

## LEGISLATION SUMMARY SHEET

TRACKING NO. 0258-21

DATE: November 17, 2021

**TITLE OF LEGISLATION:** AN ACTION RELATING TO RESOURCES AND DEVELOPMENT, BUDGET AND FINANCE, AND NABIK'ÍYÁTI' COMMITTEES, AND THE NAVAJO NATION COUNCIL; AMENDING CAP-19-16 TO TRANSFER THE RESPONSIBILITY AND PERMANENT TRUST FUND INTEREST FUNDING FOR THE SHIPROCK HOTEL-RESTAURANT PROJECT FROM THE NAVAJO NATION GAMING ENTERPRISE TO THE NAVAJO NATION HOSPITALITY ENTERPRISE; ALLOCATING \$11,400,000 FROM THE SÍHASIN FUND TO THE NAVAJO NATION HOSPITALITY ENTERPRISE FOR THE SHIPROCK HOTEL-RESTAURANT PROJECT AND APPROVING THE NNHE'S SHIPROCK HOTEL-RESTAURANT PROJECT EXPENDITURE PLAN PURSUANT TO 12 N.N.C §§2501 – 2508

**PURPOSE OF THIS LEGISLATION:** to amend CAP-19-16 to transfer responsibility and allocated PTF funds for the Shiprock Hotel and Restaurant Project from NNGE to NNHE; to allocate an additional \$11,400,000 of Síhasin Funds to NNHE for the Project and approve the Project Expenditure Plan.

OLC No. 21-485-1

5-DAY BILL HOLD PERIOD: 18 Red Hole  
Website Posting Time/Date: 11-30-2021 @ 5:08 PM  
Posting End Date: 12-05-2021  
Eligible for Action: 12-06-2021

Resources & Development Committee  
Thence  
Budget & Finance Committee  
Thence  
Naabik'iyáti' Committee  
Thence  
Navajo Nation Council

PROPOSED NAVAJO NATION COUNCIL RESOLUTION  
24<sup>th</sup> NAVAJO NATION COUNCIL – Third Year, 2021

Introduced by:



(Prime Sponsor)

Tracking No. 0258-21

AN ACTION

RELATING TO RESOURCES AND DEVELOPMENT, BUDGET AND FINANCE,  
AND NABIK'ÍYÁTI' COMMITTEES, AND THE NAVAJO NATION COUNCIL;  
AMENDING CAP-19-16 TO TRANSFER THE RESPONSIBILITY AND  
PERMANENT TRUST FUND INTEREST FUNDING FOR THE SHIPROCK HOTEL-  
RESTAURANT PROJECT FROM THE NAVAJO NATION GAMING ENTERPRISE  
TO THE NAVAJO NATION HOSPITALITY ENTERPRISE; ALLOCATING  
\$11,400,000 FROM THE SÍHASIN FUND TO THE NAVAJO NATION HOSPITALITY  
ENTERPRISE FOR THE SHIPROCK HOTEL-RESTAURANT PROJECT AND  
APPROVING THE NNHE'S SHIPROCK HOTEL-RESTAURANT PROJECT  
EXPENDITURE PLAN PURSUANT TO 12 N.N.C §§2501 – 2508

BE IT ENACTED:

SECTION ONE. AUTHORITY

- A. The Resources and Development Committee is a standing committee of the Navajo Nation Council empowered to exercise oversight over the operations of the Navajo Nation enterprises, including the Navajo Nation Gaming Enterprise and the Navajo Nation Hospitality Enterprise. 2 N.N.C. §501(B)(4)(e).
- B. The Budget and Finance Committee is a standing committee of the Navajo Nation Council authorized to “appropriate, allocate, cancel, re-appropriate and review the use

1 of Navajo Nation funds received including but not limited to all grants, contracts, gifts  
2 and other funds from all sources.” 2 N.N.C. §301(B)(3).

3 C. The Naabik’íyáti’ Committee is a standing committee of the Navajo Nation Council  
4 charged with the responsibility to hear proposed resolution(s) that require final action  
5 by the Navajo Nation Council. 2 N.N.C. §164(A)(9).

6 D. The Navajo Nation Council is the governing body of the Navajo Nation. 2 N.N.C.  
7 §102(A).

8 E. The Navajo Nation Code (at 12 N.N.C. §2502, as amended by CJA-03-18) provides that  
9 the purpose of the Navajo Nation Síhasin Fund (“Síhasin Fund”) is as follows:

10 §2502 Purpose

11 A. The purposes of this Fund are to provide financial support and/or financing for:

- 12 1. The planning and development of economic development and regional  
13 infrastructure supporting economic development and community  
14 development, including such infrastructure as, but not limited to, housing,  
15 commercial and government buildings, waterline, solid waste management  
16 development, powerline projects, and transportation and communication  
17 systems, within the Navajo Nation; and

- 18 2. Education opportunities for members of the Navajo Nation.

19 B. For the Purpose in §2502(A)(1), Fund expenditures for infrastructure shall not be  
20 limited by 12 NNC §1310(F) or TCDCJY-77-99.

21 C. Leveraging the Fund by way of guaranteeing loans, match funding, direct funding  
22 in part, and other weighted uses of the Fund, including loan financing from the  
23 Fund, for the purposes in §2502(A)(1), shall be favored over direct funding in  
24 whole.

25 F. The Síhasin Fund provides that “Fund Principal” shall consist of all deposits made to the  
26 Síhasin Fund and that “Fund Income” shall consist of all earnings (interest, dividends,  
27 etc.) generated and realized by the Fund Principal, and that Fund Income shall be  
28 deposited in and added to Fund Principal until such time as a Fund Expenditure Plan is  
29 duly adopted. 12 N.N.C. §2504 and §2505(C).

30 G. The Síhasin Fund provides that “Fund Principal and Income shall not be expended except

1 pursuant to a Fund Expenditure Plan consistent with the purposes set forth in §2502 of  
2 this Chapter and adopted by a two-thirds (2/3) vote of all members of the Navajo Nation  
3 Council.” 12 N.N.C. §2505(A).

## 4 5 **SECTION TWO. FINDINGS**

- 6 A. In April of 2016, the Navajo Nation Council passed Resolution No. CAP-19-16 that  
7 approved two payments from the Navajo Nation’s Permanent Trust Fund income to the  
8 Navajo Nation Gaming Enterprise (“NNGE”) in the amount of \$5,500,000 in the 2<sup>nd</sup>  
9 Year and \$2,800,000 in the 3<sup>rd</sup> Year of the “PTF 5-Year Plan.” These two payments,  
10 totaling \$8,300,000, were intended to allow the NNGE to construct a Hotel-Restaurant  
11 Project in the Shiprock community (“Shiprock Project”). **Exhibit A.**
- 12 B. The NNGE prepared a status report for the Shiprock Project on February 7, 2017.  
13 **Exhibit B.**
- 14 C. In Resolution No. RDCJY-79-17, dated July 25, 2017, the Resources and Development  
15 Committee approved a 5-Year Plan for the Division of Economic Development, which  
16 Plan included an allocation of \$2,805,000 (from the Navajo Nation’s Sales Tax Fund)  
17 for the “Shiprock Hotel” project. RDCJY-79-17 did not specifically provide the  
18 \$2,805,000 to any particular entity, but simply approved the funds for the project.  
19 **Exhibit C.**
- 20 D. In July of 2018 the NNGE and the Division of Economic Development (“DED”) entered  
21 into a Memorandum of Agreement (“MOA”) for cooperation on the Shiprock Project,  
22 and for the Navajo Nation/DED to provide to NNGE the approved \$2,805,000 for the  
23 design, infrastructure, and development costs for the Shiprock Project. **Exhibit D.** The  
24 NNGE’s acceptance of the MOA and the \$2,805,000 for the Shiprock Project was pre-  
25 approved by the NNGE Board of Directors in June of 2018. **Exhibit E.**
- 26 E. Since then, the NNGE has negotiated with the Navajo Nation Hospitality Enterprise  
27 (“NNHE”) to take over construction and management of the Shiprock Project. In May  
28 2021, the NNHE Management Board passed a resolution accepting the transfer of the  
29 Shiprock Project. **Exhibit F.** In June 2021, the NNGE Board of Directors also passed a  
30 resolution approving the transfer of the Shiprock Project to the NNHE. **Exhibit G.**

1 F. The NNHE has prepared a funding request, dated August 30, 2021, indicating that, after  
2 previous allocations of funds and the transfer of the \$8,300,000 requested in this  
3 Legislation, the Shiprock Project still needs \$11,400,000 for the Project to be completed.

4 **Exhibit H and Exhibit I.**

5 G. The NNHE has provided a proposed Expenditure Plan detailing how all requested funds  
6 will be spent on the Shiprock Project. **Exhibit I.**

7 H. The requested allocation of the \$11,400,000 for the Shiprock Project meets the criteria  
8 for SÍhasin expenditures because the Project involves “infrastructure” and “community  
9 development” such as “commercial buildings,” as mentioned in 12 N.N.C. §2502(A)(1).

10 I. As shown in the attached Exhibit C, the Shiprock community and the Navajo Nation as  
11 a whole will greatly benefit from this major economic development project, in terms of  
12 jobs creation, tourism, tax revenue, and other significant economic benefits.

13  
14 **SECTION THREE. AMENDING CAP-19-16 TO TRANSFER RESPONSIBILITY**  
15 **AND \$8,300,000 IN FUNDS FOR THE SHIPROCK HOTEL-RESTAURANT**  
16 **PROJECT TO THE NNHE; APPROVING REALLOCATION OF \$2,805,000 IN**  
17 **FUNDS UNDER RDCJY-79-17 TO THE NNHE FOR THE SHIPROCK HOTEL-**  
18 **RESTAURANT PROJECT**

19 A. The Navajo Nation hereby amends Exhibit A of CAP-19-16 (attached as Exhibit A) to  
20 transfer responsibility for the construction, completion, and operation of the Shiprock  
21 Hotel-Restaurant Project, from the Navajo Nation Gaming Enterprise to the Navajo  
22 Nation Hospitality Enterprise.

23 B. The Navajo Nation further amends CAP-19-16 to transfer the approved \$8,300,000 in  
24 Permanent Trust Fund interest income from the Navajo Nation Gaming Enterprise to  
25 the Navajo Nation Hospitality Enterprise for use in the planning and construction of the  
26 Shiprock Project.

27 C. The Navajo Nation further approves the reallocation of the \$2,805,000 approved in  
28 Resolution No. RDCJY-79-17 (Exhibit C), to the Navajo Nation Hospitality Enterprise  
29 for use in the planning and construction of the Shiprock Project.

1     **SECTION FOUR. ALLOCATION OF \$11,400,000 IN SÍHASIN FUNDS TO THE**  
2     **NNHE FOR THE SHIPROCK HOTEL-RESTAURANT PROJECT**

- 3     A. The Navajo Nation hereby allocates \$11,400,000 in Síhasin Funds to the Navajo Nation  
4       Hospitality Enterprise for use in the planning and construction of the Shiprock Project.  
5     B. The Síhasin Funds allocated for the Shiprock Project may be further leveraged by bond  
6       or loan financing pursuant to the Navajo Nation Bond Financing Act, at 12 N.N.C.  
7       §1300 *et seq.* as amended, using Síhasin Fund earnings for repayment and financing  
8       costs, upon the recommendation of the Budget and Finance Committee and approval by  
9       a two-thirds (2/3) vote of all members of the Navajo Nation Council.

10  
11    **SECTION FIVE. APPROVAL OF THE NNHE'S SHIPROCK HOTEL-**  
12    **RESTAURANT PROJECT EXPENDITURE PLAN AND ITS ADMINISTRATION**

- 13    A. The Navajo Nation hereby approves the NNHE's Shiprock Hotel-Restaurant Project  
14       Expenditure Plan as shown in **Exhibit I**.  
15    B. The Navajo Nation hereby approves the administration of the Shiprock Project  
16       Expenditure Plan, as follows:  
17       1. The Navajo Nation Controller shall determine whether the source of the  
18          \$11,400,000 allocation from the Síhasin Fund will be from Fund Principal or Fund  
19          Income or a combination of both.  
20       2. The funds allocated for the Shiprock Project shall be distributed to the Navajo  
21          Nation Hospitality Enterprise pursuant to a construction schedule or other payout  
22          schedule agreed to by the Office of the Controller.  
23       3. The NNHE shall be responsible for the planning and construction of the Shiprock  
24          Project, as well as ongoing operation, maintenance, and repairs for the Project after  
25          completion.  
26       4. The funds allocated for the Shiprock Project shall be used solely for the planning  
27          and construction of the Project, and for the purchase and installation of equipment  
28          and facilities as necessary for the Project once construction is completed.  
29       5. Any and all cost-savings shall be returned to the Síhasin Fund once the Shiprock  
30          Project Expenditure Plan is completed.

1           6. The funds allocated for the Shiprock Project shall revert to the Síhasin Fund  
2           principal if not spent or encumbered within one hundred twenty (120) days of  
3           distribution to the NNHE, unless recommended otherwise by the Resources and  
4           Development Committee and approved by the Naabik'íyáti' Committee.  
5

## 6   **SECTION SIX. DIRECTIVES**

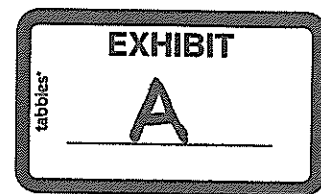
- 7           A. Immediately upon the effective date of this Legislation, the NNGE shall return to the  
8           proper accounts all unspent funds, out of the \$8,300,000 approved in CAP-19-16 and  
9           the \$2,805,000 approved in RDCJY-79-17, that NNGE has taken out of the Permanent  
10          Trust Fund or the Sales Tax Fund for the Shiprock Hotel-Restaurant Project. The  
11          Controller shall then promptly close out the Fund Management Plans for each of the  
12          funding allocations to the NNGE for the Shiprock Project.
- 13          B. Within thirty (30) calendar days following the effective date of this Legislation, the  
14          NNGE, the NNHE, and the DED shall terminate the June 2018 MOA (attached as  
15          Exhibit C), and the NNHE and the DED shall enter into a new Memorandum of  
16          Agreement that provides for the NNHE to receive the \$2,805,000 in Sales Tax Fund  
17          monies for NNHE's use in the planning and construction of the Shiprock Project.
- 18          C. By the end of each Quarter of FY2022, the NNHE shall provide to the Naabik'iyati'  
19          Committee a written and verbal report on the status of its expenditures and progress with  
20          the Shiprock Project, which report shall include a copy of the new NNHE/DED  
21          Memorandum of Agreement for the Shiprock Project.  
22

## 23   **SECTION SEVEN. EFFECTIVE DATE**

24          This Legislation and the Shiprock Hotel-Restaurant Project Expenditure Plan shall become  
25          effective pursuant to 2 N.N.C. §164(A)(17) and 12 N.N.C. §2505.  
26

## 27   **SECTION EIGHT. SAVING CLAUSE**

28          If any provision(s) of this Legislation is determined invalid by the Navajo Nation Supreme  
29          Court or by a District Court of the Navajo Nation without appeal to the Navajo Nation  
30          Supreme Court, the remainder of this Legislation shall remain the law of the Navajo Nation.



CAP-19-16

RESOLUTION OF THE  
NAVAJO NATION COUNCIL

23<sup>RD</sup> NAVAJO NATION COUNCIL -- Second Year, 2016

AN ACTION

RELATING TO BUDGET AND FINANCE AND NAABIK'ÍYÁTI' COMMITTEES, AND  
THE NAVAJO NATION COUNCIL; APPROVING THE NAVAJO NATION PERMANENT  
FUND INCOME FIVE YEAR EXPENDITURE PLAN AND WAIVING 12 N.N.C.  
§1162(B) FOR A LIMITED TIME PERIOD

BE IT ENACTED.

Section One. Authority

- A. The Navajo Nation Council is the governing body of the Navajo Nation, pursuant to 2 N.N.C. § 102 (A).
- B. The Naabik'íyáti' Committee of the Navajo Nation Council, pursuant to 2 N.N.C. §164(A)(9), reviews proposed legislation which requires final action by the Navajo Nation Council.
- C. The Budget and Finance Committee is empowered to review and recommend to the Navajo Nation Council the budgeting, appropriation, investment, and management of all funds. 2 N.N.C. §300(B)(2).
- D. Pursuant to 2 N.N.C. §300(C)(3), the Budget and Finance Committee of the Navajo Nation Council shall exercise oversight authority, including but not limited to, budget, finance, investment, bonds, contracting, insurance, audits, accounting, taxes, loans, chapter budget and finance for the purpose of recommending to the Navajo Nation Council the adoption of resolution designed to strengthen the fiscal and financial position of the Navajo Nation and to promote the efficient use of the fiscal and financial resources of the Navajo Nation.

Section Two. Findings

- A. The Navajo Nation Permanent fund, established in 1985, made available certain funds after a 20 year period and such funds have been available for use since 2005;



however, the fund income of the Navajo Nation Permanent fund continues to be reinvested in the Permanent Fund.

- B. The Navajo Nation Permanent Fund was established for the purpose of creating reserves for future generations after finding that the Navajo Nation's General Reserve Fund had been declining. See CJY-53-85, Whereas Clause Two and Six.
- C. The Navajo Nation Permanent Fund defines fund income as consisting of all earnings generated by the principal of the Fund. 12 N.N.C. §903(B).
- D. The Navajo Nation Permanent Fund sets out the procedures for expenditure of fund income by stating "[n]o Fund income shall be expended, except as set forth in §§903 and 909 of this Chapter, for a period of 20 years from date of the first Navajo Nation contribution to the Fund. Thereafter, ninety-five percent (95%) of the Fund income may be expended in accordance with a plan for its use covering at least a five-year period adopted by resolution of the Navajo Nation Council provided that the expenditure of income in any fiscal year shall not exceed the income earned during that year. The remaining five percent (5%) of the Fund income shall be reinvested in the Permanent Fund." 12 N.N.C. §905.
- E. As stated above, the permanent fund income has been available for use since 2005 and a prospective plan for the use of the permanent fund income covering a 5-year period, attached as Exhibit A, includes major waterline projects throughout the Navajo Nation and economic development projects in regional centers across the Navajo Nation and is generally described as:
  - 1. Navajo Nation Waterline Projects, Total: \$68,250,000, detailed in Exhibit B;
  - 2. Regional Economic Development Projects, Total: \$81,750,000, detailed in Exhibit C;
- F. The Navajo Nation Local Governance Trust Fund is established with an appropriation that "Beginning in Fiscal Year 2007, the Fund shall annually receive fifty-percent (50%) of the income available from the Navajo Nation

Permanent Fund pursuant to 12 N.N.C. §905; However to accomplish the essential Navajo Nation waterline and regional economic development projects it is necessary to lessen the appropriation to the Local Governance Trust Fund for the five year period of the expenditure plan. See 12 N.N.C. §1162 regarding annual appropriation and Exhibit A for Fund appropriation over the five year period.

- G. The Navajo Nation finds it in the best interest of the Nation to approve the Permanent Fund Income Five Year Expenditure Plan.

#### Section Three. Waiving 12 N.N.C. §1162(B)

The Navajo Nation hereby waives 12 N.N.C. §1162(B) for the period of the Permanent Income Five Year Expenditure Plan and approves the reduced annual appropriation to the Navajo Nation Local Governance Trust Fund to Confirm with the Permanent Income Five Year Expenditure Plan.

#### Section Four. Recommending and Approving

The Navajo Nation hereby recommends and approves the expenditure of the permanent fund income pursuant to the Permanent Income Five Year Expenditure Plan described as:

A. Navajo Nation Waterline Projects, Total: \$68,250,000;


B. Regional Economic Development Projects, Total:  
\$81,750,000

#### CERTIFICATION

I hereby certify that the foregoing resolution was duly considered by the Navajo Nation Council at a duly called meeting in Window Rock, Navajo Nation (Arizona) at which a quorum was present and that the same was passed by a vote of 18 in favor and 4 opposed, this 19<sup>th</sup> day of April 2016.



LoRenzo Bates, Speaker  
Navajo Nation Council




Date

Motion: Honorable Jonathan Perry  
Second: Honorable Amber Kanazbah Crotty

ACTION BY THE NAVAJO NATION PRESIDENT:

1. I hereby sign into law the foregoing legislation, pursuant to 2 N.N.C. §1005 (C) (10), on this 7<sup>th</sup> day of May 2016.

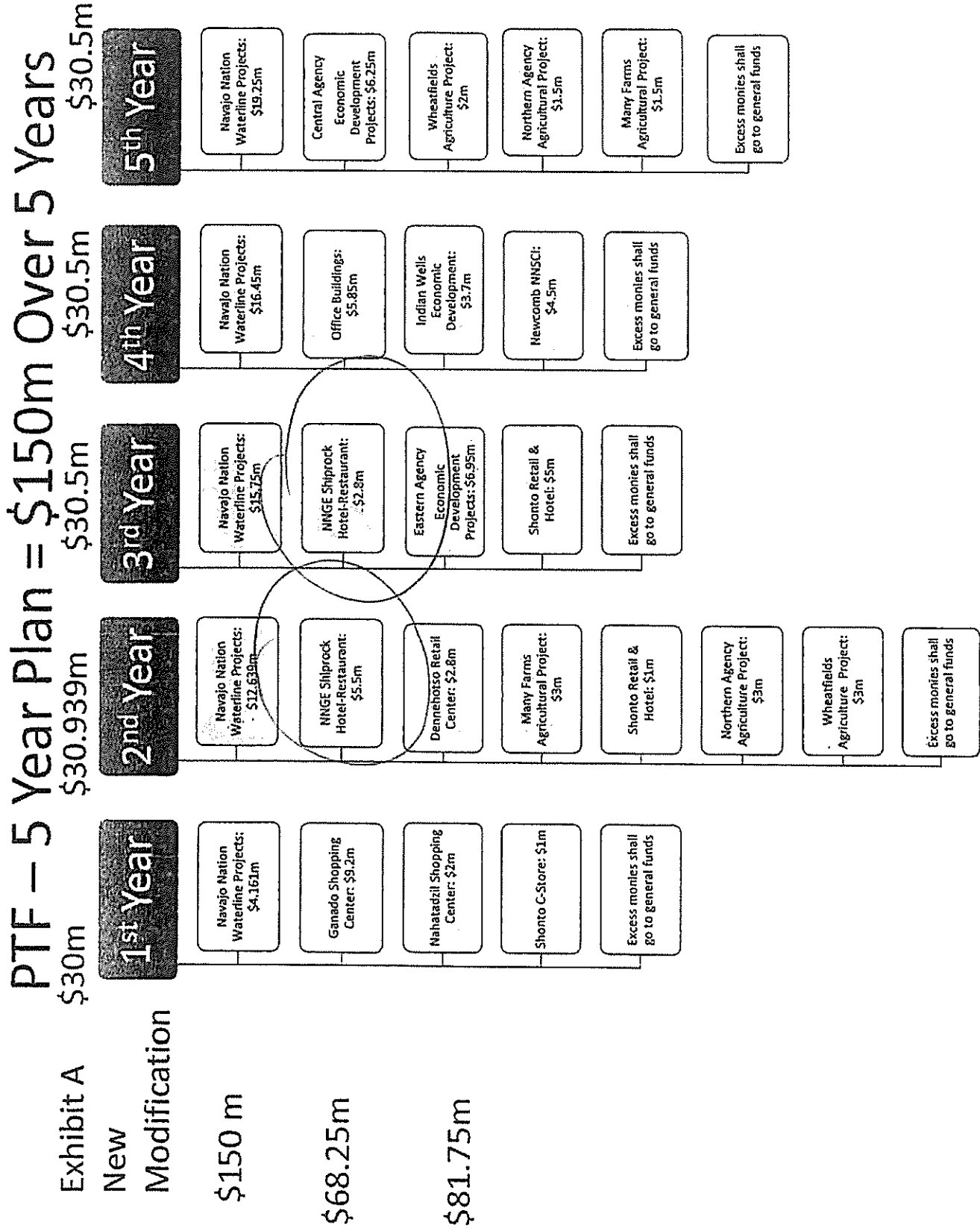
  
\_\_\_\_\_  
Russell Begaye, President  
Navajo Nation

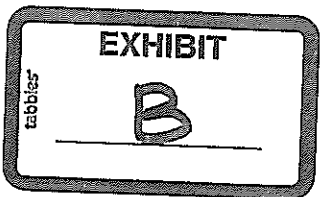
2. I hereby veto the foregoing legislation, pursuant to 2 N.N.C. §1005 (C) (11), this \_\_\_\_\_ day of \_\_\_\_\_ 2016 for the reason(s) expressed in the attached letter to the Speaker.

\_\_\_\_\_  
Russell Begaye, President  
Navajo Nation

3. I hereby exercise line item veto pursuant to the 2010 certified Initiative, over the supplemental appropriations approved herein by the Navajo Nation Council; on this \_\_\_\_\_ day of \_\_\_\_\_, 2016.

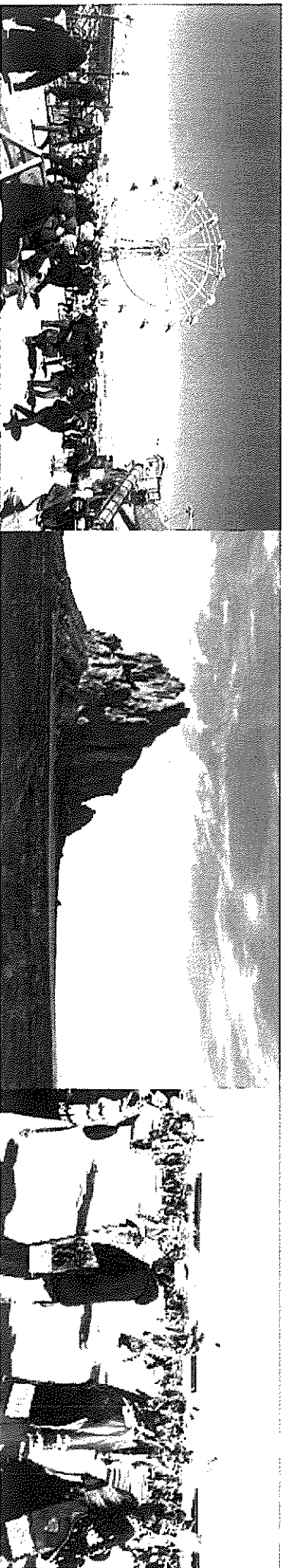
\_\_\_\_\_  
Russell Begaye, President  
Navajo Nation





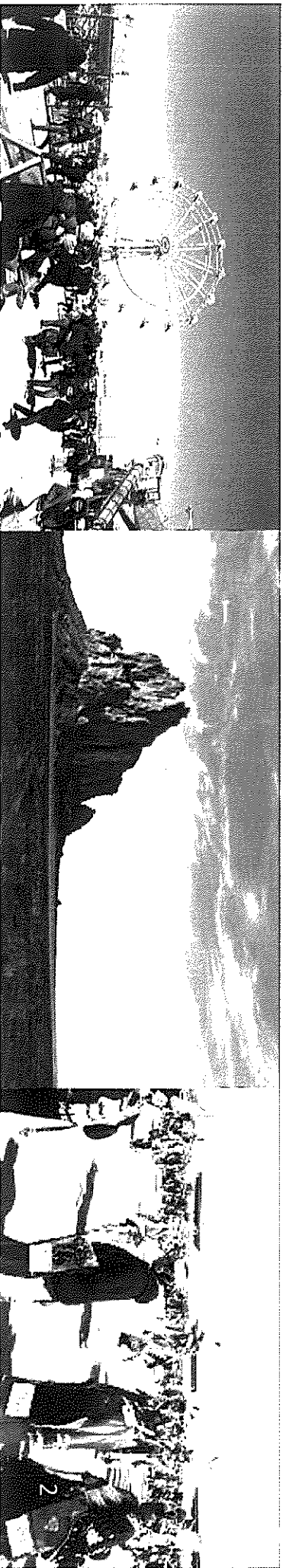
# Shiprock Hotel Project Status Report - Update Permanent Trust Fund Expenditure Plan Meeting

By Navajo Nation Gaming Enterprise  
February 7, 2017



# Discussion Outline

- Project Background
- New Information Since January 17<sup>th</sup> Update
- Independent Analysis of Standalone Hotel

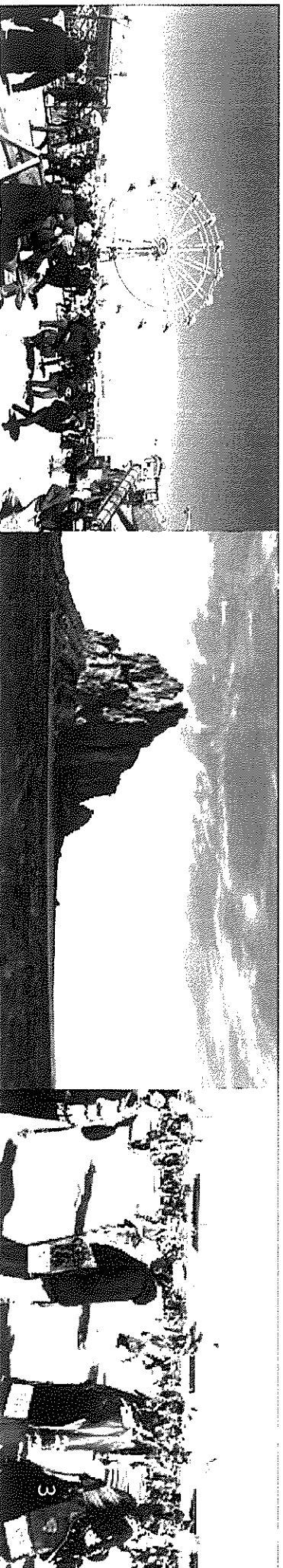


# Project Background

- CAP-39-16
- Council passed legislation approving Permanent Trust Fund Income Plan (PTFIP)
- Includes partial funding for a hotel & restaurant in Shiprock, Navajo Nation

April 19, 2016

Council passes legislation

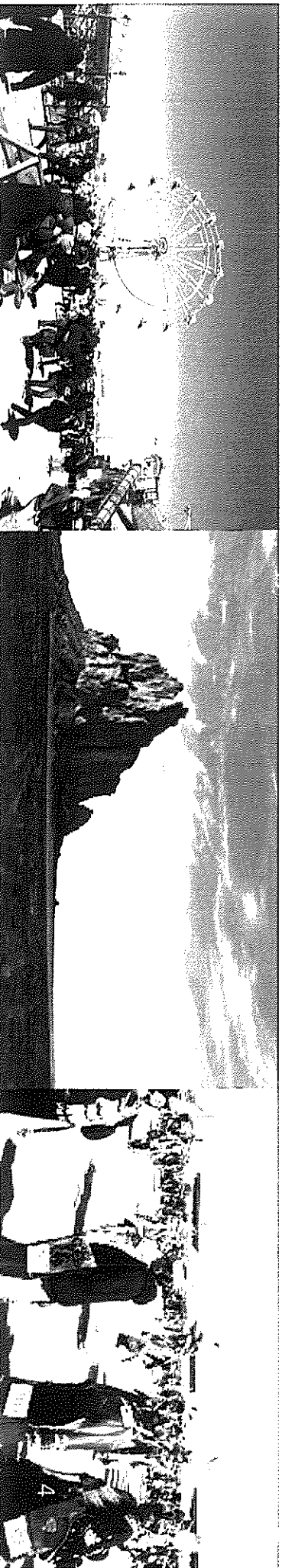


# Project Background

- CAP-39-16
- President signs the legislation into law
- \$8.3 million toward a hotel
  - \$5.5 in Year 2 (2018)
  - \$2.8 in Year 3 (2019)

May 10, 2016

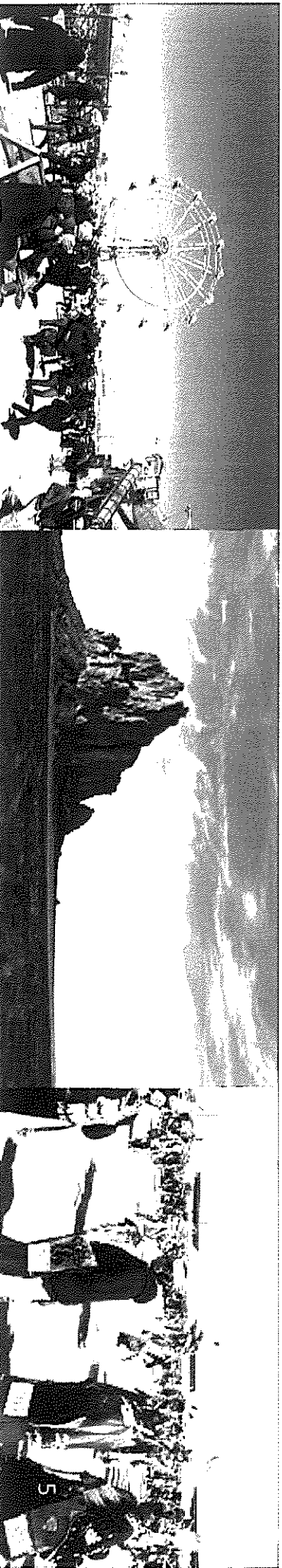
President signs legislation





# Project Background

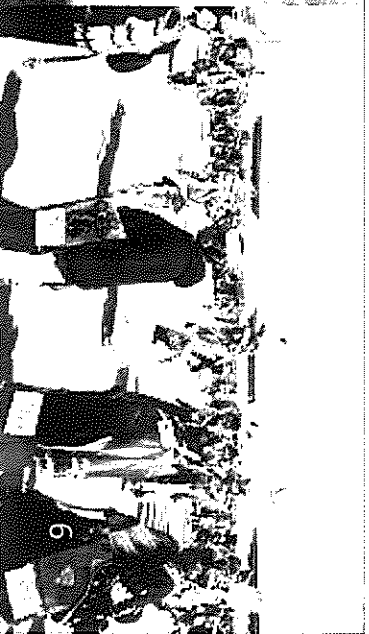
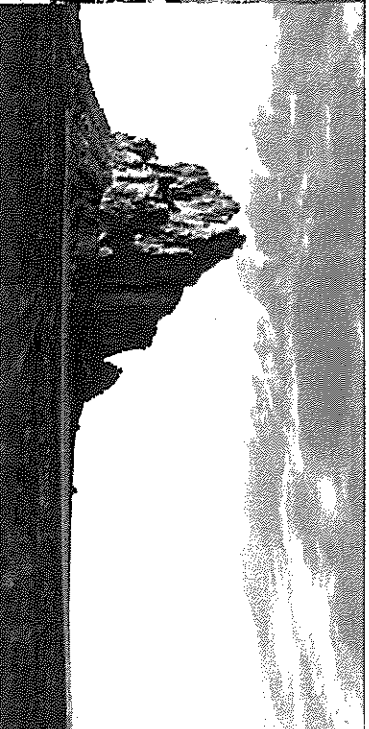
- NNDED invited NNGE to partner & integrate the hotel project into a comprehensive economic development plan for Shiprock



# Project Background

October, 2016  
NNDDED Master Plan begins

- Joint meeting of NNDDED and NNGE executive management took place to learn about NNDDED's master planning objectives and schedule

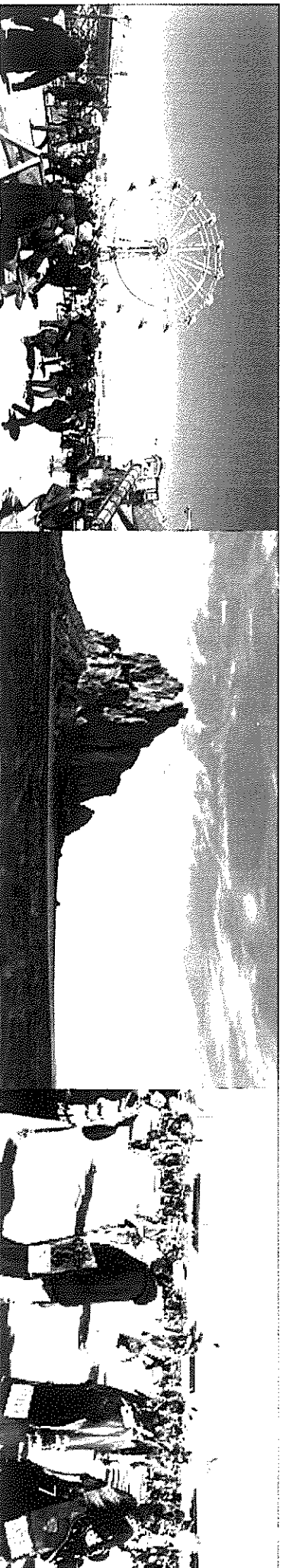


# Project Background

January 7, 2017

Report to BFC

- Informed BFC about NNGE market study
- Projected new information available by February 6
- BFC requests a new report to BFC February 7

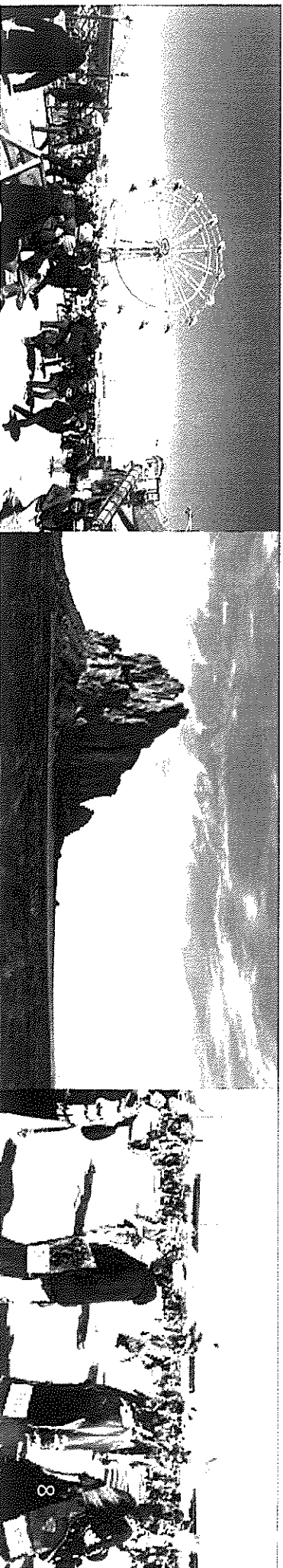


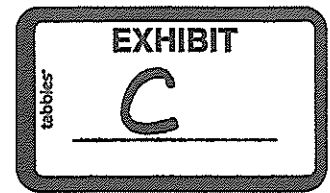
# Project Background

January 11, 2017

NNDED commits \$3 million

- NNDED updated NNGE on their Shiprock master planning, funding for infrastructure, and site evaluations (4).
- NNDED confirmed approximately \$3 million has been reserved for future hotel infrastructure.





RDCJY-79-17

RESOLUTION OF THE  
RESOURCES AND DEVELOPMENT COMMITTEE  
23<sup>rd</sup> Navajo Nation Council --- Third Year, 2017

AN ACTION

RELATING TO RESOURCES AND DEVELOPMENT COMMITTEE, APPROVING THE  
NAVAJO NATION DIVISION OF ECONOMIC DEVELOPMENT FIVE (5) YEAR  
PLAN FOR 2016- 2021

BE IT ENACTED:

SECTION ONE. AUTHORITY

- A. The Resources and Development Committee has oversight over economic development on the Navajo Nation. 2 N.N.C. §§ 500(C)
- B. The Resources and Development Committee has the authority to grant final approval for the overall economic development plan for the Navajo Nation. 2 N.N.C. § 501 (B) (2) (b)

SECTION TWO. FINDINGS

- A. The Navajo Nation Division of Economic Development has submitted its Five (5) Year Plan (Plan) for 2016-2021. See Exhibit "A".
- B. The Plan is composed of projects for development in the Commercial, Industrial and Tourism Sectors of the Navajo Nation and will reduce the leakage of Navajo dollars to off-reservation markets and create a multiplier effect generating future economic and community development.
- C. The projects in the Plan are to create jobs and business opportunities, provide convenient access to goods and services for local communities and generate revenue through lease rental, sales tax, fuel tax and possessory interest tax.
- D. The Plan list projects as submitted by the Division of Economic Development's Small Business Development Department, the Regional Business Development Offices, the Project Development Department and the Tourism Department, Chapters and legislators.
- E. The Plan, if approved, will support the Division of Economic Development's efforts to develop projects and to seek services and project funding from the Navajo Nation, Federal and State programs, financial institutions and other such sources.

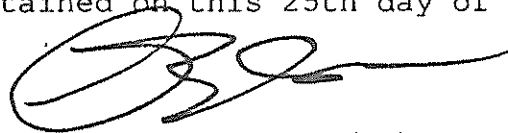
F. The Resources and Development Committee of the Navajo Nation finds it to be in the best interest of the Navajo Nation to approve the Division of Economic Development's Five (5) Year Plan for 2016-2021.

**SECTION THREE. APPROVAL**

The Resources and Development Committee of the Navajo Nation Council hereby approves Navajo Nation Division of Economic Development's Five Year Plan for 2016-2021 as found at Exhibit "A".

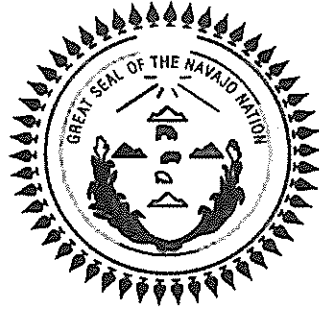
**CERTIFICATION**

I, hereby certify that the following resolution was duly considered by the Resources and Development Committee of the 23<sup>rd</sup> Navajo Nation Council at a duly called meeting at Twin Arrows Navajo Casino Resort, Twin Arrows, Navajo Nation (Arizona), at which a quorum was present and that same was passed by a vote of 3 in favor, 0 opposed, 1 abstained on this 25th day of July, 2017.

A handwritten signature in black ink, appearing to read 'Alton Joe Shepherd', is written over the certification text.

Alton Joe Shepherd, Chairperson  
Resources and Development Committee  
of the 23<sup>rd</sup> Navajo Nation Council

Motion: Honorable Davis Filfred  
Second: Honorable Benjamin Bennett



# **DIVISION OF ECONOMIC DEVELOPMENT**

## **FIVE YEAR PLAN**

**2016 – 2021**

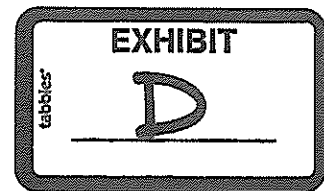
Post Office Box 663  
Window Rock, Arizona  
(928) 871-6544

[www.navajobusiness.com](http://www.navajobusiness.com)

DIVISION OF ECONOMIC DEVELOPMENT  
FIVE YEAR PLAN 2016 - 2021

PROJECTS				Cost (Projected)		Secured Funding		Pre-Development Completed		Due Diligence				Design				Tasks Completed		Jobs Created			Annual Return on Investment				Rate of Return	
Office	Year	Location	Title	Brief Description	Project Total	Funding Request	Owner's Equity (\$)	Amount (\$) Other Funding	Source	Land Withdrawn	Archaeological Assessment	Market Feasibility	Project Letter of Intent	Business Plan	Conceptual	Plans/Specifications	Site Preparation	Infrastructure	% Development	Temporary	Permanent (New)	Lease (\$)	Sales (\$)	Fuel (\$)	Temporary Employees	Permanent Employees	Development Phase	
FD 1.1		Saint Michaels	T&E Services, Commercial Strip	ME Services, infrastructure construction	530,000	530,000													0%	0	0%				323,300	-	0%	
A 1.5		Saint Michaels	DED	Development - Feasibility, Consulting, Project Management	1,500,000	1,500,000													0%	0	12	0			915,000	-	0%	
SR 1.0		Shiprock	Virginia Johnson Business Site	Pre-Development (Survey, Arch, Environ)	14,000	14,000													0%	0	5	4	6,000	1,500	0	60,320	1	54%
SR 1.0		Shiprock	Shiprock Hotel	Design, Development, Construct Infrastructure	8,300,000	2,805,000		8,300,000	PTF										10%	40	53	7,000	121,478	0	5,063,000	793,240	1	2%
SR 1.0		Shiprock	Bond and Bond BSL Clean-up	Demolition, Site Clean-up, Redevelopment	400,000	400,000													1%	8	0	0	0	0	0	244,000	-	0%
SR 1.0		Shiprock	Red Rock Retailer	Pre-Development (Survey, Arch, Environ)	16,000	16,000													7%	0	5	8,000	800	0	9,760	75,400	1	55%
SR 1.0		Shiprock	Former T&E's Café Site	Pre-Development	10,000	10,000													1%	3	0	0	0	0	0	6,100	-	0%
SR 1.1		Shiprock	Waterline Extension	East of US 491	175,000	175,000													0%	8	0	0	0	0	0	106,750	-	0%
P 1.1		Shiprock	Shiprock Industrial Park	Tribal Industrial Building Renovations	300,000	300,000													4%	10	0	240,000	0	0	0	183,000	-	80%
SR 1.1		Shiprock	Shiprock Industrial Area	Clean Up	8,000	8,000													3%	4	0	0	0	0	0	4,800	-	0%
P 1.0		Shonto	Commercial Development	Hotel Development	3,200,000	300,000													4%	10	4	7,200	310	0	305,000	60,320	1	2%
FD 1.1		Tahatsh	Former Child Care Site	Building Renovation, Site Work	500,000	150,000													4%	5	0	0	0	0	0	15,250	-	0%
T 1.5		Tahatsh	Master Plan	Tourism/Economic Development,	25,000	25,000			HOT										0%	5	0	0	0	0	0	15,250	-	0%
T 1.1		Tahatsh/Cudi	Visitor Outlook	Establish landmark, Visitor Deck	35,000	35,000			HOT										0%	5	2	500	50	0	0	30,160	1	2%
P 1.5		Tajel	Tajel Industrial Site	Market Feasibility Study	75,000	75,000													3%	4	0	0	0	0	0	43,750	-	0%
FD 1.0		Tajel	Commercial Development	Pre-Development	250,000	250,000													1%	2	2	0	0	0	0	151,500	1	0%
T 1.1		Tahatsh	Visitor Outlook	Establish landmark, Visitor Deck	25,000	25,000													0%	5	0	0	0	0	0	15,250	-	0%
CH 1.1		Tahatsh/Condonwood	German's Convenience Store	Development	385,000	370,000		15,000	Bank Loan (pending)										8%	10	5	4,000	200	500	234,850	75,400	1	15%
W 1.1		Tuba City	Centrowash Car Wash, Landscaping	Utilities, Earthwork & Access Road	900,000	400,000	500,000		OE										10%	8	20	12,000	3,000	0	549,000	303,600	1	2%





**MEMORANDUM OF AGREEMENT  
BETWEEN  
THE NAVAJO NATION GAMING ENTERPRISE  
AND  
THE NAVAJO DIVISION OF ECONOMIC DEVELOPMENT**

**ESTABLISHING THE PARTNERSHIP BETWEEN THE NAVAJO NATION GAMING ENTERPRISE AND THE NAVAJO DIVISION OF ECONOMIC DEVELOPMENT IN FURTHERANCE OF THE SHIPROCK HOTEL AND RESTAURANT DEVELOPMENT PROJECT; AND AUTHORIZING THE TRANSFER OF \$2,805,000 FROM THE NAVAJO NATION TO THE ENTERPRISE FOR THE INFRASTRUCTURE COSTS CONSISTENT WITH RESOLUTION NOS. CAP-19-16 AND RDCJY-79-17**

This Memorandum of Agreement ("Agreement") is entered into by and between the Navajo Nation Gaming Enterprise ("Enterprise") and the Navajo Division of Economic Development ("DED") establishing the partnership between the two entities in furtherance of the Shiprock Hotel and Restaurant development project ("Development Project"); and authorizing the transfer of \$2,805,000 from the Navajo Nation to the Navajo Nation Gaming Enterprise for the infrastructure costs related to the project.

**WHEREAS**, the Enterprise is established as a legal entity wholly owned by the Navajo Nation with authority to conduct gaming operations within the Navajo Nation pursuant to the Indian Gaming Regulatory Act, the Navajo Nation Gaming Ordinance, gaming compacts between the Navajo Nation and the States of Arizona and New Mexico, and regulations and policies related thereto; and

**WHEREAS**, the DED is established to promote and support an environment that is conducive to business development in the commercial, small business, tourism, industrial and other sectors of the Navajo Nation economy thereby improving the quality of life for the Navajo people; and

**WHEREAS**, pursuant to Navajo Nation Council Resolution No. CAP-19-16 (attached hereto and marked as Attachment "A"), the Navajo Nation approved the Navajo Nation Permanent Fund Income Five-Year Expenditure Plan. The Plan authorizes expenditures for water and economic development projects, including a total of \$8,300,000 to the Enterprise to design and construct a hotel and restaurant in Shiprock, New Mexico; and

**WHEREAS**, pursuant to Resources and Development Committee ("RDC") Resolution No. RDCJY-79-17, (attached hereto and marked as Attachment "B"), the RDC approved the Navajo Nation DED Five-Year Plan for 2016-2021. The Plan includes \$2,805,000 ("Project Funds") for the facility design and infrastructure development costs for the Development Project.

**WHEREAS**, pursuant to a letter dated October 20, 2017, (attached hereto and marked as Attachment "C"), the former Division of Economic Development Director, affirmed the Division's funding commitment and support of the partnership between the Division and Enterprise in furtherance of the Development Project.

**WHEREAS**, on June 2, 2018, by Resolution No. NNGEJUN-003-18, (attached hereto and marked as Attachment "D"), the Enterprise Board of Directors approved the Tribal Grant Agreement to secure the \$8,300,000 for the Shiprock Hotel and Restaurant; and

**WHEREAS**, it is the mutual desire of the parties hereto that the Shiprock Hotel and Restaurant development project move forward in an expeditious manner; and

**WHEREAS**, it is the mutual desire of the parties hereto to establish respective responsibilities to ensure effective cooperation and coordination of the development project:

**NOW, THEREFORE**, the Parties agree to the following:

**1.0. DUTIES AND RESPONSIBILITIES OF PARTIES:**

A. The DED shall:

1. Upon execution of the Agreement, submit the necessary paperwork to the Office of Management and Budget ("OMB") and the Office of the Controller ("OOC") to wire transfer the total \$2,805,000 from the Navajo Nation to the Enterprise; and
2. Initiate and coordinate all required meetings among the Navajo Nation, Shiprock Chapter and the Bureau of Indian Affairs to identify land suitable for development including completing Phase 2 testing and sampling of potential hazardous materials of the Shiprock Administrative Reserve (SAR). The BIA shall be responsible for remediation of the SAR, if necessary;
3. Assist in completing all required clearances necessary to issue a Business Site Lease for the development project based upon a mutually agreed upon location between the DED and the Enterprise. The required clearances, studies, and surveys for the Business Site Lease shall be paid for by the DED; and
4. As part of the larger economic development vision for the Shiprock community, complete the Shiprock Master Plan, which will include the Shiprock Hotel and Restaurant development. Completion of the Master Plan shall be done within 9 months following execution of the Agreement; and
5. Support and assist the Enterprise, as needed, with all infrastructure planning, coordination and participation in all necessary meetings with the Shiprock community and Navajo Tribal Utility Authority.

6. Financially commit up to the Project Funds and other funds associated with subsection (3) and (4) of this section.

**B. The Enterprise shall:**

1. Provide complete oversight, management and responsibility for the Development Project; and
2. Complete its market studies, traffic impact study, and hotel and restaurant program design, including calculations of utility loads for NTUA's planning purposes.
3. Provide to the DED, the OMB and the OOC, quarterly expenditure reports related to infrastructure planning, design and development, within 30 days after the quarter; and
4. Provide to the DED, the OMB and the OOC a final expenditure report within 120 days of issuance of the Certificate of Occupancy.
5. Own, operate and manage the hotel and restaurant facility upon completion of the development project.

**C. The Navajo Nation, DED and Enterprise shall consider the following:**

1. If the Enterprise determines that it requires more funds than the Project Funds for infrastructure of the Development Project, the Enterprise and DED may cooperatively work together to identify new funds to cover the short fall of the infrastructure.
2. Working cooperatively to develop a Navajo design and brand concept for this Project and future Projects as deemed appropriate.

**2.0 EFFECTIVE DATE, TERM, AND TERMINATION**

- A. The term of this Agreement shall become effective on the last date signed by all Parties.**

**This Agreement shall remain in effect until the Development Project is completed.**

- B. This Agreement may be terminated by either Party with sixty (60) days written notice of intent to terminate the Agreement. Notice to DED shall be forwarded to the Executive Director of DED via certified mail, return receipt requested at the Navajo Division of Economic Development, P.O. Box 663, Window Rock, Arizona 86515. Notice to the Enterprise shall be forwarded to the Chief Executive Officer via certified mail, return receipt requested at Navajo Nation Gaming Enterprise, P.O. Box 1700, Church Rock, New Mexico 87311, or such other address as either Party may designate in writing to the other at some future date.**

### **3.0 SUCCESSORS IN INTEREST**

The provisions of this Agreement shall be binding upon and inure to the benefit of all Parties to the Agreement and the respective successors and assignees, regardless of any change in Navajo Nation or Enterprise administration, unless the Agreement is terminated as provided in the Agreement.

### **4.0 AGREEMENT TO ABIDE BY APPLICABLE LAWS**

The Parties and their employees and agents agree to abide by all laws, regulations, and ordinances of the Navajo Nation, (including, but not limited to the Navajo Nation Business Opportunity Act, 5 N.N.C. §201 *et. seq.* and the Navajo Preference in Employment Act, 15 N.N.C. §601 *et. seq.*) and all applicable laws, regulations and the New Mexico Gaming Compact now in force or as may be hereafter in force and effect, while performing under this Agreement.

### **5.0 GOVERNING LAW AND DISPUTE RESOLUTION**

Except as expressly prohibited by applicable federal law, the laws of the Navajo Nation shall govern the construction, performance and enforcement of this Agreement. The Parties shall endeavor to resolve claims, disputes and any other matter in question between them by informal good faith negotiation. In the event the Parties are unable to reach informal resolution, either Party, or both, may notify the other in writing of intent to terminate the Agreement in accordance with Section 2.0 of this Agreement and any and all obligations encumbered through the termination date shall be honored.

### **6.0 NO WAIVER OF SOVEREIGN IMMUNITY**

Nothing set forth in this Agreement shall be construed as a waiver, express or implied, of the sovereign immunity of the Navajo Nation including the Enterprise.

### **7.0 NOTICES AND CONTACT INFORMATION**

All correspondence, reports, invoices and other notices shall be delivered to the following addresses:

To ENTERPRISE:	Chief Executive Officer
	Navajo Nation Gaming Enterprise
	P.O. Box 1700
	Church Rock, NM 87311

Executive Director of Development  
Navajo Nation Gaming Enterprise  
P.O. Box 1700  
Church Rock, NM 87311

To DED: Executive Director  
Navajo Nation Division of Economic Development  
P.O. Box 663  
Window Rock, AZ 86515

## **8.0 FORCE MAJEURE**

No Party to this Agreement shall be held responsible for delay or default caused by fires, riots, acts of God and/or war which is beyond the reasonable control of the Parties.

## **9.0 SEVERABILITY**

If any provision of this Agreement is declared unlawful, invalid or unenforceable by a court of competent jurisdiction, the remaining terms and provisions shall remain in effect and the rights and obligations of the Parties shall be construed as valid and enforced.

## **10.0 AMENDMENTS**

The terms and conditions of this Agreement shall not be waived, altered, modified, supplemented, or amended except upon written approval of the Parties.

## **11.0 THIRD PARTY BENEFICIARY**

This Agreement does not and is not intended to create rights in any person(s) or entities other than the Parties to this Agreement.

## **12.0 ANNUAL REVIEW**

The Parties will conduct a mutual, good faith annual review of this Agreement to evaluate compliance with the agreement terms. The review will be done annually from the execution date of this Agreement.

This Agreement shall take effect on the date the last signature is affixed as indicated below. This Agreement may be executed by up to three counterparts; each to be treated as the original.

Navajo Nation Gaming Enterprise

  
\_\_\_\_\_  
Chief Executive Officer


7/17/18  
\_\_\_\_\_  
Date

Division of Economic

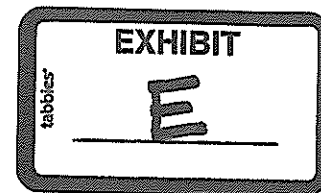
  
\_\_\_\_\_  
Executive Director

7/17/18  
\_\_\_\_\_  
Date

NAVAJO NATION

  
\_\_\_\_\_  
President

7/31/2018  
\_\_\_\_\_  
Date



NNGEJUN-002-18

**RESOLUTION OF THE NAVAJO NATION GAMING ENTERPRISE  
BOARD OF DIRECTORS**

**APPROVING THE MEMORANDUM OF AGREEMENT BETWEEN THE NAVAJO NATION AND THE NAVAJO NATION GAMING ENTERPRISE; ESTABLISHING THE PARTNERSHIP BETWEEN THE ENTERPRISE AND THE NAVAJO DIVISION OF ECONOMIC DEVELOPMENT IN FURTHERANCE OF THE SHIPROCK HOTEL AND RESTAURANT DEVELOPMENT PROJECT; ACCEPTING THE TRANSFER OF \$2,805,000 FROM THE NAVAJO NATION FOR THE INFRASTRUCTURE COSTS CONSISTENT WITH RESOLUTION NOS. CAP-19-16 AND RDCJY-79-17; AND APPROVING THE PROJECT CHARTER IDENTIFYING THE RESPONSIBILITIES OF THE RESPECTIVE PARTIES**

**WHEREAS**, the Navajo Nation Gaming Enterprise (the "Enterprise") is a wholly-owned enterprise of the Navajo Nation established pursuant to 5 N.N.C. § 1701 *et seq.*; and

**WHEREAS**, pursuant to 5 N.N.C. § 1707(A), the Board of Directors (the "Board") of the Enterprise is the governing body of the Enterprise responsible for establishing the overall policies and objectives for the management of the Enterprise, and for overseeing the business and affairs of the Enterprise; and

**WHEREAS**, pursuant to 5 N.N.C. § 1708, the Interim Chief Executive Officer (the "CEO") of the Enterprise executes the general policies formulated by the Board and is the active, operating executive of the Enterprise; and

**WHEREAS**, pursuant to 5 N.N.C. § 1705(E), the Enterprise has the power and authority to enter into, make, assign, and take assignments of any and all forms of contracts for any purpose that is reasonably related to the lawful purposes of the Enterprise; and

**WHEREAS**, pursuant to Navajo Nation Council Resolution No. CAP-19-16 (attached hereto and marked as Attachment "A"), the Navajo Nation approved the Navajo Nation Permanent Fund Income Five-Year Expenditure Plan. The Plan authorizes expenditures for water and economic development projects, including a total of \$8,300,000 to the Enterprise to develop, design, construct, start-up and operate a hotel and restaurant in Shiprock, New Mexico; and

**WHEREAS**, the Navajo Nation allocated an additional \$2,805,000 of Navajo Nation Sales Tax revenues for this project. Pursuant to Resources and Development Committee Resolution No. RDCJY-79-17 (attached hereto and marked as Attachment "B"), the Committee approved the Navajo Nation Division of Economic Development Five Year Plan for 2016-2021. The Plan authorizes \$2,805,000 to design, develop and construct the infrastructure for the Shiprock Hotel and Restaurant development; and

**WHEREAS**, to ensure that the Shiprock Hotel and Restaurant development project is carried out in partnership with the Navajo Nation and the Division of Economic Development; to ensure that the Enterprise receives, in total, the \$2,805,000 for Sales Tax revenue allocated for the project; and to ensure compliance by the respective parties of the Project Charter, a Memorandum of Agreement ("Agreement") Between the Navajo Nation and the Navajo Nation Gaming Enterprise is necessary. The Agreement is attached hereto and marked as Attachment C.

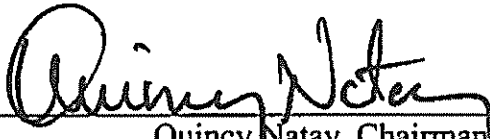
**NOW THEREFORE BE IT RESOLVED**, the Navajo Nation Gaming Enterprise hereby approves the Memorandum of Agreement Between the Navajo Nation and the Division of Economic Development and the Project Charter, incorporated and referenced herein. Attachment C.

**NOW THEREFORE BE IT FURTHER RESOLVED**, the Navajo Nation Gaming Enterprise Board of Directors hereby accepts the Sales Tax revenue of \$2,805,000 identified and dedicated for this project pursuant Resources and Development Committee Resolution No. RDCJY-79-17. Attachment B.

**NOW THEREFORE BE IT FURTHER RESOLVED**, the Navajo Nation Gaming Enterprise Board of Directors hereby directs the Chief Executive Officer to submit all required documents related to this approval.

#### **CERTIFICATION**

I hereby certify that the foregoing resolution was duly considered by the Navajo Nation Gaming Enterprise Board of Directors at a duly called meeting, at which a quorum was present, and the same was passed by a vote of 5 in favor, 0 opposed and 1 abstained, this 2nd day of June, 2018.

  
\_\_\_\_\_  
Quincy Natay, Chairman  
Navajo Nation Gaming Enterprise  
Board of Directors

Motion: Melinda Tomchee  
Second: Leah Claw



**RESOLUTION OF THE  
MANAGEMENT BOARD OF THE  
NAVAJO NATION HOSPITALITY ENTERPRISE**

**Resolution No. 2021-4**

**Supporting Transfer of Funds from the Permanent Trust Fund of 8.3 Million to the Navajo Nation Hospitality Enterprise. The Funds would only be used for the Development and Construction of a Shiprock Hotel. Additional Funding of Approximately 12 Million from the Navajo Nation to the Navajo Nation Hospitality Enterprise is Required to Complete Construction of the Shiprock Hotel.**

**WHEREAS,** The Navajo Nation Council is considering a transfer of funding and responsibility for development and construction of a Hotel and Restaurant in Shiprock, NM. The funding and responsibility for development and construction currently resides with the Navajo Nation Gaming Enterprise. That funding and responsibility would be transferred to the Navajo Nation Hospitality Enterprise.

**WHEREAS,** The Navajo Nation Hospitality Enterprise ("NNHE") is an enterprise organized and duly formed pursuant to Title 5, Subchapter 9 of the Navajo Nation Code, is owned entirely and exclusively by the Navajo Nation and is in good standing; and

**WHEREAS,** Pursuant to NNHE's Plan of Operation, as amended, which has been authorized by the Navajo Nation Tribal Council by Resolution CD-79-02 dated December 30, 2002, all in accordance with applicable law, NNHE's Management Board is empowered to act on behalf of NNHE; and

**WHEREAS,** The Navajo Nation Hospitality Enterprise has the experience and expertise to undertake the development and construction of the Shiprock Hotel Project. Additional funds of approximately 12 Million are estimated to be needed in order to complete the Project. NNHE does not sufficient funds to complete the Project and these additional funds would have to be granted by the Navajo Nation.

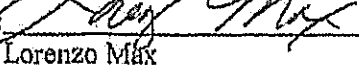
**NOW THEREFORE BE IT RESOLVED,** that the Management Board hereby supports the transfer of funds from the Permanent Trust Fund and assignment of responsibility for development and construction of the Shiprock Hotel Project subject to receipt of additional funds from the Navajo Nation of approximately 12 Million, which is necessary to complete the Project.

**BE IT FURTHER RESOLVED,**

That any funds received are to be used solely for the development and construction of the Shiprock Hotel Project and that if the additional funding of approximately 12 Million is not made available within the next 12 months then

any unexpended funds directly related to the Project shall be returned to the Permanent Trust Fund.

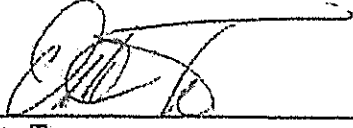
NAVAJO NATION HOSPITALITY ENTERPRISE  
MANAGEMENT BOARD

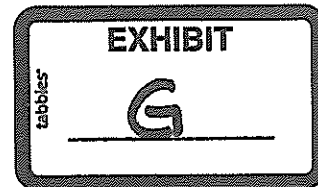
By:   
Lorenzo Max  
Chairman, Management Board

CERTIFICATION

The above resolution was duly adopted by the Management Board of the Navajo Nation Hospitality Enterprise by vote conducted on the 11th day of May, 2021, at a meeting of the Management Board at which a quorum voted:

4 FOR, -0- AGAINST, -0- ABSTAIN.

Certified by:   
Otto Tso  
Secretary, Management Board



NNGEJUN-002-21

RESOLUTION OF THE NAVAJO NATION GAMING ENTERPRISE  
BOARD OF DIRECTORS

**APPROVING THE TRANSFER OF THE SHIPROCK HOTEL AND RESTAURANT  
DEVELOPMENT PROJECT AUTHORIZED PURSUANT TO NO. CAP-19-16 TO THE  
NAVAJO NATION HOSPITALITY ENTERPRISE**

**WHEREAS**, the Navajo Nation Gaming Enterprise ("Enterprise") is a wholly-owned enterprise of the Navajo Nation established pursuant to 5 N.N.C. § 1701 *et seq.*; and

**WHEREAS**, pursuant to 5 N.N.C. § 1707(A), the Board of Directors ("Board") of the Enterprise is the governing body of the Enterprise responsible for establishing the overall policies and objectives for the management of the Enterprise, and for overseeing the business and affairs of the Enterprise; and

**WHEREAS**, pursuant to 5 N.N.C. § 1708, the Chief Executive Officer ("CEO") of the Enterprise executes the general policies formulated by the Board and is the active, operating executive of the Enterprise; and

**WHEREAS**, pursuant to 5 N.N.C. § 1705(E), the Enterprise has the power and authority to enter into, make, assign, and take assignments of any and all forms of contracts for any purpose that is reasonably related to the lawful purposes of the Enterprise; and

**WHEREAS**, pursuant to Navajo Nation Council Resolution No. CAP-19-16, the Navajo Nation approved the Navajo Nation Permanent Fund Income Five-Year Expenditure Plan that authorizes expenditures for water and economic development projects, including a total of \$8,305,000 to the Enterprise to develop, design, construct, start-up and operate a hotel and restaurant in Shiprock, New Mexico; and

**WHEREAS**, the Navajo Nation allocated an additional \$2,805,000 of Navajo Nation Sales Tax revenues for this project pursuant to the Resources and Development Committee's, (Resolution No. RDCJY-79-17) approval of the Navajo Nation Division of Economic Development Five Year Plan for 2016-2021. The Plan authorizes \$2,805,000 to design, develop and construct the infrastructure for the Shiprock Hotel and Restaurant development; and

**WHEREAS**, on June 23, 2021, the Budget and Finance Committee of the Navajo Nation Council convened a Permanent Trust Fund meeting to discuss the transfer of the Shiprock Hotel and Restaurant project from the NNGE to the Navajo Nation Hospitality Enterprise (NNGE). Attached hereto and incorporated for reference is the June 23, 2021 agenda – see EXHIBIT A; and

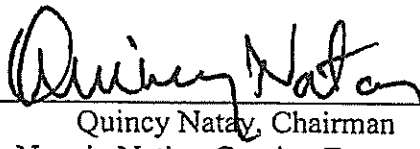
WHEREAS, although no formal action was taken, the general consensus of the meeting participants and several others who spoke on the record, support the transfer of the project from NNGE to NNHE.

NOW THEREFORE BE IT RESOLVED, the Navajo Nation Gaming Enterprise hereby approves the transfer of the Shiprock Hotel and Restaurant project to the Navajo Nation Hospitality Enterprise.

NOW THEREFORE BE IT FINALLY RESOLVED, the Navajo Nation Gaming Enterprise Board of Directors hereby directs the Interim Chief Executive Officer to submit all required documents related to this approval, including transfer of initial funds back to the Navajo Nation and termination of any and all related agreements between the Navajo Nation and the NNGE.

#### CERTIFICATION

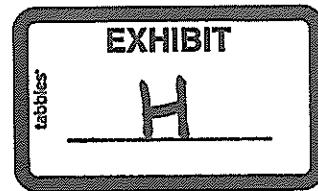
I hereby certify that the foregoing resolution was duly considered by the Navajo Nation Gaming Enterprise Board of Directors, at a duly called meeting, at which a quorum was present, and the same was passed by a vote of 6 in favor, 0 opposed and 0 abstained, this 27th day of June 2021

  
Quincy Natay, Chairman  
Navajo Nation Gaming Enterprise  
Board of Directors

Motion: Kristina Haskell  
Second: Robert Winter



# NAVAJO NATION HOSPITALITY ENTERPRISE



August 30, 2021

Honorable Eugenia Charles-Newton  
Via Electronic Mail: [echarles-newton@navajo-nsn.gov](mailto:echarles-newton@navajo-nsn.gov)

## RE: Shiprock Hotel: Additional Funds Request

Dear Honorable Charles-Newton:

We have completed a review of the estimated current cost to complete the construction of the hotel and restaurant in Shiprock, NM. Our construction cost estimates are based on known costs for similar types of construction and development projects.

<b>Total Estimated Construction and Development Costs</b>	<b>\$21,700,000</b>
Utility upgrade needed; (by NTUA)	<u>800,000</u>
Total Estimated Costs to Complete	22,500,000
<b>Less: Funds Previously Authorized:</b>	
Permanent Trust Fund	8,300,000
Sales Tax Fund – Division of Economic Development	<u>2,805,000</u>
Total Previously Authorized	<u>11,105,000</u>
<b>Additional Funds Requested (Rounded)</b>	<b><u>\$11,400,000</u></b>

per EXH A  
Reso. No.  
CAP-19-16  
\$5.5 m  
+  
\$2.8 m  
= \$8.3 m

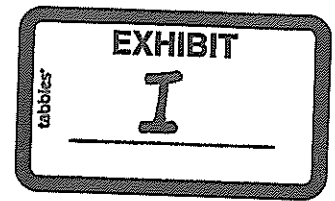
Please let us know if you need additional information as part of requesting the additional funding to complete the Shiprock Hotel Project.

Sincerely,

Stan M. Sapp  
Chief Executive Officer



## NAVAJO NATION HOSPITALITY ENTERPRISE



November 16, 2021

Honorable Eugenia Charles-Newton  
Via Electronic Mail: ECharles-Newton@Navajo-NSN.GOV

**RE: Shiprock Hotel: Expenditure Plan Including Sihasin Fund Expenditures**

Dear Honorable Charles-Newton,

We have completed the sources and use of funds to complete the construction of a hotel and restaurant in Shiprock, NM. The currently planned Hotel and Restaurant includes the following characteristics:

- AAA 3 Diamond Property
- 80 Rooms; Navajo Design
- Full Service Themed Restaurant
- Indoor Pool, Meeting Rooms

The Navajo Nation Hospitality Enterprise is requesting Sihasin Funds of \$11,400,000 to be a grant and accordingly, would not be repaid.

**Source of Funds:**

Sihasin Funds (Grant Requested)	\$11,400,000
Permanent Trust Fund	8,300,000
Sales Tax Fund – Division of Economic Development	<u>2,805,000</u>
<b>Total Source of Funds</b>	<b><u>\$22,505,000</u></b>

**Use of Funds:**

Architecture and Design	\$970,000
Site Improvements	700,000
Utility Relocation and Upgrade Required; (by NTUA)	800,000
Building(s) Construction	17,985,000



## NAVAJO NATION HOSPITALITY ENTERPRISE

---

Furniture and Equipment – Hotel	1,500,000
Furniture and Equipment – Restaurant	<u>550,000</u>
<b>Total Use of Funds</b>	<b><u>\$22,505,000</u></b>

### Development Timeline

The following timeline is based upon a start date of when funds are first made available.

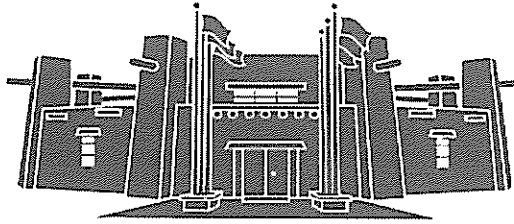
#### Months

3	Completion of Site Layout and Building Architecture Design
1.5	Bidding and Selection of General Contractor
3-4	NTUA Completion of Utility Relocation and Upgrade
12	Hotel and Restaurant Building Construction; Site Work Portion of Construction Concurrent With Utility Relocation and Upgrade
3	Equipment and Furnishing Installation

Please let us know if you need additional information for the Shiprock Hotel Project.

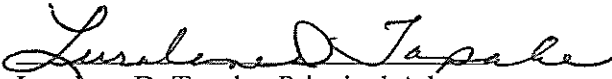
Sincerely,

Stanley M. Sapp  
Chief Executive Officer



## MEMORANDUM

TO: Hon. Delegate Eugenia Charles-Newton, Chairperson  
Law and Order Committee  
24<sup>th</sup> Navajo Nation Council

FROM:   
Lurafene D. Tapahe, Principal Advocate  
Office of Legislative Counsel

DATE: November 17, 2021

SUBJECT: **AN ACTION RELATING TO RESOURCES AND DEVELOPMENT, BUDGET AND FINANCE, AND NABIK'ÍYÁTI' COMMITTEES, AND THE NAVAJO NATION COUNCIL; AMENDING CAP-19-16 TO TRANSFER THE RESPONSIBILITY AND PERMANENT TRUST FUND INTEREST FUNDING FOR THE SHIPROCK HOTEL-RESTAURANT PROJECT FROM THE NAVAJO NATION GAMING ENTERPRISE TO THE NAVAJO NATION HOSPITALITY ENTERPRISE; ALLOCATING \$11,400,000 FROM THE SÍHASIN FUND TO THE NAVAJO NATION HOSPITALITY ENTERPRISE FOR THE SHIPROCK HOTEL-RESTAURANT PROJECT AND APPROVING THE NNHE'S SHIPROCK HOTEL-RESTAURANT PROJECT EXPENDITURE PLAN PURSUANT TO 12 N.N.C §§2501 – 2508**

Per your request, the Office of Legislative Counsel has prepared the above-referenced proposed legislation and related summary sheet. Based on existing Navajo Nation law and other applicable laws, and upon review of all supporting documents submitted to OLC, this legislation as drafted is legally sufficient. However, as with any action of government, this legislation may be subject to review by the Navajo Nation courts in the event of proper legal challenge.

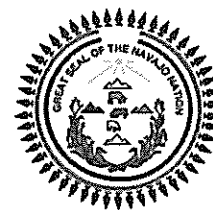
**Please ensure that this legislation is precisely what you want.** You are encouraged to review this proposed legislation to ensure that it is drafted to your satisfaction.

OLC has reviewed the appropriate standing committees' authorities to consider this legislation, based on the standing committees' powers and responsibilities set forth in Title 2 of the Navajo Nation Code. Based on its review, OLC has listed those committees in the title of this legislation. Nevertheless, the Speaker of the Navajo Nation Council may assign this legislation to committee(s) other than those shown in the title, pursuant to his authority under 2 N.N.C. §164(A)(5).

If you find this document unacceptable for any reason, please immediately contact me at the Office of Legislative Counsel (at extension 7166) and advise me of the changes you would like made to this proposed legislation. Thank you.



THE NAVAJO NATION  
LEGISLATIVE BRANCH  
INTERNET PUBLIC REVIEW PUBLICATION



LEGISLATION NO: \_0258-21\_

SPONSOR: Eugenia Charles-Newton

**TITLE: An Action Relating to Resources and Development, Budget and Finance, and Naabik'iyáti' Committees, and the Navajo Nation Council; Amending CAP-19-16 to Transfer the Responsibility and Permanent Trust Fund Interest Funding for the Shiprock Hotel Restaurant Project From the Navajo Nation Gaming Enterprise to the Navajo Nation Hospitality Enterprise; Allocating \$11,400,000 from the Síhasin Fund to the Navajo Nation Hospitality Enterprise for the Shiprock Hotel-Restaurant Project and Approving the NNHE'S Shiprock Hotel Restaurant Project Expenditure Plan Pursuant to 12 N.N.C. §§2501-2508**

***Date posted:*** November 30, 2021 at 5:08PM

Digital comments may be e-mailed to [comments@navajo-nsn.gov](mailto:comments@navajo-nsn.gov)

Written comments may be mailed to:

Executive Director  
Office of Legislative Services  
P.O. Box 3390  
Window Rock, AZ 86515  
(928) 871-7586

Comments may be made in the form of chapter resolutions, letters, position papers, etc. Please include your name, position title, address for written comments; a valid e-mail address is required. Anonymous comments will not be included in the Legislation packet.

**Please note:** This digital copy is being provided for the benefit of the Navajo Nation chapters and public use. Any political use is prohibited. All written comments received become the property of the Navajo Nation and will be forwarded to the assigned Navajo Nation Council standing committee(s) and/or the Navajo Nation Council for review. Any tampering with public records are punishable by Navajo Nation law pursuant to 17 N.N.C. §374 *et. seq.*

THE NAVAJO NATION  
LEGISLATIVE BRANCH  
INTERNET PUBLIC REVIEW SUMMARY

LEGISLATION NO.: 0258-21

SPONSOR: Honorable Eugenia Charles-Newton

**TITLE: An Action Relating to Resources and Development, Budget and Finance, and Naabik'iyáti' Committees, and the Navajo Nation Council; Amending CAP-19-16 to Transfer the Responsibility and Permanent Trust Fund Interest Funding for the Shiprock Hotel Restaurant Project From the Navajo Nation Gaming Enterprise to the Navajo Nation Hospitality Enterprise; Allocating \$11,400,000 from the Síhasin Fund to the Navajo Nation Hospitality Enterprise for the Shiprock Hotel-Restaurant Project and Approving the NNHE'S Shiprock Hotel Restaurant Project Expenditure Plan Pursuant to 12 N.N.C. §§2501-2508**

Posted: November 30, 2021 at 5:08 PM

5 DAY Comment Period Ended: December 5, 2021

Digital Comments received:

Comments Supporting	<i>None</i>
Comments Opposing	<i>None</i>
Comments/Recommendations	<i>None</i>

*VSRedhorse*

Legislative Tracking Secretary  
Office of Legislative Services

December 6, 2021; 8:15 AM

Date/Time

**RESOURCES AND DEVELOPMENT COMMITTEE  
24th NAVAJO NATION COUNCIL**

**THIRD YEAR 2021**

**COMMITTEE REPORT**

Mr. Speaker,

The **RESOURCES AND DEVELOPMENT COMMITTEE** to whom has been assigned:

**LEGISLATION #0258-21:** AN ACTION RELATING TO RESOURCES AND DEVELOPMENT, BUDGET AND FINANCE, AND NAABIK'ÍYÁTI' COMMITTEES, AND THE NAVAJO NATION COUNCIL; AMENDING CAP-19-16 TO TRANSFER THE RESPONSIBILITY AND PERMANENT TRUST FUND INTEREST FUNDING FOR THE SHIPROCK HOTEL RESTAURANT PROJECT FROM THE NAVAJO NATION GAMING ENTERPRISE TO THE NAVAJO NATION HOSPITALITY ENTERPRISE; ALLOCATING \$11,400,000 FROM THE SÍHASIN FUND TO THE NAVAJO NATION HOSPITALITY ENTERPRISE FOR THE SHIPROCK HOTEL-RESTAURANT PROJECT AND APPROVING THE NNHE'S SHIPROCK HOTEL RESTAURANT PROJECT EXPENDITURE PLAN PURSUANT TO 12 N.N.C. §§2501-2508.

*Sponsor: Honorable Eugenia Charles-Newton*

Has had it under consideration and reports a **DO PASS** with no amendments.

And thereafter the legislation was referred to Budget and Finance Committee.

Respectfully submitted,



Rickie Nez, *Chairperson*  
Resources and Development Committee of  
the 24th Navajo Nation Council

Date: December 22, 2021 – Regular Meeting (Teleconference)  
Location: Resources and Development Committee also called in via teleconference from their location within the boundary of the Navajo Nation.

**Main Motion:**

**M:** Mark A. Freeland                      **S:** Kee Allen Begay, Jr.                      **V:** 5-0-1 (CNV)  
**In Favor:** Thomas Walker, Jr.; Kee Allen Begay, Jr.; Mark A. Freeland; Herman M. Daniels; Wilson C. Stewart, Jr.

**Opposition:** None

**Excuse:** None

**Not Voting:** Rickie Nez, *Chairperson*

(NOTE: VOTE TALLY attached hereto)



24<sup>th</sup> NAVAJO NATION COUNCIL

Fourth Year 2022

Mr. Speaker:

The **BUDGET & FINANCE COMMITTEE** to whom has been assigned

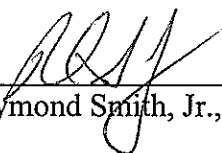
**NAVAJO LEGISLATIVE BILL # 0258-21:**

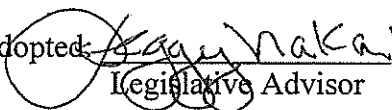
An Action IRelating to Resources and Development, Budget and Finance, and Naabikiyati Committees and the Navajo Nation Council; Amending CAP-19-16 to Transfer the Responsibility and Permanent Trust Fund Interest Funding for the Shiprock Hotel-Restaurant Project from the Navajo Nation Gaming Enterprise to the Navajo Nation Hospitality Enterprise; Allocating \$11,400,000 from the Sihasin Fund to the Navajo Nation Hospitality Enterprise for the Shiprock Hotel-Restaurant Project and Approving the NNHE's Shiprock Hotel – Restaurant project Expenditure Plan Pursuant to 12 N.N.C. §§ 2501-2508  
*Sponsored by Eugenia Charles-Newton, Council Delegate*

has had it under consideration and reports the same with the recommendation that It **Do Pass** without amendment.

And, therefore referred to the **NAABIKIYATI** Committee

Respectfully submitted,

  
\_\_\_\_\_  
Raymond Smith, Jr., Vice Chairman

Adopted:  Not Adopted: \_\_\_\_\_  
Legislative Advisor Legislative Advisor

**19 January 2022**

The vote was **4** in favor **1** opposed yeas: *Jamie Henio, Jimmy Yellowhair, Amber K. Crotty, Nathaniel Brown,*  
nays: *Elmer P. Begay*  
Main Motion: *Jimmy Yellowhair*  
Second: *Amber K. Crotty*

## BUDGET AND FINANCE COMMITTEE

19 January 2022

Special Meeting

### VOTE TALLY SHEET:

**Legislation No. 0258-21:** An Action IRelating to Resources and Development, Budget and Finance, and Naabikiyati Committees and the Navajo Nation Council; Amending CAP-19-16 to Transfer the Responsibility and Permanent Trust Fund Interest Funding for the Shiprock Hotel-Restaurant Project from the Navajo Nation Gaming Enterprise to the Navajo Nation Hospitality Enterprise; Allocating \$11,400,000 from the Sihasin Fund to the Navajo Nation Hospitality Enterprise for the Shiprock Hotel-Restaurant Project and Approving the NNHE's Shiprock Hotel – Restaurant project Expenditure Plan Pursuant to 12 N.N.C. §§ 2501-2508 *Sponsored by Eugenia Charles-Newton, Council Delegate*

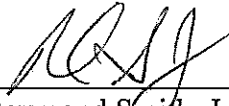
*Motion: Jimmy Yellowhair*

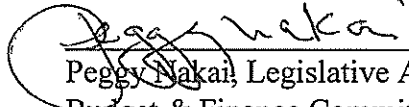
*Second: Amber K. Crotty*

*Vote: 4-1, Vice Chairman not voting*

### Final Vote Tally:

Jamie Henio	yea	
Raymond Smith Jr.		
Elmer P. Begay		nay
Nathaniel Brown	yea	
Amber K. Crotty	yea	
Jimmy Yellowhair	yea	

  
\_\_\_\_\_  
Raymond Smith, Jr., Vice Chairman  
Budget & Finance Committee

  
\_\_\_\_\_  
Peggy Nakai, Legislative Advisor  
Budget & Finance Committee

# **24<sup>th</sup> NAVAJO NATION COUNCIL NAABIK'ÍYÁTI' COMMITTEE REPORT Fourth Year 2022**

The **NAABIK'ÍYÁTI' COMMITTEE** to whom has been assigned:

## **NAVAJO LEGISLATIVE BILL #0258-21**

An Action Relating to Resources and Development, Budget and Finance, and Naabik'íyáti' Committees, and the Navajo Nation Council; Amending CAP-19-16 to Transfer the Responsibility and Permanent Trust Fund Interest Funding for the Shiprock Hotel Restaurant Project From the Navajo Nation Gaming Enterprise to the Navajo Nation Hospitality Enterprise; Allocating \$11,400,000 from the Síhasin Fund to the Navajo Nation Hospitality Enterprise for the Shiprock Hotel-Restaurant Project and Approving the NNHE'S Shiprock Hotel Restaurant Project Expenditure Plan Pursuant to 12 N.N.C. §§2501-2508

*Sponsored by: Honorable Eugenia Charles-Newton*

Has had it under consideration and reports the same that the legislation **PASSED AND IS REFERRED TO THE NAVAJO NATION COUNCIL.**

Respectfully Submitted,



*Honorable Seth Damon, Chairman  
NAABIK'ÍYÁTI' COMMITTEE*

**14 July 2022**

### **MAIN MOTION**

*Motioned by: Honorable Jimmy Yellowhair*

*Seconded by: Honorable Rickie Nez*

*Vote: 20 in Favor, 00 Opposed (Chairman Damon Not Voting)*



# NAVAJO NATION

1295

7/14/2022

Naa'bik'iyati' Committee Regular Meeting

02:03:15 PM

Amd# to Amd#	New Business: Item B.	PASSED
MOT Yellowhair	-Legislation 0258-21: Amending	
SEC Nez, R	CAP-19-16 to Transfer the	
	Responsibility and Permanent. . .	

Yeas : 20

Nays : 0

Excused : 1

Not Voting : 2

Yea : 20

Begay, E	Daniels	Nez, R	Tso, D
Begay, K	Freeland, M	Slater, C	Tso, E
Begay, P	Halona, P	Smith	Tso, O
Brown	Henio, J	Stewart, W	Wauneka, E
Charles-Newton	James, V	Tso, C	Yellowhair

Nay : 0

Excused : 1

Crotty

Not Voting : 2

Yazzie	Walker, T
--------	-----------

Presiding Speaker: Damon