



THE HARVARD PROJECT ON  
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**Project Pueblo: Economic Development Revitalization Project  
Ysleta del Sur Pueblo**

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*A strong economy is one of the foundations of a healthy community. Native nations use business profits and tax revenues to invest in areas such as health, education, culture, and public safety programs to meet the needs of tribal citizens. At the Ysleta del Sur Pueblo, a sudden economic decline in the early 2000s forced the nation to re-examine the way in which business was being conducted on the reservation. The tribal government responded by launching Project Pueblo, a full-scale planning initiative that took a hard look at all aspects of their economy and government to find a new path forward.*

**Lost Casino Revenue**

Ysleta del Sur Pueblo is a community of over 1,600 Tigua people. The reservation lands are within the urban area of El Paso, Texas. Located just north of the Mexican border in the western part of the state, the city of El Paso is struggling economically; almost a quarter of its families live below federal poverty lines. On the reservation, economic conditions are even worse. A 2008 tribal survey revealed that the pueblo's median household income was \$32,232 compared to a national average of \$63,211. More than half of Tigua children were living in poverty, compared to a figure of 18% nationally.

For almost a decade, Ysleta operated a successful casino that employed 800 people and improved the quality of life of the community and of El Paso. But in 2002, the state of Texas won a lawsuit against the tribe and the casino was forced to shut down. Tribal revenues fell dramatically and numerous employees had to be laid off. The unemployment rate in the pueblo shot up to 30% within a few months, from a previous level of 1%. The economy was in crisis and something needed to be done before tribal cash reserves ran out. However, tribal enterprises and would-be investors were hindered by the community's short-term and unfocused approach to planning, political influence over business dealings, and ineffective business systems.

**A Long-Term Economic Strategy**

In 2007, Ysleta del Sur Pueblo launched "Project Pueblo," an initiative designed to help the community diversify its economy. Initially, tribal leaders, managers, and community members were looking for quick ways to generate more business and income. As discussions evolved, however, it became clear that the pueblo needed to completely overhaul its approach to

economic development. The tribal government held numerous sessions with outside experts to learn what was working elsewhere in Indian Country, and to get technical help on components of the plan. Frequent community meetings guided the process and emphasized a strong desire to support and preserve Tigua traditions and culture.

A major milestone was the creation of Tigua's Comprehensive Economic Development Strategy. The strategy consists of a detailed socio-economic portrait of the pueblo and an enunciation of the goals that guide the community's economic development efforts. These goals include items such as strengthening Ysleta's institutions and legal framework, improving relations with other jurisdictions, and using data to drive policy. Crucially, Project Pueblo also incorporates a strong evaluation component so that the community will be able to measure and build upon its successes.

In line with its vision as laid out in the economic strategy, the Ysleta del Sur Pueblo has begun to make significant changes to the way things work on the reservation. One initiative was the development of a Tribal Tax Code, which implements a sales tax, provides the infrastructure to issue licenses, collect taxes, and conduct audits. Under this new Tax Code, the pueblo's tax revenue rose over 500%, mostly from non-tribal retail purchases.

To regulate tribal enterprises, Ysleta passed a Tribal Corporation Code that includes provisions for independent governing boards. A new tribal development corporation, Tigua Inc., was the first entity chartered under the Code and has successfully restructured formerly money-losing tribal businesses. Other economic initiatives are currently in the planning stages, including the establishment of a tribal zoning and land use code and the formation of a Community Development Financial Institution.

### **A Tigua Plan for the Future**

Tigua's economic plan is carefully built on both community and outside input. The work of the pueblo was informed by an impressive number of organizations, including the National Congress of American Indians, the Native Nations Institute at the University of Arizona, and a leading law firm specialized in Indian issues. Crucially, the insights of these professionals are balanced with the community's priorities. For example, the pueblo's economic strategy takes into account the need to work in a context with both an elected and traditional tribal council. The strategy also reflects the fact that the community defines prosperity not only in terms of economic well-being, but also in terms of preserving the Tigua traditions and way of life.

One of the most noteworthy outcomes of Project Pueblo is a clear separation between the pueblo's business interests and its politics. Before the institutional changes, the Tribal Council oversaw the community's business interests. Leaders candidly admit that it has been difficult to get into the habit of letting business decisions go through the proper channels, but the economic strategy gives them resolve. The concept of separation is now understood and accepted throughout the community, and has led to more certainty for business activities and a greater ability to recruit professional corporate staff.

From the beginning, the effects of Project Pueblo have been remarkable. Rather than continuing to react to outside events, the community strengthened its sovereignty by designing policy and rules to build up its own institutions. On-going outreach keeps residents involved and focuses on the future by teaching Tigua civics and nation building concepts to the Pueblo's youth. As a consequence, the citizens have new-found pride and confidence. Relations have improved with neighboring governments and with the state of Texas, and the business climate on the reservation has improved. Indeed, perhaps the most revealing

sentiment heard from Pueblo community members is that the casino shut-down turned out to be an opportunity for reflection, analysis, and transformation.

### **Bringing the Lessons Home**

All governments seek to promote economic growth to provide jobs for their citizens and to collect revenues to support public services. When faced with an economic crisis that challenged not only citizens' livelihoods but also the continued existence of the community, Ysleta del Sur Pueblo decided to make major changes. Rather than depend upon cyclical grant funding that would, at best, address only immediate needs, the pueblo reassessed what it means to be self-determined, what it means to support community growth, and what it means to be Tigua. The Tigua looked beyond the community's business environment in order to see the community's whole social, governmental, economic, and political environment. In doing so, Project Pueblo reinvigorated the methods by which governance, business, and visioning is conducted at Ysleta del Sur. By adopting a strategic plan that is deeply rooted in the community, the pueblo has created a strong foundation for its continued social, political, economic, and cultural development.

### **Lessons**

- 1** A thriving tribal community, government, and economy can be born from great challenges.
- 2** Community-driven and community owned processes are the foundation of sustainable change.
- 3** Successful tribal governments are accountable to their citizens

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