem gambling.

I am originally from Thompson, North Dakota, just a few minutes south of Grand Forks. I cannot speak for everyone, but I know there is strong pushback against this proposition from the community of Grand Forks and the surrounding areas. I feel I can confidently say that there are many people in this community that do not want this casino in their backyard. In a quote from the Grand Forks Herald, "Building an American Indian casino in Grand Forks has been discussed for two decades, but plans 'died out because of lack of support on city and state levels.'"⁵

There has been discussion on proposed economic benefits to the city, but the cost to the citizens, college-aged or otherwise, is severe. It has been found that low-income households gamble at a rate of 100% more than that of the general population.⁶ The low-income population is at around 16.3%,⁷ meaning that around 9,600 people⁸ in Grand Forks alone will be at higher risk of losing their money on games of chance, rather than spending this money on daily necessities, further exacerbating their financial situation.

Adding a casino near a major city in North Dakota sets a precedent for all the other major cities. This has the potential to radically expand gambling in our state, which we see as a major problem as it can drastically increase problem gambling in our state. We ought to encourage our citizens toward financial security and responsibility, rather than encourage wild spending on games of chance. Because of these reasons, North Dakota Family Alliance Legislative Action respectfully requests that you render a "DO NOT PASS" on this bill.

⁴ Intelligent.com. (2024, October 18). More than 1 in 6 college students used financial aid, student loans on gambling. *Intelligent.com*. <https://www.intelligent.com/more-than-1-in-6-college-students-used-financial-aid-student-loans-on-gambling/#:~:text=More%20Than%201%20in%205%20College%20Students%20Have%20Used%20Financial,have%20you%20used%20to%20gamble?>

⁵ Wenzel, K. (2025, February 2). Bill seeks to open path for casino project in Grand Forks. *Grand Forks Herald*. <https://www.grandforksherald.com/business/bill-seeks-to-open-path-for-casino-project-in-grand-forks>

⁶ Problem Gambling Awareness Month. (2022). *Problem gambling awareness month brochure* [PDF]. Wisconsin Council on Problem Gambling. <https://wi-problemgamblers.org/wp-content/uploads/2022/02/PGAM-Brochure-Updated-2022.pdf>

⁷ U.S. Census Bureau. (n.d.). Grand Forks city, North Dakota: QuickFacts. *U.S. Census Bureau*. Retrieved February 3, 2025, from <https://www.census.gov/quickfacts/fact/table/grandforkscitynorthdakota/PST045224>

⁸ 16.3% of 58,921 (Population of Grand Forks as of July 2023)

Thank you for the opportunity to testify. Please feel free to contact us with any questions.

Sincerely,

Jacob Thomsen
Policy Analyst
North Dakota Family Alliance Legislative Action

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TESTIMONY ON SENATE BILL 2376
Senate Judiciary Committee
Feb. 5, 2025

Brandon Bochenski, Mayor
City of Grand Forks, ND

Chairwoman and members of the committee, my name is Brandon Bochenski and I'm the Mayor of Grand Forks, ND. I'm providing this testimony in support of SB 2376.

On Monday, February 3rd the Grand Forks City Council approved a Letter of Intent to work with the Turtle Mountain Band of Chippewa (TMBCI) on a proposed resort and casino to be located just South of the City of Grand Forks West of I-29. On February 4th, the Grand Forks County Commission also approved moving forward with the same Letter of Intent.

This Letter of Intent is an initial agreement with more formal and detailed agreements to come in the future as the proposed development moves forward. In order to move forward, there are numerous federal and state requirements that would take multiple years to satisfy.

From an economic standpoint this is a very attractive to the local community and a great opportunity to bring additional retail and service options that have been declining in recent years.

Upon reviewing the economic impact study from 2022, the city would see more than 70 million in GDP growth and more than 800 new jobs created directly from the resort complex.

The TMBCI owns 146 acres of land in Grand Forks County and we would like to see this development come forward in its best and highest use for the benefit of the community and region.

The City of Grand Forks supports our friends with the Turtle Mountain Band of Chippewa and we support a DO PASS on HB 2376.

Respectfully
Brandon Bochenski
Mayor of Grand Forks



Turtle Mountain Casino Resort Economic Impact Analysis

Grand Forks, North Dakota

Prepared for:

PRAXIS STRATEGY GROUP

June 2022

Prepared by:

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Turtle Mountain Casino Resort Economic Impacts

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EXECUTIVE SUMMARY

The proposed Turtle Mountain development in Grand Forks, North Dakota is expected to have a significant positive impact on the local Grand Forks area through the creation of new jobs, increased visitation to the area, and a boost to the local tax base and gross domestic product.

The casino is to be owned by the Turtle Mountain Band of Chippewa and branded Harrah's. The resort is to feature a hotel and spa, conference facility, multi-purpose events center featuring esports, a family entertainment center with arcade and bowling, and a gas station/convenience store. Additionally, the development plans include The Giant, a unique interactive attraction that would allow guests to transform their image onto a 120+ foot-tall statue with moving components.

These proposed developments have the potential to recast Grand Forks on a national, or even international scale, while supporting the local economy and complementing existing businesses, entertainment outlets, and cultural/community centers.

Ongoing Annual Impacts

The Turtle Mountain casino resort is estimated to attract more than 400,000 visitors from outside the local area. Operation of the facility is estimated to require staffing of 812 workers and payroll of \$31.7 million, making it one of the top ten employers in Grand Forks. The resort is projected to add \$71.9 million in value to the Grand Forks economy in direct Gross Domestic Product (GDP).

Table 1: Turtle Mountain Casino Resort Local Ongoing Impacts

	Direct	Secondary	Total
Employment	812	164	977
Labor Income (\$MM)	\$31.7	\$8.4	\$40.1
Value Added (GDP in \$MM)	\$71.9	\$11.3	\$83.1
Output (\$MM)	\$97.1	\$22.1	\$119.3

Source: IMPLAN Group, LLC

From those direct effects, the impact ripples out into other sectors of the economy, as workers spend part of their incomes in the local economy (induced effect) and the resort purchases goods and services from local businesses (indirect effect). Adding in these secondary effects leads to an estimated 977 total jobs and GDP value of \$83.1 million.

In addition to the positive economic impacts generated by the casino resort, The Giant attraction is forecasted to contribute to a total of 67 jobs, \$3.6 million in labor income, and GDP value of \$4.6 million.

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Table 2: The Giant Local Ongoing Impacts

	Direct	Secondary	Total
Employment	55	12	67
Labor Income (\$MM)	\$2.4	\$1.2	\$3.6
Value Added (GDP in \$MM)	\$2.7	\$1.9	\$4.6
Output (\$MM)	\$5.9	\$3.8	\$9.7

Source: IMPLAN Group, LLC

Local tax revenue is estimated to increase by \$131,900 as a result of operation of the casino resort. Additionally, it is common in tribal casino trust applications for the parties to approve a Host Community Agreement allowing for the host municipality to receive direct payments from gaming revenue. We estimate that such a payment would result in an annual payment to the City of Grand Forks of approximately \$855,000, for a total annual local fiscal impact of nearly \$1 million.

The State fiscal impact is estimated at \$1.3 million and the federal impact at \$2.9 million.

Table 3: Tax Impact: Turtle Mountain Casino Resort Ongoing Operations

Host Community Payment	\$855.0
Local Tax Revenues Generated (includes direct, indirect & induced effects)	\$131.9
State Tax Revenues Generated (includes direct, indirect & induced effects)	\$1,287.2
Federal Tax Revenues Generated (includes direct, indirect & induced effects)	\$2,919.8

Source: IMPLAN Group, LLC

Tax revenues from the ongoing operations of The Giant attraction include an estimated that \$93,500 that would accrue to local governments annually while \$382,800 of tax revenue is estimated to accrue to the state government. Lastly, \$665,200 of tax revenue is estimated accrue to the federal government.

Table 4: Tax Impact: The Giant Ongoing Operations

Local Tax Revenues Generated (includes direct, indirect & induced effects)	\$93.5
State Tax Revenues Generated (includes direct, indirect & induced effects)	\$382.8
Federal Tax Revenues Generated (includes direct, indirect & induced effects)	\$665.2

Source: IMPLAN Group, LLC

Construction Impacts

Positive economic impacts will occur in the economy even before the developments are open as the Turtle Mountain Casino Resort and The Giant are under construction. In total, the local region is estimated to benefit from a one-time, single-year equivalent employment impact of 2,180 workers, \$143.4 million in labor income and \$165.2 million in total GDP value from the construction of The Turtle Mountain Casino Resort.

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Table 5: Turtle Mountain Casino Resort Local Construction Impacts

	Direct	Indirect & Induced	Total
Employment	1,527	653	2,180
Labor Income	\$108.4	\$35.0	\$143.4
Value Added (GDP)	\$111.4	\$53.8	\$165.2
Output	\$193.1	\$100.6	\$293.7

Source: IMPLAN Group, LLC

Note: Single-year equivalents.

The construction of the proposed The Giant attraction is forecasted to contribute to a total of 261 jobs, \$18.0 million in labor income, and GDP value of \$20.6 million.

Table 6: The Giant Local Construction Impacts

	Direct	Secondary	Total
Employment	182	80	261
Labor Income	\$13.7	\$4.3	\$18.0
Value Added (GDP)	\$14.0	\$6.6	\$20.6
Output	\$24.2	\$12.3	\$36.5

Source: IMPLAN Group, LLC

Note: Single-year equivalents.

One-time tax revenues generated as a result of the construction of The Turtle Mountain Casino Resort include an estimated that \$1.0 million that would accrue to local governments while \$5.8 million of tax revenue is estimated to accrue to the state government. Finally, \$25.6 million of tax revenue is estimated accrue to the federal government.

Table 7: Tax Impact: Turtle Mountain Casino Resort Construction

Local Tax Revenues Generated (includes direct, indirect & induced effects)	\$1,038.8
State Tax Revenues Generated (includes direct, indirect & induced effects)	\$5,796.0
Federal Tax Revenues Generated (includes direct, indirect & induced effects)	\$25,589.2

Source: IMPLAN Group, LLC

One-time tax revenues generated as a result of the construction of The Giant attraction include an estimated that \$111,900 that would accrue to local governments while \$662,300 of tax revenue is estimated to accrue to the state government. Lastly, \$3.2 million of tax revenue is estimated accrue to the federal government.

Table 8: Tax Impact: The Giant Construction

Local Tax Revenues Generated (includes direct, indirect & induced effects)	\$111.9
State Tax Revenues Generated (includes direct, indirect & induced effects)	\$662.3
Federal Tax Revenues Generated (includes direct, indirect & induced effects)	\$3,209.0

Source: IMPLAN Group, LLC

INTRODUCTION

Praxis Strategy Group (“Client”) commissioned The Innovation Group for an Economic Impact Analysis of the proposed Turtle Mountain Casino Resort and The Giant projects in Grand Forks, North Dakota. As detailed throughout this report, the proposed developments are expected to have a significant positive impact on the local Grand Forks area through the creation of new jobs and labor income, increased local gross domestic product (“GDP”) and tax dollars, and increased visitation to the area. The proposed casino and entertainment developments have the potential to recast Grand Forks on a national, or even international scale, while supporting the local economy and complementing existing businesses, entertainment outlets, and cultural/community centers. The report summarizes the economic impacts—including job creation, increases in labor income, and positive revenue impacts for other local businesses, among others— that could be expected from the planned development components.

Development plans for the casino resort include the following components: a casino hotel and spa, conference center, multi-purpose events center featuring esports, family entertainment center with arcade and bowling, and a gas station/convenience store. The casino is to be owned by the Turtle Mountain Band of Chippewa and branded Harrah’s. One other major attraction is being planned: The Giant is a unique interactive attraction that would allow guests to transform their image onto a 120+ foot-tall statue with moving components.

The report begins with a summary of the development cost estimates for the planned building program. We then detail our Economic Impact Analysis, summarizing both our methodology and the corresponding results. Please note, since The Giant represents an unprecedented attraction, we have assessed its economic impact separately.

The assumptions utilized in our analyses as well as important notes and considerations are detailed throughout this report.

ECONOMIC IMPACT ANALYSIS

The following section details our Economic Impact Analysis. As noted previously, we have assessed the impact of The Giant separately for both the construction and ongoing operating phases.

Methodology

The economic benefits—the revenues, jobs, and earnings—that accrue from the annual operations of an enterprise are termed **ongoing** impacts. The construction phase of a project is considered a **one-time** benefit to an area. This refers to the fact that these dollars will be introduced into the economy only during construction; construction impacts are expressed in single-year equivalence to be consistent in presentation with ongoing annual impacts.

The economic impact of an industry consists of three layers of impacts:

1. Direct effects
2. Indirect effects
3. Induced effects

The **direct effect** is the economic activity that occurs within the industry itself. The direct effect for casino operations represents the expenditures made by the facility in the form of employee compensation and purchases of goods and services (direct expenditures), which ultimately derive from patron spending on the casino floor, and patron spending on non-gaming amenities is an additional direct effect.

Indirect effects are the impact of the direct expenditures on other business sectors: for example, the advertising firm who handles a casino's local media marketing. Indirect effects reflect the economic spin-off that is made possible by the direct purchases of a casino. Firms providing goods and services to a casino have incomes partially attributable to the casino.

Finally, the **induced effects** result from the spending of labor income: for example, casino employees using their income to purchase consumer goods locally. As household incomes are affected by direct employment and spending, this money is recirculated through the household spending patterns causing further local economic activity.

The **total** economic impact of an industry is the sum of the three components.

Determining the direct economic impact is a critical first step in conducting a valid economic impact analysis. Once the direct expenditures are identified, the indirect and induced effects are calculated using multipliers derived from an input-output model¹ of the economy. The IMPLAN

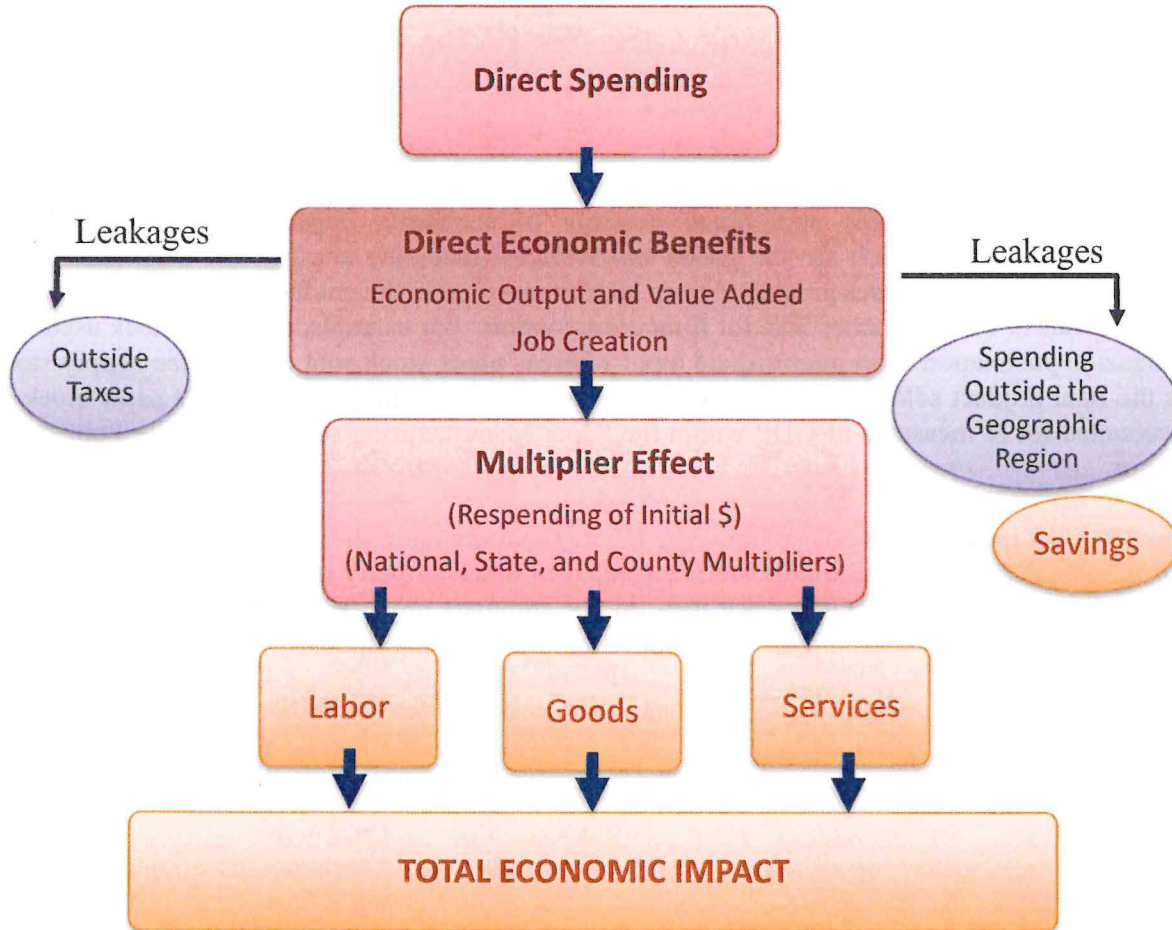
¹ IMPLAN Online software and data were utilized for this study.

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input-output model identifies the relationships between various industries. The model is then used to estimate the effects of expenditures by one industry on other industries so that the total impact can be determined. Industry multipliers are developed based on U.S. Census data. IMPLAN accounts closely follow the accounting conventions used in the "Input-Output Study of the U.S. Economy" by the Bureau of Economic Analysis.

The following flow-chart shows how the economic impact model operates.

Figure 1: Economic Impact Flow Chart



The IMPLAN analysis expresses impacts (direct, indirect, and induced) for the following four economic variables:

Employment is measured in IMPLAN and by the U.S. Census as headcount, in other words the number of full and part-time workers supported by an economic activity.

Labor Income (LI) is compensation to all workers both employees and owners in terms of wages and salaries as well as benefits and payroll taxes. Profits from self-employed

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businesses can also be included in this category as compensation to the owner. These are known as employment compensation (EC) and proprietor income (PI) in IMPLAN. $LI = EC + PI$

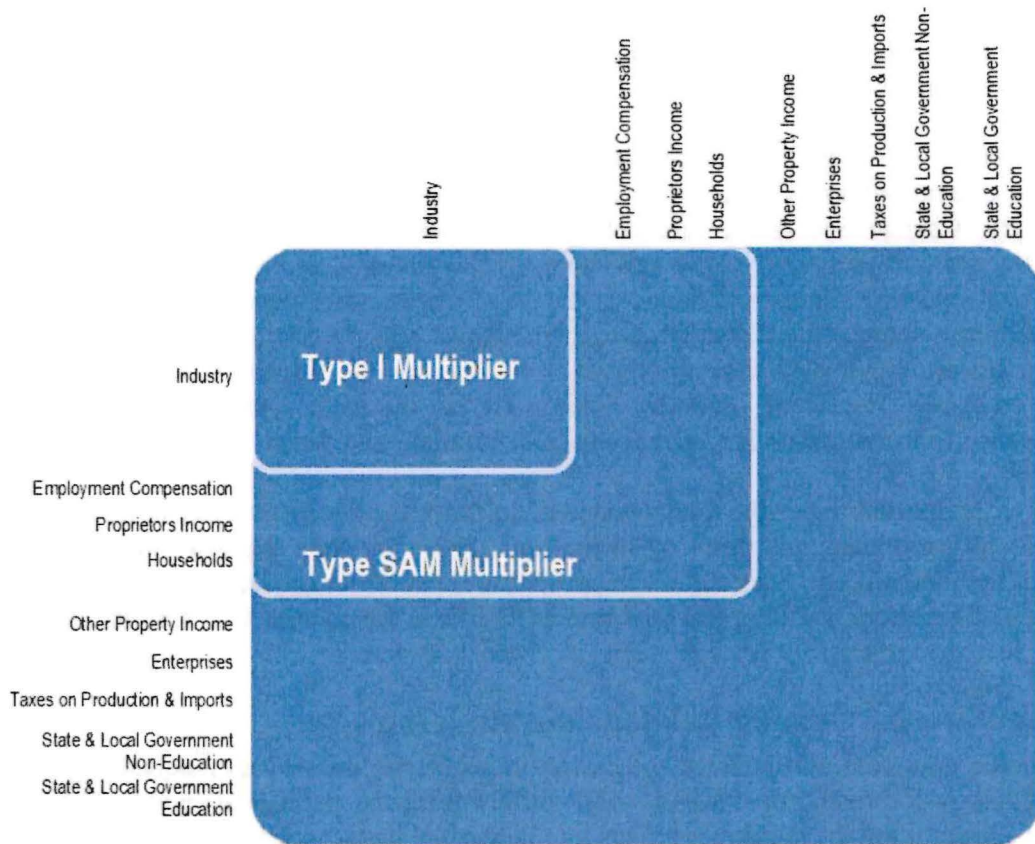
Value-Added (VA) measures the industry or event's contribution to Gross Domestic Product (GDP). It consists of labor income (as described above), taxes on production and imports (TOPI), and other property income (OPI, such as corporate profits, rent payments, and royalties). It is the difference between a business or industry's total sales and the cost of all input materials or intermediate expenditures. $VA = LI + TOPI + OPI$

Output is the total value of industry production; it consists of value-added plus intermediate expenditures (IE). Output is frequently the total price paid by consumers for a good or service. $Output = VA + IE$

Value-Added is the most appropriate measure of economic impact because it excludes intermediate inputs, which are the goods and services (including energy, raw materials, semi-finished goods, and services purchased from all sources) used in the production process to produce *other* goods or services rather than for *final* consumption. For example, the paper stock used in a magazine publication is an intermediate input whereas paper stock sold in an office-supply store is the final product sold to the consumer. The value of producing the magazine's paper stock is accounted for in measures of GDP within the Paper Manufacturing sector, not in the Publishing sector.

However, an industry's use of intermediate inputs produces multiplier or ripple effects in a local or regional economy. Multipliers are not applied to other property income (OPI) and taxes on production and imports (TOPI) since they do not stimulate any additional impacts that can be attributed to the study area. Figure 2 illustrates the IMPLAN multiplier system.

Figure 2: IMPLAN Modeling Components



The U.S. Bureau of Economic Analysis divides effects into Type I (indirect) and Type II (induced) multipliers. Type I measures only business-to-business purchases, or Intermediate Expenditures. Type II measures the effects of local Household spending and Labor Income. SAM (social accounting matrix) multipliers in the IMPLAN systems measure the combined indirect and induced effects.

The IMPLAN sectoring scheme is based on the 6-digit North American Industry Classification System (NAICS), developed under the auspices of the Office of Management and Budget (OMB), which classifies business establishments based on the activities they are primarily engaged in or the commodities they create. IMPLAN's current sectoring scheme aggregates the 2017 version of the NAICS classification scheme down to just 536 industry sectors. When an industry and the commodity produced by the industry have the same name, the commodity is considered the primary product of that industry and will share the same sector code. Other commodities produced by that industry are considered secondary products of that industry. Therefore, it is possible for more than one industry to produce a specific good or service.

Economic Impact Modeling Options

There are six types of economic activity that IMPLAN is designed to model: Industry Change, Commodity Change, Labor Income, Household Income, Industry Spending Pattern, and Institutional (government) Spending Patterns.

The most commonly used activity is an Industry Change, as the business generating a change in revenue, labor, or employment is often known and attributable to a specific industry sector. When using the Industry Change function, the direct effect values (generally revenue or sales) are entered into IMPLAN using the appropriate sector and IMPLAN calculates the multiplier effects resulting from that direct spending. Industry Change is the most appropriate function for non-gaming amenity operations—hotel, food and beverage, meetings and entertainment, arcade/family entertainment center, bowling, and retail/other—as well as for the ongoing operations of the convenience store and The Giant. Industry Change is also the most appropriate function for modeling the costs associated with land improvements, building, and design related costs.

A Commodity Change distributes the total demand or sales for the good or service as an industry change across all producing industries or institutions, based on their regional market share distribution of that commodity. It is the most appropriate function for modeling costs associated with purchases of Furniture, Fixtures and Equipment (FF&E) in the construction section.

Analysis-by-Parts for Gaming-Related Operating Impacts

Given the unique operating attributes of the casino industry, we utilized an Analysis-by-Parts (ABP) methodology for casino operations. ABP differs from the traditional Industry Change Activity, as it separates out the multiplier effects into individual impact components, Intermediate Expenditure (indirect impacts from Type I multipliers) and Labor Income (induced impacts from Type II multipliers). This allows for more flexibility and customization capabilities in the analysis to model actual business operations.

For the Labor Income (LI) component we used a Labor Income Change activity to analyze the impact of the payroll of casino operations necessary to meet the demand or production level. The direct input for Labor Income in the casino analysis consisted of Employee Compensation from our operating pro forma models.

For Intermediate Expenditures (IE), we import an Industry Spending Pattern to specify the goods and services of industry purchases needed for the sector 503 - Gambling industries (except casino hotels) in order to satisfy projected casino revenues. The purchase of these goods and services from local sources actually represents the first round of indirect purchases by the casino industry. The coefficients listed in an Industry Spending Pattern represent the amount spent on each commodity to produce one dollar of the industry's output, while the sum of all commodity coefficients equals total intermediate expenditures used by that industry sector.

The Analysis-by-Parts method results in a much more conservative and we believe realistic estimate of the indirect and induced (or multiplier) effects of the operation of the casino component. The inputs into the IMPLAN casino model consist solely of the proforma estimates of employee compensation and purchases by the casino of goods and services. Operating profit is

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excluded from the multiplier effect, although it is included in the displays of direct effects. Since the ABP technique shifts the direct inputs to indirect and induced impact results, the direct effects of these components are imputed using our proforma operating statements.

A Note on Substitution

Casino development frequently elicits concern that a substitution of consumer spending (the substitution effect) will negatively impact local businesses, especially smaller “mom and pop” retail, restaurant, and other entertainment industries. Intuitively it seems to be logical that spending at a casino would be diverted from other consumer activities such as going to a movie or taking a trip to the beach. However, numerous empirical studies have failed to find any conclusive evidence of significant economic substitution after the introduction of new casinos, nor is there any conclusive evidence as to the amount of spending that is substituted or the industry that it would have otherwise been spent in.

It is likely that countervailing positive effects dilute or outweigh any substitution that occurs. First, there is the increased household income in the area from casino employment. Secondly, there is a substantial body of research and case studies demonstrating the positive impacts that casinos have on surrounding local businesses. A review of studies of casino impacts on local business shows that casinos can stimulate local economies, resulting in communitywide growth, including in the local food and beverage business and retail businesses. Casino visitors stop at local retail outlets and restaurants in addition to some overnight casino guests patronizing local non-casino hotels. More information on local business impacts is contained in the Appendix.

It was determined after careful consideration that any substitution effects that may occur in the county as a result of the development operations would not be modeled in the economic impact analysis.

Ongoing Operations

The ongoing operations of the developments in Grand Forks will result in ongoing economic benefits that will accrue annually. Direct inputs for the casino development and The Giant were derived from The Innovation Group’s Gaming & Resort Market Assessment.

Operating Inputs

Direct effect inputs for casino resort and The Giant operations account for the workers employed at the facility and the compensation they earn as well as direct spending (less any promotional rewards or benefits received) by the gaming operations. Staffing and employment compensation estimates were based on The Innovation Group’s operating pro forma model and input into the IMPLAN software. Our staffing model has been calibrated to actual operating data from existing casinos and is on a Full-Time Equivalent (“FTE”) basis. These FTEs were converted into total number of employees (Full and Part-time) using IMPLAN’s conversion matrix, which for the casino sector is 0.82136 FTEs for each employee on a headcount basis.

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The following tables show the total inputs utilized in the IMPLAN modeling for the Turtle Mountain Casino Resort and The Giant. Please note, relevant values for the assumed second year of operations, or 2026, were used as input values for the direct effect inputs.

Table 9: Turtle Mountain Casino Resort Direct Effect Inputs – Ongoing Operations (\$000s)

Industry Spending Pattern & Labor Change	Expenditures (\$000s)	Employment	Labor Income (\$000s)
503 Gambling industries (except casino hotels)	\$13,403.8		
5001 Employment Compensation		429	\$22,773.9
Industry Change	Revenue (\$000s)		
507 Hotel and motels, including casino hotels	\$11,170.2	96	\$2,473.7
509 Full-service restaurants	\$9,030.4	230	\$4,637.4
504 Other amusement and recreation industries*	\$568.6	10	\$238.1
506 Bowling Centers*	\$946.0	15	\$305.9
408 Retail gasoline stores	\$1,048.1	15	\$427.3
496 Performing arts companies	\$2,951.7	16	\$762.6
412 Miscellaneous Store Retailers	\$1,179.3	1	\$45.3

Source: IMPLAN Group, LLC, IMPLAN System (data and software); The Innovation Group.

*Employment and Labor Income figures generated by IMPLAN

Table 10: The Giant Direct Effect Inputs – Ongoing Operations (\$000s)

Industry Change	Revenue (\$000s)	Employment	Labor Income (\$000s)
504 Other amusement and recreation industries	\$5,878.8	55	\$2,420.0

Source: IMPLAN Group, LLC, IMPLAN System (data and software); The Innovation Group.

Annual Economic Impacts from Operations

The following section presents the ongoing economic impacts resulting from the Turtle Mountain Casino Resort and The Giant operating activities. These impacts occur annually and can be thought of as long-term benefits locally (within Grand Forks County).

Based on the operating data forecasted by The Innovation Group, the operations of the potential Turtle Mountain Casino Resort are estimated to directly support 812 local workers annually, with annual labor income equaling \$31.7 million and total added value to the economy of \$71.9 million. These direct impacts drive a further \$11.2 million in added value to the economy and 165 jobs from indirect and induced effects.

In total, Grand Forks is estimated to benefit from annual employment impacts of 977 workers, \$40.1 million in labor income and \$83.1 million in total value added, as shown in the table below.

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Table 11: Turtle Mountain Casino Resort Local Ongoing Impacts

Impact Type	Employment	Labor Income (\$MM)	Value Added (\$MM)	Output (\$MM)
Direct Effect	812	\$31.7	\$71.9	\$97.1
Indirect Effect	112	\$5.7	\$7.5	\$15.2
Induced Effect	52	\$2.7	\$3.8	\$6.9
Total	977	\$40.1	\$83.1	\$119.3

Source: IMPLAN Group, LLC

Based on the operating data forecasted by The Innovation Group, the operations of the potential The Giant attraction are estimated to directly support 55 local workers annually, with annual labor income equaling \$2.4 million and total added value to the economy of \$2.7 million. These direct impacts drive a further \$1.9 million in added value to the economy and 12 jobs from indirect and induced effects.

In total, Grand Forks is estimated to benefit from annual employment impacts of 67 workers, \$3.6 million in labor income and \$4.6 million in total value added, as shown in the table below.

Table 12: The Giant Local Ongoing Impacts

Impact Type	Employment	Labor Income (\$MM)	Value Added (\$MM)	Output (\$MM)
Direct Effect	55	\$2.4	\$2.7	\$5.9
Indirect Effect	6	\$0.6	\$1.0	\$2.1
Induced Effect	6	\$0.6	\$0.9	\$1.7
Total	67	\$3.6	\$4.6	\$9.7

Source: IMPLAN Group, LLC

Fiscal Impacts

Fiscal impacts from the ongoing operations of the Turtle Mountain Casino Resort and The Giant are estimated by IMPLAN.

Turtle Mountain Casino Resort

Fiscal impacts resulting from IMPLAN include business taxes, payroll taxes, property taxes, and other relevant taxes locally, statewide, and nationally. Based on the forecasted operations of the Turtle Mountain Casino Resort, IMPLAN estimates local tax revenue of \$131,900.

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Table 13: Local Tax Impact: Turtle Mountain Casino Resort Ongoing Operations (\$000)

Description	Direct	Indirect	Induced	Total
Social Insurance Tax- Employee Contribution	\$0.0	\$0.0	\$0.0	\$0.0
Social Insurance Tax- Employer Contribution	\$0.0	\$0.0	\$0.0	\$0.0
TOPI: Sales Tax	\$0.0	\$8.5	\$7.9	\$16.5
TOPI: Property Tax	\$0.0	\$31.4	\$29.1	\$60.5
TOPI: Motor Vehicle License	\$0.0	\$0.0	\$0.0	\$0.0
TOPI: Severance Tax	\$0.0	\$0.0	\$0.0	\$0.0
TOPI: Other Taxes	\$6.8	\$0.9	\$0.8	\$8.6
TOPI: Special Assessments	\$36.8	\$4.9	\$4.6	\$46.3
OPI: Corporate Profits Tax	\$0.0	\$0.0	\$0.0	\$0.0
Personal Tax: Income Tax	\$0.0	\$0.0	\$0.0	\$0.0
Personal Tax: Motor Vehicle License	\$0.0	\$0.0	\$0.0	\$0.0
Personal Tax: Other Tax (Fish/Hunt)	\$0.0	\$0.0	\$0.0	\$0.0
Total	\$43.6	\$45.8	\$42.4	\$131.9

Source: IMPLAN Group, LLC

As a tribal trust development, the resort would be exempt from sales and property taxes. However, it is common in tribal casino trust applications for the parties to approve a Host Community Agreement allowing for the host municipality to receive direct payments as a percentage of gaming revenue. We estimate that such a payment would result in an annual payment to the City of Grand Forks of approximately \$855,000, for a total annual local fiscal impact of nearly \$1 million.

The fiscal impact to the State is estimated at \$1.3 million.

Table 14: State Tax Impact: Turtle Mountain Casino Resort Ongoing Operations (\$000)

Description	Direct	Indirect	Induced	Total
Social Insurance Tax- Employee Contribution	\$16.1	\$9.5	\$4.6	\$30.2
Social Insurance Tax- Employer Contribution	\$24.6	\$14.6	\$7.1	\$46.2
TOPI: Sales Tax	\$0.0	\$65.8	\$60.9	\$126.6
TOPI: Property Tax	\$0.0	\$0.1	\$0.1	\$0.3
TOPI: Motor Vehicle License	\$10.1	\$1.3	\$1.2	\$12.7
TOPI: Severance Tax	\$669.9	\$89.8	\$83.1	\$842.8
TOPI: Other Taxes	\$18.5	\$2.5	\$2.3	\$23.3
TOPI: Special Assessments	\$0.0	\$0.0	\$0.0	\$0.0
OPI: Corporate Profits Tax	\$37.1	\$15.9	\$10.1	\$63.1
Personal Tax: Income Tax	\$51.5	\$39.7	\$17.2	\$108.3
Personal Tax: Motor Vehicle License	\$8.4	\$6.2	\$2.7	\$17.3
Personal Tax: Other Tax (Fish/Hunt)	\$7.8	\$6.0	\$2.6	\$16.3
Total	\$843.9	\$251.4	\$192.0	\$1,287.2

Source: IMPLAN Group, LLC

Finally, IMPLAN estimates \$2.9 million of tax revenue would accrue to the federal government.

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Table 15: Federal Tax Impact: Turtle Mountain Casino Resort Ongoing Operations (\$000)

Description	Direct	Indirect	Induced	Total
Social Insurance Tax- Employee Contribution	\$466.6	\$313.5	\$143.6	\$923.8
Social Insurance Tax- Employer Contribution	\$428.0	\$254.1	\$122.9	\$805.0
TOPI: Excise Tax	\$5.3	\$0.7	\$0.7	\$6.7
TOPI: Custom Duty	\$4.3	\$0.6	\$0.5	\$5.5
OPI: Corporate Profit Tax	\$141.7	\$60.6	\$38.7	\$241.0
Personal Tax: Income Tax	\$440.7	\$348.0	\$149.2	\$937.8
Personal Tax: Estate and Gift Tax	\$0.0	\$0.0	\$0.0	\$0.0
Total	\$1,486.8	\$977.5	\$455.6	\$2,919.8

Source: IMPLAN Group, LLC

The Giant

Based on the forecasted operations of the The Giant, IMPLAN estimates that \$93,500 of tax revenue would accrue to local governments while \$382,800 of tax revenue would accrue to the state government. Finally, IMPLAN estimates \$665,200 of tax revenue would accrue to the federal government.

Table 16: Local Tax Impact: The Giant Ongoing Operations (\$000)

Description	Direct	Indirect	Induced	Total
Social Insurance Tax- Employee Contribution	\$0.0	\$0.0	\$0.0	\$0.0
Social Insurance Tax- Employer Contribution	\$0.0	\$0.0	\$0.0	\$0.0
TOPI: Sales Tax	\$14.2	\$1.3	\$1.9	\$17.4
TOPI: Property Tax	\$52.3	\$4.8	\$7.0	\$64.1
TOPI: Motor Vehicle License	\$0.0	\$0.0	\$0.0	\$0.0
TOPI: Severance Tax	\$0.0	\$0.0	\$0.0	\$0.0
TOPI: Other Taxes	\$1.5	\$0.1	\$0.2	\$1.9
TOPI: Special Assessments	\$8.2	\$0.8	\$1.1	\$10.1
OPI: Corporate Profits Tax	\$0.0	\$0.0	\$0.0	\$0.0
Personal Tax: Income Tax	\$0.0	\$0.0	\$0.0	\$0.0
Personal Tax: Motor Vehicle License	\$0.0	\$0.0	\$0.0	\$0.0
Personal Tax: Other Tax (Fish/Hunt)	\$0.0	\$0.0	\$0.0	\$0.0
Total	\$76.3	\$7.1	\$10.2	\$93.5

Source: IMPLAN Group, LLC

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Table 17: State Tax Impact: The Giant Ongoing Operations (\$000)

Description	Direct	Indirect	Induced	Total
Social Insurance Tax- Employee Contribution	\$5.3	\$1.0	\$1.1	\$7.4
Social Insurance Tax- Employer Contribution	\$8.1	\$1.6	\$1.7	\$11.3
TOPI: Sales Tax	\$109.5	\$10.1	\$14.6	\$134.2
TOPI: Property Tax	\$0.2	\$0.0	\$0.0	\$0.3
TOPI: Motor Vehicle License	\$2.2	\$0.2	\$0.3	\$2.8
TOPI: Severance Tax	\$149.5	\$13.8	\$19.9	\$183.2
TOPI: Other Taxes	\$4.1	\$0.4	\$0.6	\$5.1
TOPI: Special Assessments	\$0.0	\$0.0	\$0.0	\$0.0
OPI: Corporate Profits Tax	(\$0.5)	\$2.6	\$2.4	\$4.5
Personal Tax: Income Tax	\$16.9	\$5.0	\$4.1	\$26.0
Personal Tax: Motor Vehicle License	\$2.8	\$0.8	\$0.7	\$4.2
Personal Tax: Other Tax (Fish/Hunt)	\$2.5	\$0.8	\$0.6	\$3.9
Total	\$300.6	\$36.2	\$46.0	\$382.8

Source: IMPLAN Group, LLC

Table 18: Federal Tax Impact: The Giant Ongoing Operations (\$000)

Description	Direct	Indirect	Induced	Total
Social Insurance Tax- Employee Contribution	\$153.0	\$36.6	\$34.3	\$224.0
Social Insurance Tax- Employer Contribution	\$140.4	\$27.3	\$29.4	\$197.1
TOPI: Excise Tax	\$1.2	\$0.1	\$0.2	\$1.5
TOPI: Custom Duty	\$1.0	\$0.1	\$0.1	\$1.2
OPI: Corporate Profit Tax	(\$1.9)	\$9.8	\$9.2	\$17.1
Personal Tax: Income Tax	\$144.5	\$44.2	\$35.7	\$224.4
Personal Tax: Estate and Gift Tax	\$0.0	\$0.0	\$0.0	\$0.0
Total	\$438.1	\$118.1	\$109.0	\$665.2

Source: IMPLAN Group, LLC

Construction

Construction of the proposed developments would bring one-time (non-recurring) benefits to Grand Forks. Construction impacts are expressed on a single-year basis. Therefore, the employment figures, for example, represent person-year equivalents; for a construction period of two years, the actual number of workers onsite would be half the person-year equivalent.

The impact of construction only relates to expenditures made directly by the development company to design, build and outfit the physical structure. For construction, architectural, and engineering impacts, the Industry Change function was employed using sectors 55-Construction of New Commercial Structures, Including Farm Structures and 457-Architectural, Engineering, and Related Services. Costs associated with purchases of Furniture, Fixtures and Equipment (FF&E) and machine purchases were modeled using the Commodity Change function sectors 3393-Wholesale Trade Services-Professional and Commercial Equipment and Supplies and 3391-All Other Miscellaneous Manufactured Products.

Construction Inputs

Based on high-level construction capital costs estimated by the Innovation Group, the following tables outlines the final inputs used to calculate the economic impact by sector. The cost of slot machines was separated out from the other FF&E. IMPLAN estimates what percentage of the purchases, including slot machines, will originate from within the study area based on its Social Accounting Matrix (SAM).

Table 19: Turtle Mountain Casino Resort Estimated Construction Cost Inputs (\$MM)

Component	
Industry Change	
55 Construction of New Commercial Structures	\$161.9
457 Architectural, engineering, and related services	\$17.5
Commodity Change	
3393 Wholesale trade services	\$44.2
3391 All other miscellaneous manufactured products	\$23.0
Total Direct	\$246.7

Source: IMPLAN Group, LLC; The Innovation Group

Table 20: The Giant Estimated Construction Cost Inputs (\$MM)

Component	
Industry Change	
55 Construction of New Commercial Structures	\$22.5
457 Architectural, engineering, and related services	\$1.5
Commodity Change	
3393 Wholesale trade services	\$6.0
Total Direct	\$30.0

Source: IMPLAN Group, LLC; The Innovation Group

Economic Impacts from Construction

Based on the construction capital costs estimated by The Innovation Group, the IMPLAN model estimates that construction of the Turtle Mountain Casino Resort development will directly support 1,527 workers locally, with labor income equaling \$108.4 million and total added value to the economy of \$111.4 million. These direct impacts drive a further \$53.8 million in added value to the economy and over 650 jobs from indirect and induced effects.

In total, the local region is estimated to have benefited from a one-time, single-year equivalent employment impact of 2,180 workers, \$143.4 million in labor income and \$165.2 million in total value added, as shown in the table below.

Table 21: Turtle Mountain Casino Resort Local Construction Impacts

Impact Type	Employment	Labor Income (\$MM)	Value Added (\$MM)	Output (\$MM)
Direct Effect	1,527	\$108.4	\$111.4	\$193.1
Indirect Effect	187	\$12.2	\$17.4	\$34.1
Induced Effect	466	\$22.8	\$36.4	\$66.4
Total	2,180	\$143.4	\$165.2	\$293.7

Source: IMPLAN Group, LLC

Note: Single-year equivalents.

Based on the construction capital costs estimated by The Innovation Group, the IMPLAN model estimates that construction of The Giant attraction will directly support 182 workers locally, with labor income equaling \$13.7 million and total added value to the economy of \$14.0 million. These direct impacts drive a further \$6.6 million in added value to the economy and nearly 80 jobs from indirect and induced effects.

In total, the local region is estimated to benefit from a one-time, single-year equivalent employment impact of 261 workers, \$18.0 million in labor income and \$20.6 million in total value added, as shown in the table below.

Table 22: The Giant Local Construction Impacts

Impact Type	Employment	Labor Income (\$MM)	Value Added (\$MM)	Output (\$MM)
Direct Effect	182	\$13.7	\$14.0	\$24.2
Indirect Effect	21	\$1.5	\$2.1	\$4.0
Induced Effect	58	\$2.9	\$4.6	\$8.3
Total	261	\$18.0	\$20.6	\$36.5

Source: IMPLAN Group, LLC

Note: Single-year equivalents.

Fiscal Impacts

Turtle Mountain Casino Resort

Fiscal impacts resulting from IMPLAN include business taxes, payroll taxes, property taxes, and other relevant taxes, locally, statewide, and nationally. Based on the construction cost estimates for the Turtle Mountain Casino Resort development, the one-time fiscal impacts from construction

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would contribute \$1.0 million, \$5.8 million and \$25.6 million to local, state and federal governments, respectively.

Table 23: Local Tax Impact from Construction: Turtle Mountain Casino Resort (\$000)

Description	Direct	Indirect	Induced	Total
Social Insurance Tax- Employee Contribution	\$0.0	\$0.0	\$0.0	\$0.0
Social Insurance Tax- Employer Contribution	\$0.0	\$0.0	\$0.0	\$0.0
TOPI: Sales Tax	\$70.8	\$47.3	\$75.6	\$193.7
TOPI: Property Tax	\$260.4	\$174.0	\$278.3	\$712.6
TOPI: Motor Vehicle License	\$0.0	\$0.0	\$0.0	\$0.0
TOPI: Severance Tax	\$0.0	\$0.0	\$0.0	\$0.0
TOPI: Other Taxes	\$7.6	\$5.1	\$8.1	\$20.7
TOPI: Special Assessments	\$40.9	\$27.3	\$43.7	\$111.8
OPI: Corporate Profits Tax	\$0.0	\$0.0	\$0.0	\$0.0
Personal Tax: Income Tax	\$0.0	\$0.0	\$0.0	\$0.0
Personal Tax: Motor Vehicle License	\$0.0	\$0.0	\$0.0	\$0.0
Personal Tax: Other Tax (Fish/Hunt)	\$0.0	\$0.0	\$0.0	\$0.0
Total	\$379.6	\$253.6	\$405.7	\$1,038.8

Source: IMPLAN Group, LLC

Table 24: State Tax Impact from Construction: Turtle Mountain Casino Resort (\$000)

Description	Direct	Indirect	Induced	Total
Social Insurance Tax- Employee Contribution	\$228.1	\$20.6	\$44.4	\$293.1
Social Insurance Tax- Employer Contribution	\$348.9	\$31.5	\$68.0	\$448.4
TOPI: Sales Tax	\$544.7	\$363.9	\$582.1	\$1,490.6
TOPI: Property Tax	\$1.2	\$0.8	\$1.3	\$3.3
TOPI: Motor Vehicle License	\$11.2	\$7.5	\$11.9	\$30.6
TOPI: Severance Tax	\$743.7	\$496.8	\$794.8	\$2,035.3
TOPI: Other Taxes	\$20.5	\$13.7	\$21.9	\$56.2
TOPI: Special Assessments	\$0.0	\$0.0	\$0.0	\$0.0
OPI: Corporate Profits Tax	\$10.0	\$33.1	\$97.2	\$140.4
Personal Tax: Income Tax	\$730.6	\$93.1	\$165.3	\$989.1
Personal Tax: Motor Vehicle License	\$119.5	\$14.2	\$26.2	\$159.9
Personal Tax: Other Tax (Fish/Hunt)	\$110.1	\$14.0	\$24.9	\$149.1
Total	\$2,868.5	\$1,089.2	\$1,838.2	\$5,796.0

Source: IMPLAN Group, LLC

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Table 25: Federal Tax Impact from Construction: Turtle Mountain Casino Resort (\$000)

Description	Direct	Indirect	Induced	Total
Social Insurance Tax- Employee Contribution	\$6,620.7	\$706.4	\$1,382.2	\$8,709.4
Social Insurance Tax- Employer Contribution	\$6,072.7	\$547.8	\$1,183.3	\$7,803.7
TOPI: Excise Tax	\$5.9	\$4.0	\$6.3	\$16.3
TOPI: Custom Duty	\$4.8	\$3.2	\$5.1	\$13.2
OPI: Corporate Profit Tax	\$38.3	\$126.5	\$371.4	\$536.2
Personal Tax: Income Tax	\$6,252.5	\$822.1	\$1,436.0	\$8,510.5
Personal Tax: Estate and Gift Tax	\$0.0	\$0.0	\$0.0	\$0.0
Total	\$18,994.8	\$2,210.0	\$4,384.4	\$25,589.2

Source: IMPLAN Group, LLC

The Giant

Based on the construction cost estimates for The Giant attraction, the one-time fiscal impacts from construction would contribute \$111,900, \$662,300, and \$3.2 million to local, state and federal governments, respectively.

Table 26: Local Tax Impact from Construction: The Giant (\$000)

Description	Direct	Indirect	Induced	Total
Social Insurance Tax- Employee Contribution	\$0.0	\$0.0	\$0.0	\$0.0
Social Insurance Tax- Employer Contribution	\$0.0	\$0.0	\$0.0	\$0.0
TOPI: Sales Tax	\$5.2	\$6.2	\$9.5	\$20.9
TOPI: Property Tax	\$19.1	\$22.7	\$34.9	\$76.7
TOPI: Motor Vehicle License	\$0.0	\$0.0	\$0.0	\$0.0
TOPI: Severance Tax	\$0.0	\$0.0	\$0.0	\$0.0
TOPI: Other Taxes	\$0.6	\$0.7	\$1.0	\$2.2
TOPI: Special Assessments	\$3.0	\$3.6	\$5.5	\$12.0
OPI: Corporate Profits Tax	\$0.0	\$0.0	\$0.0	\$0.0
Personal Tax: Income Tax	\$0.0	\$0.0	\$0.0	\$0.0
Personal Tax: Motor Vehicle License	\$0.0	\$0.0	\$0.0	\$0.0
Personal Tax: Other Tax (Fish/Hunt)	\$0.0	\$0.0	\$0.0	\$0.0
Total	\$27.8	\$33.1	\$50.9	\$111.9

Source: IMPLAN Group, LLC

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Table 27: State Tax Impact from Construction: The Giant (\$000)

Description	Direct	Indirect	Induced	Total
Social Insurance Tax- Employee Contribution	\$28.8	\$2.4	\$5.6	\$36.8
Social Insurance Tax- Employer Contribution	\$44.1	\$3.7	\$8.5	\$56.3
TOPI: Sales Tax	\$39.9	\$47.6	\$73.0	\$160.5
TOPI: Property Tax	\$0.1	\$0.1	\$0.2	\$0.4
TOPI: Motor Vehicle License	\$0.8	\$1.0	\$1.5	\$3.3
TOPI: Severance Tax	\$54.5	\$64.9	\$99.7	\$219.1
TOPI: Other Taxes	\$1.5	\$1.8	\$2.8	\$6.1
TOPI: Special Assessments	\$0.0	\$0.0	\$0.0	\$0.0
OPI: Corporate Profits Tax	\$0.9	\$3.8	\$12.2	\$17.0
Personal Tax: Income Tax	\$92.3	\$11.1	\$20.7	\$124.1
Personal Tax: Motor Vehicle License	\$15.1	\$1.7	\$3.3	\$20.1
Personal Tax: Other Tax (Fish/Hunt)	\$13.9	\$1.7	\$3.1	\$18.7
Total	\$291.9	\$139.8	\$230.6	\$662.3

Source: IMPLAN Group, LLC

Table 28: Federal Tax Impact from Construction: The Giant (\$000)

Description	Direct	Indirect	Induced	Total
Social Insurance Tax- Employee Contribution	\$836.1	\$83.8	\$173.4	\$1,093.3
Social Insurance Tax- Employer Contribution	\$766.9	\$64.8	\$148.4	\$980.0
TOPI: Excise Tax	\$0.4	\$0.5	\$0.8	\$1.7
TOPI: Custom Duty	\$0.4	\$0.4	\$0.6	\$1.4
OPI: Corporate Profit Tax	\$3.6	\$14.7	\$46.6	\$64.9
Personal Tax: Income Tax	\$789.6	\$97.9	\$180.1	\$1,067.6
Personal Tax: Estate and Gift Tax	\$0.0	\$0.0	\$0.0	\$0.0
Total	\$2,396.9	\$262.2	\$549.9	\$3,209.0

Source: IMPLAN Group, LLC

APPENDIX: LOCAL BUSINESS BENEFITS

There is a substantial body of research and case studies demonstrating the impacts that casinos have on surrounding local businesses. There are several important reasons that local businesses benefit from the development of a casino:

- Casino visitors stopping at local retail outlets and restaurants.
- Long-distance patrons staying at area hotels; even in markets with casino hotels, non-casino hotels enjoy boosts in occupancy.
- Casino expenditures on local goods and services put more money into the local economy.

A review of studies of casino impacts on local business shows that casinos can stimulate local economies, resulting in communitywide growth, including in the local food and beverage business and retail businesses. There is little evidence of significant economic substitution after the introduction of new casinos, particularly for casinos in urban areas.

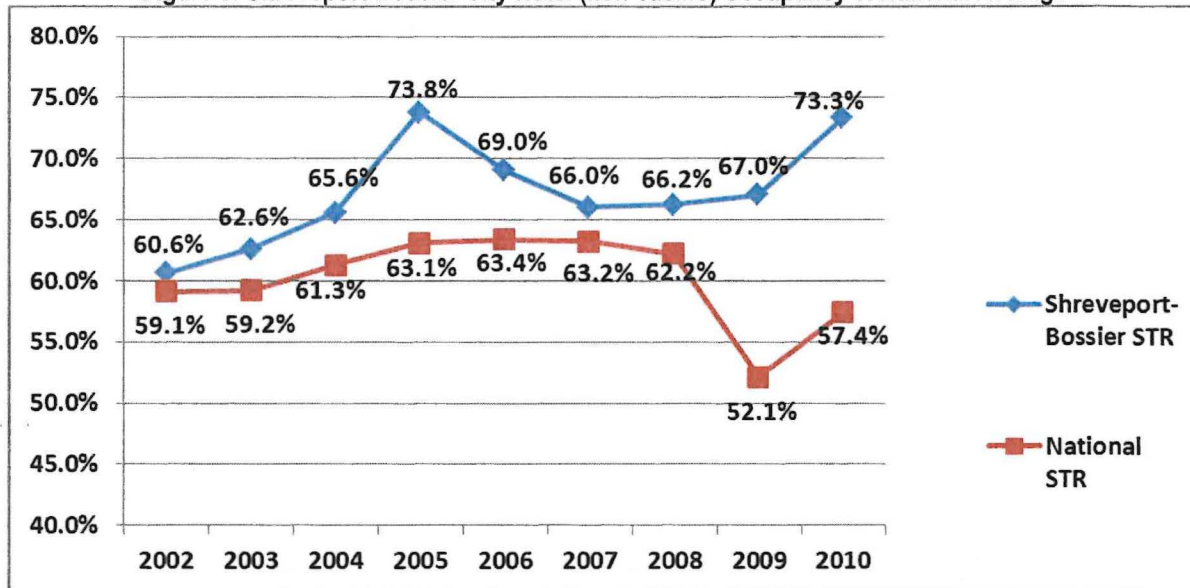
Primary Research

Casino development increases room demand at non-casino hotels even when casino hotels are built. For example, in Shreveport-Bossier City, Louisiana, hotel occupancy rates averaged approximately 60% before casinos were developed beginning in 1994, which is a standard level of occupancy for a small city market without casinos. The Shreveport-Bossier City casino industry was fully developed by 2003 with six casinos featuring 9,500 gaming positions, by which time hotel occupancy in non-casino hotels had risen to 63%, climbing to 74% by 2005.²

The casino industry also helped non-casino hotels in Shreveport-Bossier City weather the impacts of the Great Recession much better than the national hotel market, with hotel occupancy dropping to no lower than 66% compared to the national trough of 52%.

² Shreveport-Bossier Convention and Tourism Bureau 2011 Lodging Report.

Figure 3: Shreveport-Bossier City Hotel (non-casino) Occupancy v. National Average



Source: Shreveport-Bossier Convention and Tourism Bureau 2011 Lodging Report; Smith Travel Research

Such a boost to non-casino hotel demand results from the overall increased visitation to the area and the overflow from peak periods when casino hotels are fully booked. On the Mississippi Gulf Coast, gaming began in late 1992 and by the early 2000's there were 11 casinos, all but one of which had associated hotels. During this period, occupancy rates in non-casino hotels remained steady at 55% despite a 143% increase in total rooms, including a 60% increase in non-casino hotel rooms.³

The overflow effect has been experienced in numerous jurisdictions beyond the Mississippi and Shreveport examples presented above. In fact, third-party developers frequently build new hotels in the vicinity of a casino to take advantage of that overflow, even in remote areas with no other organic sources of demand. For example, an Americas Best Value Inn, a Best Western and a Days Inn were developed next to the Coushatta Casino Resort in Kinder, Louisiana even though the remote casino property has over 950 rooms of its own.

Gaming development on the Mississippi Gulf Coast also boosted retail and restaurant development by local business owners taking advantage of the increased visitation to the area. As the following table shows, between 1991 and 1997 the number of retail and eating and drinking establishments increased in the two counties that host casinos. The increases were an astounding 77 percent for drinking and dining establishments in Hancock County while retail establishments in both counties also increased over this period.

³ Source: Mississippi Gaming Commission.

Table 29: Change in Retail and Eating and Drinking Establishments 1991-1997

County	Retail	Eating and drinking places
Harrison County, MS	14.7%	4.2%
Hancock County, MS	6.6%	77.1%

Source: US Census County Business Patterns

On the West Coast, three separate data sources indicate that substantial hotel development at tribal casinos on the outskirts of San Diego (and not within the City) has not negatively impacted local hotels. The Transient Occupancy Tax (TOT) collected by the City of San Diego has grown substantially since recovering from the 2009-10 recession effects, despite the operation of several large rural casino hotels, including an 1,100-room hotel at Harrah's Rincon, that do not pay the TOT.

Table 30: City of San Diego, CA Transient Occupancy Tax Collections (MMs)

2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
\$160.24	\$136.32	\$128.11	\$139.77	\$150.82	\$157.03	\$170.17	\$186.24	\$202.80	\$221.10

Source: San Diego Tourism Authority

While some of the TOT increase may be related to collection of the TOT at AirBnBs beginning in 2015, hotel occupancy data—which do not include AirBnBs—also increased in the three years from 2014 to 2016. HVS reports that hotel demand and occupancy in the San Diego market “increased steadily from 2010 through 2018, resulting in peak occupancy levels above 78% by year-end 2018.” RevPAR (revenue per available room, a measure of hotel performance) has also seen steady increases since the recession, rising above \$130 for the first time in 2018.⁴

This HVS report is corroborated by STR data for the San Diego market, data that excludes casino properties, as shown in the following table.

⁴ http://hvi.hvs.com/market/united-states/San_Diego; accessed June 2, 2022.

Table 31: San Diego pre-Covid Hotel Trends

	Occupancy %	RevPAR \$	Room Revenue (\$MMs)
2012	73.3	100.27	1,377
2013	74.0	103.22	1,414
2014	76.6	112.00	1,534
2015	78.5	122.23	1,674
2016	79.3	126.62	1,768
2017	79.2	130.47	1,844
2018	80.9	138.44	1,951
2019	78.7	134.84	1,937

Source: STR; The Innovation Group

Secondary Research

Casino development sometimes elicits concern, which research has dispelled, that substitution of consumer spending (the substitution effect) will impact local businesses, especially smaller “mom and pop” retail, restaurant and entertainment businesses. This argument has its origins in long-ago controversies regarding Atlantic City. Clyde Barrow, Director for the Center of Policy Analysis at the University of Massachusetts Dartmouth, traces the Atlantic City “myth” to a misinformation campaign by the Atlantic City Restaurant and Tavern Association “to win more concessions for its members from the city’s casino hotels.”⁵

Research by Kathryn Hashimoto and George Fenich found that contrary to a negative impact, casinos in Atlantic City actually reversed a downward trend:

The number of eating and drinking establishments in Atlantic County was actually declining in the years *prior* to the opening of the first casinos. However, this decline was actually reversed after the first casinos opened, when the number of non-casino eating and drinking places increased from 415 in 1978 to 569 in 1994 (37 percent). Moreover, in the 11 years since the Hashimoto and Fenich study, the number of non-casino eating and drinking places in Atlantic County has continued to increase to 625 (9.8 percent) in 2004 with 9,020 employees (36 percent).⁶

In a review of available literature, the research division of the Federal Reserve Bank of St. Louis concluded in a 2003 report that the results are “mixed” regarding the impacts of casinos on other local businesses. The report references one study that “found that the growth in retail sales tax collections from various industries slowed after the introduction of casino gambling.” However,

⁵ Barrow, Clyde and Mathew Hirshy. “The Persistence of Pseudo-Facts in the U.S. Casino Debate: The Case of Massachusetts” *Gaming Law Review and Economics* Volume 12, Number 4, 2008.

⁶ *Ibid.*

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another referenced study from Indiana showed that casino development retained spending by patrons “who would have, without the casino, spent their money outside of the local area.”⁷

Furthermore, there is substantial economic research from throughout the country contradicting the substitution effect. Hashimoto and Fenich’s 1997 research shows that “in jurisdictions from the seashore to the riverfront to rural areas, north and south, east and west, local restaurants tended to thrive after a casino opened nearby.” Furthermore, Hashimoto and Fenich conclude: “When casinos are developed, all aspects of the local food and beverage business increase: the number of establishments increases, the number of people employed increases and payroll increases at an even greater rate than the first two.”⁸

Research conducted in 1996 by Nancy Reeves and Associates for the Mille Lacs Band of Ojibwe, entitled “The Economic Impact of Grand Casino Mille Lacs and Grand Casino Hinckley on Their Surrounding Areas” concluded that:

At least 15 businesses have either opened, expanded, or re-opened since the opening of Grand Casino Mille Lacs. Included are 4 hotels/motels and resorts, 8 restaurants and fast food establishments, 2 gas stations and a go-kart track. Together, these businesses have added an estimated 142 jobs in the area.

With the opening of Grand Casino Hinckley in 1992, the hospitality business in Hinckley was transformed from a rest stop for travelers to a tourist destination. In addition to the casino complex, with its 1,275 jobs, Hinckley has added 11 new businesses and expanded 4 more since 1992, adding 87 new jobs. As is the case in the Mille Lacs area, Hinckley is now a year round destination because of the casino. Also similar to the Mille Lacs situation, the main street businesses in Hinckley have seen increases in customer spending attributed primarily to casino employees living in the area.

The Center for Policy Analysis University of Massachusetts Dartmouth came to similar conclusions analyzing a number of gaming jurisdictions throughout the country. The number of restaurants and retail sales excluding those from casinos increased in Bossier City, Louisiana; Biloxi/Gulfport, Mississippi; Connecticut; Gilpin County, Colorado, and; Tunica County, Mississippi.

There was a net increase of eight restaurants in Bossier City, Louisiana following the introduction of riverboat casinos. The city’s taxable restaurant sales, excluding restaurants in the hotels and casinos, increased by 5 percent in 1994 and by 7 percent in 1995 *after* the introduction of riverboat casinos. In Biloxi/Gulfport, Mississippi, the rate of non-casino

⁷ Thomas A. Garrett, Senior Economist, Federal Reserve Bank of St. Louis, *Casino Gambling in America and Its Economic Impacts*, August 2003.

⁸ George Fenich and Kathryn Hashimoto, “The Effects of Casinos on Local Restaurant Business,” paper presented at the International Conference on Gambling and Risk-Taking, Montreal, 1997.

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retail sales growth increased from an average of 3 percent annually (1990-1992) in the years prior to riverboat gambling to 12 percent annually in the years after riverboat gaming began in the locality.

...the number of restaurants in the area surrounding Foxwoods and Mohegan Sun increased from 472 to 506 following the casino's opening, while restaurant employment increased from 5,911 to 6,628 during the same period.... In Gilpin County Colorado, the number of restaurants increased from 31 to 40 after the introduction of casino gaming. In Tunica County, Mississippi, the number of restaurants increased by 13 percent and restaurant employment grew by 9 percent after the introduction of casino gaming in the county.⁹

Similar conclusions have been reached in other studies:

- Even after accounting for substitution effect, economists at the University of Missouri and Washington University concluded that casino gambling in Missouri had a net positive annual impact on Missouri output of \$759 million, corresponding to a continuing higher level of employment of 17,932 jobs generating \$508 million more in personal income.¹⁰
- A multijurisdictional analysis of retail spending found that in Biloxi/Gulfport, Miss., annual retail sales growth rates increased an average of 3 percent per year from 1990 to 1992, the year when casinos were introduced. Between 1993 and 1995, retail sales jumped 13 percent. In Will County, Ill., retail sales growth trailed statewide trends until 1992, when riverboat casinos were introduced in the local economy. But each year between 1992 and 1995, retail sales growth in Will County exceeded the state rate. In Shreveport/Bossier City, La., retail sales increased by more than 10 percent during 1994, the year that riverboat casinos opened, as the region enjoyed the highest retail sales increase in more than a decade.¹¹

In summary, there is a wealth of evidence contradicting the proposition that gaming substitutes for other expenditures. The positive spillover effect on local hotels for one is unequivocally demonstrated in numerous jurisdictions, even in markets where casinos operate hotels for their gaming customers.

⁹ Ibid.

¹⁰ Charles Leven et al., "Casino Gambling and State Economic Development," paper presented at the Regional Science Association, 37th European Congress, Rome, Aug. 26-29, 1997.

¹¹ Arthur Andersen, *Economic Impacts of Casino Gaming in the United States, Volume 2: Micro Study* (Washington, D.C.: American Gaming Association, May 1997).

DISCLAIMER

Certain information included in this report contains forward-looking estimates, projections and/or statements. The Innovation Group has based these projections, estimates and/or statements on our current expectations about future events. These forward-looking items include statements that reflect our existing beliefs and knowledge regarding the operating environment, existing trends, existing plans, objectives, goals, expectations, anticipations, results of operations, future performance and business plans.

Further, statements that include the words "may," "could," "should," "would," "believe," "expect," "anticipate," "estimate," "intend," "plan," "project," or other words or expressions of similar meaning have been utilized. These statements reflect our judgment on the date they are made and we undertake no duty to update such statements in the future.

Although we believe that the expectations in these reports are reasonable, any or all of the estimates or projections in this report may prove to be incorrect. To the extent possible, we have attempted to verify and confirm estimates and assumptions used in this analysis. However, some assumptions inevitably will not materialize as a result of inaccurate assumptions or as a consequence of known or unknown risks and uncertainties and unanticipated events and circumstances, which may occur. Consequently, actual results achieved during the period covered by our analysis will vary from our estimates and the variations may be material. As such, The Innovation Group accepts no liability in relation to the estimates provided herein.

Madam Chair and members of the Senate Judiciary this bill isn't new. The Grand Forks community and the Turtle Mountain nation have been discussing this opportunity for two decades. I applaud Mayor Bochenski, Chairman Azure, and others in the room and online for pushing this again and I believe this is the closest they have ever been to making this High End Resort a reality. The project partners for this \$300 million resort are the City of Grand Forks, Turtle Mountain Band of Chippewa, and Caesars Entertainment. The casino would be owned by the Turtle Mountain Band of Chippewa and branded Harrah's. It has the potential to increase Grand Forks brand nationally and internationally, while supporting our local economy through increased tourism to the area and a boost to the local tax base.

Madam chair, it's no secret a casino will be a part of this development, but there is much more. This high-end resort, situated on 146 acres of Turtle Mountain owned land south of Grand Forks, will be a casino, hotel, spa, family entertainment complex, and convention center. It will consist of a 225-room hotel, spa, class 3 casino, 20,000 sq ft conference and banquet facility, 2,500-seat entertainment center, comedy club, pool, and gas station. It is estimated to draw 400,000 visitors from outside the local area, provide 800 jobs with a \$31.7 million annual payroll, and contribute another \$71.9 million to the economy of Grand Forks.

According to a 2022 economic impact study by the Innovation Group, "casino development increases room demand at non-casino hotels, even when casino hotels are built." The study cited data from Shreveport, Louisiana, noting that occupancy in hotels not associated with a casino there went from approximately 60% prior to the casino's opening to 74% a few years later.

I only mention the hotel occupancy rate increase to highlight how this would potentially impact the hotels in Grand Forks and how this will also help retail, restaurants, etc.

The bill that you have in front of you essentially amends Grand Forks County in subsection 5 of section 54-58-03 of the North Dakota Century Code dealing with the Indian Gaming Regulatory Act of 1998. This doesn't have an appropriation from the state, and the city and county aren't giving any incentives either.

Grand Forks and Turtle Mountain will need to finalize the terms of a Host Community Agreement with the expectation that the resort will pay taxes in the form of a PILOT (Payment in lieu of taxes). The local community estimates an impact of around \$1 million annually and the state fiscal impact is estimated at \$1.3 million, based off the same economic impact study referenced earlier. This will benefit the city, county, parks and the increased revenue should help with local property taxes. This same study estimates the tribe will see an estimated benefit of \$40 million, which will be used for tribal programs. There are representatives in the rooms that can discuss the benefits to their communities, how the home community agreement will work for taxes, involvement in the community, and how the charities will be involved with this development.

I know there are plenty of folks here looking to speak Madam Chair, but in closing I want to include the support of both the Grand Forks Chamber who cited a local market study which shows that Grand Forks is lacking attractions and amenities. And the Grand Forks Herald has come out in support of the project and in previous editorials have stated that Grand Forks needs more tourism, more visitors and more things for its residents to do.

There is local buy in for the project with signed a recently signed letter of intent by the Grand Forks City Council on Monday and a letter of support was approved by the Grand Forks County Commission yesterday. Finally, I also want to acknowledge Chairman Azure and others for their work on this project and their willingness to get this across the finish line.

I ask for a do pass and will stand for any questions.

Scott Meyer
Grand Forks, ND
District 18 State Senator

SB 2376**Testimony of Chairman Jamie Azure****TURTLE MOUNTAIN RESERVATION**

I am Jamie Azure, the Chairman of the Turtle Mountain Band of Chippewa Indians.

We are here seeking permission to potentially conduct Indian Gaming in Grand Forks County. We are not asking for money or special tax incentives. We come with opportunity and a spirit of partnership.

We seek to capture the dollars that have been bypassing Grand Forks and help to revitalize the community.

The Turtle Mountain Band of Chippewa Indians (TMBCI) is a federally recognized Tribe located on the Turtle Mountain Indian Reservation in Rolette County in north central North Dakota. The Reservation is located on a six mile by twelve-mile land base and is considered one of the most densely populated reservations with 86 people per square mile versus 15 people per square mile throughout the rest of the US. The Reservation/Rolette County poverty rates range 29.4% to 40.9% by town. TMBCI's enrollment is approximately 32,925 enrolled members, of which 14,500 reside on or adjacent to the Turtle Mountain Reservation.

The Tribe has strong, historical ties to the Grand Forks area. The Turtle Mountain Tribe is the only Tribe that has solid, well-documented historical ties to this area. In fact, the Red River Valley is the aboriginal territory of the Tribe, then known as the Pembina bands of Chippewa, Ms. LaCounte will discuss this in more detail. We hold trust allotments North of Grand Forks and as recently as 2000 we held trust allotments in Cass County. The State condemned that land for a damn.

TRIBAL USE OF GAMING REVENUES

The Tribe currently has two casinos that primarily used to address the extremely high unemployment numbers on the Reservation at Turtle Mountain, and in Trenton, North Dakota on the Tribe's trust allotments. Because of the socio-economic limitations the Tribe is faced with, any casino revenues are used to address much need infrastructure needs of the Tribe. The Tribe does not make per capita payments to its membership. The following are examples of what the Tribe has been able to use these revenues for:

1. Purchase of 2 ambulances for the Dunseith Emergency Response Center, which is an off-reservation facility that provides services to all citizens in the area. The Tribe also provided an additional \$700,000.00 to the entity for staffing and other needs.
2. Utilized revenues to supplement the Bureau of Indian Affairs' wages for the Tribe's social workers, to ensure their wages were at least equivalent to off-reservation wages.
3. Purchased a 2024 Mini-Bus for St. John Public Schools an off-reservation schools.
4. Distributed over \$400,000 to the Trenton Indian Service Area, to address needs of Tribal members living in the Trenton Service Area annually.
5. Purchased (4) buses for Turtle Mountain Community Schools and Dunseith Public Schools in the amount of \$965,327.00.
6. Provided \$ 6,650,000.00 to construct the Byron Dorgan Youth Wellness Center an indoor recreation facility that offers basketball courts, football field, track and other amenities for youth in the community.
7. Provided \$4,500,000.00 to Home Improvement Project to improve the quality of individuals residences and to provide ramps for disabled individuals.
8. Provided \$614,842.00 to purchase a new bus for the Trenton School, the recent North Dakota High School nine man football champions..

9. Provided over \$6,000,000.00 to construct an Equine Center to provide equine and animal husbandry, equine therapy and other opportunities to Tribal community and school systems.
10. In addition, the Tribe has used the revenues to provide needed funds for community programs, traditional celebrations such as pow wows, and other needs of the community at large.
11. We have provided grants to the Grand Forks School District for support of Native Children in the District for \$15,000.
12. We use Grand Treasure Casino's revenue to partially fund the Catholic School in the community, grant of annually \$90,000.
13. We have used Gaming revenue to support a food pantry in Dunseith to feed that community.
14. We have opened soup kitchens in Belcourt and Dunseith, along with homeless shelters in both communities.

INFRASTRUCTURE AND GOVERNMENT SERVICES

As we indicate we have a large populations to serve and are in need of infrastructure capital. Much of our water and sewer lines need to be updated. Our roads are often impassable, with firetrucks getting stuck on the way to calls.

HISTORIC ECONOMIC ENVIRONMENT OF TURTLE MOUNTAIN

For more than a century, TMBCI members have endured persistent economic, social, and cultural stresses which have undermined the basic strengths, values and resilience of Tribal members. Rolette County has been named one of the poorest counties in the United States (US) and is the poorest county in North Dakota (ND). Unemployment in 2022, according to the Bureau of Labor Statistics was 6.6% for Rolette County compared to 3.1% for the State. The Tribe and surrounding communities are struggling with rural isolation, generational poverty, and lack of economic

opportunities. In 2018 the State of North Dakota designated the Turtle Mountain Reservation as an Opportunity Zone due to the high poverty of this area.

We are not on a major thoroughfare or a major body of water, which are essentially for capitalistic economic development.

INCOME LEVEL OF TURTLE MOUNTAIN TRIBAL MEMBERS

Tribal members have long suffered from systemic poverty and social stresses. Data retrieved from the U.S. Census Bureau: State and County Quick Facts reveals that the median household income of \$31,336 is 59% of the state average of \$53,046 and the average per capita income of \$15,502.00 is 52% of the North Dakota average of \$29,732.00. The US Department of Agriculture (USDA) identifies it as a *persistent poverty area* from 1960 to 2021.

TURTLE MOUNTAIN COLLEGE

Turtle Mountain College, which is located in Belcourt along with the headquarters of TMBCI, is a Tribal College providing educational services to these same underserved populations. The College reinforces the rich Chippewa cultural heritage while maintaining academic quality with an enrollment of 94% Native American students and 55% First-Generation students. Chartered by the TMBCI Tribe in 1972, TMCC is one of the original tribal colleges and focuses on undergraduate and career and technical education. TMCC is a fully accredited postsecondary institution, 1994 Land Grant college, charter member of the American Indian Higher Education Consortium (AIHEC), and member of the North Dakota Association of Tribal Colleges. TMCC is accredited by the Higher Learning Commission and has articulation agreements with the ND University System.

TURTLE MOUNTAIN SCHOOL SYSTEM

The Turtle Mountain Schools have a predominantly Native American student population, with nearly 100% of students classified as economically disadvantaged, and a student-teacher ratio around 14:1, indicating a relatively high number of students per teacher. Many students score

below the state average in standardized testing, with lower proficiency rates in math compared to reading.

Our children historically suffer from hunger which exasperates the situation. We have opened soup kitchens in Belcourt and Dunseith to address this need.

TURTLE MOUNTAIN HEALTHCARE

The Quentin N. Burdick Memorial Health Care Facility , located in Belcourt, North Dakota, is a 27 bed Indian Health Services hospital serving a population of approximately 14,550 Native Americans. We have significant need to contract health with off reservation facilities. We pay a stipend to members who need gas money just to get to appointments.

ECONOMIC BENEFITS FOR GRAND FORKS COMMUNITY

The proposed casino will create hundreds of jobs for local residents, both during the construction phase and after it is built, including positions in hospitality, security, and management, benefiting people of all backgrounds. The casino will contract for goods and services with existing local businesses and in similar projects, new businesses are drawn to the area. Local businesses will see increased tourism and economic growth, as visitors spend money at restaurants, hotels, and shops.

TRIBAL SOVEREIGNTY AND ECONOMIC SELF-SUFFICIENCY

The casino is a vital step toward the tribe's economic independence, reducing reliance on federal funding and strengthening self-governance. Native American tribes have a legal right to pursue economic development just like any other group. This project is about fairness and opportunity, not special treatment.

RESPONSIBLE GAMING AND COMMUNITY ENGAGEMENT

The casino will implement strong responsible gaming measures, ensuring a safe and well-regulated entertainment venue. The tribe is dedicated to partnerships with local governments and organizations, ensuring that concerns are heard and addressed. The tribe is committed to being a good neighbor and working with the surrounding community to ensure mutual success.

Senate Bill 2376**Testimony in support**

I am Alysia LaCounte, I serve as the General Counsel to the Turtle Mountain Band of Chippewa. I have served in this capacity since September of 2016 and prior to that I have served as outside counsel on and off since 1997. I propose a technical amendment to the bill. The BIA is referenced, and it should say with the approval of the Secretary of Interior. The Indian Gaming Regulatory Act, 25 U.S.C. Sec. 2719, references the Secretary of Interior as the approving official.

As Chairman Azure references we seek permission to explore an off-reservation casino in Grand Forks.

As a 30 plus year practicing attorney I have had the opportunity to be involved in negotiating such off-reservation facilities. My firm worked on the casino project in Milwaukee, WI. With this experience comes an understanding of the complexities of the project.

The Tribe has strong, historical ties to the Grand Forks area. The Turtle Mountain Tribe is the only Tribe that has solid, well-documented historical ties to this area. In fact, the Red River Valley is the aboriginal territory of the Tribe, then known as the Pembina bands of Chippewa, where the 1863 Treaty of Old Crossing on the Red River was signed. The Tribe still has lands held in trust by the United States for its use and occupancy in nearby Pembina. This historical evidence is consistent with the Indian Gaming Regulatory Act's requirements for off-reservation gaming envisioned here. No other Tribe in North Dakota has this historical tie to this area.

Pursuant to the 1863 Treaty the Pembina Band ceded the Red River Valley (approximately) eleven million acres to the United States but retained the land north and west of Devils Lake to the Souris in present day North Dakota (approximately 10 million acres) which included Turtle Mountain. In 1882, the Turtle Mountain Reservation was finally established by a presidential order

from Chester Arthur, containing nearly 500,000 acres, or twenty-two townships. However, in 1884, under another presidential order from Chester Arthur, the Reservation was cut down by approximately 476,000 acres, or twenty townships because there were deposits of coal underneath us. The Coal was not in a condition that could be mined profitably.

The reduction in the Tribe's land base was executed by the Secretary of the Interior without the knowledge of the Tribe, declaring that the remaining Chippewa lands be restored to the mass of public domain. The Secretary's actions were taken to protect large-scale wheat farming in the Red River Valley and the proposed construction of the Great Northern railroad. The Tribe's total land holdings in 1884 were ten million acres or approximately 1/10 of North Dakota. But by 1892, the total land holdings were down to thirty-four thousand acres, or two townships. The Reservation as it is today.

If SB 2376 is approved, we will have to provide significant evidence and information in support of the application for fee to trust to the Secretary of Interior.

As part of this project, we will be entering into numerous agreements with the local governments. We of course will need to contract for police, fire, ambulance, city services, including access to water and sewer. Well crafted agreements will provide clear expectations and monetary consideration. We will need infrastructure which we intend to pay our fair share.

As Chairman Azure's testimony referenced we seek the dollar passing Grand Forks. There has been raised some concern that we may affect charitable gaming in the City. In review of the Attorney General's records indicates that there are 12 charitable permits. We as tribes are annually audited and can clearly see our annual revenues. The charitable gaming permittees are also so regulated, such that if they suffer losses we can monetize it and look to compensate them by other agreements. We wish to compliment the city.

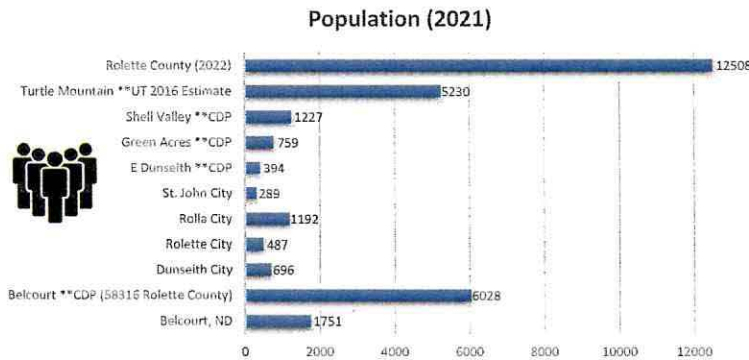
An argument I anticipate is that other Tribes will request for casinos in other large cities in North Dakota. First, those cities would have to agree to such casinos. The other metropolitan areas are not looking for casinos and have difficulty filling their existing positions. Second, those requests are fact-based and the requesting Tribe must be able to show documented historical ties to that area. Here, the 1863 Treaty and the treaty negotiation records provide ample proof that Pembina Band owned the present day Grand Forks.

We have presently scheduled a meeting with Spirit Lake Tribe to discuss their fears that we may affect their present gaming revenues. Gamblers generally have player's club cards which include address information. We can cross reference total revenues with player's club information and the prior years' annual audits, to address any potential shortfalls.

As the Chairman's testimony there is a need for services and infrastructure. We look to fund ourselves with the revenues for the proposed venture. We need to support our community and the area surrounding. We look forward to partnering with the City of Grand Forks to bring this project to fruition.

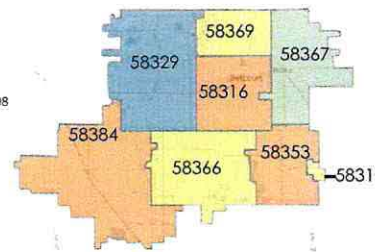
TURTLE MOUNTAIN BAND OF CHIPPEWA INDIANS COMMUNITY DEMOGRAPHIC DATA IMPACT REPORT

POPULATION STATISTICS



**CDP is the abbreviation for Census Designated Place. CDPs are delineated to provide data for settled concentrations of populations.

Native American Population by Zip Code

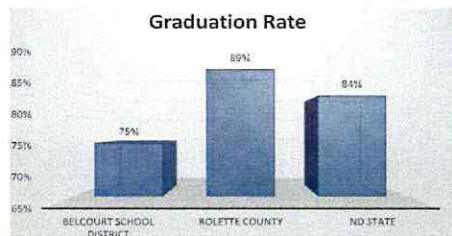


Belcourt 58316	8091
St. John 58369	594
Dunseith 58329	3248
Willow City 58384	12
Rolette 58366	240
Rolla 58367	1206
Mylo 58353	4
Agate 58310	0

79.7%
of Rolette County's
population is
Native American

33,211 Tribal
Enrolled Members
13,395 live in or
around TMBCI
reservation

40%
of Rolette County's
population are
married



86.5%

Rolette County persons age
25+ with a high school diploma



17.3%

Rolette County persons age
25+ with a Bachelor's Degree

EDUCATION STATISTICS

EMPLOYMENT STATISTICS

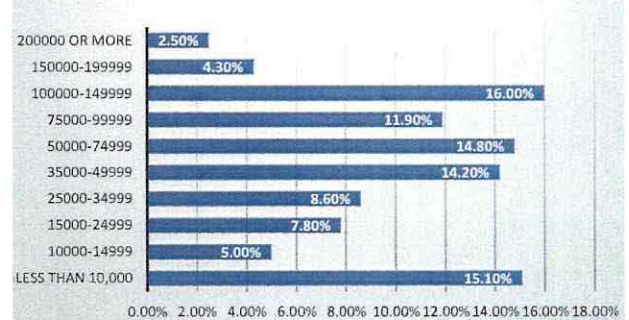
Poverty Levels

Location	Category	2017-2021
TM Reservation and Off-Reservation Trust Land (ND only)	Under 50% of Poverty	24.5%
	Under 100% of Poverty	36%
	Under 150% of Poverty	53%
	Under 200% of Poverty	63.9%

50.3%
of Rolette County's
16 and over population
is employed in the
labor force

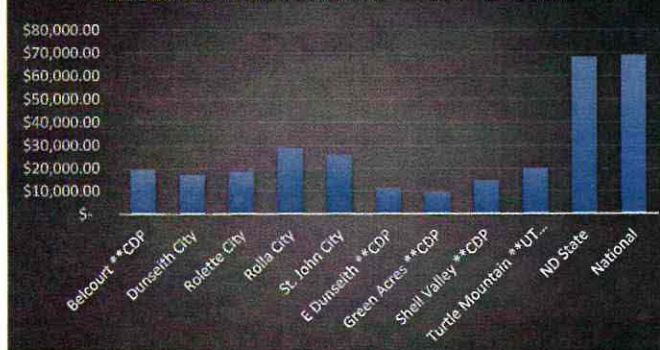
54.5%
of 16 and over are in
the labor force

Household Income



HOUSING STATISTICS

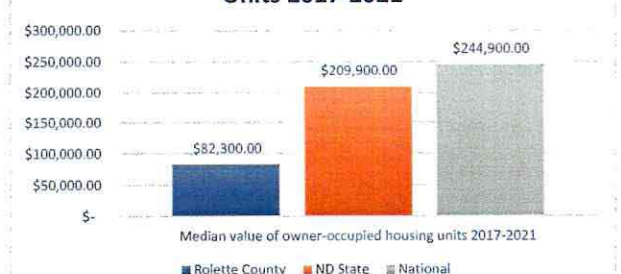
Median Household Income 2022



Median Gross Rent 2017-2021

National \$1163.00	ND State \$853.00	Rolette County \$466.00
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Median Value of Owner Occupied Housing Units 2017-2021



2025 SENATE STANDING COMMITTEE MINUTES

Judiciary Committee
Peace Garden Room, State Capitol

SB 2376
2/5/2025

Relating to a tribal-state gaming compact that permits gaming in Grand Forks County.
--

10:00 a.m. Chair Larson opened the hearing.

Members present:

Chair Larson, Vice Chairman Paulson, Senators: Castaneda, Cory, Luick, Myrdal, Braunberger.

Discussion Topics:

- Sovereign definition
- Language changes

10:00 a.m. Chair Larson led discussion and updated committee on bill and will research possible changes.

10:02 a.m. Chair Larson closed the hearing.

Kendra McCann, Committee Clerk

2025 SENATE STANDING COMMITTEE MINUTES

Judiciary Committee Peace Garden Room, State Capitol

SB 2376
2/11/2025

Relating to a tribal-state gaming compact that permits gaming in Grand Forks County.
--

10:50 a.m. Chair Larson opened the hearing.

Members present:

Chair Larson, Vice Chairman Paulson, Senators: Castaneda, Cory, Luick, Braunberger.
Senator Myrdal absent.

Discussion Topics:

- Bureau of Indian Affairs
- Committee Action

10:54 a.m. Senator Luick moved to adopt amendment LC# 25.1295.01001.

10:54 a.m. Senator Castaneda seconded.

10:54 a.m. Voice Vote - Motion Passed.

10:54 a.m. Senator Luick moved a Do Not Pass as Amended.

10:55 a.m. Senator Castaneda seconded the motion.

Senators	Vote
Senator Diane Larson	Y
Senator Bob Paulson	Y
Senator Ryan Braunberger	N
Senator Jose L. Castaneda	Y
Senator Claire Cory	N
Senator Larry Luick	Y
Senator Janne Myrdal	A

Motion Passed 4-2-1.

10:56 a.m. Senator Castaneda will carry the bill.

10:57 a.m. Committee discussion on upcoming schedule.

10:58 a.m. Chair Larson closed the hearing.

Kendra McCann, Committee Clerk

February 11, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

SENATE BILL NO. 2376

Introduced by

Senators Meyer, Marcellais

Representatives Bahl, Davis

2-11-25

JB 1041

1 A BILL for an Act to amend and reenact subsection 5 of section 54-58-03 of the North Dakota
2 Century Code, relating to a tribal-state gaming compact that permits gaming in Grand Forks
3 County.

4 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

5 **SECTION 1. AMENDMENT.** Subsection 5 of section 54-58-03 of the North Dakota Century
6 Code is amended and reenacted as follows:

7 5. The compact may not authorize gaming to be conducted by an Indian tribe at any
8 off-reservation location not permitted under a tribal-state gaming compact in effect on
9 August 1, 1997, except that in the case of the tribal-state gaming compact between
10 the Turtle Mountain Band of Chippewa and the state, gaming may be conducted on
11 land within Rolette County held in trust for the Band by the United States government
12 which was in trust as of the effective date of the Indian Gaming Regulatory Act of 1988
13 [Pub. L. 100-497; 102 Stat. 2467; 25 U.S.C. 2701 et seq.] and on land within Grand
14 Forks County, if approved by the ~~bureau of Indian affairs~~ secretary of the interior under
15 the Indian Gaming Regulatory Act of 1988 [Pub. L. 100-497; 102 Stat. 2467; 25 U.S.C.
16 2701 et seq.].

**REPORT OF STANDING COMMITTEE
SB 2376**

Judiciary Committee (Sen. Larson, Chairman) recommends **AMENDMENTS** ([25.1295.01001](#)) and when so amended, recommends **DO NOT PASS** (4 YEAS, 2 NAYS, 1 ABSENT AND NOT VOTING). SB 2376 was placed on the Sixth order on the calendar. This bill does not affect workforce development.