

Starting in 2018 the Sault Tribe Board of Directors made the decision to enter into the self-storage market. This began with the acquisition of Mackinac Trail Storage in Hessel, MI, and was followed up with the construction of Odenaang Storage on Seymour in Sault Ste Marie, then another acquisition of Fornicola Storage, now operating as Chippewa Storage on Spruce Street in Sault Ste Marie. DeMawating Development is now managing these efforts, as well as Sawyer Village who has done general warehouse storage for years. This industry offers steady, moderate rates of returns with minimal staffing requirements. Given the infrastructure the Tribe has in place to support property management, we can expect the Board of Directors to consider additional growth in this sector.



Sawyer Village, like DeMawating Development, has been in existence for some time now. With around 200 housing units, and three large warehouse storage units revenues have remained steady, and has been a good contributor for the Tribe. Going forward, our Board of Directors will look to work with Sawyer to recognize good growth opportunities and investments to build on this solid foundation.

Northern Hospitality is also a long standing enterprise with the Tribe. In recent years Northern Hospitality has had to endure some challenges, but in 2018 turned the corner a bit, and is having a solid 2019. Northern Hospitality is an asset to the Tribe and the community, and will look to continue to grow moving into 2020.



Our Mid Jims are one of our most familiar Enterprises, as many tribal members visit daily to get discounted gas and tobacco. The Mid Jims have fought the workforce challenge as much as any of our efforts, and have survived nicely maintaining solid revenues. With that said, our Board of Directors are working with the Mid Jims, to put solutions in place to help them take the next steps in growth.

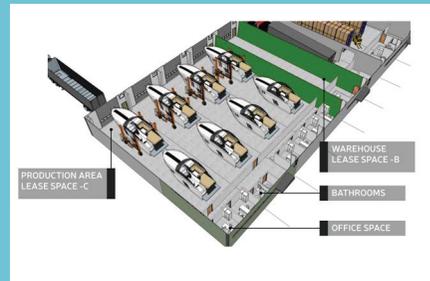


2019 was a strong year for the growth of the Sault Tribe EDC. Good partners and resources have contributed to the growth in a big way. Here are examples of our collaborative efforts.

January of 2019 marked the completion of the Tamarack Business Center partnering support from the Sault Tribe Board of Directors and a \$250,000 grant from MEDC.



August of 2019 the Sault Tribe was awarded a \$2,000,000 grant by EDA to create 20,000 sq. ft. of industrial manufacturing space on Tribal lands. This space will be used to attract and house Sault Tribe member businesses on Tribal lands, and use the benefits of such to grow their efforts. One company committed to 5000 sq ft as part of the grant application and will expand their current 3 employees in the Tamarack Business Center to 7 employees at the new location.



September of 2019 the MEDC agreed to contribute \$250,000 to the industrial space project to partner with the EDA and the Sault Tribe Board of Directors. September of 2019 the MBDA granted the Sault Tribe a two year, \$485,000 grant to create and operate Sault Tribe Thrive. This effort's focus will be connectivity with Sault Tribe member owned businesses across the Country to support, grow and attract.



EUP Planning and Development awarded the Tribe a small grant to support the Sault Tribe Business Alliance, and has proven to be a good partner supporting the applications and eventual success of the noted grant efforts.

The Indian Carbon Coalition granted the Tribe resources to develop a GIS file of the Tribal properties across the Seven County service area.



EDC

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Upon the 3rd Anniversary for the Economic Development effort for the Sault Tribe of Chippewa Indians, this update represents significant growth in revenues, structure and direction.

Through the first three quarters of 2019, Enterprise revenue was up 23.26%, and net income was up 235.4%. This growth is a result of 2 significant acquisitions, and the first year of operations for a start-up, as well as the continued operations and growth of the established enterprises.

Since day one as a one-person budget, the Sault Tribe Board of Directors has put an EDC structure in place that positions it for continued growth. The EDC now has a flow chart that represents three tiers of delivery that include Property/Management, Commercial Development, and Business Development. Each has a defined purpose and are being staffed with focused leadership.

Other structure advancements include the enactment of Sault Tribe Inc., a Section 17 Federal Charter that positions the Tribe to develop companies focused on government contracting. Additionally the Sault Tribe Business Alliance successfully held its second annual event, bringing home Sault Tribe member business owners from across the U.S. for a visit.

Going forward the EDC has clear direction from the Board of Directors as to what types of real estate investment they wish to make, what type of business ventures earn the rate of return they desire, and what type of structure is needed to allow enterprise efforts to keep advancing. A \$250,000 Michigan Economic Development Corp grant was utilized to complete the Tamarack Business Center, which now host four Sault Tribe member owned businesses downtown Sault Ste. Marie. A \$485,000 Minority Business Development Agency grant is being executed to staff the Business Development tier of the EDC, putting feet on the street to interact, support, grow and attract Sault Tribe member owned businesses. Finally a \$2,000,000 Department of Commerce Economic Development Agency grant is being paired with \$250,000 Michigan Economic Development Corporation grant, and direct Sault Tribe Board of Director's support to complete a 20,000 sq ft complex with Industrial Suites.

Overall you will find this snapshot of where the Sault Tribe Board of Directors are at in creating Economic Development for the Tribe a very positive step in the right direction. Please call 906 636-6050 if you have any ideas, questions or concerns!

Thanks,

Joel Schultz
Executive Director

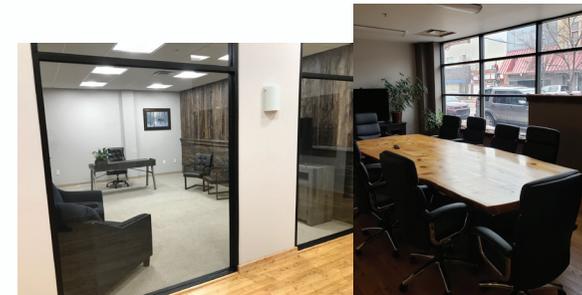


In July of 2019 the Sault Tribe Board of Directors completed the acquisition of White Pine Lodge located in Christmas, MI. The property borders the existing Kewadin Casino property, and houses a newly expanded Convenience Store, Sunoco Gas Station, and a 48 unit motel. Tribal Departments worked together to follow Board of Directors directives to get it done, during the peak tourism season. When the dust settled from over 60 days of full occupancy and peak sales, we were able to complete the transition while maintaining sales growth over the previous year.



DeMawating Development located in Kincheloe, MI is a long established Enterprise for the Sault Tribe. Over time revenues had been steady, and the management of over 100 rental units had become routine. Our Board of Directors were able to see the potential for growth within the developed structure and now have incorporated the acquisition of Riverside Village and Shunk Properties into DeMawating deliverables. This foresight has DeMawating revenues up 68.52% now operating nearly 200 rental units in the Kincheloe foot print, and 120 sites at Riverside Village. DeMawating is positioned nicely to be a profitable entity for our Tribe for years to come.

January 2019 the Sault Tribe Board of Directors celebrated the opening of the Tamarack Business Center. This project converted the old American Café space, which had been vacant for over 12 years, into modern, professional space, located downtown Sault Ste Marie. The conversion itself is something to celebrate, as it is truly unique as demonstrated by the pictures included, but the real impact may be yet to come. Four Tribal member owned businesses have located into the 3800 sq ft space, to date 6 quality jobs have been created, and as least 13 additional family sustainable jobs are to be created within the next year. As this growth takes place, you can expect the Board of Directors to be exploring ways to create additional space to support future economic impact.



The Enterprise family of the Sault Tribe of Chippewa Indians is growing. In addition to the couple of acquisitions mentioned, the Board of Directors has started new businesses as well.

Gitchi Enterprises was created at the end of 2018, and is about to complete its first full year of operations. Gitchi Auto, Home and RV is located on Shunk Road in Sault Ste Marie, Gitchi sells used autos, new Fairmont homes, and used ATVs, trailers, RVs, etc. In a learning year revenues are expected to exceed \$1 million and new opportunities present themselves routinely. The Board of Directors look forward to another year of growth in 2020 and will explore ways to diversify Gitchi's offerings.



Beginning as a start-up effort in 2018 as EDC Billboards, and continuing thru 2019 the Sault Tribe Board of Directors have supported the development of outdoor advertising locations. Currently the Tribe has 14 billboards located throughout the seven county service area that are fully rented...some to our own Kewadin Casinos, but most to area businesses. These investments represent a high rate of return, and the Board of Directors will most likely continue to explore additional opportunities as we move forward.

The Sault Tribe has not been spared from the recent workforce challenges. In order to maintain growth, the Board of Directors has created a new business.

Sault Tribe Business Solutions just recently added its first staffing to address temporary staffing needs for the Tribal Enterprises and Departments. Although we have no results to report at this time, we are confident that this effort will immediately have a positive impact and continue to grow into 2020.

Sault Tribe Inc. was an effort started approximately 10 years ago, but under the current Board of Director's leadership the Section 17 Federal Charter has been fully enacted and a Corporate Board of Directors put into place. The Board of five has hit the ground running while exploring strategic planning to assure a proper structure to support business development, especially in the Government Contracting arena. There is no real impact to report, this effort has the potential to offer the most significant growth for the Sault Tribe and the EDC.

