



The Eastern Band of Cherokee Indians

Principal Chief Richard G. Sneed

Vice Chief Alan B. Ensley

August 30, 2022

Richard French
Chairman
Big Cove Township

Albert Rose
Vice-Chairman
Birdtown Township

Richard French, Chairman
EBCI Tribal Council
The Eastern Band of Cherokee Indians
88 Council House Loop
Cherokee, NC 28719
Chairman French,

I write this letter upon the issuance of a veto of Resolution No. 373 (2022) approved by a vote of Tribal Council to authorize additional funding to the Sequoyah National Golf Club in the amount of \$15M (project totaling \$39M) for the construction of a hotel and course improvements. I have issued this veto not because I disagree with the project or the value that it could create for this entity, but for reasons of fiscal accountability and process.

In the last two years, the Tribal Council has authorized over \$600M of funding commitments for various projects that are revenue generating economic development projects or community service infrastructure projects. Revenue generating projects have been required to meet a high bar, as they should, for revenue generating potential. The project pro forma for this project has an over reliance on the tribe's casino gaming enterprise for customer flow and currently there is no formal agreement in place between the two entities that establishes rates or customer commitments. Without a formal agreement, the pro forma for the project is overstated and the risk of not meeting stated performance indicators is high. This should be of significant concern to tribal leadership as 100% owners of the property the tribal government would necessarily be forced to subsidize any underperformance.

Secondly, Tribal Council Resolution No. 151 (2022) authorized the development of a project workgroup and a project workflow. Further, the resolution directed that community and economic development projects flow through the established workgroup and process prior to presentation to the Tribal Council. While the golf course hotel project was part of the 5-year capital plan, the project was effectively stopped when approval was not granted for additional funding for sitework. Because of the significant changes in scope and cost as presented recently for this project, this project should be treated as a new project and directed through the Project Workgroup as approved by Tribal Council. Further, this project should be considered in coordination with the current Comprehensive Economic Development Strategy (CEDS) process that is in its final stages.

I want to reiterate my support of the development of a hotel product at Sequoyah National Golf Club. However, it is necessary for tribal leadership to revisit the

Tribal Council Members

TW Saunooke
Yellowhill Township

David Wolfe
Yellowhill Township

Bucky Brown
Snowbird &
Cherokee Co. Township

Adam Wachacha
Snowbird &
Cherokee Co. Township

Teresa McCoy
Big Cove Township

Bo Crowe
Wolfstown Township

Bill Taylor
Wolfstown Township

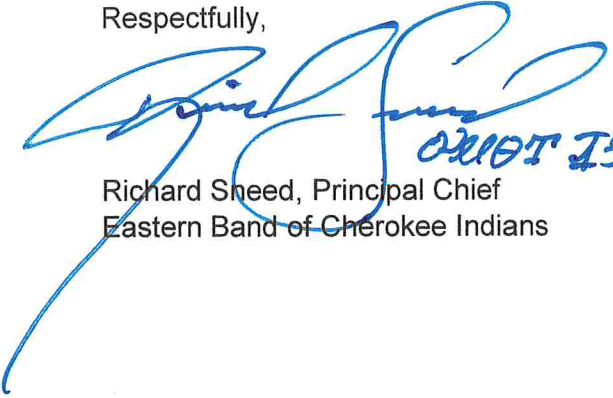
Tommye Saunooke
Painttown Township

Dike Sneed
Painttown Township

Boyd Owle
Birdtown Township

cost and benefit of such project to ensure the most appropriate path forward. Moreover, we should explore all available options for the development of this project that includes outside investment and options where the EBCI does not assume all risk.

Respectfully,



Richard Sneed, Principal Chief
Eastern Band of Cherokee Indians