

A view of downtown Atmore, Alabama



Atmore, Alabama Rural Atmore Places Chips on Casino

Sheryl Vickery watched Fourth of July fireworks illuminate the night sky. "Oh my gosh," she marveled to a friend. "We're in *Atmore*."

The pyrotechnics at the Wind Creek Casino and Hotel outside the south Alabama hamlet would have done Mobile or even Atlanta proud, said Vickery, executive director of the Atmore Area Chamber of Commerce. Courtesy of the Poarch Band of Creek Indians' gaming emporium near Interstate 65, the town of 10,000 had its very own big-city fireworks extravaganza.

Vickery could have just as easily marveled at the 800 jobs Wind Creek brought, as the casino became the county's largest employer when it opened in 2009. Rising incongruously out of flat pastureland alongside the interstate, the 17-story Wind Creek looks like it could have dropped from the sky. Filled with thousands of electronic gaming machines, the casino doubles Atmore's population daily. It attracts 7,000 to 10,000 visitors a day to a place previously best known as a spot along the way to the Gulf Coast beaches. Now Atmore is increasingly known as the little town near the casino.

"The casino is the key to our economy," said Vickery, an Atmore native who lived in Mobile for many years before returning. "They've kept us treading water when people are drowning. I'm not going to say it's great here, but we're OK."

Official unemployment rates are not calculated for towns as small as Atmore.

But the Escambia County jobless rate in July was 10.8 percent, compared with 14.7 percent and 14.5 percent for its neighbors to the north, Monroe and Conecuh counties, according to the U.S. Bureau of Labor Statistics. Alabama's unemployment rate in July was 8.3 percent, equal to the U.S. rate.

Biggest game in town

The Poarch Band of Creek Indians' business arm, Creek Indian Enterprises (CIE), employs 1,333 people locally, including the 800 at Wind Creek. The CIE employs more than twice as many people as any other employer in Escambia County, according to figures from the Coastal Gateway Economic Development Alliance, based in the county.

Wind Creek's payroll includes not just lower-paying service jobs, but also positions in human resources, security, finance, and marketing, said Robert McGhee, the Poarch Band of Creek Indians' treasurer. CIE originally planned to build two major casinos simultaneously. But as tribal leaders began marketing \$500 million in bonds to finance proposed projects in Atmore and Wetumpka, near Montgomery, the financial markets collapsed, forcing the tribe to open just one casino initially.

"We decided to build it in our hometown, where most of our tribal members live," McGhee said.

Despite objections to gaming from some segments of the local and state population, Wind Creek has flourished,

Atmore's Wind Creek Casino and Hotel



Atmore, Ala.

Population	10,008
Escambia County population	37,996
Median household income	\$36,623
Median owner-occupied home value	\$94,400

Source: U.S. Census Bureau, 2006–10 American Community Survey



by all appearances. The tribe does not publish financial information. But the casino is generating enough funds to finance 95 percent of the tribe's other business enterprises, McGhee noted. And the tribe has donated millions of dollars to local schools and nonprofits.

In addition to Wind Creek, CIE plans to develop a truck stop with retail and restaurants at an I-65 exit nearby. A retail center with a multiplex movie theater and bowling alley is under construction next to the casino. There's also the Muskogee Inn near Wind Creek; Muskogee Technology, a machine and fabrication shop focused on defense contracting; and smaller gaming operations in Montgomery and Wetumpka. The CIE also operates racetracks in Alabama and Florida, along with a hotel in Pensacola, Florida, farming and cattle operations, and a wildlife reserve.

What's more, in July CIE announced plans for a \$246 million expansion in Wetumpka, including a new 20-story casino hotel and restaurants, which means its original dual-casino plan is coming to fruition.

A historical twist

That the tribe has become an economic lynchpin in Escambia County is a historical twist. The Creeks were among the only tribes not forced out of the Southeast by the U.S. government in the 1830s. Nonetheless, for much of the 20th century, the few thousand Creeks in south Alabama faced widespread poverty and discrimination. During school segregation, for

example, Creek children were prohibited from attending Atmore's white public schools. Now CIE donates money to those same schools.

Tribal members, McGhee said, understand the significance of their fortunate turn. "We want to see our tribe become a stable government and a stable economic engine for tribal members and our neighbors," he said. "We try to remind people to stay humble."

Casino not without critics

Despite the economic boost, Wind Creek is not without critics. Alabama's attorney general, Luther Strange, has urged the National Indian Gaming Commission, the federal agency that regulates gaming on tribal land, to prohibit certain types of electronic bingo machines in Alabama. Meanwhile, the Escambia County Commission asked the U.S. Secretary of the Interior to allow local, county, and state governments to collect taxes on the tribe's gaming properties. However, the Interior Department in June sent the county commission a letter essentially reaffirming the tribe's tax-exempt status.

Various news accounts have suggested that the state's attempt to prohibit the electronic bingo machines could effectively shut down Wind Creek and CIE's two other Alabama casinos. If that

happened, Atmore "would be impacted catastrophically," longtime Mayor Howard Shell told the *Atmore Advance* newspaper.

Business park a victim of recession

Perhaps most directly, a setback for Wind Creek would likely further hobble the city-owned Rivercane business park directly across U.S. Highway 21 from the casino. In 2006 the city purchased 740 acres and launched Rivercane. However, amid the recession and slow recovery, the park has not developed as quickly as Atmore officials had hoped. But it is home to two fast-food restaurants, with a third planned, and two hotels.

"Nobody could foresee what happened to Lehman Brothers and the rest of the world," Shell said in an interview regarding the 2007–08 financial crisis. "When that went south, we had to take a strong grip and hold on."

The city of Atmore had borrowed \$16 million to buy land and develop Rivercane. Ongoing debt payments absorb \$1 million a year of the city's \$8.4 million budget, noted the mayor. Rivercane and related developments have shown progress, though. This year, Shell said, the city will collect \$700,000 in sales taxes—enough to cover 70 percent of the Rivercane debt service—from businesses at Rivercane and 7,000 adjacent acres the city annexed.

After adding the Rivercane property to the city limits, the city in 2008 annexed the neighboring property—land including

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rates, using their movable assets as security. Second, the costs and fees associated with creating a security also drop.

Alvarez de la Campa pointed to Mexico's experience to illustrate these gains. Mexico eliminated taxes and notary fees, leaving only a small, flat registration fee. Mexico's Ministry of Economy noted that since the start of the secured transaction registry in October 2010, borrowers have pledged more than \$190 billion in collateral. Because each borrower no longer had to pay the registration tax of up to 2 percent per loan amount, the ministry projects that total savings could be more than \$3.8 billion dollars.

On the horizon

A number of nongovernmental organizations (NGO), government agencies, and international financial institutions—including the Institute of the Americas, the United States Agency for International Development, the United Nations Commission on International Trade Law, and the World Bank's International Finance Corporation—have made STR a priority. These organizations are seeking to convince lawmakers, financial institutions, and bor-

rowers that STR can help expand access to credit and promote economic growth in the developing world.

The momentum is building, as more and more countries implement STR (see the sidebar). Those countries that have gone through the process are creating blueprints for those countries who have yet to do so. The Congress of the Republic of Colombia is expected to pass an STR bill before the end of 2012, according to Luis Guillermo Vélez, the Colombian Superintendent of Companies. Shapiro also identified other countries making significant progress. In El Salvador, the Ministry of the Presidency approved a draft bill that had been pending review. Guatemala has favorable law already in place, and is pursuing changes in registrations and associated fees to promote lending. Jamaica, Panama, Costa Rica, and Haiti are all making positive early steps in the STR process.

For these and many other countries, the question may be shifting from *whether* they will adopt secured transaction reform to *when*. ■

This article was written by Stephen Kay, director of the Atlanta Fed's Americas Center, and Ed English, a staff writer for EconSouth.

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two state prisons—at the request of its owner, the Alabama Department of Corrections. At a stroke, the annexation also added 3,000 people to the city's former population of 7,000.

Waiting for Airbus

Financing the business park has forced the city to trim services such as paving streets and purchasing new police cars. "It's hard for some people to understand that because they see potholes and things and say, 'You're taking our money and putting it in places it doesn't need to be.' But it's coming," Shell said of Rivercane's prospects. "I think another five years will make a tremendous difference."

By then, the European aircraft manufacturer Airbus is scheduled to be assembling jets in Mobile, 57 miles away. Atmore leaders hope Rivercane will attract suppliers to the massive Airbus plant. In the shorter term, Shell foresees a wellspring of tax revenue from businesses near the interstate and

casino. As a model for roadside economic development, he looks 75 miles north to Greenville, Alabama, where restaurants and stores have crowded interstate exits. That commercial cluster, Shell said, accounts for the bulk of the city of Greenville's tax revenue.

Roots in the soil

Aside from the casino, Atmore's economic profile is typical of rural southern towns. Education and income levels are lower than state and national norms, while the poverty rate is higher, according to 2010 U.S. Census Bureau figures. Surrounded by pine forests and farmland, Atmore's economy historically was rooted in timber, agriculture, and some manufacturing. The city hall, in fact, is on the site of an old sawmill, next to railroad tracks that were responsible for the town's birth.

Also like many southern towns, Atmore a decade ago lost a cut-and-sew textile operation that had been the city's

largest employer. VF Corporation (Vanity Fair) in 2001 closed a women's undergarments plant, costing Atmore 509 jobs, according to state records.

Even today, despite visitors flocking to Wind Creek, Atmore's quaint downtown struggles with vacancies. Shell noted that vehicle traffic at times is so heavy pedestrians have to cross Main Street only at red lights. This was not the case before Wind Creek.

Yet few casino patrons stop to spend time and money downtown. Indeed, a booming retail trade five miles north of downtown is a mixed blessing. "Everything's moving toward the interstates," Vickery said. "We have to rethink our downtown. Your heart is your downtown. If your downtown goes, your community goes." ■

This article was written by Charles Davidson, a staff writer for EconSouth.