

RESOLUTION OF THE
NAVAJO NATION COUNCIL

23RD 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 19th day of April 2016.



LoRenzo Bates, Speaker
Navajo Nation Council

April 27, 2016
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 7th 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

PTF – 5 Year Plan = \$150m Over 5 Years

Exhibit A New Modification	\$30m	\$30.939m	\$30.5m	\$30.5m	\$30.5m
	1 st Year	2 nd Year	3 rd Year	4 th Year	5 th Year
\$150 m	Navajo Nation Waterline Projects: \$4.161m	Navajo Nation Waterline Projects: \$12.639m	Navajo Nation Waterline Projects: \$15.75m	Navajo Nation Waterline Projects: \$16.45m	Navajo Nation Waterline Projects: \$19.25m
\$68.25m	Ganado Shopping Center: \$9.2m	NNGE Shiprock Hotel-Restaurant: \$5.5m	NNGE Shiprock Hotel-Restaurant: \$2.8m	Office Buildings: \$5.85m	Central Agency Economic Development Projects: \$6.25m
\$81.75m	Nahatadzil Shopping Center: \$2m	Dennehotso Retail Center: \$2.8m	Eastern Agency Economic Development Projects: \$6.95m	Indian Wells Economic Development: \$3.7m	Wheatfields Agriculture Project: \$2m
	Shonto C-Store: \$1m	Many Farms Agricultural Project: \$3m	Shonto Retail & Hotel: \$5m	Newcomb NNSCI: \$4.5m	Northern Agency Agricultural Project: \$1.5m
	Excess monies shall go to general funds	Shonto Retail & Hotel: \$1m	Excess monies shall go to general funds	Excess monies shall go to general funds	Many Farms Agricultural Project: \$1.5m
		Northern Agency Agriculture Project: \$3m			Excess monies shall go to general funds
		Wheatfields Agriculture Project: \$3m			
		Excess monies shall go to general funds			



THE NAVAJO NATION

RUSSELL BEGAYE PRESIDENT
JONATHAN NEZ VICE PRESIDENT

September 2, 2015



23rd Navajo Nation Council
PO Box 3390
Window Rock, Arizona 86515

RE: Ganado Shopping Center

Dear Honorable Members of the Council,

The Division of Economic Development, Project Development Department is requesting for the Ganado Shopping Center project to be considered for Year One funding from the Permanent Trust Fund Interest in the amount of \$9.2 million. The project has design plans and specifications that are 100% complete. Construction Documents were prepared by D. Sloan Architects, P.C., a Navajo-Owned Architectural Design Firm. The shopping center project has invested \$1.7 million to complete all the preliminary work with all necessary clearances, studies and off-site improvements.

The Ganado Chapter and its surrounding communities are in need of the services for a Grocery Store and additional retail that the shopping center would provide. The shopping center is designed to be a 35,000 Square foot building to include a Grocery Store with 4 retail spaces. Lowes' Grocery has committed to be the Anchor Tenant for the shopping center. The project site is strategically located in a prime location at Ganado (Burnside Junction), Arizona at the corner of AZ Highway 265 and US Highway 191. The site was selected after a Market Feasibility Study was conducted which deemed the project feasible. The Ganado Chapter is identified to be in the secondary market growth area of the Navajo Nation. The shopping center development will create employment opportunities, rental and sales tax revenue and provide goods and services to the local and surrounding communities of Ganado, Arizona.

Your favorable consideration to fund the Ganado Shopping Center in Year One will be greatly appreciated. Attached for your review, is a project packet prepared by the Project Development Department. This project is an important economic development project of the Navajo Nation. Please feel free to contact me if you have any questions at (928) 871-6504.

Sincerely,

Anthony Perry, Acting Division Director
Division of Economic Development
The Navajo Nation

Ganado Shopping Center PTF – Interest



August 27, 2015

Prepared by:

Project Development Department
NN Division of Economic Development
(928) 871-6504

Introduction

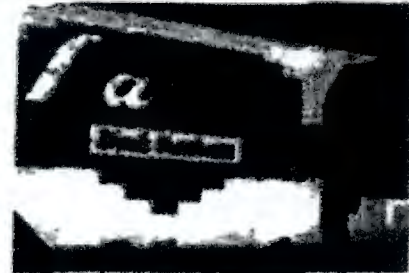
- The Project Development Department is the primary entity responsible for development of commercial and industrial projects of the Navajo Nation.
- The main goal of the Department is to create and enhance a business environment that creates employment, provides basic goods and services while providing a revenue base for the Navajo Nation.
- Over the years, the Department has been successful to create and expand the Navajo economy by recruiting, retaining and expanding existing and new business throughout the Navajo Nation.
- Many of the business operators invest in their operations, provide the needed employment to the Navajo people and continue to operate with the interests of Navajo Nation while addressing the Navajo Economy.

Shopping Center Development

Based on the need to reduce the Navajo Dollar to off-reservation border towns, Major and Secondary Growth Centers were identified throughout the Navajo Nation to sustain a Navajo Economy. Shopping Centers were planned with a grocery store as an Anchor Tenant and retail shops to promote entrepreneurship, create employment and provided goods and services.

The Project Development Department developed the 10 shopping centers throughout the Navajo Nation, yet, the need still exists for our Navajo patrons to have accessible goods and services.

- Crownpoint Shopping Center
- Shiprock Shopping Center
- Pinehill Shopping Center
- St. Michaels Shopping Center
- Window Rock Shopping Center Phase I & II
- Kayenta Shopping Center Phase I & II
- Tuba City Shopping Center Phase I & II
- Navajo Pine Shopping Center
- Pinon Shopping Center
- Dilkon Shopping Center
- *Ganado Shopping Center*
- *NahataDziil Shopping Center*



City Market



OPERATION & MAINTENANCE

Navajo Nation Shopping Centers was established to oversee the Operation & Maintenance of the Shopping Centers. The NNSC, Inc. is currently a Navajo Nation Enterprise and continues to provide O&M services to the shopping centers developed by the Navajo Nation.

Utility systems developed by the Navajo Nation for commercial projects are also turned over to the Navajo Tribal Utility Authority for Operation & Maintenance.

Project Summary

Ganado Shopping Center

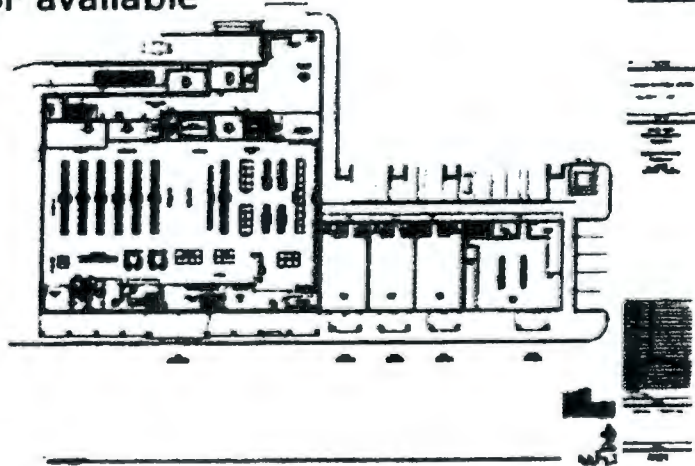
The Ganado Shopping Center is a 35,000 Square Foot Commercial Building that will be developed by the Navajo Nation to:

- Create Jobs (Temporary and Permanent)
- Create Tax Base
- Create Rental
- Provide Goods and Services
- Create a Multiplier Effect

Tenant Commitments for the Ganado Shopping Center:

- Anchor Tenant: Lowes Grocery
- Restaurant: Subway
- Laundromat: Sandia Oil
- Retail Space: 1,500 SF available
- Retail Space: 1,500 SF available

Tenants Identified
See Attached Letters:





PAY AND SAVE, INC.
1804 HALL AVENUE
LITTLEFIELD, TX 79339



The Navajo Nation
Project Development Department
POB 663 Window Rock, AZ 86515
Phone (928) 871-7389
Fax (928) 871-6507

Confidential
June 18, 2015

Re: Preliminary Non-Binding Letter of Interest

Dear Jeannette Jones:

We appreciate the contact you have made with us in connection with the possible development of the Ganado Shopping Center in Ganado, AZ by the Navajo Nation. We are pleased to submit this non-binding letter of interest by Lowe's in possibly becoming the anchor grocery tenant in these locations provided the parties are able to agree on the various terms and conditions of such an endeavor and provided the Navajo Nation develops shopping centers in the locations.

This letter does not constitute any legal binding obligation between Lowe's and the Navajo Nation to enter into the above described transaction or give any party any rights or claims against the other in the event any party for any reason terminates the discussions necessary to complete the transaction this being a non-binding letter of interest not an actual contract or agreement between the parties.

We appreciate the opportunity to hear more about the Navajo Nation's potential development plans for these sites and look forward to further discussions on this matter

Sincerely,

Roger Lowe
President



June 3, 2015

Tony Perry
Director
Project Development
The Navajo Nation
P. O. Box 663
Window Rock, Arizona 86515

RE: Ganado Shopping Center— Coin Laundry

Dear Mr. Perry:

This letter serves as our continuing commitment to be a tenant in your Navajo Nation Shopping Center development in Ganado. We would like to operate the coin laundry that will be located in the main shopping center building. We would request that we be placed on the end of the building to make it easier for our customers to bring their laundry into the store.

As you know we have been tenants in the Navajo Pine and the Pine Hill Shopping center since 1993. We have laundries at the Shopping Centers in Pinon, Chinle, and Tuba City.

We look forward to working with you to make this shopping center a reality.

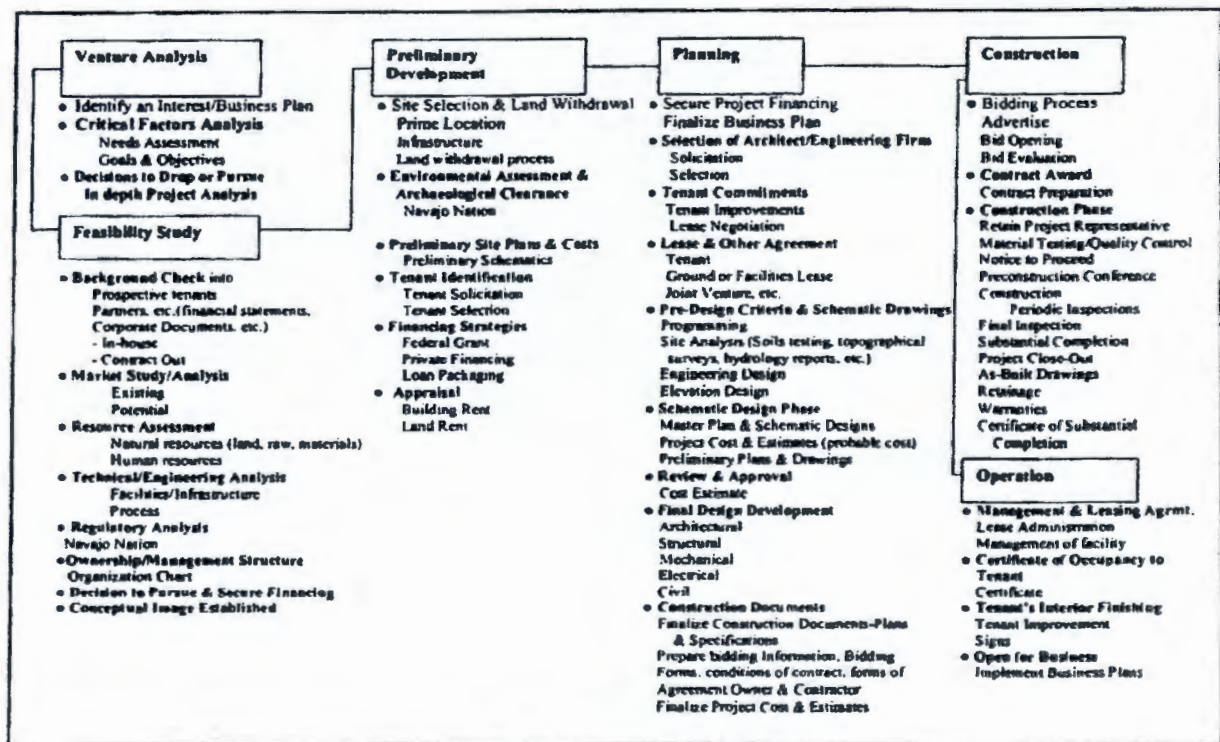
Sincerely,

A handwritten signature in dark ink, appearing to read "Doug Adams", is written over the word "Sincerely,".

Doug Adams
President

PROJECT DEVELOPMENT PROCESS

The Department utilizes the following Process when a project is initiated. A market feasibility study is an important economic tool used by the Navajo Nation and the prospective business to ensure market viability. Not all communities are feasible to sustain a business, yet, Navajo communities/chapters can support a regional development such as the case for the Ganado Shopping Center.



Ganado Shopping Center Feasibility Study

A Market Feasibility Study was conducted to determine the project feasibility; factors included location, population, traffic count and nearby utilities. The site at the Burnside Junction was the ideal location and deemed feasible to serve Ganado and the surround communities below:

Ganado Shopping Center Feasibility Study

Prepared for:



The Navajo Nation
Division of Economic Development
Highway 264 - 100 Taylor Road
St. Michaels, Arizona

Funded by:

United States Department of Commerce
Economic Development Administration
Seattle, WA 98174

Development Planning Grant No. 67-84-05838

Prepared by:

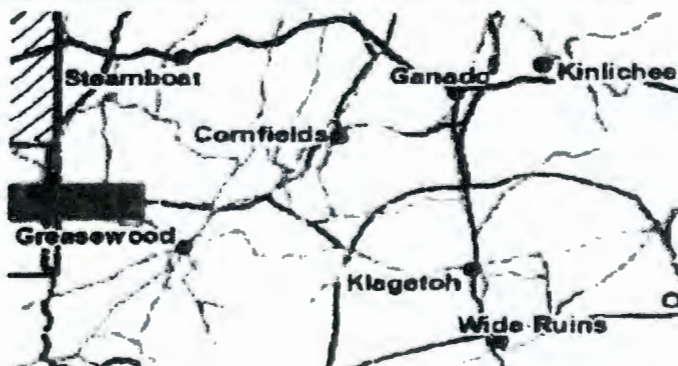


Southwest Planning & Marketing
3600 Cerrillos Road, Suite 107
Santa Fe, NM 87507-2696

July 2000

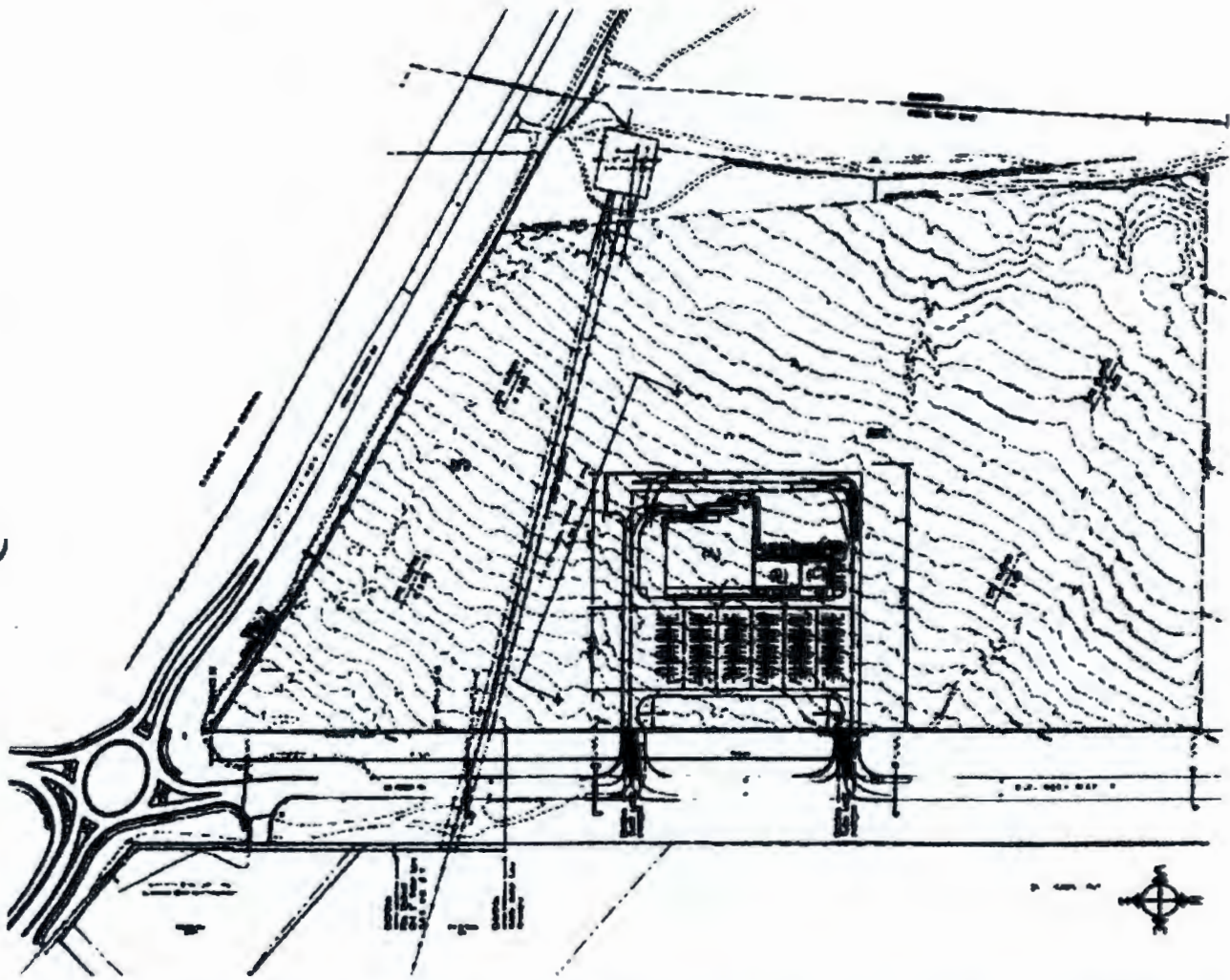
POPULATION AND INCOME GANADO MARKET AREA					
	Miles to Ganado	Population	Households	Median Household Income	Per Capita Income
Primary Market					
Ganado	-	3436	874	\$32,635	\$11,883
Kinlichee	8	1592	393	\$20,327	\$8,349
Cornfields	12	941	223	\$21,084	\$6,780
Klagetoh	15	1177	320	\$15,179	\$5,230
Total: Primary		7,146	1,810		
Secondary Market					
Steamboat	22	1893	427	\$13,444	\$5,748
Wide Ruins	23	1389	326	\$17,813	\$7,598
Greasewood	25	1285	380	\$12,157	\$5,721
Total: Secondary		4,578	1,133		
TOTAL		12,024	2,943		

Source: Population data: U.S. Census Bureau 2000, extracted by Div. of Econ. Dev. Support Services 2000
Income data: U.S. Census Bureau 2000 (1999), extracted by LSR Innovations, November 2003



The communities of Cornfields, Steamboat, Greasewood, Kinlichee, Klagetoh and Wide Ruins encompass the market area for the Ganado Shopping Center.

Project Site Location



- The Ganado Shopping Center project site is located 7 miles west of Ganado (Burnside Junction), AZ at the junction of U.S. Highway 191 and AZ State Highway 264.
- The Chapter withdrew 35.71 acres

[illegible][illegible][illegible]

1. **General Information**
 a. Name: [Redacted]
 b. Address: [Redacted]
 c. City: [Redacted]
 d. State: [Redacted]
 e. Zip: [Redacted]

2. **Employment History**
 a. Employer: [Redacted]
 b. Position: [Redacted]
 c. Dates: [Redacted]

3. **Education**
 a. Institution: [Redacted]
 b. Degree: [Redacted]
 c. Dates: [Redacted]

4. **References**
 a. Name: [Redacted]
 b. Address: [Redacted]
 c. Phone: [Redacted]

5. **Comments**
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Archaeological Clearance & Cultural Compliance Form

PROJECT INVESTMENT

The Project Development Department was able to accomplish the necessary project tasks for the shopping center site to get the project ready for Construction. To date, \$1,755,500 has been invested as preliminary cost for the Ganado Shopping Center.

TASK	AMOUNT
Market Study	\$30,000
Architect/Engineer Sewerline Design	\$68,000
Sewerline Construction	\$285,000
Geo Tech (for Sewerline Construction)	\$20,000
Boundary Survey (35 acres)	\$2,500
Arch. Clearance (34 acres)	\$1,500
Environmental Assessment (35 acres)	\$2,500
Market Study Update	\$45,000
Engineers Analysis Report (Drainage, GeoTech, TIA, Site Analysis) (EDA)	\$178,000
Architect/Engineer to DESIGN Shopping Center (Funded by EDA)	\$450,000
Topographic Mapping (for Site Elevations)	\$18,000
Phase One- Off Site Improvements (Funded by NN DED Sales Tax)	\$657,000
Total Investment on Shopping Center Site to Date:	\$1,755,500

Phase I – Off Site Improvements




GLADING AND SHAPING THE SHOULDERS
TRAFFIC CONTROL BY BARRICADES

TASKS SCHEDULED FOR WEEK OF OCT 20th

- Continue Earthmoving Operations
- Subgrade Prep
- Establish Boring Pit for Jack & Bore Crew

TASKS COMPLETED FOR WEEK OF OCT 20th

- Mobilized to job site
- Mobilized Earthmoving equipment to the project
- Mobilized subgrade and milled the subgrade
- Mobilized water and sewer lines
- Installed CMH extension
- Formed and poured the curbs

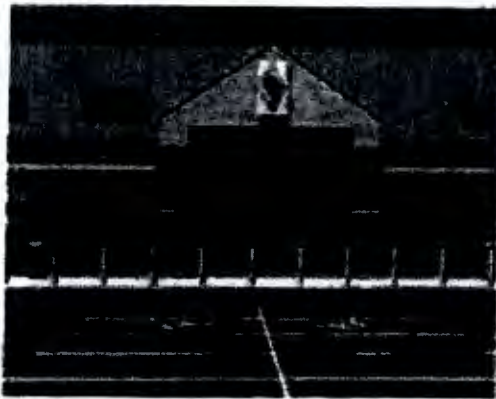


CREWS PLACED FORMS TO POUR THE HEADWALLS AND
EXTEND THE CMPS IN PREPARATION FOR GRADING OF
SHOULDERS.

- Phase I is complete with the construction of two turn out lanes, 2 steel casing for water and gas line extension under US Highway 191.
- Sidewalk from Junction roundabout to turn out lane, for pedestrian safety. Curb and Gutter and Drainage.
- Navajo Contractor: Arrow Indian Contractors
- \$657,000: Funded by the Navajo Nation Sales Tax

DESIGN

- Navajo Nation was awarded a Public Works Grant from Department of Commerce, Economic Development Administration to design the 35,000 SF Ganado Shopping Center for \$450,000.00
- Navajo Nation secured D.Sloan Architects, P.C. 100% Owned Navajo Architectural Firm to design the Ganado Shopping Center
- Design is complete and in progress of closing out Grant Award
- Project is Construction Ready!



Anchor Tenant: Lowes
Grocery Committed

Design is 100% Complete

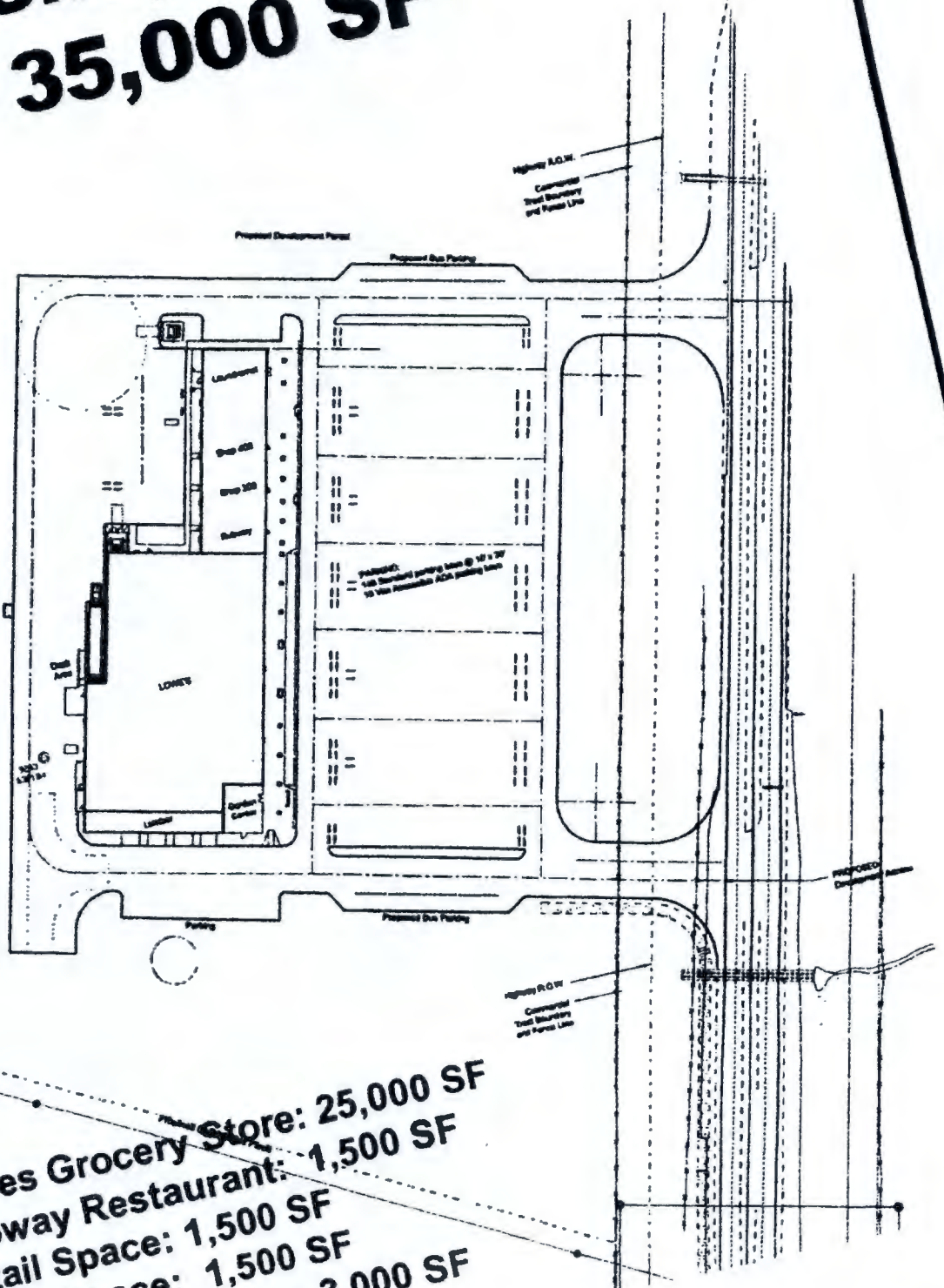
D. BROWN ASSOCIATES, P.C.
2000 Pennsylvania Circle NE
Albuquerque, New Mexico 87106
Tel: 505-263-4913 Fax: 505-263-1499

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Ganado Shopping Center

Layout: 35,000 SF

1. Lowes Grocery Store: 25,000 SF
2. Subway Restaurant: 1,500 SF
3. Retail Space: 1,500 SF
4. Retail Space: 1,500 SF
5. Sandia Oil Laundry: 3,000 SF



SCOPE OF WORK

Building Cost: \$9.2 million

- Site Preparation (Borrow Fill)
- Earth Work
- Site Concrete Work (curb and gutters)
- Drainage Work
- Parking & Overhead Lighting
- Building Concrete Work (footing etc.)
- Insulation
- Drywall & texture
- Masonry
- Structural Steel, Joist Decking, Fabrications
- Rough Carpentry
- Framing
- Painting
- Ceiling and Floor tiles
- Roofing system, Flashing & Accessories
- plumbing and electrical
- HVAC
- Fire protection
- Water Storage Tank (for fire suppression)
- Curb and gutters
- Parking Lot
- Street Signs
- Signage
- Doors and Hardware
- Glass & Glazing
- Plumbing, Mechanical, Electrical, IT
- Extension of Water, Gas, Electrical and Sewer line to Main system
- Propane Tanks
- Transformers



(Rendering of the Lighting Plan)

Tenant Investment: \$3.0 Million

- Walk in coolers
- Shelving
- Cashier Stations
- Interior Data (voice, fire alarm, security)
- Furniture
- Washer/Dryer Units
- Cabinetry
- Interior Plumbing Fixtures
- More

Sales Tax Revenue

@ 5%

GANADO SHOPPING CENTER								
Sales Tax Revenue								
Business Type	Size (SF)	Sales/SF	Annual Sales	Sales Tax: 5%				
				Year 1	Year 2	Year 3	Year 4	Year 5
Grocery Store	25,000	\$337	\$8,425,000	\$421,250	\$435,994	\$451,254	\$467,047	\$483,394
Name Brand Fast Food	1,500	\$350	\$525,000	\$26,250	\$27,169	\$28,120	\$29,104	\$30,122
Laundry	3,000	\$100	\$300,000	\$15,000	\$15,525	\$16,068	\$16,631	\$17,213
Retail	1,500	\$142	\$213,000	\$10,650	\$11,023	\$11,409	\$11,808	\$12,221
Retail	1,500	\$142	\$213,000	\$10,650	\$11,023	\$11,409	\$11,808	\$12,221
Subtotal Sales Tax				\$483,800	\$500,733	\$518,259	\$536,396	\$555,172

Source: Ganado Shopping Center Market Feasibility Study
Southwest Planning & Marketing, 2008

Five Year Pro Forma

GANADO SHOPPING CENTER FIVE YEAR PRO-FORMA No Loan						
INCOME		YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Rental Income		514,750	532,766	551,413	570,713	590,687
Vacancy Allowance		(12,000)	(12,420)	(12,855)	(13,305)	(13,770)
Common Area		44,250	45,799	47,402	49,061	50,778
Insurance Reimb.		5,730	5,931	6,138	6,353	6,575
% Tenant Sales		70,144	72,599	75,141	77,770	80,491
TOTAL INCOME		622,874	644,675	667,239	690,592	714,761
EXPENSES						
Common Area Maintenance		22,125	45,799	47,402	49,061	50,778
Building Maintenance & Supplies		2,500	5,000	5,000	5,000	5,000
Insurance		5,730	5,931	6,138	6,353	6,575
Misc. Fees & Services		4,800	4,800	4,800	5,000	5,000
TOTAL EXPENSES		35,155	61,530	63,340	65,414	67,353
NET OPERATING INCOME		587,719	583,145	603,899	625,178	647,408
CASH FLOW						
Cash In		587,719	583,145	603,899	625,178	647,408
Navajo Nation Investment	9,200,000					
Grant Income						
Loan Proceeds						
Total cash in	9,200,000	587,719	583,145	603,899	625,178	647,408
Cash Out						
Construction	9,200,000					
Debt Principal & Interest						
Total cash out	9,200,000					
ENDING CASH		587,719	583,145	603,899	625,178	647,408
Cumulative cash flow		587,719	1,170,864	1,774,763	2,399,941	3,047,349

Source: Ganado Shopping Center Market Feasibility Study
Southwest Planning & Marketing, 2008

RETURN ON INVESTMENT

EMPLOYMENT:

100 Temporary Construction Jobs;
130 Permanent Jobs through the new
business operations.

PAYROLL:

New jobs will generate approx.
\$1,886,000 of payroll income

ANNUAL REVENUE:

Rental Revenue - \$500,000 (approx)

Sales Tax - \$483,000

Junk Food Tax - TBD

BASIC GOODS & SERVICE

Eliminating the need to drive long
distances for basic goods. Added fuel
cost, time spent from home to do
chores, errands, family.

MULTIPLIER EFFECT:

Reduce the leakage of the Navajo dollar
to the border towns and will create a
multiplier effect for the Navajo Nation
economy.



*66% of Retail Dollars are spent off the
Navajo Reservation.*

(66 cents of every \$1.00)

Source: Ganado Shopping Center Market Feasibility Study
Southwest Planning & Marketing, 2008

Project Timeline

1. The Ganado Shopping Center Design is complete.
2. Project is ready for Bid Advertisement.
3. Timeline upon Funding _ October 2015:
 - Establish Business Unit for Ganado S.C. – 10 days
 - Bid Advertisement - 30 days
 - Bid Opening and Contractor Selection – 10 days
 - Procurement Clearances – 10 days
 - Initiate 164 Review – 20 days
 - Establish Account Number – 5 days
 - Pre-Construction Meeting & Issue Notice to Proceed
 - Construction – 10 Months
 - GRAND OPENING!!

1 st Year	2 nd Year	3 rd year	4 th Year	5 th Year
Ganado Shopping Center: \$7.2M				
Nahata Dzil Shopping Center: \$2.0M				
Dennehotso Retail Center: \$2.8M				

**Ganado Shopping Center
Construction "Project Ready" for
1st Year Funding Allocation**

Project Development Schedule – Ganado Shopping Ctr.

[illegible]

Ganado Shopping Center

**Support Letters
Ganado Chapter
Resolution
(attached)**



GANADO CHAPTER

P.O. BOX 188

GANADO, AZ 86505

Telephone: 928-755-5920

Fax: 928-755-5927

GCR-051115-02

Vince R. James
President

Walter Jones
Vice-President

Elizabeth H. Kuipers
Secretary/Treasurer

Alton Shepherd
Council Delegate

Dickerson Smith
Grazing Officer

Harry J. Yazzie
Coordinator

RESOLUTION OF THE GANADO CHAPTER

SUPPORTING AND REQUESTING RESOLUTION TO THE 23RD NAVAJO NATION COUNCIL OVERSIGHT COMMITTEES: BUDGET AND FINANCE COMMITTEE, RESOURCES AND DEVELOPMENT COMMITTEE, AND NAA'BIK'TYATI COMMITTEE FOR FUNDS TO COMPLETE THE GANADO SHOPPING CENTER CONSTRUCTION (SHOVEL READY) PROJECT FOR A 35,000 SQUARE FOOT BUILDING FROM THE UNRESERVED, UNDESIGNATED FUND BALANCE (UUFBI) IN AMOUNT OF \$9 MILLION

WHEREAS:

1. The Ganado Chapter is a duly certified local governing entity recognized by the Navajo Nation Council through 11 N.N.C. § 10 (A), to advocate and address the needs and development on behalf of the local people to interact with other departments of the Navajo Nation and federal and local agencies which serve and affect the Navajo Nation; and
2. The Ganado Chapter is a governance certified chapter of the Navajo Nation with vested authority under 26 N.N.C. § 1 et seq.; and
3. The Ganado Chapter acknowledges that the Ganado Shopping Center is a shovel ready project with all required land withdrawal, clearances, completed design and engineering plans and the off-site sewer line, water line extensions and road turn offs were completed in December 2014; and
4. The Ganado Chapter acknowledges the Ganado Shopping Center Architectural and Engineering design is completed by David Sloan, Architects - a 100% Navajo owned firm; and
5. The Ganado Chapter acknowledges the Ganado Shopping Center is a 35,000 square foot building with a grocery store as the anchor tenant, laundromat, fast food restaurant and two retail spaces; and
6. The Ganado Chapter estimates funds in the amount of \$9.0 Million are required to construct the 35,000 square feet Ganado Shopping Center; and
7. The Ganado Chapter recognizes the Ganado Shopping Center requires construction funding to complete the project which will provide basic goods and services to Ganado and surrounding communities; create new employment opportunities, and stimulate economic development. The shopping center will also create revenue from the sales tax and rental promoting further growth opportunities to the region.

GCR-051115-02

GANADO SHOPPING CENTER CONSTRUCTION

UUFB \$9 MILLION

NOW THEREFORE BE IT RESOLVED THAT:

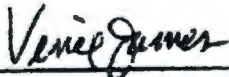
The Ganado Chapter membership hereby approves the request for funding of nine million dollars (\$9,000,000) from the Unreserved, Undesignated Fund Balance (UUFB) to construct the Ganado Shopping Center Project, to create employment and business opportunities, provide goods and services, generate revenue and have a positive economic impact on Ganado and the surrounding communities.

CERTIFICATION

I, hereby certify that the forgoing resolution was considered by the Ganado Chapter at a duly called meeting at Ganado Chapter, Navajo Nation Arizona, at which a quorum was present and that same was passed by a vote of 24 in favor; 0 opposed, and 1 abstained, this 11th day of MAY, 2015.

MOTIONED BY: David Lincoln

SECONDED BY: Isabel Shondee



Vince R. James, Chapter President

Apache County District II | Office of the Supervisor

Tom M. White, Jr., Chairman of the Board

September 01, 2015

Honorable Members of the Navajo Nation Council
The Navajo Nation
Window Rock, Arizona 86515

RE: Letter of Support
Ganado Shopping Center Proposed Project

Dear Honorable Council Delegates of the Navajo Nation Council

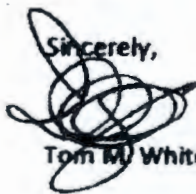
The Ganado/Burnside Junction area of State Highway 264 and 191 is a very busy corridor that intersects with main interstate arteries in the southwest area of our nation's transportation system. The area is accustomed to users that include, but not limited to: tourist, transit buses, school busses, freight liners, social and economic support transportation, as well as the general public.

The Navajo Nation is in dire need of economic and community development as well as the assurance of the safety of our communities and road systems. In an effort to join forces to address this dilemma, Apache County has initiated the Ganado/Burnside Area Traffic Circulation Study. The primary goal of the study is to develop a plan for improvements that promotes safety and mobility, enhances economic vitality, improves community livability, encourages environmental and cultural sensitivity and supports current and planned economic development. If all forces joined together, much could be accomplished.

I am pleased to support the Navajo Division of Economic Development and the many surrounding communities in their efforts to apply for and obtain funds for the Ganado Shopping Center Project.

Your consideration would be greatly appreciated.

Sincerely,



Tom M. White, Jr., Apache County Supervisor

cc: Beatrice Watchman, NN Division of Economic Development



August 27, 2015

23rd Navajo Nation Council
PO Box 3390
Window Rock, Arizona 86515

D. Sloan Architects
8008 Pennsylvania Circle NE
Albuquerque, New Mexico 87110
david@dsloanarchitects.com
Ganado Shopping Center
Burnside Junction, Az.

Dear Navajo Nation Council:

As the Project Architect responsible for proposed Ganado Shopping Center, I seek your support and recommend the investment of funds for the construction of the proposed Ganado Shopping Center. The construction plans are complete and the project is ready for advertisement for construction bids.

I have the good fortune in working with the Ganado Chapter community for the past 15+ years in planning for commercial development of the Burnside Junction location. Many local residents and Chapter leadership attending our planning meetings and workshops requested and supported commercial development of Burnside Junction in providing local access to goods, services and employment.

I also thank you for supporting the Navajo Business Opportunity Act in the employment and contracting of Navajo Owned businesses and professionals. Navajo Business Opportunity Act has allowed me, as a Navajo licensed Architect, the good fortune to support my family, employ other Navajo professionals and work with Navajo families and communities in building safer, better and stronger communities. "Ahehee"

Sincerely,

David N. Sloan, AIA, Project Architect
D. Sloan Architects PC

NAHAT'A'DZIIL SHOPPING CENTER



Proposal by Project Development Department
Division of Economic Development
August 2015

NAHAT'A'DZIIL SHOPPING CENTER PROJECT

PTF – Interest LGTF & Water Improvement
 $25/75 = \$25m$ for 5yrs

	1 st Year	2 nd Year	3 rd year	4 th Year	5 th Year
\$31.25m	NAHAT'A'DZIIL Shopping Center \$25m				
\$65.75m					
\$28m					

Sum = \$125m

Phase III–Building Construction

\$2 Million Request

Purpose of Funding:

- Supplement the \$5M NNC appropriation;
- Total project cost of \$7M, need \$2M;
- Construct
 - Commercial 24,000 sq. ft building
 - Access roads (2)
 - Parking lot
 - Infrastructure: Electrical, water, wastewater, communication, gas service lines, electrical transformers;
 - Water storage tank & pump;
- Relocate power line, etc;

Shopping Center

- ▶ Project: A 30,000 s.f. shopping center to be constructed on approximately 19 acres of land within the Nahat'a'Dziil Chapter, Navajo Nation;
- ▶ Site: North of Sanders, AZ, and north of Interstate 40 (I-40) and west of County Road 7080;
- ▶ Access: Via Traffic Interchange #339 from Interstate 40 east and west bound, a frontage road and by County Road 7080.

Scope of Work

Construction - Commercial building & supporting infrastructure: concrete footing & building pad, masonry, steel work, insulation, drywall, texture, painting, glass, door hardware, ceiling & floor tiles, roofing system, plumbing and electrical system, heating, cooling & ventilation system, fire protection system, curb and gutters, sidewalks, asphalt paved access roads & parking lot, street lights, signage, water storage tank with booster pump, extend services lines for water, wastewater, electricity, communication lines, relocate power line, electrical transformers, meters, propane tank, etc.,

Retail Spaces for Leasing

Navajo Nation Development:

Business:	Tenants:	Square Footage
Grocery Store:	Bashas' Inc	16,000
Laundromat	Sandia Oil, Inc.	3,000
Subway	Sandia Oil, Inc.	2,000
Retail Spaces	To be advertised	2,000
TOTAL:		24,000

Private Development & Financing:

Lessee:	Sandia Oil, Inc.	Square Footage
Gas Station, Convenience Store, Dairy Queen & Grill		6,000
Shopping Center Total Square Footage		30,000

FIVE YEAR PRO FORMA

Source: Market Feasibility Study

Exhibit 14
NAHATA DZIL SHOPPING CENTER
FIVE YEAR PRO-FORMA

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
INCOME					
Rental Income	\$ 305,250	\$ 315,934	\$ 326,992	\$ 338,437	\$ 350,281
Vacancy Allowance	(12,000)	(12,420)	(12,855)	(13,305)	(13,770)
Common Area	29,975	31,024	32,110	33,234	34,397
Insurance Reimb.	3,875	4,010	4,151	4,296	4,447
% Tenant Sales	73,920	76,507	79,185	81,956	84,824
TOTAL INCOME	\$ 401,020	\$ 415,055	\$ 429,583	\$ 444,618	\$ 460,179
EXPENSES					
Common Area Maintenance	\$ 29,975	\$ 31,024	\$ 32,110	\$ 33,234	\$ 34,397
Building Maintenance & Supplies	2,500	5,000	5,000	5,000	5,000
Insurance	3,875	4,010	4,151	4,296	4,447
Misc. Fees & Services	4,800	4,800	4,800	5,000	5,000
TOTAL EXPENSES	\$ 41,150	\$ 44,834	\$ 46,061	\$ 47,530	\$ 48,844
NET OPERATING INCOME	\$ 359,870	\$ 370,221	\$ 383,522	\$ 397,088	\$ 411,335
CASH FLOW					
Cash In	\$ 359,870	\$ 370,221	\$ 383,522	\$ 397,088	\$ 411,335
Navajo Nation Investment	\$ 7,000,000				
Cash Out					
Construction	\$ 7,000,000				
ENDING CASH	\$ 211,910	\$ 222,261	\$ 235,562	\$ 249,128	\$ 263,375
Cumulative Cash Flow		\$ 434,171	\$ 669,733	\$ 918,861	\$ 1,182,236

NAHAT'A'DZIIL SHOPPING CENTER

Sales & Tax Revenue (\$)

				Navajo Nation Sales Tax @ 5%				
				Year 1	Year 2	Year 3	Year 4	Year 5
Grocery	16,000	337	5,392,000	269,600	279,036	279,524	289,308	299,433
Fast Food	3,000	350	1,050,000	52,500	54,338	56,239	58,208	60,245
Laundry	3,000	100	300,000	15,000	15,525	16,068	16,631	17,213
Retail	2,000	142	284,000	14,200	14,697	15,211	15,744	16,295
C-Store	3,000	200	600,000	30,000	31,050	32,137	33,262	34,426
Fast Food	3,000	350	1,050,000	52,500	54,338	56,239	58,208	60,245
Sales Tax	30,000			433,800	448,984	455,419	471,359	487,857
			Annual Gallons	Navajo Nation Fuel Tax @		0.18	per gallon	
Gasoline			1,080,000	194,400	201,204	208,246	215,535	223,078
Sales & Fuel Tax Revenue				628,200	650,188	663,665	686,894	710,935

Source: Market Feasibility Study

BENEFITS

ECONOMIC IMPACTS

Jobs and Wages

The shopping center will create many new jobs in the Navajo Dził area. Following are an estimated number of jobs and average wages to be expected by type of business as set forth in the plan:

Type of business	# of Employees	Type of Job	Average Hourly Wage
Grocery Store:	39	Cashier	\$ 8.50
	1	Stockclerk	
	1	Dept. Manager	\$10.00
Fast Food: (2)	40	Store Manager	\$12.00-\$19.00
	6	Counter sales	\$ 8.50
		Shift Manager	\$19.00
Laundry:	5	Attendant	\$ 8.50
	1	Manager	\$10.00
Convenience Store (includes gas station)	9	Cashier/Stock	\$ 8.50
	1	Manager	\$10.00-\$12.00
Other Retail: (2) (includes office/medical)	10	Cashier	\$ 8.50
	2	Manager	\$10.00-\$12.00
Total number of jobs	113		
Total potential wages			\$1,987,840

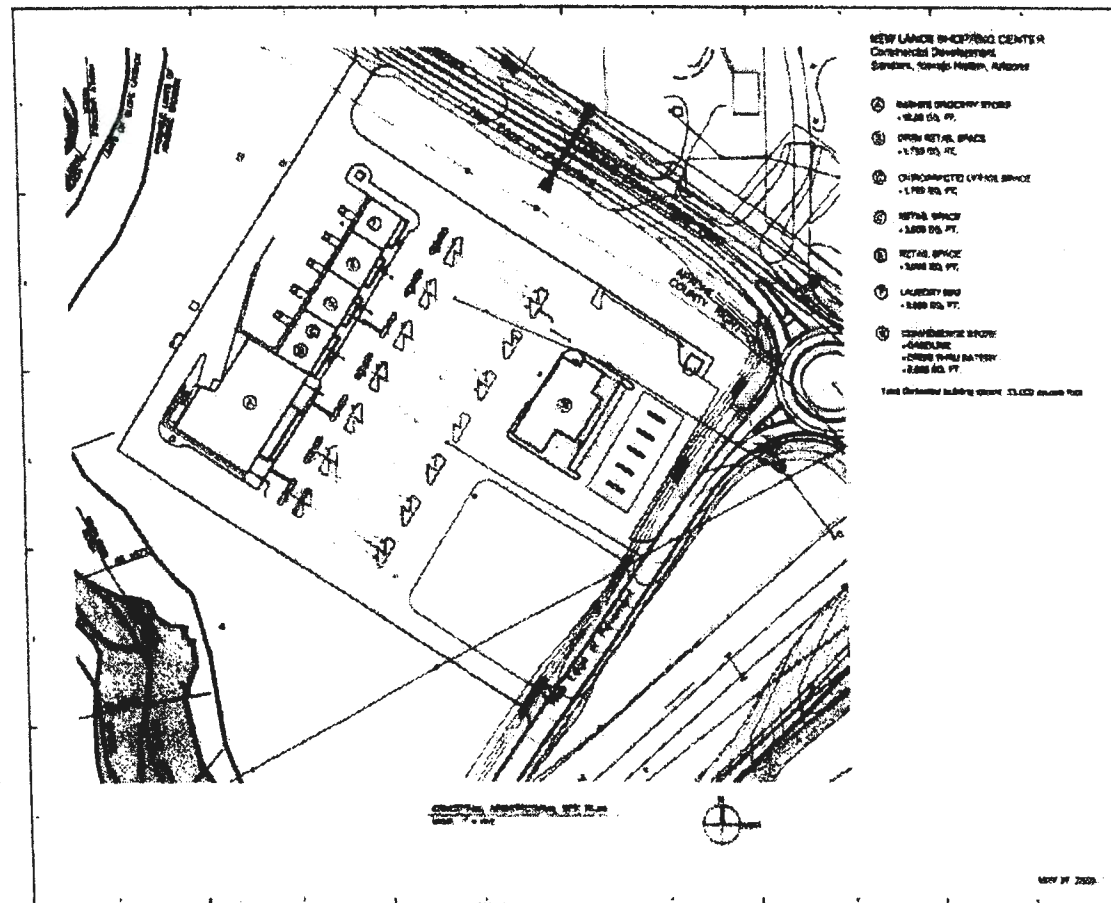
Source: Market
Feasibility Study

- Construction Jobs: 50
- Permanent Jobs: 100
 - Wages: \$1.9M annually (est.);
- Convenient access to goods and services;
- Generate Revenue:
 - Lease Rental Yr 1 Est. \$300,000
 - Sales Tax Projection Yr 1 \$433,800
 - Fuel Tax Projection Yr 1 \$194,000;
- Reduce leakage of Navajo dollars off the Reservation;
- Create a multiplier effect, stimulating Navajo economic & community Development

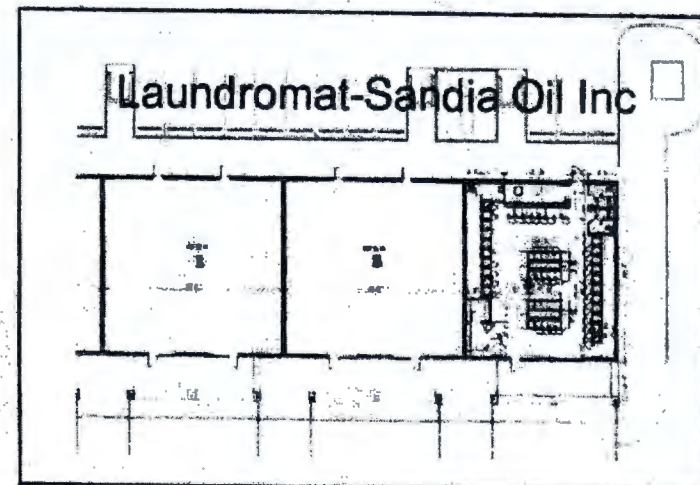
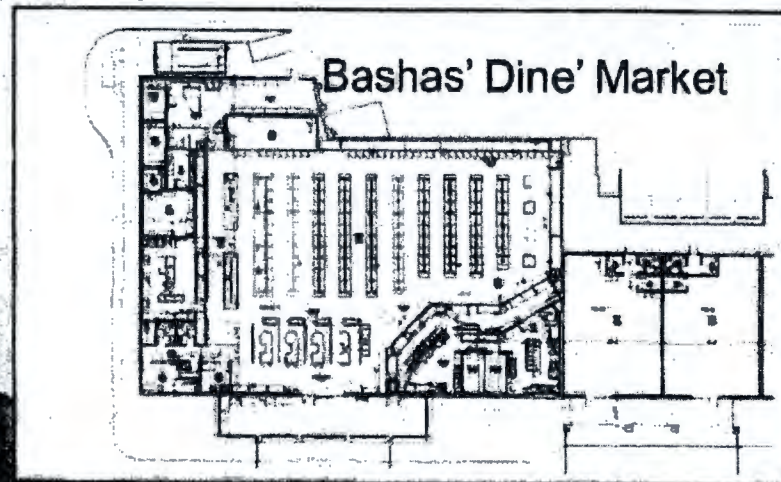
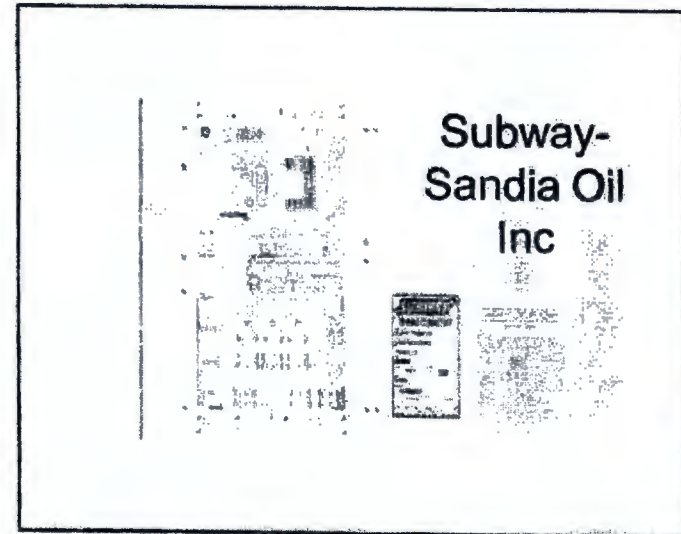
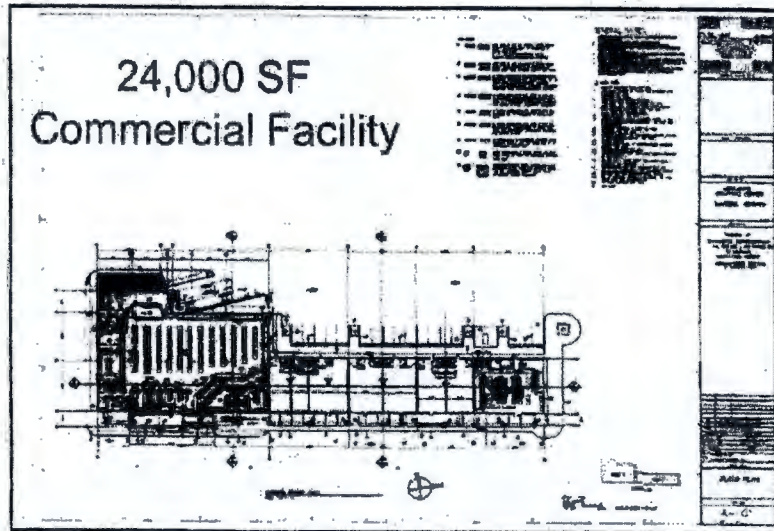
PROJECT SITE



Project Site Layout:



RETAIL SPACES



COST

Design Development Phase
May 2015

Navajo (AT) (New Lands) Shopping Center
Sandora, Arizona

DED Project Development
Navajo Nation
Window Rock, Arizona

General Summary

Division	Description of Work	Site Infrastructure	Cost per GSF 30000	Building	Cost per GSF 30000	Total Cost	Cost per GSF 30000
02200	Site Preparation	\$17,500.00	\$1.25	\$0.00	\$0.00	\$17,500.00	\$1.25
02310	Earthwork	\$127,000.00	\$4.23	\$0.00	\$0.00	\$127,000.00	\$4.23
02350	Site Concrete	\$228,000.00	\$7.60	\$0.00	\$0.00	\$228,000.00	\$7.60
02390	Asphalt Paving & Markings	\$728,000.00	\$24.27	\$0.00	\$0.00	\$728,000.00	\$24.27
03000	Site Improvements	\$100,000.00	\$3.33	\$0.00	\$0.00	\$100,000.00	\$3.33
03500	Utilities	\$127,000.00	\$4.23	\$0.00	\$0.00	\$127,000.00	\$4.23
04000	Storm Drainage	\$83,000.00	\$2.77	\$0.00	\$0.00	\$83,000.00	\$2.77
05000	Irrigation & Landscaping	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
06000	Landscape Reinforcement	\$0.00	\$0.00	\$41,000.00	\$1.37	\$41,000.00	\$1.37
06300	Building Canopies	\$0.00	\$0.00	\$414,000.00	\$13.80	\$414,000.00	\$13.80
06400	Process Canopies	\$0.00	\$0.00	\$11,000.00	\$0.37	\$11,000.00	\$0.37
06600	Signage	\$0.00	\$0.00	\$85,000.00	\$2.83	\$85,000.00	\$2.83
07000	Structural Steel, Joint, Fixing, Fabrication	\$0.00	\$0.00	\$411,000.00	\$13.70	\$411,000.00	\$13.70
08010	Ornamental Metals	\$0.00	\$0.00	\$5,700.00	\$0.19	\$5,700.00	\$0.19
08100	Rough Carpentry	\$0.00	\$0.00	\$5,700.00	\$0.19	\$5,700.00	\$0.19
08200	Architectural Woodwork	\$0.00	\$0.00	\$16,300.00	\$0.54	\$16,300.00	\$0.54
08300	Finish Carpentry	\$0.00	\$0.00	\$7,500.00	\$0.25	\$7,500.00	\$0.25
07100	Steel Wallbracing	\$0.00	\$0.00	\$10,900.00	\$0.36	\$10,900.00	\$0.36
07200	Building Insulation	\$0.00	\$0.00	\$30,700.00	\$1.02	\$30,700.00	\$1.02
07300	Composite Wall Panels	\$0.00	\$0.00	\$12,000.00	\$0.40	\$12,000.00	\$0.40
07500	WFO Roofing, Flashing & Accessories	\$0.00	\$0.00	\$120,000.00	\$4.00	\$120,000.00	\$4.00
07600	Conductive Framing	\$0.00	\$0.00	\$73,200.00	\$2.44	\$73,200.00	\$2.44
07700	Fastenings	\$0.00	\$0.00	\$2,700.00	\$0.09	\$2,700.00	\$0.09
07900	Joint Sealers	\$0.00	\$0.00	\$8,000.00	\$0.27	\$8,000.00	\$0.27
08100	Steel Deck & Frame	\$0.00	\$0.00	\$25,200.00	\$0.84	\$25,200.00	\$0.84
08200	Flash Wood Deck	\$0.00	\$0.00	\$9,700.00	\$0.32	\$9,700.00	\$0.32
08300	Access Doors	\$0.00	\$0.00	\$3,000.00	\$0.10	\$3,000.00	\$0.10
08300	Coating Ornamental Metals	\$0.00	\$0.00	\$1,200.00	\$0.04	\$1,200.00	\$0.04
08300	Aluminum Structural Hardware & Clamps	\$0.00	\$0.00	\$21,000.00	\$0.70	\$21,000.00	\$0.70
08400	Aluminum Structural Doors	\$0.00	\$0.00	\$16,700.00	\$0.56	\$16,700.00	\$0.56
08700	Door Hardware	\$0.00	\$0.00	\$28,700.00	\$0.96	\$28,700.00	\$0.96
08900	Glass & Glazing	\$0.00	\$0.00	\$5,700.00	\$0.19	\$5,700.00	\$0.19
15000	Painting	\$0.00	\$0.00	\$107,000.00	\$3.57	\$107,000.00	\$3.57
16000	Mechanical	\$0.00	\$0.00	\$630,500.00	\$21.02	\$630,500.00	\$21.02
16000	Electrical	\$0.00	\$0.00	\$507,000.00	\$16.90	\$507,000.00	\$16.90
17000	Information Technology	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SUBTOTALS		\$1,449,000.00	\$4.83	\$1,681,000.00	\$5.60	\$3,130,000.00	\$10.43

Site Development
Navajo Nation
Window Rock, Arizona

Cost per GSF
30000

Project Development
Navajo Nation
Window Rock, Arizona

Cost per GSF 30000
\$21.98
\$8.64
\$7.73.00
\$17.25
\$15.05
\$247.23
\$5.00
\$5.00
\$252.79
\$12.44
\$16.50
\$0.00

200,000 Gal Water Storage Tank
Booster Pump Assembly including
water tank and wash
Electrical Panels, Wet & Sewer Treatment
Waste Water Treatment System, Upgrade

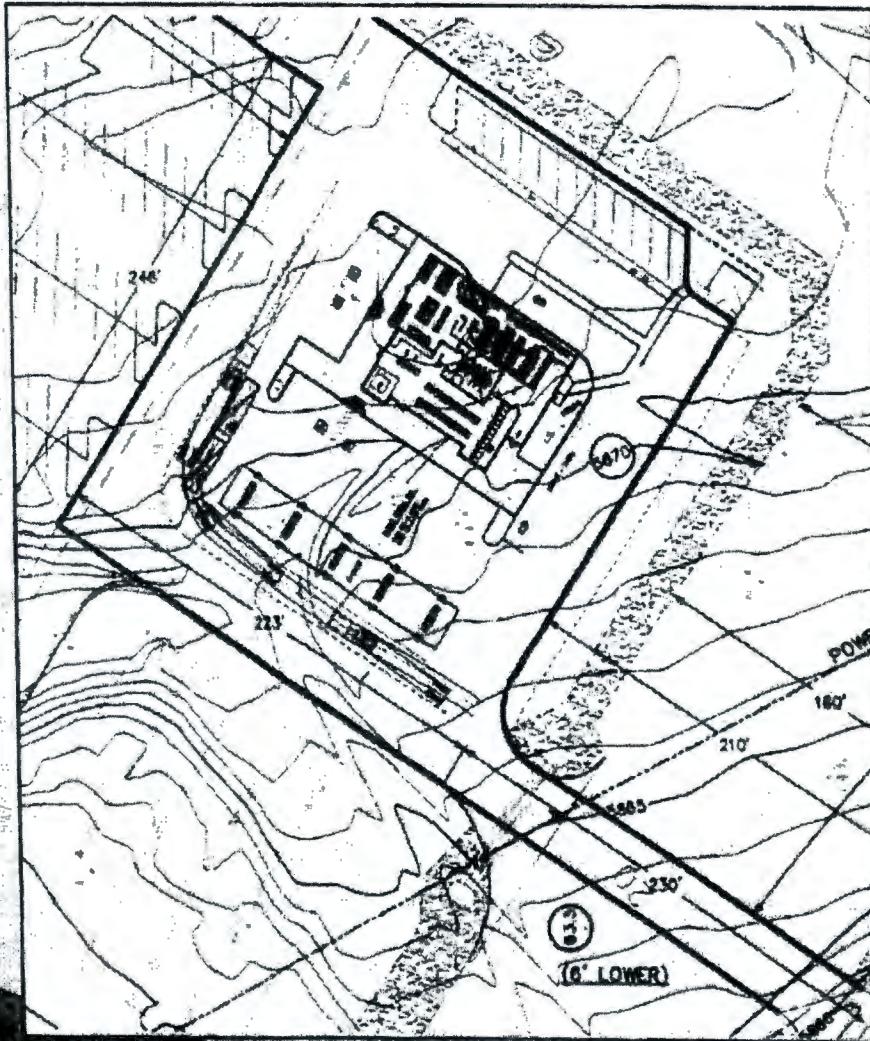
SUB-TOTAL

\$130,000.00	\$4.33
\$110,000.00	\$3.67
\$20,000.00	\$0.67
\$45,000.00	\$1.50
\$250,000.00	\$8.33
\$441,000.00	\$14.70
Total W/S/W Infrastructure	

Project Schedule:

Phase III – Building Construction

- | | |
|---------------------------------------|------------|
| ➤ Public advertisement for Contractor | 30 days |
| ➤ Procurement Clearance | 3 weeks |
| ➤ Contractor Agreement (NN Review) | 30-45 days |
| ➤ Pre-Construction Meeting | 1 day |
| ➤ Construction Period | 10 months |
| ➤ Tenant Equipment Installation | 30 days |
| ➤ Shopping Center in Operation | Month 11 |



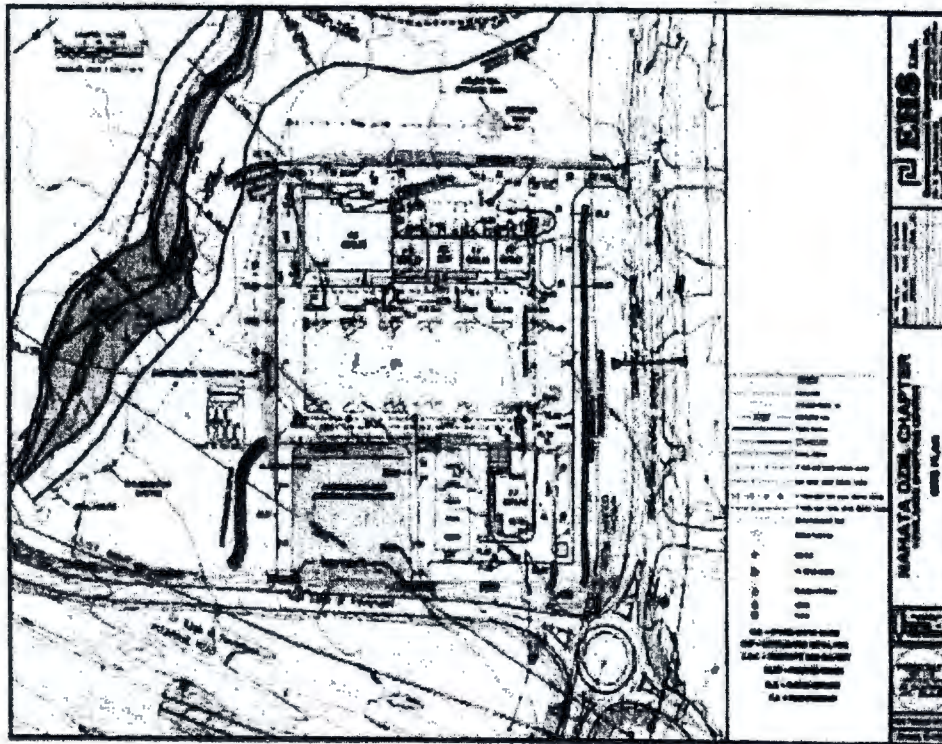
PRIVATE DEVELOPMENT Sandia Oil, Inc.

Gas Station/C-Store 3,000 SF
Fast Food 3,000 SF

Private Financing: \$2M
Building, fuel storage tank, fuel
dispensers, canopy, store
equipment, fixtures, signage

Navajo Nation Development:
Building pad, access road,
water, wastewater, electrical
line extensions, electrical
transformer,
parking lot

Phase I – Infrastructure



Completed:
Site prep/grading,
water well, wastewater
treatment plant with
conduits and fencing,
leachfield, mainlines
for water and
wastewater system,
culvert/riprap, storm
drainage system;

Navajo Nation Council
Appropriation: \$2m

Market Feasibility Study

Nahata Dził Shopping Center Feasibility Study

Prepared For:



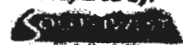
**The Navajo Nation
Division of Economic Development
Highway 264 - 100 Taylor Road
St. Michaels, Arizona**

Funded By:

**United States Department of Commerce
Economic Development Administration
Seattle, WA 98174**

Economic Development Planning Grant No. 07-84-05838

Prepared by:



**Southwest Planning & Marketing
3600 Cervillos Road, Suite 107
Santa Fe, NM 87507-2696**

July 2008

TABLE OF CONTENTS

EXECUTIVE SUMMARY	2
INTRODUCTION	3
METHODOLOGY	4
ECONOMIC OVERVIEW	5
OVERVIEW OF THE TOURISM MARKET The State of Arizona Apache County	6
CHAPTER DEMOGRAPHICS	10
MARKET ANALYSIS Market Demand: Primary and Secondary Markets Visitor Market Competitive Environment Existing and Potential Businesses Leisure Community Survey Results Priorities for Types of Businesses Potential Tenants	11
UNMET NEEDS AND OPPORTUNITIES FOR NEW BUSINESSES	21
SITE ANALYSIS	22
ECONOMIC IMPACTS Jobs and Wages Tax Revenue	25
FINANCIAL ANALYSIS Five Year Pro Forma Sources of Financing	26
CONCLUSIONS	36
APPENDIX Area Maps Site Photos Community Needs Survey Consumer Spending Patterns and Opportunity Gap, 2007 Person Interviews	37

Market Analysis

MARKET ANALYSIS

Strong Disputed

Cheng et al. *Estuaries*

Southeastern Planning & Marketing identified the primary market shopping center to be a combination of Western Oaks plus the two North and Logan. These shopping areas are shown as eight to twelve miles distant to Atlanta. Other possibilities, provide a third shopping area centered in the Atlanta area.

Signature: _____

The Wild Pacific and Old Springs Chapter, which owe in a priority to Robert Oak, were classified as a secondary reclassification of 2, 4th national customers.

The national grocery and security market sales \$1.951

A Clinton member (see Appendix) mentions that around the 40th annual sales for just about all retail goods including food opportunities reported in both markets used for programs in Kansas. Under planning and editorial markets, days, he mentions, and other franchise members.

The Year Ahead

Frederick Parsons, a Malibu oil fire in Malibu, can be loaded in series even if the suspended shipping carters. Although not from a fire of \$50,000 in 1988, numbers of Malibu's main town take of approximately \$20,000 per year through 2007. The fire was not the first, but it was one of the most of the Malibu fire.

LEGISLATIVE BODIES AND OPPORTUNITIES FOR NEW BUSINESS

Concurrently, extensive surveys determined a need for the additional space in the area as well as the more efficient design, a gas station, automotive parts and repair and access to medical services. Security research performed by Strategic Planning & Marketing provided the legal issues and zoning policies, as well as the need for a major garage and a luxury business-probation hotel. The recommendations regarding types of businesses for the new shopping plaza were: 10,000 square feet two-story retail food building and 2,000 square foot medical office, 1,500 square foot laundry building, 1,500 and 2,000 square feet and a 2,500 square foot store with a drive-through food establishment.

Type of Expenses		Regular Fare
Round Trip	1st Class	\$2,000
Round Trip	2nd Class	1,200
Round Trip	3rd Class	800
Round Trip	4th Class	500
Round Trip	5th Class	300
Round Trip	6th Class	200
Round Trip	7th Class	100
Round Trip	8th Class	50
Round Trip	9th Class	25
Round Trip	10th Class	12
Round Trip	11th Class	6
Round Trip	12th Class	3
Round Trip	13th Class	1
Round Trip	14th Class	0
Round Trip	15th Class	0
Round Trip	16th Class	0
Round Trip	17th Class	0
Round Trip	18th Class	0
Round Trip	19th Class	0
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Round Trip	21st Class	0
Round Trip	22nd Class	0
Round Trip	23rd Class	0
Round Trip	24th Class	0
Round Trip	25th Class	0
Round Trip	26th Class	0
Round Trip	27th Class	0
Round Trip	28th Class	0
Round Trip	29th Class	0
Round Trip	30th Class	0
Round Trip	31st Class	0
Round Trip	32nd Class	0
Round Trip	33rd Class	0
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Round Trip	98th Class	0
Round Trip	99th Class	0
Round Trip	100th Class	0

Foreign is the percentage of new orders short of all the things manufactured and exported to the approximately 64, 000-ton nation. Center of Economic Development's Export Services Department, 2000.

Colony sports in other parts of the world greatly complement the local economy by selling goods and the opportunity to create jobs and collect taxes. In great part, more such as Matsigenka and surrounding Chachapoyas, where there are less than 100,000 people, tourism is significantly higher.

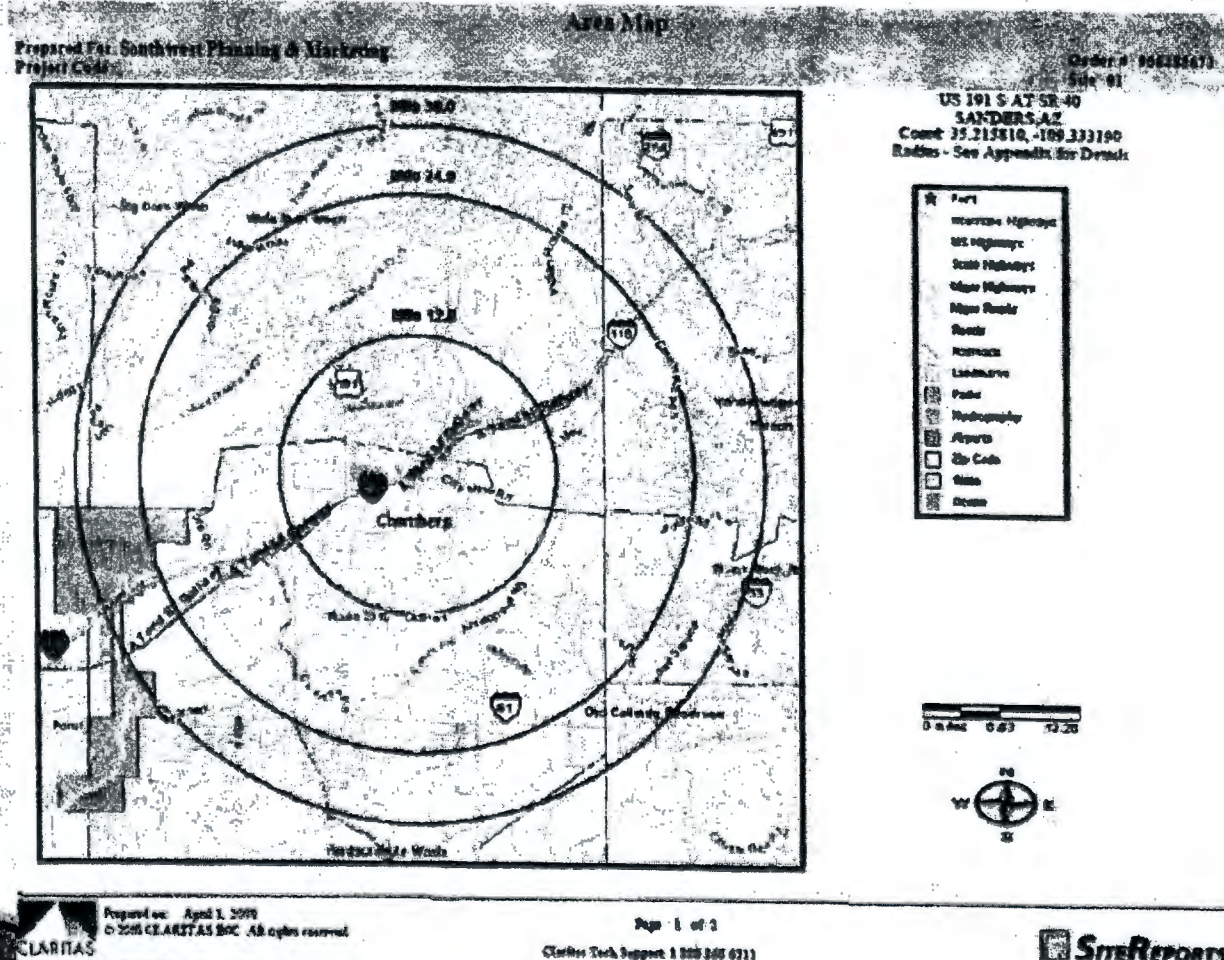
Softwood Plywood & Marketing acquired existing subsidiaries. The company's survey results and Corbin, Inc. reports (see separately) and determined that the Market Debt was equal to approximately 10% of the total. The remaining 10% of the debt is to be paid in 1988.

By meeting guests and services in the primary center, Southwest Petroleum is improving relations that have spending up 10 percent by an additional 1.5% to one year. Values which add to additional Petroleum services to other

For example, total spending would increase by an estimated 40%. The value added was 40% in addition to current.

THE FUTURE OF THE FUTURE

Market Area



Market Area/Population

(Source: Census 2000)

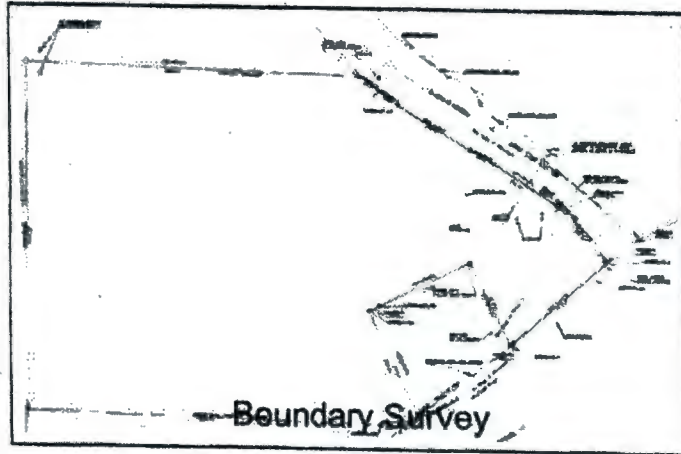
Chapter Communities of:

◦ Nahat'a'Dziil	1,452	
◦ Houck	1,529	
◦ Klagetoh	1,037	
◦ Lupton	1,000	
◦ Oak Springs	613	
◦ Wide Ruins	1,325	Total: 6,856
◦ Others:		

Sanders Community, Tourists, I-40 travelers

SUPPORTING DOCUMENTS

Chapter Resolution

[illegible]

1. **PROPOSAL NO.** 2. **PROPOSAL NAME** 3. **PROPOSING AGENCY**
 4. **TITLE OF PROJECT**
 5. **Principal Investigator or PI** (Name of last name, e-mail, e-mail address, telephone, fax, postal address, home address, home phone, home fax)
 6. **Supporting Team**
 7. **PROJECT TYPE** 8. **PI'S ADDRESS**
 9. **Project Dates** 10. **Project Budget**
 11. **Project Description**
 12. **Project Objectives**
 13. **Project Methodology**
 14. **Project Results**
 15. **Project Impact**
 16. **Project Evaluation**
 17. **Project Funding**
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1. <u>NAME OF THE PARTY</u> 1. <u>Green Party of the United States</u>		2. <u>DATE OF FILING</u> 2. <u>10/10/2000</u>	
3. <u>NAME OF THE CANDIDATE</u> 3. <u>Barbara Boxer</u>		4. <u>DATE OF BIRTH</u> 4. <u>10/10/1942</u>	
5. <u>NAME OF THE CANDIDATE'S PARTY</u> 5. <u>Green Party of the United States</u>		6. <u>DATE OF BIRTH</u> 6. <u>10/10/1942</u>	
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75. <u>NAME OF THE CANDIDATE'S PARTY</u> 75. <u>Green Party of the United States</u>		76. <u>DATE OF BIRTH</u> 76. <u>10/10/1942</u>	
77. <u>NAME OF THE CANDIDATE</u>			

[illegible]

Letters of Intent

Bashas'

A. M. John Bashas, Jr.
Vice President & General Manager

October 18, 2013

Anthony Perry
Director
Project Development Department
The Navajo Nation
P.O. Box 663
Window Rock, AZ 86515

Re: Nabata David (New Lands) Shopping Center

Dear Mr. Perry:

This letter serves as an indication of Bashas' interest to operate a grocery market in the Lands Shopping Center near Sanders, Arizona. The following are general details that are subject to final approval of terms and conditions and agreement in order for Bashas' to enter an agreement with The Navajo Nation.

The premises Bashas' would operate as a grocery market would be the existing corner site at the northwest corner of East 329 and Interstate 40 Express in the S.

The premises would range from 15,000 to 30,000 square feet.

Bashas' would employ between sixty (60) and seventy-five (75) employees to operate a store.

Bashas' would provide a full service market including but not limited to produce, meat and bakery departments.

This letter is not intended to be contractual in nature and is to be given only as an offer. The proposed agreement, if entered, is subject to final approval of terms and conditions as agreed with the Navajo Nation. No binding agreement until the final form of the letter has been accepted by the Navajo Nation. The parties acknowledge that there are additional material terms and conditions to be negotiated. This letter of intent, under no circumstances, is specifically enforceable or binding.

Sincerely,

BASHAS' INC., an Arizona Corporation

By: _____

At: Vice President of the Nation

Grocery Store



October 18, 2013

Tony Perry
Director
Project Development
The Navajo Nation
P.O. Box 663
Window Rock, Arizona 86515

RE: New Lands Shopping Center Project - C-Store Laundry

Dear Mr. Perry:

This letter serves as our continuing commitment to be a tenant in your Navajo Nation Shopping Center development in Sanders. We would like to operate the store which will be located in the new shopping center building. We would request that you place on the end of the building to make it easier for our customers to bring laundry into the store.

I am sending a copy of this letter to the Nation's David Chapter, so I would like to keep our current operations on the Navajo Nation, as an introduction to the Chapter.

We have been tenants in both the Navajo Plaza and the Plaza 168 Shopping Center since 1991. We have a store at the Shopping Center in Phoenix, and we operate the Indian Market Plaza in Window Rock. We purchased the Elko Laundry on the Navajo Nation when Mr. Ray Christensen wanted to retire in 2002. We currently employ approximately 100 people on the Navajo Nation.

We look forward to working with you to make this shopping center a reality.

Sincerely,

Tony Perry
Director

1540 Beaver Drive SE, Apartment 200, Window Rock, AZ 86515
P.O. Box 10000, Window Rock, AZ 86515

Laundromat



October 18, 2013

Tony Perry
Director
Project Development
The Navajo Nation
P.O. Box 663
Window Rock, Arizona 86515

RE: Nabata David Chapter - New Lands Shopping Center Project

Dear Mr. Perry:

This letter serves as our continuing commitment to be a tenant in your Navajo Nation Shopping Center development in Sanders. We would like to operate a gas station with convenience store and a national brand fast food restaurant. We will need approximately two acres to develop.

I am sending a copy of this letter to the Nation's David Chapter, so I would like to keep our current operations on the Navajo Nation, as an introduction to the Chapter.

We have been tenants in both the Navajo Plaza and the Plaza 168 Shopping Center since 1991. We have a store at the Shopping Center in Phoenix, and we operate the Plaza Store and Indian Market Plaza in Window Rock. We purchased the Elko Laundry on the Navajo Nation when Mr. Ray Christensen wanted to retire in 2002. We currently employ approximately 100 people on the Navajo Nation.

We look forward to working with you to make this shopping center a reality.

Sincerely,

Tony Perry
Director

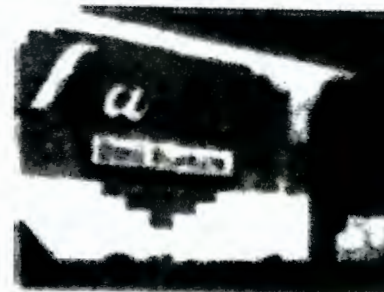
Gas Station, C-Store, Fast Food

Shopping Centers

- Based on the need to reduce the Navajo Dollar to off-reservation border towns, Major and Secondary Growth Centers were identified to develop shopping centers with a grocery store as an Anchor Tenant and retail shops.
- The Project Development Department developed the 10 shopping centers throughout the Navajo Nation, yet, the need still exists for our Navajo patrons to have accessible goods and services.

1. Crownpoint Shopping Center
2. Shiprock Shopping Center
3. Pinehill Shopping Center
4. St. Michaels Shopping Center
5. Window Rock Shopping Center Phase I & II
6. Kayenta Shopping Center Phase I & II
7. Tuba City Shopping Center Phase I & II
8. Navajo Pine Shopping Center
9. Pinon Shopping Center
10. Dilkon Shopping Center
11. Ganado Shopping Center
12. Nahata Dził Shopping Center

City Market



Navajo Nation Shopping Centers was established to oversee the Operation & Maintenance of the Shopping Centers. The NNSC, Inc. is currently a Navajo Nation Enterprise and continues to provide O&M services to the shopping centers developed by the Navajo Nation. Utility systems developed by the Navajo Nation for commercial projects are also turned over to the Navajo Tribal Utility Authority for Operation & Maintenance.

JOBS TYPES:

Construction Jobs: 50

Superintendent, Foreman, Heavy equipment operators, steel workers, welders, masons, concrete finishers, roofers, electricians, plumbers, tile workers, drywall installers, glaziers, etc.

Shopping Center Permanent Jobs: 100+

Manager, Department Managers, stockers, cooks, bakers, butchers, clerks, cashiers, etc.

Others:

Suppliers, truck drivers, maintenance

Completed Tasks:

- ✓ Market Feasibility Study;
- ✓ Boundary Survey, Topographical Survey;
- ✓ Archaeological Clearance;
- ✓ Environmental Assessment with Finding of No Significant Impact (FONSI);
- ✓ Geotechnical Engineering Study
- ✓ Infrastructure Study;
- ✓ Traffic Study;
- ✓ Appraisal Report;
- ✓ Navajo Nation Council \$2M appropriation for Infrastructure/Site Development;
- ✓ Tenants Commitments;
- ✓ Design for Gas Station/Conv. Store, Fast Food.

PROJECT TEAM:

Architectural and Engineering Services:

- ▶ D. Sloan Architects, PC, of Albuquerque, New Mexico. Building design and specifications and construction management.

Project Coordinator:

- ▶ Navajo Nation
Project Development Department
Division of Economic Development

Local Governance: Nahat'a'Dziil Local Government

THANK YOU FOR SUPPORTING NAVAJO NATION ECONOMIC DEVELOPMENT!

For Information Contact:
Project Development Department
Division of Economic Development
Navajo Nation
(928) 871-6504

**SHONTO COMMUNITY GOVERNANCE
SHONTO ECONOMIC DEVELOPMENT CORPORATION,
SHONTO COMMERCIAL, LLC**

OUT OF OFFICE MEMORANDUM

TO: Herman Daniels, Council Delegate

FROM: Board of Directors (Baje Whitethorne, Sr., Boyce Bedoni and Felix Fuller), Shonto Economic Development Corporation (SEDC), sole member of Shonto Commercial and Shonto Community Governance Officials (Elizabeth Whitethorne Benally, Stanley Yazzie, Freida Laughter and Robert Black)

DATE: March 28, 2016

SUBJECT: Request for Funding to Complete the Convenience Store/Fuel Station/Laundromat at Shonto Chapter

Introduction:

The Shonto Chapter, a governance certified chapter of the Navajo Nation, has been focused for the last decade at developing an economy for Shonto and the neighboring communities. The Chapter dedicated and withdrew 10 acres at the southeast corner of US 160 and SR 98 for economic development activities. The first phase was the construction of a C-store/fuel station on the site. The first phase was expanded to include a laundromat and possible post office boxes. (The C-store/fuel station/Laundromat is identified herein as the "Project".) Key challenges have included (i) sufficient funding and (ii) identification of a developer/operator for the Project. There were a number of starts and eventually, Shonto relied on its own limited liability company to secure grant money from BIDF and Navajo Nation Department of Transportation and to obtain a loan from a Community Development Financial Institution.

The Project is under construction and current schedule is that some of the facilities may be able to open as early as late Spring, 2016. However, due to substantial delays in regulatory approvals by state and tribal entities and several required redesigns, the winter weather conditions and increasing costs of certain items, Shonto is seeking an additional \$950,000 of funding to complete the Project. See Budget attached.

The Project:

Shonto Commercial has a Business Site Lease for 4.32 acres. The 4.32 acres is part of a 10 acre site that was withdrawn by the Shonto Chapter for economic development. Shonto Commercial is constructing a building that can house, a Convenience Store/Fuel Station, Laundromat, post office boxes, and a deli. At build out the 10-acre site will also include a hotel and artisan travel center and fast food restaurant.

Shonto Commercial obtained a grant from the Business and Industrial Development Fund ("BIDF") which was supplemented with a loan from a Community Development Financial Institution ("CDFI"). An architect was retained, construction documents were completed, and, in May 2015, Shonto Commercial bid the project through the required procedures of the Business Opportunity Act.

The SEDC Board of Directors as sole member of Shonto Commercial executed construction contracts with Woodruff Construction (General Contractor) and Cochise (Fuel System provider) in August 2015. Construction has commenced on the site. Delays ensued for months at a time as the architect/engineer team attempted to deal with the myriad of changes and delays and further changes and delays from NTUA. The cost of construction continued to escalate and still the ancillary approvals of ADOT and SRP have not been received. NTUA approved the offsite infrastructure last week.

Shonto Commercial has funding to finish the building structure. With the current funding there are insufficient funds to connect the convenience store/fuel station/Laundromat to the wastewater system across US Highway 160 and the SRP rail line at the NHA Housing Development. Without the connection to the sewer system, there cannot be Laundromat operations. No additional economic development activities can be planned on the 10-acre site without the connection to the sewer system. In addition there are not sufficient funds to locate postal boxes on site, provide the appropriate security and signage and purchase all of the FF&E.

Request for Funding:

The Shonto Chapter in support of the SEDC Board is requesting your assistance in obtaining Navajo Nation financial support for the following:

Offsite Utility Infrastructure: In order to fully develop the 10 acre site, the Project needs to drill under Highway 160 and the SRP rail line and connect to the wastewater system at the NHA Housing development. The design has been reworked several times to deal with objections raised by NTUA. To finalize the design we are seeking the sum of \$38,440 and to construct the offsite infrastructure we are seeking \$264,216. SEDC was able to obtain a Right of Entry from NHA but ADOT and SRP have still not provided the Rights of Way for the Project. We anticipate that some design changes may be required.

Laundromat Build-out: The connection to the regional wastewater system will allow the Project to open the Laundromat. The cost to complete the Laundromat design is \$40,030 and the buildout is \$218,500. To operate the Laundromat will require the purchase of furniture, fixtures and equipment at a cost of \$240,298.

Furniture, Fixtures and Equipment for the C-Store: The FF&E for the C-Store includes Building signage (\$24,798); Building security (\$22,478); Shelving, beverage dispensers, display cases, shelving, tables and chairs (\$42,478); and Deli fixtures tables, sinks, cooler, slicers, oven, and storage racks (\$43897).

USPS Post Boxes: Mail boxes to replace the boxes at the old Trading Post (\$12,478).

Timing is critical. Shonto has been requesting additional funding for more than the last 6 months. It has been told that the Project was on the capital funding list, that various departments had funding, that funding was available from the settlement fund. Representatives of the Chapter and its wholly owned company spent time and resources tracking down the funding only to find over and over that there wasn't any funding.

Benefits to the Navajo People:

The C-store/Fuel Station will have substantial benefits to Navajo people. As designed the C-store will be able to support product that would otherwise not be available without driving long distances to Tuba City or Kayenta. There are no modern laundromats in the vicinity of Shonto and this facility will serve the needs of the housing project as well as the broader residents of Shonto and the neighboring communities. The addition of the laundromat will generate sufficient funds to repay the loan that the company obtained to construct the Project. Taxes will be generated from the sale of fuel and C-store products. Jobs will be generated. Shonto will be in the vanguard of Chapters that are self-promoters. We are asking the Nation to help the Chapter see this Project to fruition, a Project that might have come in close to budget but for the regulatory red-tape and the cost of construction on the Navajo Nation.

-- Thank you --



March 22, 2016

Shonto Commercial LLC, Shonto Economic Development Corporation
and Shonto Community

Subject: **Requested Laundromat and Off-Site Sewer Line Budget**
Shonto Commercial C-Store, Fuel Station and Laundromat Building
Junction of Arizona 98 and US 160
Shonto, Navajo County, Arizona

FM GROUP INC has been requested to provide a Budget Summary for needed funds to complete interior amenities of the C-Store, in addition to the Community's requested Laundromat and Off-Site Sewer line components of the Shonto Commercial C-Store, Fuel Station and Laundromat Building currently under construction. Our Budget Summary has been developed from either actual bids or confirmed budgets requested of involved contractors and vendors.

1	Laundromat Design and Build-out Drawings	Prepare Drawings for the Laundromat Design and Build-out – FM GROUP INC Change Orders.	\$40,030
2	Laundromat Build-out	This budget includes all interior finishes, required plumbing systems, mechanical systems, electrical (power and lighting fixtures) Budget was prepared by the contractor – BWA Enterprises, Inc, dba Woodruff Construction	\$218,500
3	Laundromat Fixtures, Furniture and Equipment	This budget includes commercial washers, dryers, water heater, hot water storage tank, expansion tank, tables and chairs, coin changer. Bid prepared by Coin & Professional Equipment Co.	\$240,298
4	Building Signage	This budget includes Monument Sign and Building signage. Budget prepared by 1 Stop Signs Co.	\$24,798
5	Building Security	This budget includes exterior and interior cameras, motion detectors and installation of the security system. Budget prepared by Amer-X Security	\$22,478
6	C-Store Fixtures, Furniture and Equipment	This budget includes merchandisers, beverage dispensers, food equipment. Display cases, shelving, table and chairs. Budget prepared by Katayst.	\$42,478
7	Deli Fixtures, Furniture and Equipment	This budget includes deli tables, sinks, reach-in coolers and freezers, refrigerated sandwich unit, slicer, oven, storage racks mailboxes. Budget prepared by Katayst.	\$43,897
8	USPS Postal Boxes	This budget includes required Postal mailboxes. Budget prepared by Amer-X Security	\$12,478
9	Off-Site Sewer Design and Drawings	Prepare Drawings for the Laundromat Build-out – XCL Engineering Change Orders.	\$38,440
10	Off-Site Sewer Installation	This budget includes construction of the new sewer line up to the existing Neighborhood north on Arizona 98 – including boring under the US160 and the SRP railroad tracks. Budget was prepared by the contractor – BWA Enterprises, Inc, dba Woodruff Construction	\$264,216
		Subtotal	947,613

Michael T. Fries, AIA
President

**THE NAVAJO NATION
PROGRAM BUDGET SUMMARY**

PART I. Business Unit No.: 108121 Program Title: Shonto Chapter Division/Branch: Div. of Comm. Development

Prepared By: Linda Youvella, NNCO Phone No.: (928)871-6383 Email Address: lindayouvella@navajo-nsn.gov

PART II. FUNDING SOURCE(S)	Fiscal Year Term	Amount	% of Total	PART III. BUDGET SUMMARY				
Undesignated Unreserved Fund Balance	4/1/16 - 09/30/16	\$ 947,613.00	100%		(A)	(B)	(C)	
				Fund Type Code	NNC Approved Original Budget	Proposed Budget	Difference (Column B - A)	
				2001 Personnel Expenses			0	
				3000 Travel Expenses			0	
				3500 Meeting Expenses			0	
				4000 Supplies			0	
				5000 Lease and Rental			0	
				5500 Communications and Utilities			0	
				6000 Repairs and Maintenance			0	
				6500 Contractual Services			0	
				7000 Special Transactions			0	
				8000 Public Assistance			\$ -	
				9000 Capital Outlay	1	\$ 947,613.00	\$ 947,613.00	
				9500 Matching Funds			0	
				9500 Indirect Cost			0	
				TOTAL		\$0.00	\$ 947,613.00	
				PART IV. POSITIONS AND VEHICLES				
						(D)	(E)	
				Total # of Positions Budgeted:		0	0	
				Total # of Permanently Assigned Vehicles:		0	0	
		</						

PART V. I HEREBY ACKNOWLEDGE THAT THE INFORMATION CONTAINED IN THIS BUDGET PACKAGE IS COMPLETE AND ACCURATE.

SUBMITTED BY: Program Manager's Printed Name and Signature / Date

APPROVED BY: Division Director/Branch Chief's Printed Name and Signature / Date

THE NAVAJO NATION
PROGRAM PERFORMANCE CRITERIA

PART I. PROGRAM INFORMATION:

Business Unit No.: 108019Program Name/Title: Shonto Chapter

PART II. PLAN OF OPERATION REFERENCE/LEGISLATED PROGRAM PURPOSE:

CAP-34-98: To direct the chapter administration and management control system, by promoting efficiency and accountability to the chapter membership, and to effecuate plans of action to improve standard of living for chapter membership.

PART III. PROGRAM PERFORMANCE CRITERIA:

1. Program Performance Area:

Provide funds for economic development endeavors for the community of Shonto.

Goal Statement:

To better the economic development for the community, by completion of convenience store/fuel station and laundromat.

1st QTR		2nd QTR		3rd QTR		4th QTR	
Goal	Actual	Goal	Actual	Goal	Actual	Goal	Actual

				3		3	
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2. Program Performance Area:

Funds for several phases of the proposed economic development for the community.

Goal Statement:

Completion of designs for the laundromat building, fuel station, etc.

				2		2	
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3. Program Performance Area:

To better the living standard of residents within community by providing economic development.

Goal Statement:

Job opportunities will be afforded to the community members as well as surrounding communities.

				25		40	
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4. Program Performance Area:

Goal Statement:

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5. Program Performance Area:

Goal Statement:

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PART IV. I HEREBY ACKNOWLEDGE THAT THE ABOVE INFORMATION HAS BEEN THOROUGHLY REVIEWED.

Program Manager's Printed Name and Signature/Date

Division Director/Branch Chief's Printed Name and Signature / Date

FY 2016

THE NAVAJO NATION
DETAILED LINE ITEM BUDGET AND JUSTIFICATION

Page 3 of 3

PART I. PROGRAM INFORMATION:			
Program Name/Title: <u>Shonto Chapter</u>		Business Unit No.: <u>108121</u>	
PART II. DETAILED BUDGET:			
(A)	(B)	(C)	(D)
Object Code (LOD 6)	Object Code Description and Justification	Total by DETAILED Object Code	Total by MAJOR Object Code
	9000 CAPITAL OUTLAY Funds for the Offsite Utility Infrastructure, Laundromat Building, Fixtures, Furniture and Equipments for C-Store and USPS Post Boxes.		947,613
9020	INFRASTRUCTURE	264,216	
	9042: Water/Wastewater \$ 264,216.00		
9070	CAP-PRO.TECH SERVICES		
	9074: CAP-Architecture/Design \$ 78,470.00	78,470	
9110	FURNITURE & FIXTURES		
	9112: Furniture \$ 98,853.00	98,853	
	9114: Fixtures \$ 218,500.00	218,500	
9140	EQUIPMENT		
	9142: Equipment \$ 287,574.00	287,574	
	TOTAL \$ <u>947,613.00</u>		
TOTAL		\$947,613.00	\$947,613.00

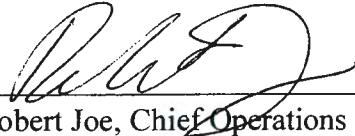


THE NAVAJO NATION

RUSSELL BEGAYE PRESIDENT
JONATHAN NEZ VICE PRESIDENT

MEMORANDUM

TO: Seth Damon, Chairperson
Budget and Finance Committee

FROM: 
Robert Joe, Chief Operations Officer
Office of the President and Vice-President

DATE: February 29, 2016

SUBJECT: Shiprock Hotel and Restaurant

There are numerous Market and Feasibility Studies completed for the Shiprock area to develop a hotel and restaurant. Until now, the Nation had yet to secure a developer or business owner to successfully take on this venture. Attached is a copy of one of many market studies completed for this area.

As such, the proposed funds will be utilized to initiate development of this project. The NNGE has committed to take the lead in this development. The initial funds are needed for the design and initial construction.

**SHIPROCK HOTEL
AND RESTAURANT
MARKET STUDY**

MARKET STUDY CONCLUSIONS

CONCLUSIONS

We have completed our market study and prepared a Statement of Estimated Annual Operating Results for a proposed Best Western hotel to be located in Shiprock, on the Navajo Nation. The subject property is located in San Juan County, New Mexico. The proposed hotel site is located approximately one mile southwest of the intersection of US Highway 491 and US Highway 64, in the southwestern portion of Shiprock. Based on our analysis of lodging market trends in the nearby communities of Farmington, New Mexico and Cortez, Colorado, as well as a review of economic and demographic information and area growth trends, we are of the opinion that there is sufficient potential future market demand to support the proposed hotel as described in this report. Once a Statement of Estimated Annual Operating Results has been prepared, architectural plans are finalized and development costs are known, the financial feasibility of the project can be assessed.

A review of relevant economic indicators reveals that San Juan County has experienced significant growth during this decade, which has been fueled in part by the development of energy resources, increased construction, and the development of the area as a focal point for regional commerce. The rate of economic growth in San Juan County has out-paced the state and the nation. While the regional economy has slowed over the last year due to a national and regional recession, local economic representatives believe that the mid-to-long-term future growth potential of the area is positive, and that economic growth in the area will out-pace the state and nation.

The primary focal point of economic activity and commerce in San Juan County is Farmington, which is located approximately 28 miles east of Shiprock. Shiprock is the focal point of commerce and social activity for Navajo Nation residents living in the northeastern portion of the Navajo Reservation. However, economic activity in Shiprock is currently limited. Tourism plays a significant role in the economy of San Juan County, which is part of the Four Corners region. Shiprock, due to its location at the intersection of two major US Highways, is well located to benefit from tourism. However, the community does not offer a hotel. As a result, tourists just pass through Shiprock, and lodge in surrounding communities. The proposed hotel should enable Shiprock to more

effectively cater to tourists. However, the area does not offer the restaurants and other amenities that tourists require. The majority of restaurants in Shiprock are fast food restaurants, and are not proximate to the proposed hotel site. The subject property is expected to offer a full-service restaurant, which should partially offset the lack of restaurants in the area. In our opinion, Shiprock and the proposed hotel could partially off-set the limited amenities available in Shiprock by providing tourists during the summer months with a Navajo cultural experience. As previously discussed, this could be storytelling by an evening camp-fire or cultural demonstrations such as native dances, weaving and/or jewelry making.

MAJOR ASSUMPTIONS AND RISK FACTORS

A study of this nature requires the use of certain assumptions as a basis for the conclusions and estimates of market and property performance. The following critical assumptions were used as a basis for our conclusions and recommendations.

Property Assumptions

1. It is assumed that the proposed hotel will be operated as a Best Western hotel throughout the projection period. The advantages of operating under this brand affiliation include national recognition, national and regional advertising and access to Best Western's reservation system, all of which provide a degree of quality assurance for the facility.
2. It is assumed that construction of the subject property will be at a quality level that is acceptable to Best Western International, Inc.
3. It is assumed that the proposed hotel will be operated by competent management, who will be familiar with the operation of a mid-level lodging property.
4. It is assumed that the proposed hotel will be professionally marketed and promoted. Further, it is assumed that management will have good knowledge of the local and regional hotel markets, as well as businesses located in the subject's market area.
5. While the developer intends to operate the hotel as a limited-service hotel, with the food and beverage operation leased out to an independent operator, an operator for the restaurant has not been identified. It should be noted that there is limited lease rate information available in Shiprock. As the lease payment will likely be

based on the revenues derived from the food and beverage operation, it is our opinion that the most effective way to analyze the financial feasibility of the project is to reflect the food and beverage operation as a operating department of the hotel. Therefore, we have prepared a Statement of Estimated Annual Operating Results for the proposed hotel assuming that it is operated as a full-service hotel.

Risk Factors

In all real estate developments, certain risk factors are always present. This project has several of which the reader of this report should be aware:

1. Projections of operating results for hotels are, by their nature, subject to uncertainty and variation. Projections are made based on all of the pertinent data made available to the consultants at the time the research was completed. Due to the many potential changes that can occur in the marketplace and changes to the assumptions stated in the report, the actual operating results may vary from the projections, and these variations may be substantial. Robert S. Benton & Associates, Inc. will not be responsible for changes in market conditions or the underlying assumptions which occur subsequent to the final date of the fieldwork.
2. Future trends in energy development will have a significant impact on future economic conditions in Shiprock and San Juan County. In completing this analysis, it has been assumed that energy prices will remain elevated in comparison to historic levels, and that the regions energy resources will continue to be developed into the foreseeable future. However, the reader of this report should be aware that energy markets are volatile, and that world and economic events can have a significant impact on energy supply/demand trends. This, in turn, may impact the lodging market in San Juan County, either positively or negatively.
3. The lodging industry is heavily dependent upon tourism. In Shiprock, leisure travelers are expected to be a significant source of lodging demand. It should be noted that outside influences, such as terrorism, gasoline shortages or other unforeseen events, political or otherwise, could adversely impact travel and visitation to Shiprock over the short or long term. These events could potentially have an adverse impact on the performance of the subject property.

LODGING MARKET SUMMARY

As the subject property would be the first hotel developed in Shiprock, we have looked at comparably positioned hotels in nearby markets. The two largest lodging markets proximate to Shiprock are located in Farmington, New Mexico (28 miles east of Shiprock) and Cortez, Colorado (42 miles north of Shiprock). Based on our analysis, we have

identified eight hotels with 833 guestrooms in Farmington and Cortez that are positioned comparably to the subject property.

According to Smith Travel Research, the comparable hotels in the Farmington and Cortez lodging markets achieved an annual occupancy rate of 74.8 percent and an average daily rate of \$88.29 during 2008, resulting a RevPAR of \$66.07. RevPAR (Revenue Per Available Room) is a measurement tool that hotel managers and market observer's use to analyze the impact of changes in occupancy and average daily rate on hotel revenues, as well as to assess the health of the market. Occupancy rates among the comparable hotels in 2009 is projected to range from the low 60's to the low 80's, with average daily rates ranging from the mid \$70's to the mid \$100's. With a decline in the national and regional economy, market conditions among the comparable hotels weakened, although not as significantly as the national and state lodging markets. According to Smith Travel Research accommodated demand at the comparable hotels declined by 12,444 roomnights, or 6.3 percent, during the first ten months of 2009 compared to a similar period in 2008. As a result, occupancy rates declined from 77.9 percent to 73.0 percent. Average daily rates increased 2.6 percent to \$91.90 during the first ten months of 2009, from \$89.36 during the first ten months of 2008. RevPAR fell 3.6 percent, or \$2.54, as a decline in occupancy more than offset an increase in average daily rate. For comparison purposes, RevPAR among United States hotels declined by \$11.45 during the first ten months of 2009, or 17.3 percent, in comparison to a similar period in 2008, while RevPAR at New Mexico hotels declined by \$7.36, or 12.4 percent over the same time period.

PROJECTED PROPERTY PERFORMANCE

Based on our analysis of the comparable lodging market and the market characteristics of Shiprock , we have made estimates of potential occupancy and average daily rates that could be attained by a 98-room Best Western hotel to be located in Shiprock, New Mexico. The following table shows our estimates of occupancy and average daily rate for the subject property during a stabilized year and the first five years of operation. For purposes of this analysis, it is assumed that the proposed hotel will open January 1, 2012.

PROJECTED OCCUPANCY AND AVERAGE DAILY RATE PROPOSED BEST WESTERN HOTEL SHIPROCK, NEW MEXICO		
Year	Estimated Occupancy	Estimated Average Daily Rate
Stabilized	69%	\$90.00
2012	58%	\$96.25
2013	64%	\$100.25
2014	67%	\$104.25
2015	69%	\$107.50
2016	69%	\$110.75

Based on our analysis of current and potential future demand patterns, it is estimated that occupancy at the proposed Best Western should stabilize at 69 percent on an annual basis by the fourth year of operation. A stabilized occupancy rate is considered to be an average occupancy that the property should achieve once it has effectively positioned itself in the competitive market. Therefore, in certain years, occupancy may be below 69 percent, and in other years, occupancy may be above 69 percent. Our estimated stabilized year occupancy rate of 69 percent takes into consideration potential future economic conditions that may impact lodging demand.

Average daily rate at the proposed hotel is estimated to be \$90.00 in 2009 value dollars, prior to an adjustment for inflation. Average daily rates are expected to increase at a long term annual inflation rate of three (3.0) percent. A discount is reflected in the achieved average daily rate of the subject property during the first two years of the projection period. The discounted room rate will also be necessary to introduce the new product to the market and build occupancy.

The market mix at the subject property during a stabilized year is estimated to be as follows:

ESTIMATED MARKET MIX PROPOSED BEST WESTERN HOTEL SHIPROCK, NEW MEXICO		
Segment	Roomnights	Percent of Total
Commercial	9,400	38.0%
Leisure	11,800	47.8%
Group/Conference	3,500	14.2%
Total	24,700	100.0%

A Statement of Estimated Annual Operating Results has been prepared for the proposed Best Western Hotel during the first five years of operation. Industry data, as well as historical operating results from other comparable hotels have been utilized as the basis for our income and expense assumptions for the subject property. This Statement of Estimated Annual Operating Results has been prepared in order to assist in analyzing the feasibility of the project in relation to its costs. While the developer intends to operate the hotel as a limited-service hotel, with the food and beverage operation leased out to an independent operator, we have reflected the food and beverage operation as a operating department of the hotel for several reasons. First, due to the availability of meeting and event space, there will need to be a significant level of coordination between the hotel operator and the food and beverage operator, which could potentially impact the lease rate. This coordination includes the sales effort prior to a group arriving, as well as during a meeting and event. Second, a food and beverage operator has not been identified as of the completion of our fieldwork. As a result, a lease arrangement has not yet been established. As the lease payment will likely be based on the revenues derived from the operation, it is our opinion that the most effective way to analyze the financial feasibility of the project would be to include estimated revenues from the food and beverage operation in the hotels Statement of Estimated Annual Operating Results.

The following table summarizes the results of our Statement of Estimated Annual Operating Results for the proposed hotel during its first five years of operation.

ESTIMATED FUTURE OPERATING RESULTS PROPOSED BEST WESTERN HOTEL - SHIPROCK, NEW MEXICO					
Year	Estimated Occupancy	Estimated ADR	Rooms Revenue (000)	Total Revenue (000)	Income Before Other Deductions ¹
2012	58.0%	\$96.25	\$1,997	\$3,232	\$691
2013	64.0%	\$100.25	\$2,295	\$3,636	\$895
2014	67.0%	\$104.75	\$2,510	\$3,973	\$1,030
2015	69.0%	\$107.50	\$2,653	\$4,188	\$1,134
2016	69.0%	\$110.75	\$2,733	\$4,313	\$1,161

(1) Income before other deductions including rent, if any, Depreciation, Interest and Taxes on Income

AREA DATA

LOCATION

Shiprock is located in the northwestern portion of New Mexico, in the southwestern portion of the United States. Shiprock is located in San Juan County, and is located in the northeastern portion of the Navajo Nation. The Navajo Indian Reservation comprises just over 60 percent of the land area in San Juan County. Shiprock is located in what is commonly referred to as the Four Corners region, where the States of New Mexico, Colorado, Utah and Arizona meet. Located at the intersection of US Highway 64 and US Highway 491 (formerly US Highway 666), Shiprock is a key road junction for truck traffic and tourists visiting the Four Corners, Mesa Verde National Park and Grand Canyon National Park. A map in the addenda of this report shows Shiprock's location in the State of New Mexico and in the Southwestern portion of the United States.

Shiprock is a census designated place located in San Juan County and is considered to be part of the Farmington Metropolitan Statistical Area, which is contiguous with San Juan County. According to the US Census Bureau, Shiprock had a 2000 population of 8,156 people. Shiprock is named after the nearby Shiprock rock formation, which rises nearly 1,800 feet above the high desert plains. The Shiprock rock formation plays an significant role in Navajo religion, mythology and tradition. Shiprock is a point of interest for rock climbers and photographers, and has been featured in several film productions and novels. It is the most prominent landmark in northwestern New Mexico.

REGIONAL OVERVIEW

San Juan's economy is primarily based in natural resources, power production and regional trade. The focal point of economic activity and commerce in San Juan County is the City of Farmington, which is located approximately 28 miles east of Shiprock. Farmington is the county seat of government and the largest city in San Juan County. However, many of the larger economic drivers are located outside of the City of Farmington, including oil and gas exploration and production, and power generation.

The San Juan Basin is a primary reason that New Mexico has become a national player in oil and gas production. According to the Energy Information Association, "New Mexico

is currently the fourth largest producer of natural gas in the United States (very close in production behind Oklahoma and Wyoming) and has the third largest amount of proven reserves. New Mexico is ranked sixth in oil production and fourth in oil reserves. New Mexico leads the nation in the production and reserves of coal bed methane." Oil and gas contributes greatly to New Mexico's and San Juan County's economic development. San Juan County is primarily oriented to natural gas and coal, while the southeastern part of New Mexico, where the Permian Basin is located, is primarily oriented toward oil. A significant portion of the energy reserves in San Juan County are located within the Navajo Nation. While energy exploration and production have slowed nationally due to the national recession and a decline in energy prices, it is anticipated that energy demand will increase once a national economic recovery is under way. Improved national economic conditions are expected to spur an increase in new energy exploration and production in the San Juan basin, positively impacting the regional economy.

Power production is also a major economic driver in San Juan County. There are two power plants, as well as several coal mining operations, in the county. The largest power plant in the county is the Four Corners Power Plant is actually located in the Navajo Nation, in Fruitland, approximately 4 miles east of Shiprock. The Four Corners Power Plant is one of the largest coal-fired power generating stations in the United States. The plant has five power units, which generate 2,040 megawatts of power. The plant, which is operated by Arizona Public Service, employs approximately 500 people and provides power to about 300,000 households in New Mexico, Arizona, California and Texas. According to our interviews, this is an older power plant that generates a significant amount of air pollution. There is local opposition to this plant and the US Environmental Protection Agency (EPA) has been evaluating the facility and is encouraging ownership to make significant upgrades at the plant in order to maintain its future operation.

A second power plant is located approximately 20 miles northeast of Shiprock. The San Juan Generating Station operates four coal powered units, which generate 1,800 megawatts of power. The plant is operated by Public Service of New Mexico and is the seventh largest coal-fired generating station in the west. Approximately 400 people are employed at the San Juan Generating Station. Beginning in 2006, a four-year \$320 million environmental upgrade was started at this facility.

Slithe Global Power has proposed to construct a new 1,500 megawatt electrical power plant approximately 20 miles southeast of Shiprock. Slithe would develop the project, which is known as the Desert Rock Energy Project, with the Dine Power Authority, an enterprise of the Navajo Nation. The power plant is designed to have the lowest emission levels of any coal fired plant in the United States. The project had received final approval from the US Environmental Protection Agency in July 2008. However, in January 2009, a portion of the approval was withdrawn for further review. As of the completion of our fieldwork the project remains on hold, as the EPA has not given the project final approval. If approved, the construction of this project would likely have a positive impact on Shiprock and the proposed hotel.

Based on our interviews, there is concern among economic officials in San Juan County regarding the future of the power generating industry in the county. Due to the age of the Four Corners Power Plant and the pollution it generates, there is concern that this plant may need to close, as it may be too expensive to upgrade in order to mitigate air pollution. Although the Desert Rock Energy Project is designed to be one of the cleanest power plants in the country, opposition to this project in the county and surrounding areas has increased due to the pollution generated by the Four Corners Power Plant. While no decisions have been made regarding the future operations of either plant, we have assumed in our analysis that at least one of these two plant generating plants remains open.

Other major economic influences in Shiprock include Dine College, Bureau of Indian Affairs and Indian Health Services. Dine College is constructing a new campus in Shiprock and is planning to expand its presence in the area. Indian Health Services operates a hospital in Shiprock, which serves a wide geographic area. Tourism also plays a major role in the Shiprock economy. However, Shiprock has been unable to capitalize on tourism due to the lack of lodging in the community. Tourism is strongest during the summer months, due to the large number of visitors attracted to Four Corners region.

RELEVANT ECONOMIC INDICATORS

A portion of the demand for hotel accommodations can be reasonably aligned with the economic growth of a community. Economic trends in San Juan County and the State of New Mexico have been analyzed. According to our interviews with a representative of

the Bureau of Business & Economic Research at The University of New Mexico, population and employment statistics for San Juan County include the Navajo Nation, while the Gross Receipts statistics does not. The results of our findings are summarized in the paragraphs that follow.

Population

According to the U.S. Census Bureau, the population in San Juan County was estimated to be 91,605 persons as of July 1, 2008, representing 4.6 percent of the State's population. As of July 1, 2008. The State of New Mexico's population was estimated at 1,984,356 persons. The population in San Juan County increased at a compound annual rate of 0.7 percent between 2000 and 2008, a slower pace than experienced during the 1990's. The State's population growth also slowed this decade in comparison to the 1990's. The following table compares population trends for San Juan County and the State of New Mexico from 1990 through 2008.

POPULATION TRENDS					
Location	1990	2000	2008	Compound Annual Growth	
				1990-2000	2000-2008
San Juan County	91,605	113,801	122,500	2.2%	0.7%
State of New Mexico	1,515,069	1,819,046	1,984,356	1.8%	0.9%

SOURCE: US Census Bureau

Gross Receipts

San Juan County is a focal point for retail goods and services for residents in northwestern New Mexico, southwestern Colorado and northeastern Arizona. As previously discussed, gross receipts in San Juan County doesn't include sales that occur in the Navajo Nation, which includes Shiprock. Gross receipts in San Juan County increased at a compound annual growth rate of 9.6 percent during the period 2005 through 2008, faster than the State of New Mexico, which experienced a 6.9 percent compound annual increase in gross receipts over the same period. During the first six months of 2009, gross receipts in San Juan County declined by 10.1 percent, a greater

decline than experienced by the State of New Mexico. The following table shows the historic trend in gross receipts for San Juan County and the State of New Mexico for the period 2005 through 2008, as well as for the first six months of 2009 compared to a similar period in 2008.

HISTORICAL TRENDS IN TAXABLE GROSS RECEIPTS FOR SAN JUAN COUNTY AND THE STATE OF NEW MEXICO				
Year	San Juan County		New Mexico	
	Taxable Gross Receipts (000)	Percent Change	Taxable Gross Receipts (000)	Percent Change
2009 YTD ¹	\$1,918,490.9	(10.1)%	\$22,818,415.5	(7.1)%
2008 YTD ¹	2,133,809.2	--	24,548,379.0	--
2008	\$4,408,639.8	6.1%	\$50,113,635.1	3.0%
2007	4,156,849.3	13.1%	48,666,992.4	5.6%
2006	3,676,566.9	9.7%	46,066,171.2	12.2%
2005	3,350,694.1	--	41,043,488.8	--
Compound Annual Growth 2005-2008		9.6%		6.9%

(1) Year-to-date through June

Source: New Mexico Department of Taxation and Revenue

Employment

The economic health of a region can be judged by the number of new jobs created over a period of time. During the period 2002 through 2008, the most recent year that annual payroll data is available, payroll employment in San Juan County increased at a compound annual rate of 2.5 percent, as approximately 7,244 new jobs were created over the seven-year period. The rate of employment growth in San Juan County was slightly faster than the 1.9 percent compound annual growth rate experienced by the state during the same period. During the first quarter of 2009, employment in San Juan County declined by 2.6 percent, or 1,337 jobs, in comparison to full-year 2008. Employment in

the State of New Mexico declined by 3.7 percent during the first quarter of 2009, compared to the full-year 2008. The following table shows the trend in payroll employment in San Juan County and the State of New Mexico during the period 2002 through 2008, as well as for the first quarter of 2009.

HISTORICAL TRENDS IN WAGE AND SALARY EMPLOYMENT						
Year	San Juan County			State of New Mexico		
	Wage & Salary Employment	Percent Growth	Unemployment Rate	Wage & Salary Employment	Percent Growth	Unemployment Rate
2009 Q1	50,973	--	4.9%	795,565	--	5.6%
2008	52,310	2.4%	3.7%	825,996	0.5%	4.2%
2007	51,070	2.0%	3.2%	822,146	1.7%	3.5%
2006	50,066	3.7%	4.3%	808,238	3.9%	4.2%
2005	48,260	3.2%	5.4%	778,107	2.2%	5.2%
2004	46,754	4.1%	6.1%	761,008	1.9%	5.8%
2003	44,915	(0.3)%	6.8%	746,729	1.2%	5.9%
2002	45,066	--	6.2%	737,760	--	5.5%
Compound Annual Growth Rate (2002-2008)		2.5%			1.9%	

SOURCE: New Mexico Department of Workforce Solutions

The following table compares the unemployment rate in San Juan County with that of the state and the nation for the period 2005 through 2008.

COMPARATIVE UNEMPLOYMENT STATISTICS				
Area	2005	2006	2007	2008
San Juan County	5.4%	4.3%	3.2%	3.7%
New Mexico	5.2%	4.2%	3.5%	4.2%
Nation	5.1%	4.6%	4.6%	5.8%

SOURCE: New Mexico Department of Workforce Solutions

The following table illustrates the distribution of employment among the major industry segments for Santa Fe County for the years 2002 and 2008, the most recent year that annual employment data is available by industry classification.

DISTRIBUTION OF EMPLOYMENT BY INDUSTRY DIVISION SAN JUAN COUNTY				
Industrial Breakdown	San Juan County			
	2002	2008	Employment Change	Percent Change
Agriculture	252	178	(74)	(29.4)%
Mining	4,223	6,012	1,789	42.4%
Utilities	1,265	1,299	34	2.7%
Construction	3,680	5,329	1,649	44.8%
Manufacturing	1,221	1,555	334	27.4%
Wholesale Trade	1,359	1,986	627	46.1%
Retail Trade	5,890	6,436	546	9.3%
Transportation & Warehousing	1,214	1,468	254	20.9%
Information	433	286	(147)	(33.9)%
Finance & Insurance	797	937	140	17.6%
Real Estate	436	641	205	47.0%
Services	13,221	15,086	1,865	14.1%
Prof. & Tech Services	1,043	1,152	109	10.5%
Management	253	243	(10)	(4.0)%
Admin. & Waste	1,271	1,430	159	12.5%
Education	294	330	36	12.2%
Health Care & Social Assistance	4,027	5,296	1,269	31.5%
Arts & Recreation	414	450	36	8.7%
Accommodation & Food Service	4,594	4,196	(398)	(8.7)%
Other Services	1,325	1,989	664	50.1%
Unclassified	20	*	NA	NA
Government	11,056	11,097		
Federal	1,620	1,462	(158)	(9.8)%
State	398	475	77	19.3%
Local	9,038	9,160	122	1.3%
Total	45,066	52,310	7,244	16.1%

* Non-Disclosure- Sum of industries may not add to total due to Non-Disclosure.

Source: New Mexico Department of Workforce Solutions

The employment base in San Juan County is fairly well diversified. Six employment classifications - Services, Government, Retail Trade, Mining and Construction - account for approximately 84 percent of the areas employment base. Services is the largest employment classification in San Juan County, accounting for 28.8 percent of total jobs in 2008. Services, which is dominated by Health Care & Social Assistance and Accommodation & Food Service, also generated the largest number of new jobs in the county over the seven-year period 2002 through 2008. Among the larger employment categories, Construction and Mining experienced the highest rates of growth during the seven-year period. Mining employment increased by 42.4 percent, with 1,789 new jobs created between 2002 and 2008. This reflects the increase in energy exploration and production in the county during this decade. Construction employment increased by 44.8 percent, with 1,649 new jobs created over the seven-year period. Small employment declines occurred during the seven-year period in the Agriculture and Information Classifications.

TRANSPORTATION

Highway

Shiprock is located at the intersection of US Highway 64 and US Highway 491, two major transportation arteries in the northwestern portion of New Mexico. US Highway 64 is the primary east/west highway in the northern portion of New Mexico, and connects Shiprock with Farmington, approximately 28 miles to the east. West of Shiprock, US Highway 64 terminates at the New Mexico/Arizona border where it intersects with US Highway 160, approximately 26 miles to the west of Shiprock. US Highway 160 provides access into central Arizona and is one of several routes leading to Grand Canyon National Park. East of Farmington, US Highway 64 provides access to northeastern New Mexico and into Oklahoma.

US Highway 491 (formerly known as US Highway 666) is the primary north/south route in northwestern New Mexico, providing access to Shiprock from Interstate Highway 40 (I-40) in central New Mexico. US Highway 491 intersects with I-40 in Gallup, approximately 94 miles south of Shiprock. US Highway 491 provides access into southwestern Colorado and the City of Cortez, approximately 42 miles north of Shiprock.

The subject site is located on US Highway 491, approximately one mile south of its intersection of US Highway 64. Traffic counts have been increasing on US Highway 491 over the last several years on the south end of Shiprock. Average annual daily traffic counts for US Highways 491 and 64 for the period 2002 through 2008 are shown in the following table.

HISTORICAL TREND IN TRAFFIC COUNTS FARMINGTON, NEW MEXICO								
Year	South of Shiprock US Highway 491		North of Shiprock US Highway 491		West of Shiprock US Highway 64		East of Shiprock US Highway 64	
	Traffic Count	Percent Change	Traffic Count	Percent Change	Traffic Count	Percent Change	Traffic Count	Percent Change
2008	7,626	(1.0)%	4,231	(40.6)%	19,158	1.4%	18,361	(1.1)%
2007	7,709	72.4%	7,128	0.2%	19,364	2.7%	18,559	14.2%
2006	4,471	0.5%	7,143	0.5%	23,115	15.3%	16,651	0.5%
2005	4,448	0.3%	7,106	58.3%	22,996	(0.8)%	16,167	0.3%
2004	4,434	(17.0)%	4,490	1.1%	22,923	2.9%	16,116	(2.6)%
2003	5,339	1.4%	4,439	1.4%	21,446	0.0%	16,540	1.4%
2002	5,266	---	4,379	---	25,391	---	16,314	---
Compound Annual Growth		6.4%		(0.6)%		(4.6)%		2.0%

Source: Utah Department of Transportation

Air Traffic

The Four Corners Regional Airport is located in Farmington, and is located approximately 26 miles east of Shiprock. Great Lakes Airlines provides commuter service to Farmington from Denver, Colorado, as well as from Phoenix, Prescott and Kingman in Arizona, and Ontario, California. Service is provided via a Beechcraft 1900D, which seats 19 people. Travelers can make connections to a variety of major airlines at airports in Denver, Phoenix and Ontario. The following table shows the historical trend in passenger traffic at Four Corners Regional Airport for the period 2001 through 2008, as well as for the first ten months of 2009 compared to a similar period in 2008.

HISTORICAL TREND IN PASSENGER TRAFFIC FOUR CORNERS REGIONAL AIRPORT FARMINGTON, NEW MEXICO		
Year	Passenger Traffic	Percent Change
2009 YTD ¹	10,907	(34.9)%
2008 YTD ¹	16,758	--
2008	19,028	(36.8)%
2007	30,126	(3.1)%
2006	31,104	(10.1)%
2005	34,589	(8.7)%
2004	37,891	12.4%
2003	33,697	(11.4)%
2002	38,049	(31.0)%
2001	55,111	--
Compound Annual Growth (2001-2008)		(14.1)%

(1) Year-to-date through October

Source: Four Corners Regional Airport

Passenger traffic at the Four Corners Regional Airport have fluctuated throughout the decade, as various carriers have provided service to the market utilizing various sized aircraft. Reportedly, airport officials are seeking an airline that would provide service between Farmington and Albuquerque.

TOURISM

Tourism has a significant impact on the State of New Mexico and the San Juan County. The most recent survey completed by the State of New Mexico Tourism Department was during fiscal year 2006. This survey indicated that tourism generated approximately \$5.0 billion in expenditures in the State and over \$286 million in expenditures in San Juan County. According to the State of New Mexico Tourism Department, tourism is the second

largest private sector employer in the State, with over 55,000 people employed in tourism. In San Juan County, it was estimated in 2006 that 3,000 people were employed in tourism.

Culture and history play a significant role in San Juan County's tourism attraction. There are numerous ancient Indian ruins located throughout the Four Corners area. The most visited is Mesa Verde National Park, which is located in southwestern Colorado, approximately 55 miles northeast of Shiprock. Mesa Verde National Park is accessible from Shiprock via US Highway 491 and US Highway 160. During 2009, recreational visits to Mesa Verde National Park totaled 557,221 people, up one percent from 2008, although down significantly from the mid 1990's when recreational visits ranged from the low to mid 600,000's. The following table summarizes annual recreational visits to Mesa Verde National Park during the period 2000 through 2009.

HISTORICAL TREND IN RECREATION VISITS MESA VERDE NATIONAL PARK		
Year	Recreational Visits	Percent Change
2009	557,221	1.0%
2008	551,446	1.0%
2007	541,248	(2.9)%
2006	557,248	11.8%
2005	498,333	11.5%
2004	446,811	1.9%
2003	438,590	7.9%
2002	406,385	(20.8)%
2001	513,409	13.5%
2000	452,287	---
Compound Annual Growth (2000-2009)		2.3%

Source: National Park Service

It should be noted that forest fires in the Four Corners region during the first part of this decade, including fires in Mesa Verde National Park, had an adverse impact on tourism in the region. Visitation has been recovering in recent years.

Tourism in the Four Corners area is highly seasonal, with demand strongest during the summer months. A closer look at monthly visitor statistics to Mesa Verde National Park during 2008 indicates that 80.6 percent of the annual visitors to Mesa Verde National Park come during the summer months of May through September. The large number of visitors to the park during the summer months generates a significant amount of travel throughout the Four Corner area. The following table summarizes monthly visitor patterns at Mesa Verde National Park.

MONTHLY TREND IN RECREATION VISITS MESA VERDE NATIONAL PARK		
Month	Recreational Visits	Percent of Total
January	4,096	0.7%
February	6,240	1.1%
March	18,573	3.4%
April	24,653	4.5%
May	56,220	10.2%
June	107,110	19.4%
July	113,173	20.5%
August	98,280	17.8%
September	69,946	12.7%
October	38,298	6.9%
November	9,712	1.8%
December	5,145	0.9%
Total	551,446	100.0%

Source: National Park Service

Other ancient Indian ruins that are easily accessible to Shiprock include the Aztec Ruins National Monument, Salmon Ruins and San Juan Archeological Research Center and Library, Chaco Culture National Historical Park, Hovenweep National Monument, Edge of the Cedars State Park and Canyon De Chelly.

The Four Corners Monument is another popular attraction in the Four Corners area. The marker marks the only place in the United States where four states intersect at one point. New Mexico, Colorado, Arizona and Utah all meet at the Four Corners Monument. The original marker was erected in 1912 and was a simple cement pad. However, the original marker has been redone in granite and brass. The Four Corners Visitor Center is open year-round, and features a Demonstration Center with Navajo artisans. Navajo vendors sell handmade jewelry, crafts, and traditional Navajo foods nearby.

In addition, the Four Corners region offers access to a wide variety of open spaces that offer beautiful scenery and recreational opportunities. These areas include Angel Peak Scenic Area, Bist/De-Na-Zin Wilderness, B-Square Ranch, Gooseneck State Park, Mexican Hat Rock, Natural Bridges National Monument, Monument Valley and Bowl Canyon Recreation Area. These areas offer access to hiking, biking, and site-seeing. Several of these areas offer access to rivers and lakes, where visitors can fish, swim or go boating. Many of these scenic areas are located within the Navajo Nation

The Navajo Nation has become more aggressive in promoting tourism to the region. With an area covering over 27,000 square miles, the Navajo Nation is home to a wide variety of scenery and terrain. The nation launched a new web site in October 2009 to promote Navajo Scenic Roads, which is designed to attract tourists into the nation so that they may learn more about the history and culture of the Navajo people.

The oldest Navajo Fair is held in Shiprock at the Shiprock Fairgrounds during the first week of October. The fair includes exhibits, rodeos, pow-wow, traditional song and dance, parades and carnivals. Numerous visitors come to Shiprock for this event. The Shiprock Marathon is held each year in May, and also attracts visitors to the area. The Marathon begins near Red Valley south of Shiprock, proximate to the Arizona border, and ends in Shiprock proximate to the subject site.

AREA DATA SUMMARY

Based on our analysis of economic trends in San Juan County and our interviews with local economic representatives, the regional economy experienced significant growth during this decade. The rate of economic growth in San Juan County has out-paced the state and the nation. This growth has been fueled in part by the development of energy resources, increased construction and the development of the area as a focal point for local commerce. While the regional economy has slowed over the last year due to a national and regional recession, local economic representatives believe that the mid-to-long-term future growth potential of the area is positive, and that economic growth of the area should out-pace the state and nation.



THE NAVAJO NATION

RUSSELL BEGAYE PRESIDENT
JONATHAN NEZ VICE PRESIDENT

September 2, 2015

23rd Navajo Nation Council
PO Box 3390
Window Rock, Arizona 86515

RE: Desert Meadows Convenience Store

Dear Honorable Members of the Council,

The Division of Economic Development, Project Development Department is requesting for the Desert Meadows Convenience Store/Gas Station to be considered for Year One funding from the Permanent Trust Fund Interest in the amount of \$2.8 million. To date, the project has invested \$2.1 million to complete all the preliminary work with all necessary clearances, studies and off-site improvements (waterline, roads, power line).

The retail facility will be a 6,000 square foot facility to include a convenience store, gas station, laundromat and deli/eatery. Sandia Oil has committed to be the Operator of the retail establishment. The project site is located on a 10 acre withdrawn site located at the corner of BIA Road 6465 and U.S Highway 191. The convenience store project will create employment opportunities, rental, sales and fuel tax revenue and provide goods and services to the local and surrounding communities of Dennehotso, Arizona.

Your favorable consideration to fund the Desert Meadows Convenience Store in Year One will be greatly appreciated. Attached for your review, is a project packet prepared by the Project Development Department. This project is an important economic development project of the Navajo Nation. Please feel free to contact me if you have any questions at (928) 871-6504.

Sincerely,

A handwritten signature in black ink, appearing to read "Anthony Perry".

Anthony Perry, Acting Division Director
Division of Economic Development
The Navajo Nation

Desert Meadows

Convenience Store/Gas Station

PTF - INTEREST

August 27, 2015

Prepared by: Project Development Department
Division of Economic Development

Investment to Date on Project

\$2,193,456

Desert Meadows Project		
\$832.00		Consulting Fees Paid
\$221,732.40	Westland Resources	Design of Water/Wastewater/ BIA Road/ADOT Turnout Lane
\$507,000.00	OEH/Indian Health Service	Waterline Installation from Baby Rocks to Dennehotso
\$279,162.62	NTUA (MOA w/PDD)	Powerline Installation to project site and to Mitchell Camp
\$181,003.36	NHC Construction	Demolition of former Baby Rocks establishment
\$50,929.32		Environmental Assessment Report
\$761,894.32	Arrow Indian Contractors	Access Road & Turn out Lane completed at 95%, waiting on chip seal scheduling
\$190,902.25	Dyron Murphy Architects	To design the 6,000 SF Convenience Store (164 Process)
\$2,193,456.27	Total Project Cost to Date:	

Desert Meadows Convenience Store

6,000 SF Building

- Project Summary
 - Dennehotso Chapter Support
 - Withdrawal of 145 acres for Multi-Use Development "Desert Meadows"
 - Project Site at Dennehotso, AZ (Highway 161 & BIA Road 6465)
 - 10 acres set aside for commercial development
 - Archaeological Clearance, Environmental Assessment – Complete
 - Market Feasibility Study – Complete
 - Completion of Electrical Line Extension (MOA with NTUA)
 - Completion of Water Line Extension from Baby Rocks to Dennehotso
 - Completion of BIA road Paving and turn out lane improvements
 - Tenant identified: Sandia Oil Company
 - Project Need for Construction: \$2.8 million

Off Site Improvements 95% Complete

Funded by NDOT & Sales Tax \$761,894



Widening of turn out lane, new cattle guard



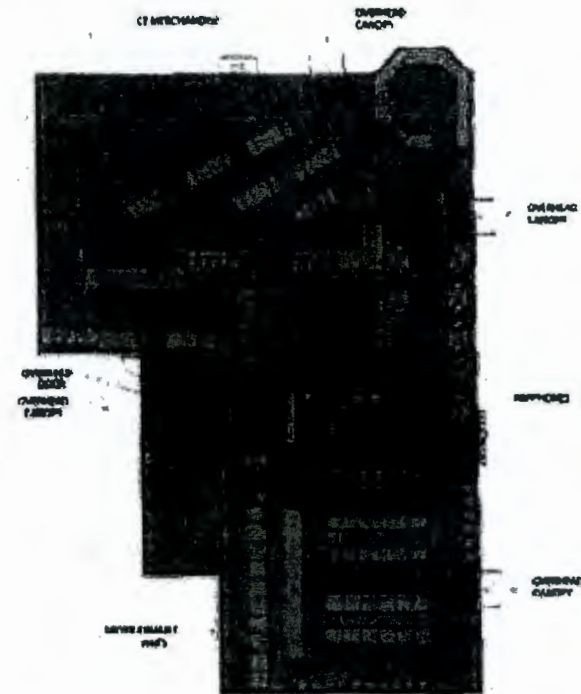
Paving of BIA Road 6465

Convenience Store Site

Floor Plan & Elevations

6,000 SF

CONVENIENCE STORE AND LAUNDROMAT



OPTION A - LAUNDROMAT

SCALE 1/4" = 1'-0"



EAST ELEVATION



NORTH ELEVATION



WEST ELEVATION



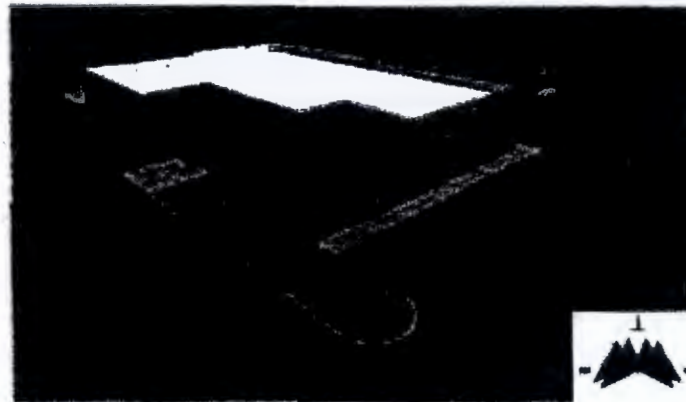
SOUTH ELEVATION

Desert Meadows Convenience Store

CONVENIENCE STORE AND LAUNDROMAT



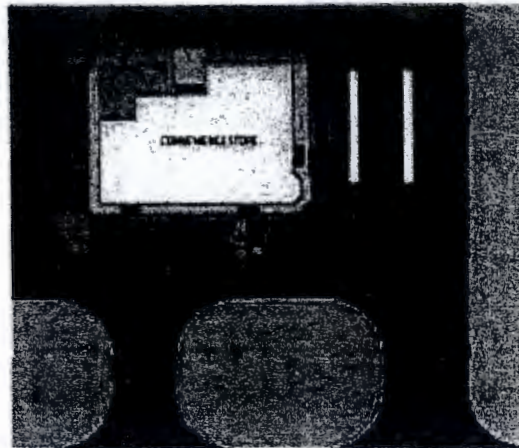
FRONT PERSPECTIVE



REAR PERSPECTIVE

6,000 SF Building

- Convenience Store
- Laundromat
- Deli/Eatery
- Gas Station



SITE PLAN

Tenant:
Sandia Oil Company

Sales & Fuel Tax Revenue

[illegible]

Return on Investment

- Sales Tax Revenue – \$45,000 Annually (Store/Laundry)
- Fuel Excise Tax - \$194,400
- Rental Revenue - \$30,000
- Employment Opportunities: 50 Temporary Jobs; 20 Permanent Jobs
- Basic Goods and Services to the local community and to capture the Tourist traveling U.S. 161
- Operation and Maintenance will be provided by the Tenant

PTF – Interest

Desert Meadows Convenience Store

1 st Year	2 nd Year	3 rd year	4 th Year	5 th Year
Ganado Shopping Center: \$9.2M				
NahataDzili Shopping Center: \$2.0M				
Dennehotso Retail Center: \$2.8M				

Project Need: \$2.8 million

Timeline upon Funding:

- Establish Business Unit for Desert Meadows – 10 days
- Bid Advertisement - 30 days
- Bid Opening and Contractor Selection - 5 days
- Procurement Clearances - 10 days
- Initiate 164 Review & Approval – 20 days
- Establish Account Number – 10 days
- Pre-Construction Meeting & Issue Notice to Proceed
- 6 Months Construction Period
- Grand Opening

LEGEND:

- FND 3-1/4" USBLM BRASS CAP
- + FND "X" SCRIBED IN ROCK SHELF
- FND 1/2" REBAR
- △ FND 1/2" x 12" REBAR LYING ON GROUND (RESET)
- FND ADOT ROW MARKERS
- SET 5/8" x 16" REBAR
- X- FENCE LINE
- (R) RECORD
- (M) MEASURED
- WC WITNESS CORNER

Desert Meadows Commercial Development RESULTS of SURVEY

PARCELS OF LAND LOCATED IN:
SE 1/4 of Section 27 and the NE 1/4 of Section 34
Township 40 North, Range 23 East
Gila and Salt River Meridian, Apache County, Arizona

LEGAL DESCRIPTION:

THE SE 1/4 OF SECTION 27 AND THE NE 1/4 OF SECTION 34, TOWNSHIP 40 NORTH, RANGE 23 EAST, THE GILA AND SALT RIVER MERIDIAN, APACHE COUNTY, ARIZONA, AND BEING MORE COMPLETELY DESCRIBED BY METES AND BOUNDINGS AS FOLLOWS:
COMMENCING AT THE NORTHEAST CORNER OF SAID SECTION 34, MARKED BY A USBLM 3/4" BRASS CAP DATED 2001, WITH ALL BEARINGS IN THIS DESCRIPTION BEING RELATIVE TO S 00°01'00" E BETWEEN THE NE AND SE CORNERS OF SAID SECTION 34;

PARCEL A:

THENCE, S 78°05'53" W A DISTANCE OF 2002.15' TO A SCRIBED "X" IN ROCK ALSO BEING THE TRUE POINT OF BEGINNING OF PARCEL A,
THENCE, N 48°08'20" E A DISTANCE OF 282.07',
THENCE, S 44°57'38" E A DISTANCE OF 450.64',
THENCE, S 42°41'53" W A DISTANCE OF 281.90',
THENCE, N 44°57'38" W A DISTANCE OF 477.40' TO THE TRUE POINT OF BEGINNING, BEING 3.00 ACRES MORE OR LESS AND BEING SUBJECT TO ANY AND ALL EXISTING EASEMENTS FOR UNDERGROUND UTILITIES AND RESERVING AN EIGHTY FOOT (80') ACCESS AND UTILITY EASEMENT IN FAVOR OF PARCELS B AND C ALONG THE SOUTHEASTERLY LINE OF SAID PARCEL A AS SHOWN HEREON.

PARCEL B:

COMMENCING AT THE SCRIBED "X" AT THE WESTERLY MOST CORNER OF PARCEL A, THENCE, N 48°08'20" E A DISTANCE OF 282.07' TO THE TRUE POINT OF BEGINNING OF PARCEL B,
THENCE, N 48°08'20" E A DISTANCE OF 404.79',
THENCE, S 44°57'38" E A DISTANCE OF 412.22',
THENCE, S 42°41'53" W A DISTANCE OF 404.54',
THENCE, N 44°57'38" W A DISTANCE OF 450.64' TO THE TRUE POINT OF BEGINNING, BEING 4.00 ACRES MORE OR LESS AND BEING SUBJECT TO ANY AND ALL EXISTING EASEMENTS FOR UNDERGROUND UTILITIES AND RESERVING AN EIGHTY FOOT (80') WIDE ACCESS AND UTILITY EASEMENT IN FAVOR OF SAID PARCEL C ALONG THE SOUTHEASTERLY LINE OF SAID PARCEL B AS SHOWN HEREON.

PARCEL C:

COMMENCING AT THE SCRIBED "X" AT THE WESTERLY MOST CORNER OF PARCEL A, THENCE, N 48°08'20" E A DISTANCE OF 688.85' TO THE TRUE POINT OF BEGINNING OF PARCEL C,
THENCE, N 48°08'20" E A DISTANCE OF 330.80',
THENCE, S 44°57'38" E A DISTANCE OF 380.85',
THENCE, S 42°41'53" W A DISTANCE OF 330.39',
THENCE, N 44°57'38" W A DISTANCE OF 412.22' TO THE TRUE POINT OF BEGINNING, BEING 3.01 ACRES MORE OR LESS AND BEING SUBJECT TO ANY AND ALL EXISTING EASEMENTS FOR UNDERGROUND UTILITIES.

SURVEYOR'S NOTES:

- 1) THIS SURVEY IS BASED ON, BUT DOES NOT FULLY RELY ON A PRIOR UNRECORDED SURVEY TITLED "DENNEHOTSO TRACT 1" PERFORMED BY TOMMY CONLEY, AZ RLS 7887, SEALED AND DATED 5/21/08.
- 2) ALL CORNER REBARS ARE SET IN SAND AND VULNERABLE TO NATURAL AND MECHANICAL DISTURBANCES. AS NOTED ON THIS PLAT THE WESTERLY MOST CORNER OF PARCEL A IS AN "X" PERMANENTLY SCRIBED IN A ROCK SHELF AND IS THEREFORE THE PRINCIPAL TIE FOR THIS SURVEY.
- 3) ELEVATIONS ARE BASED ON STATIC GPS OBSERVATIONS PROCESSED BY NGS OPUS, USING THE GEX009 ELEVATION MODEL. ELEVATIONS ARE NAVD83.
- 4) IN THIS SECTION OF HWY 160, THE HWY FENCE IS 3 TO 5 FT OUTSIDE OF THE LINE BETWEEN LOCATED ADOT ROW MARKERS. HENCE, THE TRUE ROW CANNOT BE PRECISELY LOCATED.

REFERENCE DOCUMENTS:

- 1) OFFICIAL USBLM PLAT OF T.40N., R.23E., G&SRM DATED AUGUST 19, 2003.
- 2) ADOT US160 MILEPOST MAP 418.00-434.00. AN ADOT ROW SURVEY IS NOT AVAILABLE FOR THIS SECTION OF HWY US160.
- 3) "DENNEHOTSO TRACT 1" MAP DATED MAY 21, 2000.
- 4) NATIONAL GEODETIC SURVEY OPUS STATIC GPS PROCESSING REPORT, SEPTEMBER 30, 2010.

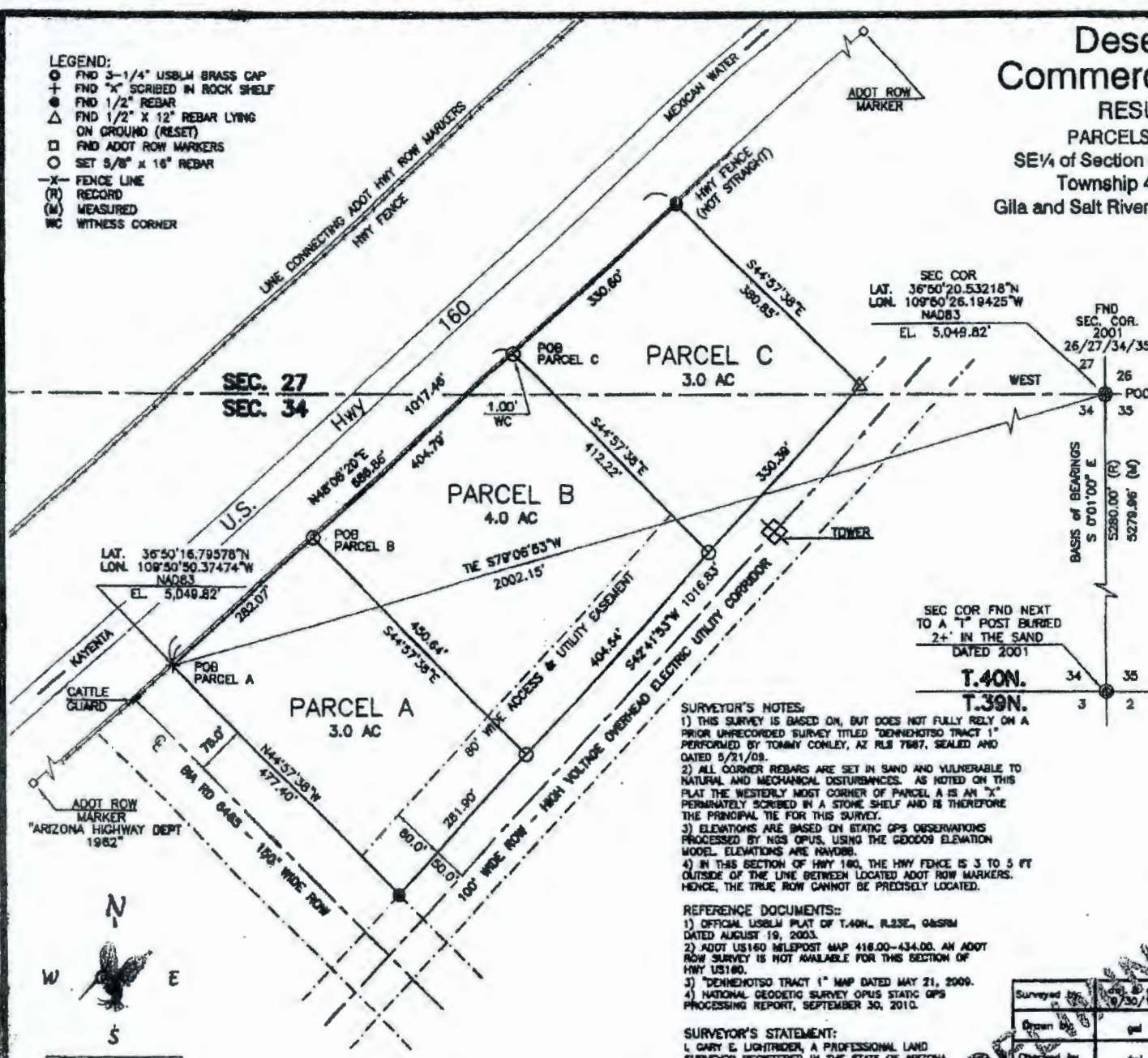
SURVEYOR'S STATEMENT:

I, GARY E. LIGHTNER, A PROFESSIONAL LAND SURVEYOR REGISTERED IN THE STATE OF ARIZONA, HEREBY STATE THAT THIS SURVEY AND PLAT WERE COMPLETED UNDER MY DIRECT SUPERVISION AND THAT ALL MONUMENTS FOUND AND SET ARE CORRECTLY SHOWN.

Surveyed by	del
Drawn by	del
Checked by	del
Job No.	20100930-01

HUMMINGBIRD SURVEYING, LLC
P.O. Box 100-219, ANETH, UT 84510
970-729-1810

DESERT MEADOWS, PARCELS A, B & C
DISTRICT #8, NAVAJO INDIAN RESERVATION
LOCATED IN:
SE 1/4 Sec. 27 & NE 1/4 Sec. 34
T.40N., R.23E., G&SRM
APACHE COUNTY, ARIZONA



Sandia Oil Company
P.O. Box 13630 Albuquerque, N.M. 87192
1016 Lurank Blvd., N.E. Albuquerque, N.M. 87112
(505) 292-5494 • Fax (505) 294-4821

September 2, 2015

Beatrice Watchman, EDS
Project Development Department
NN Division of Economic Development
P. O. Box 663
Window Rock, AZ 86515

RE: Letter of Commitment to the Development at Dennehotso

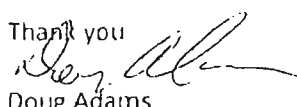
Dear Ms. Watchman:

Please consider this letter as our letter of commitment in operating the coin laundry, small grocery store and deli with self-service gasoline at the Desert Meadows Development occurring in Dennehotso, Arizona.

We are prepared to invest in the equipment and interior store fixtures and pay a rental for the building.

We have met with the Chapter Officials and look forward to being involved in this development.

Thank you


Doug Adams
President

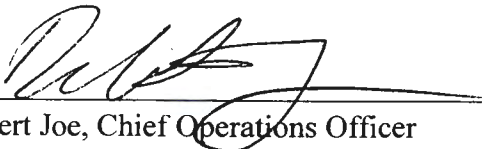


THE NAVAJO NATION

RUSSELL BEGAYE PRESIDENT
JONATHAN NEZ VICE PRESIDENT

MEMORANDUM

TO: Seth Damon, Chairperson
Budget and Finance Committee

FROM: 
Robert Joe, Chief Operations Officer
Office of the President and Vice-President

DATE: February 29, 2016

SUBJECT: Office Buildings as provided in the Permanent Trust Fund

The most needed development for the Navajo Nation Government is office space. This is absolutely necessary and essential for our government to be able to carry out its functions to the Navajo people. If approved, the Navajo Nation President will issue a directive to Division of Natural Resource, Division of Economic Development, Division of Community Development and Division of General Services to immediately identify lands and start the design and building of these offices in Window Rock and other areas across the Nation that is direly needed for office space.

If there are any further questions, you may contact me at (928) 871-7000

PROJECT SUMMARY

INDIAN WELLS 10 ACRE COMMERCIAL SITE DEVELOPMENT

INDIAN WELL, ARIZONA

FUNDING NEED: \$3,700,000

Project Description:

Design, site development and construction of commercial facilities for leasing. The project will accommodate several small and large businesses. Infrastructure development is progress.

Project Site: 10 acres Navajo Trust Land along Navajo Route 6. The land is withdrawn for commercial development and all clearances are complete.

Leasing:

The Navajo Nation will advertise the property for leasing. The leasing process will comply with the Navajo Business Site Leasing Regulations.

Cost Breakdown:	\$ 250,000	Architectural Planning & Design
	\$2,400,000	Buildings – C-store and other businesses
	\$ 50,000	Chain link fencing w/gates
	\$ 250,000	Paved parking lot
	\$ 600,000	Infrastructure costs
	<u>\$ 125,000</u>	<u>Egress/ingress/drainage</u>
	\$3,700,000	Total

Construction Period 2016-2017

Lessee Contribution \$50,000

Benefits:

The completed commercial project will create employment and business opportunities, provide convenient access to goods and services for the local communities, generate revenue through lease rental, Navajo Nation sales and fuel taxes and create a multiplier effect stimulating the economy and creating further economic and community development.

Jobs – Construction	20-30
Permanent	10-20
Annual Total Wages	\$300,000
Annual Lease Rental	\$6,000-\$15,000
Annual Sales Tax	\$25-\$30,000
Annual Fuel Tax	\$25,000

- It is on economic priority list

**NAVAJO NATION PROJECT MASTER LIST
DED 5 YEAR PLAN (UPDATED)**

No.	Office	Chapter	Project Title (Capital Outlay)	Project Title:	Total Project Cost	Total Infrastructure Fund Request	Project Total Cost Minus Infrastructure Cost	Total Funding Request	Equity	Name of Operator & BSL No.	Type	PRE-DEVELOPMENT					DESIGN %					Due Diligence		JOBS		
												Land Use Consent	Chapter Resolution	Survey Plat	Environmental Assessment	Archaeological Survey	Road Clearance	Conceptual	Schematic	Plans/Specs	Site Prep	Infrastructure	Letter of Commitment	Business Plan	Financial Statements	Temporary
12	Western RBDO	Tuba City/Coalmine Canyon	Commercial & Light Industrial	\$5.2M Infrs. Dvlpmnt, Site Dvlpmnt, water/Sewer/Electric/Rd, Curb, & Bldgs; Electric=\$55000; Water=65,000; Sewer=53,000; Paving/Concrete Wk=396,375; Grading&Earth Wk=192150; Bldg=4,746,975; NN \$117.5K; 4CEC \$20K	\$ 6,574,635	\$ 913,830	\$5,660,805	\$5,660,805	\$ 137,500	Operator has not been identified-Site needs Infrastructure to attract business	Commercial	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	40	50	
13	Western RBDO	Bodaway/Gap	Business Site Improvement- Access Road	Access Road Construction off of US-Highway 89 in Gap, AZ \$160,000	\$760,000	\$160,000	\$600,000	\$160,000	\$ 600,000	Operator is Barney Enterprise- Laundromat Development	Commercial	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No	No	12	14
1	Chinle (Whip)RBDO	Indian Wells	Indian Wells 10 acres Comm Site	Access, power, septic, bldg; Infrs need \$2.5M; Site Prep \$3K; Road Egress/Ingress=\$3K; Architec/Engin/Plans/Specs= \$1.3M; 3Phase Utility line=\$100K; 6" Water line=\$150K; Waste Water Study/Dvlpt=\$350K	\$ 2,500,000	\$ 750,000	\$1,750,000	\$1,750,000	-	Site Prep only - Currently have potential Operator(s)	Commercial	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No	No	No	No	50	10

NEWCOMB CHAPTER

COMMERCIAL DEVELOPMENT FEASIBILITY STUDY

**Navajo Nation
Division of Economic Development
Project Development**

April 1, 2004

Prepared by:

Aho Consulting, Inc.
Kirkland, Washington

D. Sloan Architects PC
Albuquerque, New Mexico

Kitseallyboy Consulting
Rio Rancho, New Mexico

Newcomb Chapter Commercial Development Feasibility Study

TABLE OF CONTENTS

EXECUTIVE SUMMARY

1. INTRODUCTION

Project Process
Guiding Principles and Goals

2. MARKET RESEARCH

Economic Assessment
Economic Development Opportunities

3. DEVELOPMENT SITE ASSESSMENT & FUTURE USE CONCEPTS

Development Feasibility Analysis
Funding Sources

4. CONCLUSION

5. APPENDIX

Key Factors for Every Development
Survey Results
Navajo Nation Tourism Study Summary
Sheep Springs Project Information
2000 US Census Information
Forming a Non-Profit Organization

EXECUTIVE SUMMARY

In June 2003, the Navajo Nation Division of Economic Development (DED) retained the consulting team of Aho Consulting, Inc., D. Sloan Architects, P.C., and Kitseallyboy Consulting ("consultant team") to conduct a commercial development feasibility study for Newcomb Chapter. The study provides an analysis of commercial development opportunities existing in the Newcomb Chapter and an opinion on various actions necessary to facilitate commercial development. During this work, the project team identified the following significant conditions and issues.

- The planned expansion of US Highway 491 (formally US 666) is a critical factor when considering future commercial development. Newcomb Chapter and the DED must be active participants in the design of future highway improvements. Visibility from, and convenient access to, the highway for pass-by traffic will dramatically affect the potential for successful economic development.
- Draft sections of the *Newcomb Chapter NAHASDA Land Use Planning Project* report helped provide a guide for reviewing sites for future commercial and residential development.
- An important first step for Newcomb Chapter is negotiating the withdrawal of grazing permits for the selected commercial development areas. This should be started at the earliest possible opportunity. Additional steps would include environmental assessments, archeological clearances, infrastructure planning, and securing utility easements.
- Planning and coordinating land use (i.e., comprehensive plan implementation) and infrastructure development (i.e., water and sewer service, electrical service, telecommunications, improving roads, parks, etc.) are important for future economic development efforts. Newcomb is fortunate to have excellent access to utilities.
- When certified under the Local Governance Act (LGA), Newcomb Chapter will have the ability to plan, facilitate, and financially manage land development within Chapter boundaries. A non-profit community development corporation would provide organizational structure for accomplishing local Chapter economic development goals.
- Shiprock, New Mexico, one of largest towns within the Navajo Nation, is an important regional activity center. Newcomb Chapter's proximity to Shiprock affects the local supply for most goods and services, and industrial development. This proximity effectively limits many new business opportunities. Today, there is very limited local consumer demand to support businesses development in the Newcomb Chapter area.
- Continued interest in the Southwest and Native American culture, combined with marketing efforts by the Shiprock RBDO and the Navajo Nation, will help regional tourist demand grow. Tourist and "visitor" uses are viable if the community reaches a consensus on what tourist and travel related businesses are desirable. The Chapter should consider tourism policies to help guide future decisions.

The expansion of US Highway 491 drives most of the development concepts studied in this project. The Navajo Nation DED should assist Newcomb Chapter in withdrawing grazing

permits and in developing infrastructure necessary for future commercial development.

Development Opportunities

- Navajo Nation DED efforts should emphasize coordinated travel and tourism development along the entire length of the US Highway 491 corridor between Four Corners and Zuni. The different sections of the Division of Economic Development (i.e., Project Development, Tourism, Small Business Development, and Shiprock RBDO) should work with the Division of Community Development and the Navajo Nation Department of Transportation to coordinate economic development projects.
- In addition to existing businesses operating in the area, there are established informal commercial activities—agriculture, arts & crafts, informal enterprises—that could be formalized. Newcomb Chapter should continue to find ways to help market local goods.
- There are excellent views of geographic features along the highway that are attractive to tourists—opportunities exist for scenic turnouts, recreation, and travelers' rest stops. Seasonal tourist-related automobile traffic on US Highway 491 could support new businesses.
- Newcomb enjoys close proximity to Chuska Mountains for various recreational activities (e.g., camping, bird watching, hiking, mountain biking, fishing).
- Newcomb Chapter has limited industrial potential. There is potential for gravel extraction during the US Highway 491 expansion project, and local road improvement projects.

Development Constraints

- Newcomb is close to extensive commercial and tourism services in Shiprock and Farmington to the north, and Gallup to the South.
- There is a commercial business—the Mustang Convenience Store at Burnham Junction—operating in Newcomb. The recent fire that destroyed the Newcomb Trading Post shifted business to the Mustang store and the small convenience store in Sheep Springs.
- According to staff at the Shiprock RBDO, there is little recent interest in starting new businesses in Newcomb and other locations along the US Highway 491 corridor between Newcomb and Shiprock.
- Local consumer buying power is limited due to low population; however, certain service and seasonal travel/tourism related businesses will attract pass-by highway traffic.
- Archeological constraints, (i.e., ancient burial grounds and ruins), may affect development potential on some of the site. The archeological clearance process will provide this information.

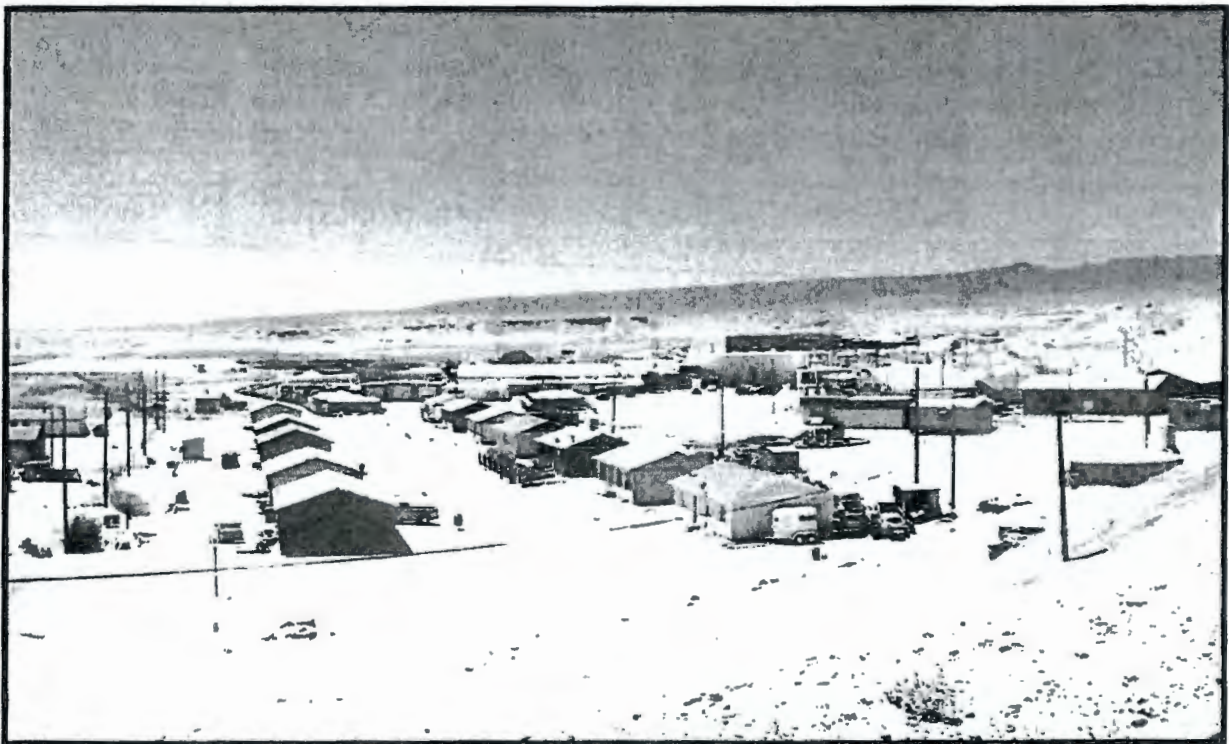
1. INTRODUCTION

This report provides an analysis of available information regarding the Navajo Nation and Northwestern New Mexico regional real estate and tourism market, and how economic conditions affect the potential for new development on areas designated for commercial use in Newcomb Chapter's future land use plan.¹ The report provides a summary analysis of consultant research and stakeholder input, leading to recommendations for future actions.

The consultant team worked closely with Newcomb Chapter stakeholders and the Navajo Nation project management team throughout the duration of the project. The team's initial task was to conduct market research and analysis to better understand the many variables affecting the development potential.

Comprehensive Land Use Plan Committee (CLUP) members participated in early project meetings and helped identify additional potential commercial development area. The CLUP members had worked closely with the planning team responsible for the *Newcomb Chapter NAHASDA Land Use Planning Project*.

Figure 1.1 -- Newcomb Chapter -- Main Community Area



Source: Aho Consulting, 2003.

¹ Future development areas are identified in the *Draft Newcomb NAHASDA Land Use Planning Project: Infrastructure Analysis* (May 2003).

Newcomb Chapter

Newcomb Chapter, Navajo Nation is located in northwest New Mexico, along US Highway 491, formerly known as Highway 666. The Navajo name for Newcomb is *T'iis nideeshgiizh*, which is known as "Cottonwood grove spreading (from wash)" and is surrounded by the natural flatlands and striking mesas. Located in District 12, Newcomb Chapter has a land base of 56,635 acres. Newcomb is the home to the local Navajo people and is "a source of history for the people that provides services to the people of Newcomb as well as to the surrounding communities."

Major employers in the Newcomb area are the Navajo Nation and the Central Consolidated School District. Most people who live in Newcomb commute to surrounding communities for work. Several people who work in Newcomb commute from surrounding communities. Community members travel to surrounding border towns for shopping, dining, entertainment and other services related to livestock or agriculture.

Along with government and farming-related activities, there is one commercial business in the community—the Mustang Convenience Store at the Burnham/Toadlena Junction. Based on work completed by the consultant team—market research, site visits, and review of the chapter's draft comprehensive land use plan—the following general observations may affect future development potential.

Project Methodology

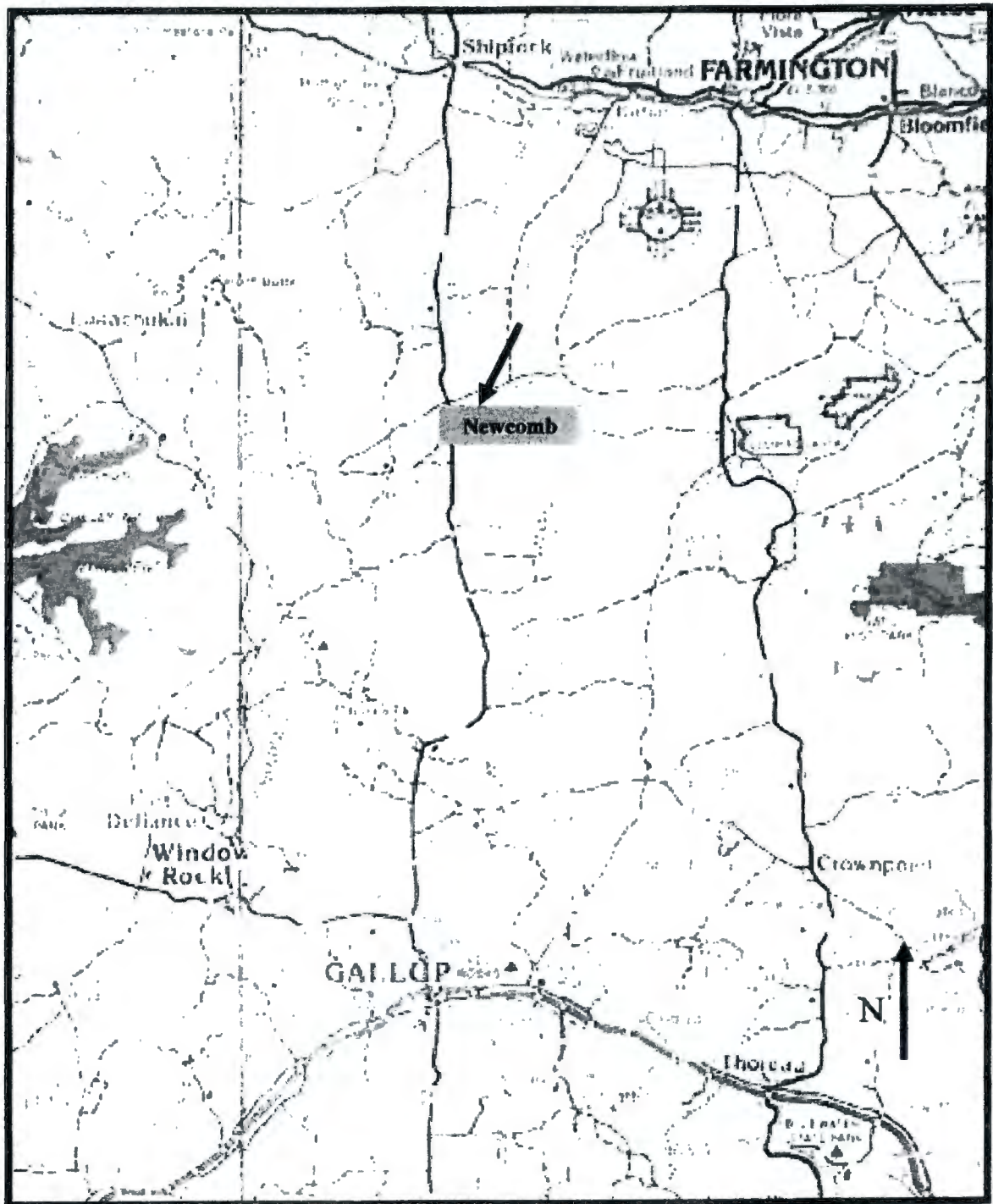
In support of the Newcomb Commercial Development Market Feasibility Study, the consultant team initiated the project by reviewing various local, regional, and national economic documents to better understand opportunities and constraints affecting future development. Ongoing research for this analysis included site visits, a community survey, meetings with the Newcomb Chapter officials and CLUP committee members, telephone and personal interviews with a range of key regional stakeholders, and a review of documents provided by the Navajo Nation Division of Economic Development and the Northwest New Mexico Council of Governments.

The consultant team reviewed sections of the *Newcomb Chapter NAHASDA Land Use Planning Project*, prepared by *Nizhoni'go Nahata Consulting Services* (May 2003). This document provides potential locations for future residential and commercial development.

Once development potential was determined, the team considered a range of potential factors affecting future land uses, including infrastructure, transportation, and site suitability. Along with a project "start-up" meeting on June 25, 2003, the project team facilitated two public workshops at the Newcomb Chapter House (July 24 and October 16) to inform the public about the project and to solicit information from important stakeholders. The consultant team presented critical development factors, such as infrastructure development, transportation issues, and land status to the stakeholders' group at the October workshop.

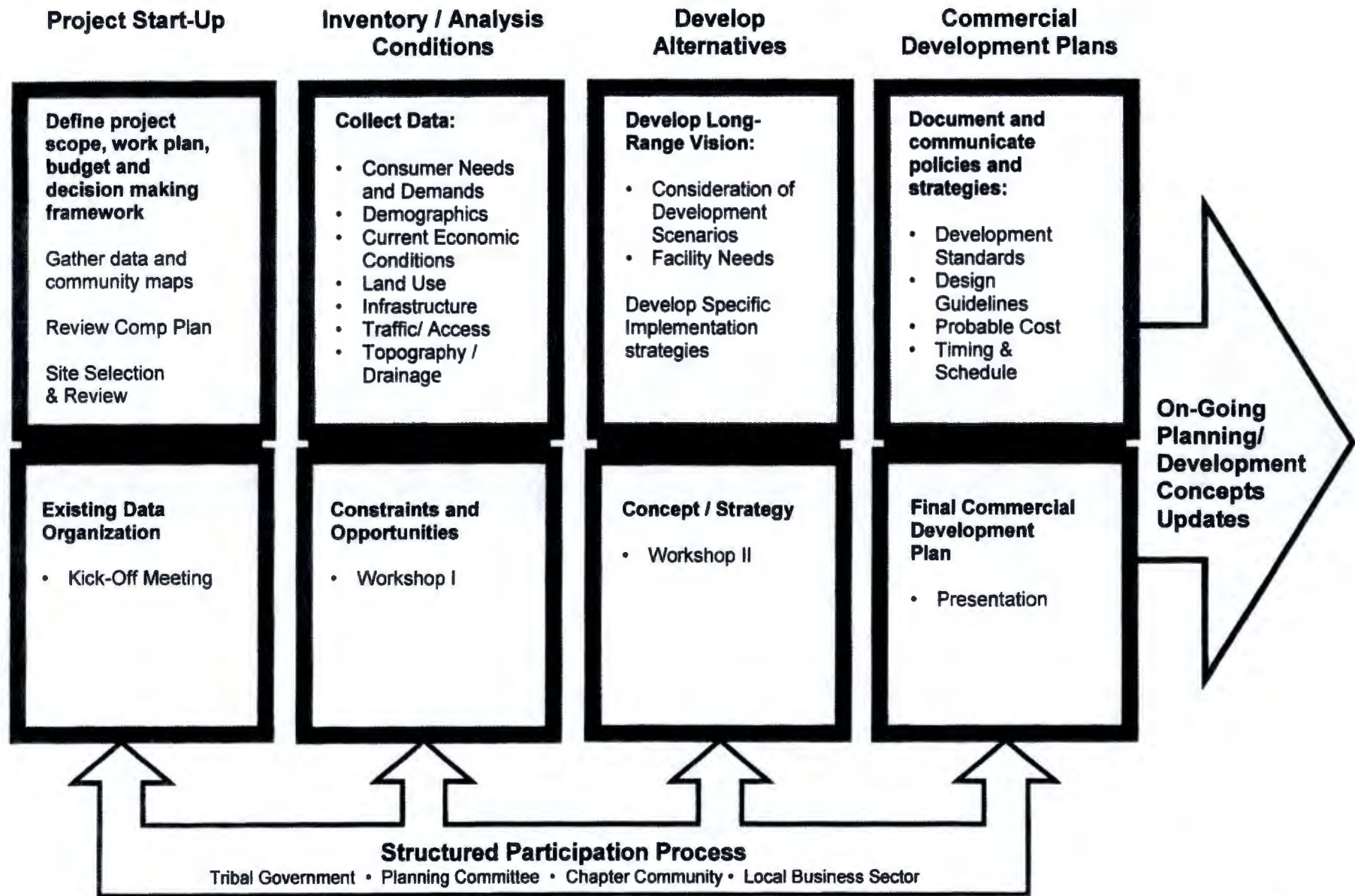
At the final project workshop in February 2004, the consultant team presented findings to Chapter officials and the public, and offered recommendations on marketing, implementation, and organizational strategies.

Newcomb Chapter / Regional Location



Source: North Star Mapping, 2002.

Project Process



Newcomb Chapter Commercial Development Study Guiding Principles and Goals

At an early stakeholder meeting, the consultant team worked with Newcomb Chapter officials and residents to establish the following guiding principles and goals for the project:

1. Respect and maintain local Newcomb Chapter community values and traditions while planning for future economic development.
2. Encourage community and economic development that allows families and individuals to sustain productive livelihoods.
3. Promote economic development that includes business ownership and/or employment opportunities for Newcomb Chapter members.
4. Acknowledge adopted land use plans that provide a clear conceptual guide for future economic and community development.
5. Encourage Newcomb Chapter members to work together with resource organizations to address both current and future economic development needs.
6. Plan and implement the necessary infrastructure improvements—roads, water, sewer, electric, and telecommunication—to support commercial development.
7. Encourage economic development that complements a diverse range of land uses—housing, agriculture, education, community administration, and recreation.
8. Designate appropriate and viable locations for future commercial activities.
9. Provide a clear and objective assessment of commercial development opportunities.
10. Provide useful informational tools to support economic development implementation efforts.

Consultant Team Note

The consultant team applauds the collective vision of Newcomb Chapter members and the Navajo Nation DED bringing the community together to plan for the Newcomb's future. It is our sincerest wish for the residents of Newcomb Chapter to succeed in their quest to bring sustainable economic development to their community. As consultants, we strive to obtain the best available information through proactive research techniques and to share this information in interactive workshops and in written memoranda and reports.

The reader should understand that the analysis that accompanies this research is the professional opinion of the authors and does not necessarily reflect actual development potential in the future, as market conditions and circumstances do change rapidly.

The purpose of this report is to provide quantitative and qualitative information for Newcomb Chapter decision makers and Navajo Nation officials to consider as they discuss potential options for future commercial development. Along with the *Newcomb Chapter NAHASDA Master Land Use Planning Project*, this report also can be a tool and a catalyst for ongoing discussions related to growth management and community development planning.

Figure 1.3 -- Bennett Peak Scenic Site



Source: Aho Consulting, 2003.

2. MARKET RESEARCH

The following section provides general background information on techniques for evaluating real estate market conditions and commercial development potential.

Market research (i.e., collecting and analyzing information) is necessary to establish the likely pattern of development opportunity. The pattern begins with an understanding of the greater region, and then focuses on specific opportunity sites. Market research should work "hand-in hand" with a *market strategy* (i.e., the means to encourage development); however, understanding the distinction between the two is important.

Supply and demand can change quickly (as shown by recent shifts in gasoline prices and tourism travel behavior). Local market conditions can change considerably in a year or two (i.e., local construction costs can rise or fall), particularly if the development community is willing to respond quickly to market opportunities (by building new space). Market research provides important background data that becomes a foundation for the decision-making process that can help stimulate development.

In contrast, a market strategy examines the means (e.g., tools, programs, incentives, policies and other levers) to enhance the opportunity to develop a particular desired type, size, and character of a future development.

A good example of a market strategy is the Navajo Nation Tourism Development Department's strategic plan to promote visitor activities on the Navajo Nation. They are actively seeking new business through advertising and other means.



Figure 2.1 -- Newcomb Chapter Senior Center

A market strategy, therefore, is a long-term approach developed by the Chapter, and a pro-active process that does not merely respond to unmet demand. Market strategies involve the shaping of conditions to create and respond to opportunities.

Newcomb Chapter will need to develop a comprehensive market strategy to stimulate economic development.

Implementing Market Strategies

Implementing market strategies is largely the responsibility of local and regional government agencies. In this case, those agencies would be the Shiprock Regional Business Development Office (RBDO), the Newcomb Chapter, and various Navajo Nation development agencies working in concert with the RBDO and the Chapter. These efforts should include the following steps:

Key First Steps

1. Withdrawing designated commercial lands from current use (i.e., grazing) for future development.
2. Planning and constructing local infrastructure, i.e., water, sewer, electric, natural gas, telecommunications, and transportation routes.
3. Adopting local development regulations and design guidelines to assist businesses, developers, etc.—to guide the development process, provide clear procedures, etc.
4. Securing funding (i.e., grants and loans) for additional planning, architectural and engineering design documents, and required site improvements (i.e., utilities, roads, etc.).

Ongoing Actions

5. Telling the world about progress in the community through press releases and articles in regional publications such as the *Navajo Times*, *Gallup Independent*, and *Farmington Daily News*, and inviting key Navajo Nation decision makers to visit the Chapter.
6. Preparing selected sites for development. This might include grading, fencing, and building access roads and drainage culverts.
7. Creating an organization, such as a Newcomb Chapter non-profit community development corporation to identify and access funding, and to market development sites to potential users (see Appendix for information about establishing a non-profit development organization).

When the Market is Ready to Develop

8. When certified under the LGA, Newcomb Chapter will be able to issue formal requests for qualified developers and development proposals;
9. Screening and working closely with developers is important—experience is a *must* for developers. Writing strong proactive leases that help support business partnerships between the Chapter and private businesses;
10. Mitigating problems inherent in development, such as leasing problems, construction delays, and financing difficulties; and
11. Providing and enforcing both regulations and policies that support desired uses and prohibit undesired uses.

Demographic Overview

Population

Due to many factors—including a healthy birth rate, people returning to the reservation to be closer to their families, improving life expectancy—the population of the Navajo Nation is growing. At the time of the 2000 US Census, the total Navajo Nation population (living on and the reservation and other trust land) was 180,462 people.

The official 2000 US Census count for Newcomb Chapter was 730 people. Assuming a 2.75 percent annual population growth rate remains consistent, in the coming years, both the Navajo Nation and the Newcomb Chapter will continue to grow.¹ Current trends indicate there may be almost 150 additional people living in the chapter by 2005. Population growth translates into an increased demand for housing, commercial businesses, schools, road maintenance, and community social services.

For comparison, as shown in Table 2.1, the State of New Mexico anticipates a population growth of 11 percent by the year 2005. This follows an impressive 20 percent growth in population between 1990 and 2000.

Table 2.1 -- Regional Population 2000-2005

Area	1990 Census	2000 Census	% change 1990 to 2000	2005 Projection ¹	Est. % change 2000 to 2005 ¹
Navajo Nation (All tribal members)	151,105	180,462	20.1%	207,780	14.5%
San Juan County	91,605	113,801	24.0%	116,779 ²	3.0% ²
State of New Mexico	1,515,069	1,819,046	20.0%	2,016,000	11.0%
Newcomb/Two Grey Hills Chapters	na	1940 ³	na	2050	14.5%
Newcomb Chapter	na	730	na	836	14.5%
Newcomb Census Data Place (CDP)	na	387	na	443	14.5%
Shiprock (CDP)	7,687	8,156	6.0%	9,340	14.5%

Table Notes:

¹ 2005 Navajo Nation, Newcomb/Two Grey Hills Chapters, and Shiprock projections assume an annual 2.75 percent population growth rate.

² This appears to be a low estimate that has not been revised since the 2000 Census data was released.

The Census estimate for 2002 was 116,422. San Juan County is the fastest growing county in New Mexico.

³ Population figures for Newcomb/Two Grey Hills Chapters are estimates for 2003.

Source: US Census, Navajo Nation Division of Economic Development (8/14/03), University of New Mexico Bureau of Business and Economic Research, and Aho Consulting, 2003.

¹ This is consistent with the annual growth percentage projection used by the Navajo Nation Division of Economic Development.

Economic Assessment

Newcomb Chapter

According to the Navajo Nation Division of Economic Development *Comprehensive Economic Development Strategy 2000-2001*, there were 223 people able to work in the Newcomb Chapter labor force at the end of 1999. Of the 223 people, 165 people were identified as employed, (a 26 percent unemployment rate that apparently does not factor in people who may work off the reservation).

In 1999, total salaries paid to Newcomb workers totaled \$4,828,153.² According to tribal economic analysts, official income figures can be misleading, as many people work off the reservation or are informally self-employed. Official Navajo Nation employment and income figures do not take this in account.

A number of Newcomb residents commute to jobs in Shiprock, Farmington or neighboring chapters, while others make their living raising livestock, or as traditional artisans. Artisans create and sell traditional silver jewelry, woven wool products, and other crafts either to local distributors or directly to the public.

Newcomb Trade Area

For every consumer product or service, there is a corresponding consumer market. The area supporting a consumer market is considered to be a *trade area*. For many products, the size and extent of the trade area is dependent on different variables. A variable might be if the location of a store is convenient to consumers' homes, or if there are other larger *attractors* (e.g., a shopping center, restaurants, movie theaters, etc.).

For example, a western wear shop serves a larger regional trade area than a small grocery store because it must draw from a larger customer base to sell enough goods to be profitable, and overall, there are fewer of these stores.

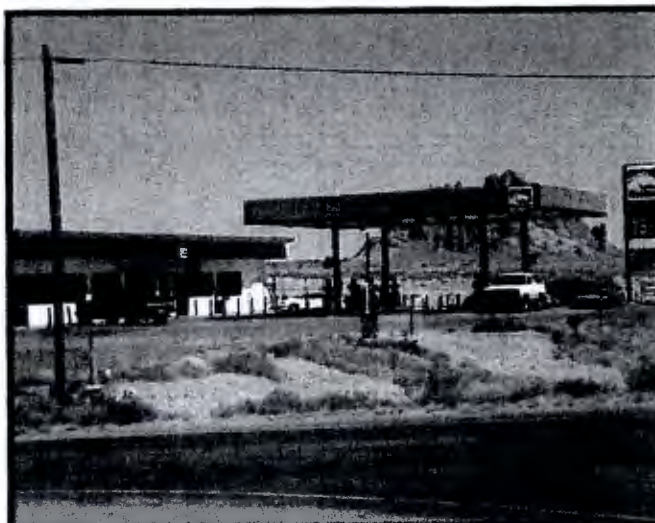


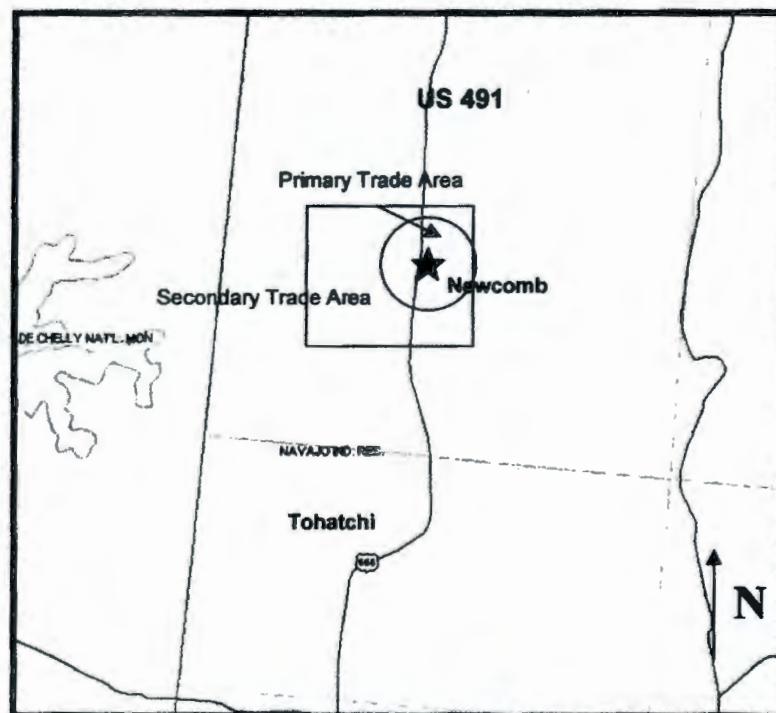
Figure 2.2 – Mustang C-Store, Burnham Jct.

² Navajo Nation Division of Economic Development Population Summary. 12/31/99

We apply the concept of a trade area somewhat differently in rural underdeveloped areas such as those on the Navajo Nation. Historically, people conducted business at local trading posts. In some Navajo communities, trading posts (or similar establishments) continue to be the center of consumer activity. In others, small hybrid grocery/convenience stores that sell gasoline, food-to-go, livestock feed, and a host of other items, has replaced it (see Figure 2.2).

As shown, Newcomb Chapter's *primary trade area* is limited to the immediate area in and around Newcomb Chapter—an area of about 10 miles. Currently, there is only one business operating in the Chapter, the Mustang Convenience Store. The *secondary trade area* included neighboring chapters that are located away from the highway—Two Grey Hills & Toadlena. There are limited services available in Newcomb Chapter and therefore there is no significant “attractor” for additional commerce.

Figure 2.3 – Newcomb Chapter Trade Area



Source: Aho Consulting, 2003.

Leakage to Border Towns

The Navajo Nation Division of Economic Development estimates that 68 percent of Navajo Nation residents spend their personal income off the Navajo Reservation.³ For the Newcomb Chapter, this represents approximately \$3,039,457.⁴ This means that each resident of Newcomb spends \$4,163 in border towns. Based on the community survey, spending occurs mainly in Farmington, Shiprock, and Gallup.

³ NN Division of Economic Development, 12/31/99.

⁴ Assumes 730 people with a per capita income of \$6,123 (average NN per capita income) multiplied by 0.68.

Newcomb Chapter Community Survey⁵

Newcomb Chapter officials distributed a community survey to community members at the beginning of the project. The consultant team designed the survey to learn more about local consumer behavior and aspirations for future development.

Out of 100 distributed, Chapter members returned 24 completed surveys to the consultant team. The following key points are from a review of the survey responses:

- In terms of monthly expenditures, the number one expense is groceries, followed by utilities (i.e., electric, propane, water), and auto payment and gasoline. Other major expenses include house payments, livestock feed, and loans.
- Almost all chapter members responding to the survey shop in Farmington on a regular basis. Some people also listed Shiprock as a shopping destination, although it appears that many people bypass Shiprock for Farmington. They visit grocery stores, laundromats, restaurants, gas stations, auto parts stores and clothing stores regularly.
- Substantially fewer people also reported shopping in Window Rock and Gallup.
- When asked what businesses they would like to see built in their community, most Newcomb residents surveyed indicated they would like to see a grocery store, auto parts store, and laundromat.
- A number of people listed a feed store and agricultural related services as a desired future business.
- People were generally in favor of developing tourism facilities—mainly a motel, convenience store with gas, campground/RV Park, a Navajo arts and crafts store.
- People listed a number of important development goals including improving water supply, resolving land disputes, secure funding for development projects, and land use planning for growth.

⁵ See Appendix for full survey results.

Traffic Impact Analysis

A traffic impact analysis is a study that assesses the effects that a particular development's traffic will have on Newcomb Chapter's transportation network. These studies vary in their range of detail and complexity depending on the type, size, and location of the development. Traffic impact studies should accompany developments that have the potential to affect the transportation network, such as the Highway 491/Bunham/Toadlena junction (see Figure 2.3 below) and the main intersection leading into Newcomb Chapter. They are important in assisting public agencies in making land use decisions. Planners use these studies to help evaluate whether a development is appropriate for a site and what type of transportation improvements may be necessary. Traffic impact studies help communities to:

- Forecast additional traffic associated with new development, based on accepted practices.
- Determine the improvements that are necessary to accommodate the new development.
- Assist communities in land use decision-making.
- Identify potential problems with the proposed development that may influence the developer's decision to pursue it.
- Allow the community to assess the impacts that a proposed development may have.
- Help to ensure safe and reasonable traffic conditions on streets after the development is complete.
- Provide direction to community decision-makers and developers of expected impacts.

**Figure 2.3 – Signs at the Intersection of
US Highway 491 & Burnham/Toadlena Road (NR 19)**



Source: Aho Consulting, 2003.

Northwest New Mexico Economy

Shiprock is the most important Navajo Nation commercial center in northwest New Mexico. Many people who live in rural Navajo communities come to Shiprock to work, play, shop, and to gather for the annual Northern Navajo Fair. As well as trade and commerce, it is a center for health care, education, and Navajo Tribal services. The town of Shiprock, and its neighboring areas east and west along US Route 64 and north and south along Highway 491, have experienced modest growth in the past decade—mainly retail and service-related businesses such as fast food restaurants and automobile services. Due to its close proximity, Newcomb Chapter depends on Shiprock for many of its services.

Farmington, New Mexico is also an important location for Newcomb Chapter residents, and in terms of shopping and entertainment, is the primary destination. Due to its proximity to Farmington, Shiprock also experiences the negative impact of competing with a large border town.

Shiprock Economic Conditions

The consultant team conducted key stakeholder interviews to learn about Shiprock's economic and real estate conditions. According to stakeholders, while Shiprock's overall economic conditions are of importance to Newcomb Chapter, an improving business climate in Shiprock may negatively affect communities like Newcomb. The following summarizes important aspects of Shiprock's economy:

- 1) Most of Shiprock's demand for business space is along Highway 491 and along the US Route 64 corridor east to Farmington. This is where most traffic occurs as result of Navajo communities and regional truck traffic.
- 2) Many businesses (e.g., offices, retail stores) in Shiprock operate in buildings are owned and/or leased by the Bureau of Indian Affairs or the Navajo Nation. This affects the overall supply and demand for rental space. Available rental space is limited and the demand is unknown.
- 3) Tourism attracts thousands of visitors annually, and Native American culture has a significant economic influence encouraging tourism and visitors. Much of the region's popularity for tourism-based businesses is related to its proximity to Navajo Nation attractions (i.e., Canyon de Chelly, Chaco Canyon, Four Corners Monument, Monument Valley, etc.).

Other than a handful of fast food restaurants and the Shiprock Shopping Center, there is little infrastructure supporting tourism (e.g., visitor center, cultural interpretive center, motels, golf courses, resorts, etc.) in Shiprock. Shiprock's first motel is in the planning and development stages,

- 4) According to Tribal officials knowledgeable of real estate conditions, there is limited demand for warehouse space in Shiprock. There may be some demand for warehouse space in the future, but this will be driven by proximity to Highway 491.

5) The 91,454 square foot Shiprock Shopping Center, which is operating by Navajo Nation Shopping Centers, Inc., includes these tenants:

- City Market
- Shiprock Clinic Ltd.
- Elite Laundry
- WCK Electronics (Radio Shack)
- Navajo Transport Services
- Pizza Warehouse
- Shiprock Regional Business Development Office (RBDO)
- Child Support Program
- Sun Loan
- DNA People's Legal Services
- Navajo Partnership for Housing
- Navajo Nation Credit Services
- Southwest Home Health Care
- Promo's and More
- Cut Backs
- Four Corners Salon
- Taco Bell
- Shiprock Express Lube
- Shiprock CITGO
- Shiprock Post Office
- Sonic Drive-in

6) There are a number of stores in Shiprock dealing in Indian jewelry and crafts. The sale of Native American arts and crafts constitutes a significant part of the economic base. In recent years, more and more of the regional jewelry trade is wholesale, as popularity has grown to become worldwide.

7) The Shiprock Flea Market at the junction of Highway 491 and US Route 64 draws people from all over the Four Corners Region. Among the regular booths are Navajo herbalists, jewelry vendors, and local native foods.

8) Shiprock is the market, service, and government center for the Bureau of Indian Affairs Shiprock Agency. In addition to these local residents, substantial numbers of non-residents, (e.g. tourists, health care patients and their families, government office visitors, and government employees living off reservation), can bring the total consumer market to more than 20,000, with some seasonal fluctuation.

9) Shiprock Industrial Park is a planned industrial area consisting of 320 acres and is for lease only. Owned and managed by the Navajo Nation Project Development Department, there are currently no buildings available. The Shiprock Industrial Site is one of seven industrial sites on the Navajo Nation. Tenants include Navajo Wool Marketing Industry and Navtech of New Mexico. Currently there are 40-acres available for future development at the Shiprock Industrial Park.

Farmington, New Mexico⁶

Farmington is the largest city within a 150-mile radius of the Four Corners area. With a population of 37,844 in the 2000 US Census, it enjoys a retail market of about 250,000 people, and draws from the Navajo Nation, Cortez, Durango and Pagosa Springs, Colorado, and the Ute Mountain, Southern Ute, and Jicarilla Apache Reservations. The recently upgraded four-lane US Highway 550 connects Farmington with Albuquerque to the southeast.

Five major department stores anchor the Animas Valley Mall, and other retailers are expanding or locating new enterprises nearby as the city grows to the northeast. The city's large "big box" retailers include Wal-Mart, Sam's Club, Home Depot, and Target. In the late 1990s, a new eight-screen movie theater joined several smaller theater complexes. Retail space is scarce in the older downtown area along Main Street, which flourishes, primarily with specialty shops and restaurants. See the following table for a recent tally of Farmington businesses.

Table 2.3 -- Farmington Businesses, 1999

Business Category	Number
Manufacturing	61
Retail	221
Service	417
Wholesale	75
Finance, Insurance, Real Estate	173
Total	947

Source: Farmington Chamber of Commerce, 2002.

The Farmington Convention and Visitors Bureau aggressively markets the city and area to tourists as a place to visit and stay. Events like RiverFest, Farmington Invitational Balloon Festival, Freedom Days, Totah Festival, and other events are large attractions. Conventions are also a big draw as organizations opt for smaller venues in formally out-of-the-way locales. Fourteen flights a day serve the Four Corners Regional Airport.

Near Farmington, the Navajo Indian Irrigation Project (NIIP) and Navajo Agricultural Products Industry (NAPI) irrigate and farm almost 100,000 acres, growing potatoes and other products for Frito Lay and Campbell's. About 500 people are employed permanently; reaching over 1,700 in peak season.

Included in NAPI is a lease-only industrial park consisting of 350 acres. Tenants include Raytheon Missile Systems, Bureau of Indian Affairs, NAPI Bean Plant, High Desert Popcorn Company.

⁶ Section excerpted from New Mexico Business Journal, "Hub of the Four Corners: San Juan County's relative isolation is an economic advantage." 1997.

Newcomb Economic Development Opportunities

One of the main purposes of the Newcomb Commercial Development Feasibility Study is to consider future economic development opportunities, including tourism-related businesses. In stakeholder discussions during the *Newcomb Chapter Land Use Planning Project*, people felt that if commercial development opportunities were to be successful, they had to include services targeted at the tourist traffic along US Highway 491, and local tourism and recreation services.

Newcomb Chapter stakeholders expressed interest in exploring opportunities to develop tourist-oriented facilities along US Highway 491 as part of their overall economic development strategy. Specific development ideas discussed during this project included a motel, convenience store/gas station, truck stop, RV/Camping Park, cultural center/museum, and a Navajo arts and crafts store.

Navajo Nation Tourism⁷

The Navajo Nation is a varied land of mountains and desert that includes many popular scenic wonders and attractions of the Southwest, including: Monument Valley, Navajo Monument, Canyon de Chelly, Four Corners Monument, Grand Falls, and the Rainbow Bridge on the southern shore of Lake Powell. The "Window Rock," carved by centuries of wind, sand, and water is a major tourist attraction.

Window Rock, the capital of the Navajo Nation, hosts the annual Navajo Tribal Fair, and is home to the Navajo Tribal Museum. The museum features exhibits on the history of the Navajo Nation and examples of Navajo handicrafts.

Overall, there are approximately 15 natural and historic sites on Navajo Nation land. Newcomb Chapter is close to Chaco Canyon National Historic Park.

Tourism is a healthy economic activity for the Navajo Nation. According to the Navajo Nation Final Tourism Report (2003), approximately 3,507 direct tourism jobs (2,540 full time and 967 part time) exist as result of visitor activities, such as lodging and dining.

The average age of visitors to the Navajo Nation ("Navajoland") is 49.6 years for men and 52.2 years for women. Approximately 53.5 percent of Navajoland visitors say they spend money on jewelry, followed by 43.5 percent who spend their money on souvenirs. About 30 percent of all Navajoland visitors have a master's degree and 29 percent have a bachelor's degree. The average length of stay on the Navajo Nation is 5.3 days, and the median stay is 2 days.

According to visitor surveys, about 68 percent of visitors come to see the historic and natural sites, followed by 51 percent who visit Navajo Nation to meet and learn more about the Navajo People and Dine culture.

⁷ See Appendix for *Navajo Nation Final Tourism Report* (2003) Executive Summary

Newcomb Tourism Development Ideas / Traveler Services

The nature of tourist visits to the Southwest is changing. Visitors are no longer content to watch the countryside from a bus. More and more visitors are engaging in guided outdoor activities such as hiking, horseback riding, and mountain bike riding. These pursuits are often fueled by a keen interest in Indian culture and the wonders of the natural desert environment. Arts and Crafts are also of interest to many visitors.

The Newcomb Chapter enjoys a number of promising opportunities to share its countryside—i.e., fishing, bird watching, hiking and mountain biking trails, and horseback riding in the Chuska Mountains. In partnership with Navajo Nation Parks and Recreation and the Navajo Nation Tourism Development Department, the Newcomb Chapter should consider developing a tourism and recreation plan to specifically address opportunities related to Highway 491 tourist traffic. The proximity to the Four Corners Region and Chaco Canyon represents a potential marketing opportunity.

Newcomb Chapter enjoys excellent views of inspiring landforms, especially Bennett Peak. Newcomb Chapter stakeholders wisely suggested development of a tourist viewpoint to share the remarkable view of the Bennett Peak. In the next section, the consultant team specifically designed development to begin building a tourism infrastructure to capitalize on this interest.

Convenience Stores

A potential future development opportunity related to local demand and pass-by traffic) is a convenience store near the Chapter House. The typical convenience store is anywhere from 1,800 to 4,000 square feet in size and offer residents a product mix that includes dairy, bakery, snack foods, beverages, tobacco, grocery, health and beauty aids, confectionery, fresh or frozen meats, gasoline, limited produce items, and potentially prepared foods to go.



Stores can accommodate more shelving for additional grocery products or room for significant prepared food operations and seating, (e.g., a small diner).

Figure 2.4 -- Tohatchi Chapter Convenience Store

Increasing numbers of convenience stores are using the space to take advantage of the high profit margins in prepared foods to go. As the number of smaller operations proliferates (largely because of the oil companies), many convenience store chains appar-

ently view the move towards prepared foods as essential. Local stores, such as the To-hatchi Chapter Chevron, are also operating prepared food service with limited seating. In terms of other products and services, such stores usually carry the traditional convenience store items.

Parking is important with most having about 10 to 20 marked spaces. Such operations not only attract the typical convenience store customer—young males—but also more families, women, and senior citizens.

Currently, the closest stores to Newcomb Chapter House area are the Mustang store at the junction of Highway 491 and Navajo Route 9, and the small store at Sheep Springs.

The Navajo Nation Tourism Department is developing a new traveler center at Sheep Springs. Additionally, infrastructure for a Recreational Vehicle Park was recently installed in Shiprock, just north of the San Juan River.

Local-Serving Businesses

Currently, Newcomb has only one business, the Mustang Convenience Store, which serves both local and pass-by traffic consumer needs. There are also small stores at the neighboring Two Grey Hills Trading Post and Toadlena Chapter.

Most local consumer-spending occurs outside of Newcomb, predominately in Farmington and Shiprock. Both Farmington and Shiprock have many retail stores and services and this strongly affects the potential for any substantial retail development in Newcomb.

The consultant team's experience in similar communities and Navajo Nation consumer-spending research for similar projects, indicate there are limited opportunities for local-serving retail or service businesses in Newcomb Chapter.

Potentially, in the future, with additional population and pass-by highway traffic, the community may be able to support:

- A small local store with gas in the main chapter area.
- A small prepared "food to go" outlet (housed in a C-store), e.g., pizza, sandwiches, salads, etc.
- Agricultural supplies, such as livestock feed, hay, irrigation supplies.
- A small retail Native American arts and crafts store, or vendor village. These may be able to take advantage of seasonal pass-by tourist traffic.
- A travel rest area (i.e., restrooms, parking) near the Mustang Store that might be expanded into a commercial center once the new highway is completed and traffic increases.

Small Business Development

Today, most consumer services are only available in Shiprock, Farmington, or in the local informal economy. Due to limited consumer demand in rural areas and a lack of start-up capital, people with formal business skills are in short supply.

One potential source for promoting local economic development in Newcomb could lie with established flea market vendors and informal business operators.

Newcomb Chapter, with assistance from the Shiprock RBDO, should make a concerted effort to identify potential local business opportunities and to find people who are willing to pursue them. It is advantageous to work with business skills already existing in the community while building new skills through regular training programs, seminars, and incubator programs.

Navajo-owned businesses, such as the store pictured below, can provide jobs, opportunities for marketing local arts and crafts, and serve as commercial area anchors for other types of local-serving and tourist businesses.

**Figure 2.5 Example of Navajo-Owned Store in Houck Chapter
Attracting I-40 Travelers off the Interstate**



Source: Aho Consulting, 2003.

3. DEVELOPMENT SITE ASSESSMENT & FUTURE USE CONCEPTS

Newcomb Chapter Commercial Development

Based on early project team discussions (i.e., consultants, project manager and community stakeholders), and direction from Newcomb Chapter officials and CLUP Committee members, four sites were selected to assess future commercial development potential. As shown in Table 4.1 and the Newcomb Vicinity Map, the sites are in various locations around the Chapter.

The table below presents a list of potential uses and minimum range of site area required for future development. We use these requirements to determine the suitability of the selected sites for future development concepts. Planners should use the minimum acreages listed as a guide for discussions on the quantity of land area needed to be withdrawn (from grazing permit status) for future commercial use.

We recommend that additional land (at least twice as much acreage) around potential development sites also be withdrawn from grazing permit status in the event of future expansion. Once the land is withdrawn, the Chapter may want to continue to allow grazing by the existing permit holder up until the time the sites are ready to develop.

Table 3.1 -- Newcomb Chapter Commercial Development / Use Concepts

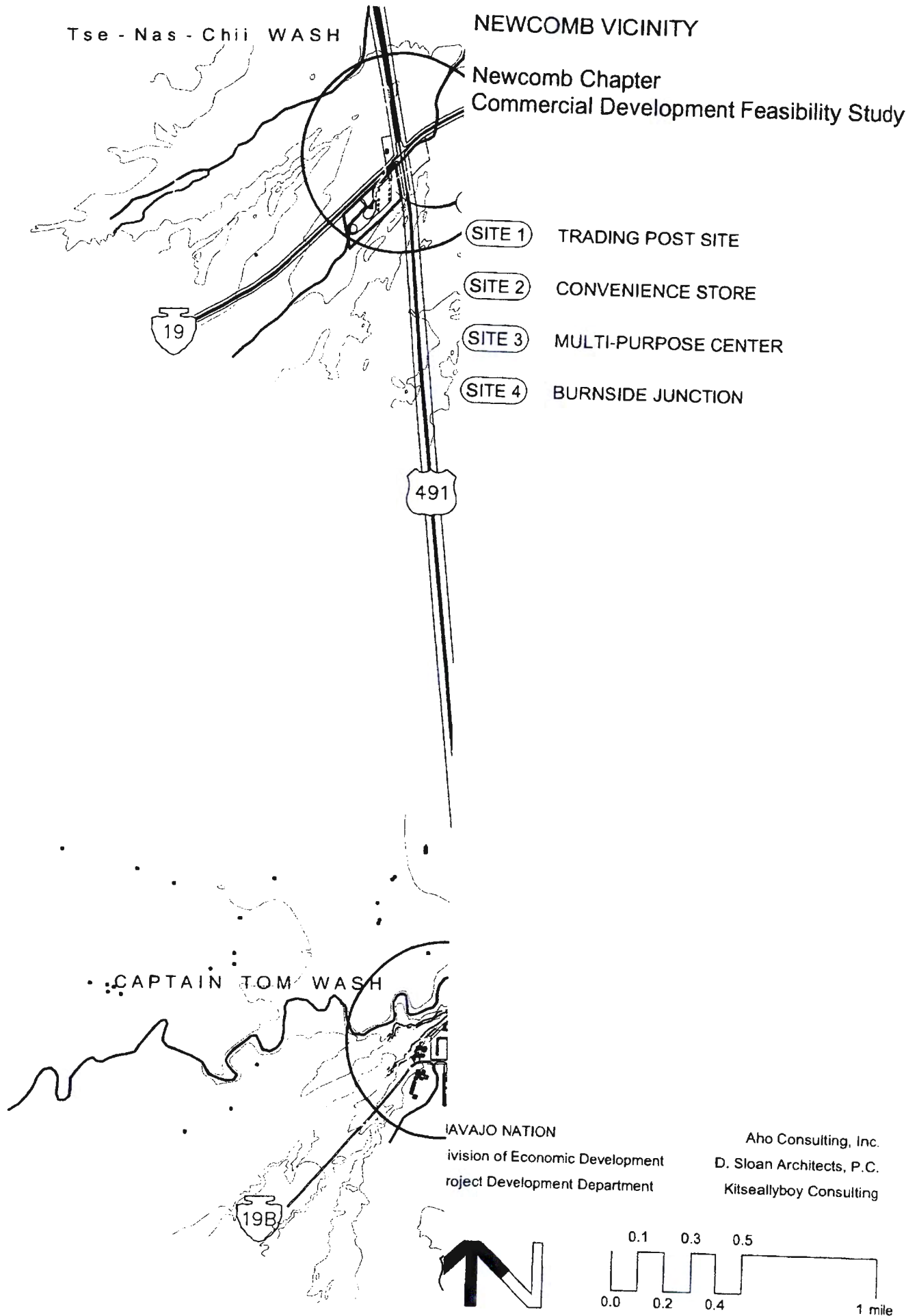
Potential Use	Recommended Minimum Parcel Size	Comment
<u>Site 1</u>		
Old Trading Post Site	3.4 Acres	Museum, Veteran's Park Weekly flea market (vendors) Festivals
<u>Site 2</u>		
Small Local C-Store w/gas	2 Acres	Gas, Groceries, Post Office
<u>Site 3</u>		
Multi-Purpose Center	2.5 Acres	Local Activities, Offices
<u>Site 4</u>		
Burnside Junction	20 Acres	Visitor Center / Restrooms Vendor Village / Seasonal Picnic Tables/Shelters Large Truck Parking Area

Source: D. Sloan Architects & Aho Consulting, 2003.

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NEWCOMB VICINITY

Newcomb Chapter Commercial Development Feasibility Study



Aho Consulting, Inc.
D. Sloan Architects, P.C.
Kitseallyboy Consulting

Newcomb Chapter Commercial Development Conceptual Site Plans

This section provides existing conditions diagrams and conceptual land use plans for the four selected future commercial development areas. Based on existing site conditions, location, market research, and discussions with community stakeholders, the consultant team recommends *conceptual uses* for each site.

All sites are somewhat problematic to assess at this time because there are many obstacles to development, including the need to withdraw grazing permits, lack of some supporting infrastructure, insufficient market demand, and potential conflicts with future highway access.

There is a lack of immediate development feasibility due to limited market potential. The team has provided future development site plans for ongoing discussion purposes only, and not as a recommendation for development.

Hypothetical site development cost estimates provided are based on the best available general design and construction information, and our recent experience in similar projects. **Cost estimates are not based on detailed infrastructure development analysis or development architectural and engineering plans.** Additionally, the reader should be aware that estimated development costs are likely to change before development is feasible.

Table 3.2 -- Newcomb Chapter / Potential Development Opportunities

Land Use	Site 1	Site 2	Site 3	Site 4
Retail				
Vendors / Arts & Crafts	X			X
Local Shopping / Farmer's Market	X			
Services				
Food Service/Dining		X	X	
Convenience Store w/ Fuel		X		
Public Flea Market	X			X
Office				
Flex Office			X	
Institutional				
Museum / Cultural Center	X			
Community Recreation Center			X	
Tourism				
RV Park				
Rest Stop / Restrooms	X			X

Source: Aho Consulting, 2003.

Site 1. Old Newcomb Trading Post Site

Site 1 ("Old Trading Post Site") is located just north of the main intersection into the community and is currently undeveloped (except for a barn and corral) due to the recent fire that destroyed the trading post. Newcomb Chapter stakeholders and the project team favored the old Newcomb Trading Post site as a good candidate for future development. The site enjoys excellent pedestrian access to the Chapter House, schools, and the main residential area. Because of its relatively visible highway location, the site has the following development potential:

- small local museum with an arts and crafts store;
- seasonal flea market and farmer's market; and
- small park for local gatherings and festivals.

This site could be an alternative location for the Veteran's Park planned for the area south of the Newcomb Fire Station. The Fire Station Site is a better location for commercial development due to optimal visibility from both travel directions on the highway.

Vehicular access is from the frontage road that parallels Highway 491 and connects with the highway both from the north (about .5 miles) and from the main intersection into the chapter core area. Improvements to the highway intersections, (i.e., turning lanes), should be designed in close coordination with the New Mexico Department of Transportation. Travelers on Highway 491 would be attracted to the site through the use of roadside signage.



Figure 3.1 -- Site 1 / Looking Southeast

Utilities

Sewer and water service is not currently available to this site. Approximately 1,130 feet of sewer and water lines extensions are required. Six or eight-inch water mains (required for most commercial development and fire protection) are necessary.

There are existing three-phase electric power and telephone lines on the site.

SITE 1 TRADING POST SITE

Newcomb Chapter Commercial Development Feasibility Study

(A) MUSEUM: (TRADING POST SITE)
- 3,500 SQ. FT.

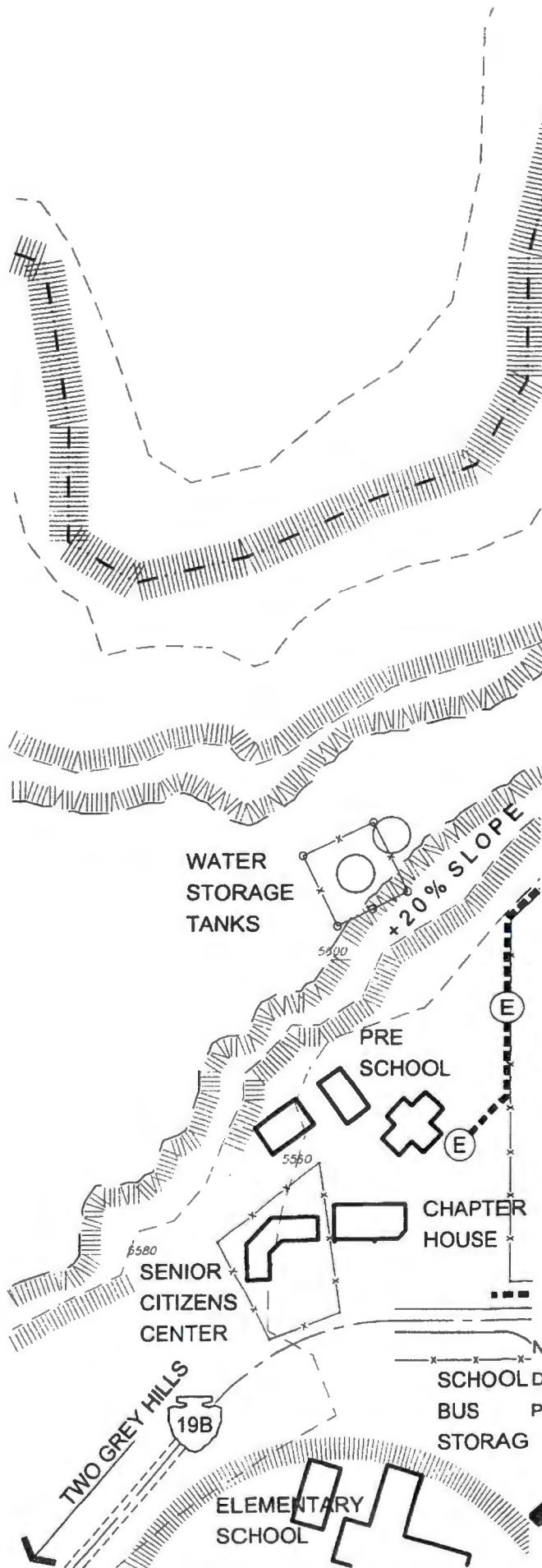
(B) ARTS and CRAFTS CENTER
- 2,500 SQ. FT.

(C) VETERAN'S PARK

(D) PARKING
- 40 passenger cars

(E) LINKAGE
- pedestrian

± 3.40 ACRES



Aho Consulting, Inc.
D. Sloan Architects, P.C.
Kitseallyboy Consulting

NAVAJO NATION
SCHOOL Division of Economic Development
BUS Project Development Department
STORAG

SITE 1
NEWCOMB TRADING POST SITE
Basic Development Cost

Buildings

Museum	3,500	sf	\$ 115 = \$	402,500
Arts and Crafts	2,500	sf	\$ 115 = \$	287,500

Sub-Total: Building			\$	690,000
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**On-Site Infrastructure
and Site Development**

Site and Civil work	8%	of Bldg. cost	\$	55,200
Electrical power	2%	of Bldg. cost	\$	13,800
Domestic water, waste water, and fire protection	4%	of Bldg. cost	\$	27,600

Veteran's / Community Market	35,000	sf	\$ 25 = \$	875,000
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Sub-Total: On-Site Development			\$	971,600
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Sub-total:			\$	1,661,600
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Building and Infrastructure

**Off-Site Infrastructure
and Site Development**

Access Road	-	on-site	350	\$	-
Water line extension	1,430	ln	18	\$	25,740
Waste water line extension	1,130	ln	20	\$	22,600
Power line extension	-	on-site	12	\$	-

Sub-total: Off-Site Development			\$	48,340
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Total: Building & Infrastructure			\$	1,709,940
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Professional Fees	12%		\$	205,193
Contingencies	16%		\$	273,590

Sub-Total:			\$	2,188,723
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Navajo Nation Business Activity Tax	3%		\$	65,662
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Estimated Project Budget:			\$	2,254,385
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Site 2. Small Local Convenience Store

Site 2 is located on the west side of US Highway 491 just south of the Newcomb Fire Station. There is excellent visibility to the site from the highway for pass-by traffic. Proposed uses include a small community store offering basic goods and fuel, including diesel for farm equipment.

Future site development could be as a business center offering space for:

- Post office;
- Retail, e.g., laundromat, movie rental, fast food; and
- Service businesses, such as tire repair.

The consultant team recommends exploring options for future site development using a phased approach and modular construction. This is a cost-effective method for developing the site as market demand increases over time. The initial infrastructure planning should consider potential future uses in the design phase. Just south of Site 2 is the area for the planned multi-purpose building. The consultant team feels that these are complimentary use that will create a positive amount of activity.

Parking and vehicular circulation would access the site from a new access road east of the fire station. Parking would be both along the road and internal to the convenience store site. Parking directly on the access road would be shared between the two uses.



Utilities

All utilities (water, sewer, electric, and telephone lines) are currently available close to the site.

Figure 3.2 – Site 1 / Looking South

Site 3 – Multi-Purpose Building

Site 3 is located on the west side of US Highway 491 just south of Site 2. There is excellent visibility to the site from the highway for pass-by traffic. Proposed uses include a 20,000 sq. ft. multi-purpose building with the following uses.

- Meeting rooms;
- Fitness Center; and
- Offices.

Newcomb stakeholders asked the consultant team to consider finding a site for developing a new community multi-purpose building. The team felt the area just south of Site 2 would compliment planned commercial development as these two uses could work very well together. The multi-purpose building would provide needed space for the community, including expanded chapter and tribal offices, a recreation facility, and a gathering place. The community has some funding in place to design the multi-purpose building. If the community decides this is the best location, site planning and engineering could include the adjacent commercial area to the north.

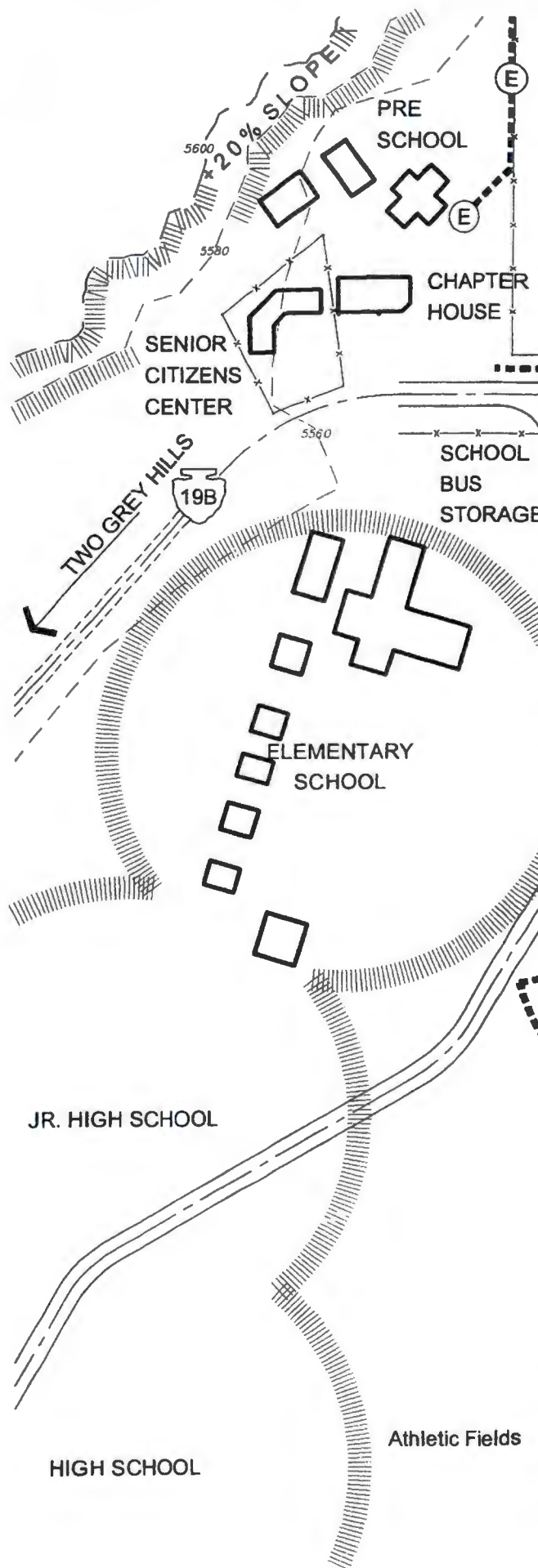
Parking and vehicular circulation would access the site from a new access road east of the fire station. Parking would be mainly along the road. There is potential for additional parking directly to the south of the site.

Utilities

All utilities (water, sewer, electric, and telephone lines) are currently available close to the site.



Figure 3.3 -- Site 3 / Looking South



SITE 2 CONVENIENCE STORE

Newcomb Chapter Commercial Development Feasibility Study

- (E) LINKAGE
- pedestrian
- (F) CONVENIENCE STORE:
- 10,000 SQ. FT.
- Store
- Post Office
- Laundromat
- (G) GAS PUMPS
- (H) PARKING
- 37 passenger cars

± 2.00 ACRES

SITE 3 MULTI - PURPOSE CENTER

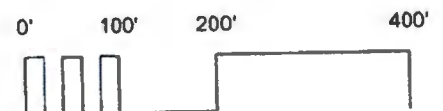
Newcomb Chapter Commercial Development Feasibility Study

- (E) LINKAGE
- pedestrian
- (J) MULTI - PURPOSE BUILDING
- 20,000 SQ. FT.
- Fitness Center
- Offices
- (K) PARKING
- 80 passenger cars

± 2.50 ACRES

NAVAJO NATION
Division of Economic Development
Project Development Department

Aho Consulting, Inc.
D. Sloan Architects, P.C.
Kitseallyboy Consulting



SITE 2
CONVENIENCE STORE
Basic Development Cost

Buildings

Convenience Store / Gas	4,000	sf	\$ 120 = \$	480,000
Post Office	1,500	sf	\$ 115 = \$	172,500
Flex / Office / Retail	2,500	sf	\$ 110 = \$	275,000
Laundromat	2,000	sf	\$ 118 = \$	236,000

Sub-Total: Building				\$ 1,163,500
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**On-Site Infrastructure
and Site Development**

Site and Civil work	8%	of Bldg. cost	\$	93,080
Electrical power	2%	of Bldg. cost	\$	23,270
Domestic water, waste water, and fire protection	4%	of Bldg. cost	\$	46,540

Sub-Total: On-Site Development				\$ 162,890
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Sub-total:				\$ 1,326,390
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Building and Infrastructure

**Off-Site Infrastructure
and Site Development**

Access Road	280	In	350	\$	98,000
Water line extension	-	on-site	18	\$	-
Waste water line extension	-	on-site	20	\$	-
Power line extension	-	on-site	12	\$	-

Sub-total: Off-Site Development				\$ 98,000
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Total: Building & Infrastructure				\$ 1,424,390
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Professional Fees	12%	\$	170,927
Contingencies	16%	\$	227,902

Sub-Total:			\$ 1,823,219
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Navajo Nation Business Activity Tax	3%	\$	54,697
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Estimated Project Budget:			\$ 1,877,916
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SITE 3
MULTI-PURPOSE CENTER
Basic Development Cost

Buildings

Fitness Center / Support	20,000	sf	\$ 120	=	\$ 2,400,000
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Sub-Total: Building	\$ 2,400,000
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**On-Site Infrastructure
and Site Development**

Site and Civil work	8%	of Bldg. cost	\$	192,000
Electrical power	2%	of Bldg. cost	\$	48,000
Domestic water, waste water, and fire protection	4%	of Bldg. cost	\$	96,000

Sub-Total: On-Site Development	\$ 336,000
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Sub-total: Building and Infrastructure	\$ 2,736,000
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**Off-Site Infrastructure
and Site Development**

Access Road	350	In	350	\$	122,500
Water line extension	-	on-site	18	\$	-
Waste water line extension	-	on-site	20	\$	-
Power line extension	-	on-site	12	\$	-

Sub-total: Off-Site Development	\$ 122,500
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Total: Building & Infrastructure	\$ 2,858,500
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Professional Fees	12%		\$	343,020
Contingencies	16%		\$	457,360

Sub-Total:	\$ 3,658,880
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Navajo Nation Business Activity Tax	3%		\$	109,766
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Estimated Project Budget:	\$ 3,768,646
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Site 4. Future Use / Travel Center

Site C is located on the southwest quadrant of the junction of US Highway 491 and Navajo Route 19 ("Burnham Junction"), south to the main road to Toadlena and Two Grey Hills Chapters.

The site has potential initially as a rest stop and potentially as a future travel/tourism center for the following reasons:

- Increased traffic on an expanded Highway 491 will require additional areas for traffic to turn off the main highway for rests and refreshments. The site faces the highway and has good visibility for pass-by traffic. Travelers are likely to stop for refueling or refreshments if they turn at this junction to visit the Toadlena and Two Grey Hills areas.
- Travelers heading north have yet to arrive in Shiprock and therefore may decide to make their fuel and rest stop at this location.
- The existing Mustang convenience store attracts a lot of business.
- During winter storms truckers are known to seek refuge on this site.

In the short-term, this would mainly be a paved rest stop area with bathroom facilities, only. Long-range future development would include tourist-oriented uses, i.e., an additional convenience store, small café, art and crafts sales, gasoline, motel, and seasonal overnight RV facility.

Vehicular access would be from two access points from Navajo Route 19. Improvements to the highway intersection, i.e., turning lanes, will likely to be developed in coordination with the New Mexico Department of Transportation during the highway expansion project.

Utilities

Limited utilities are currently available to this site. Three-phase power is located adjacent to the site.

Sewer service is not currently available to this site and would need to be developed. This would require a new set of treatment ponds.

There is no existing water line. Water mains will need to have sufficient flows for commercial development and fire suppression.

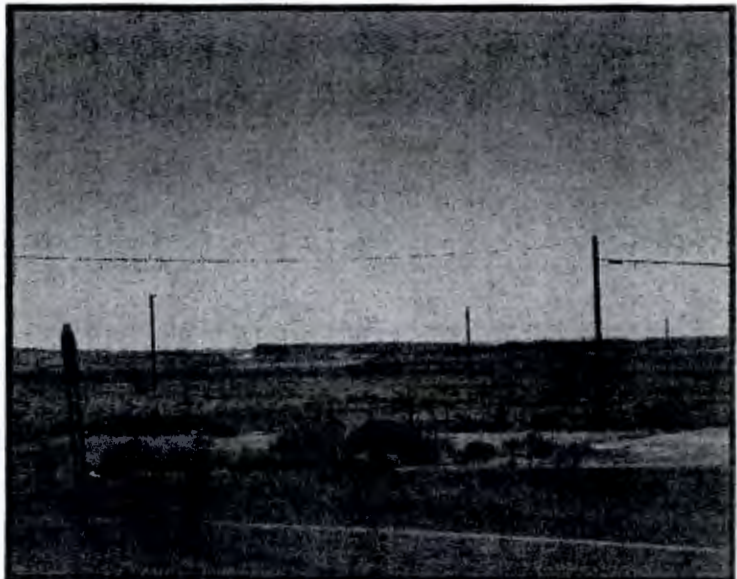
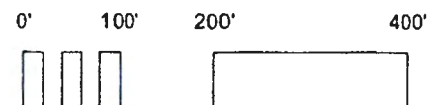


Figure 3.4 -- Site 4 / Looking Southwest

- (A) VEHICULAR
 - access / egress
 - circulation
- (B) PARKING
 - 50 trucks, buses
 - 110 passenger cars
- (C) REST ROOM FACILITIES
- (D) FUTURE FACILITIES
- (E) VENDOR BOOTHTES
 - 40 - 200 sq.ft. booths (Phase 1)
 - 40 - 200 sq.ft. booths (Phase 2)

Aho Consulting, Inc.
D. Sloan Architects, P.C.
Kitseallyboy Consulting



SITE 4
BURNSIDE JUNCTION
Basic Development Cost

Buildings

Restaurant / Shops	10,000	sf	\$ 120 = \$	1,200,000
Rest Stop	1,500	sf	\$ 95 = \$	142,500
C-Store / Fuel Sales	4,500	sf	\$ 120 = \$	540,000

Sub-Total: Building				\$ 1,882,500
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**On-Site Infrastructure
and Site Development**

Site and Civil work	8%	of Bldg. cost	\$	150,600
Electrical power	2%	of Bldg. cost	\$	37,650
Domestic water, waste water, and fire protection	4%	of Bldg. cost	\$	75,300

Sub-Total: On-Site Development				\$ 263,550
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Sub-total:				\$ 2,146,050
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Building and Infrastructure

**Off-Site Infrastructure
and Site Development**

Access Road	1,900	ln	350	\$	665,000
Water line extension	5,280	ln	18	\$	95,040
Waste water line extension	5,280	ln	20	\$	105,600
Power line extension	-	on-site	12	\$	-

Sub-total: Off-Site Development				\$ 865,640
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Total: Building & Infrastructure				\$ 3,011,690
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Professional Fees	12%	\$	361,403
Contingencies	16%	\$	481,870

Sub-Total:			\$ 3,854,963
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Navajo Nation Business Activity Tax	3%	\$	115,649
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Estimated Project Budget:			\$ 3,970,612
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Development Feasibility Analysis

In the community survey, Newcomb Chapter community members expressed interest in seeing several businesses developed in their community—i.e., a grocery store, convenience store with a gas station, and a laundromat. With the exception of a grocery store, all of these individual businesses have a measure of feasibility; however, they will need to operate together under one roof. A hybrid store located on Site 2 (combining convenience items and prepared foods, a gas station, laundromat, and possibly a small post office) is certainly a desired business, but whether it would become a financial success depends on the community's future growth and willingness to support the store. Building additional housing will help increase local buying power.

The other development concepts detailed in this report are possible in the future, if enough interest and support is generated from Navajo Nation funding agencies. **None of these uses would be self-supporting.** One possibility is if the Navajo Nation decides that Newcomb Chapter would be a good location for a small business incubator space or some type of government facility. This may act as a catalyst for additional for-profit development in the area.

Research indicates that Newcomb Chapter does not have enough population in the primary trade area to support additional commercial development. Such support will need to come from outside their local market. Tourism, pass-by traffic, and targeted marketing strategies will be necessary to successfully accomplish the vision expressed by the community throughout this project. The consultant team considered the following issues and questions when evaluating the theoretical development potential for the four selected sites. Table 3.4 provides a site analysis summary matrix.

- **Infrastructure / Utility Access:** Are utilities and telecommunication services available to the site?
- **Highway Access:** Does the site have direct highway access?
- **Visibility:** Can businesses be clearly seen from the highway?
- **Topography:** Do existing site conditions hinder new development?
- **Adjacent Uses:** Are there conflicts with neighboring uses, e.g., residences, other businesses?
- **Market Potential:** Is there sufficient market demand to support new commercial development?
- **Tourism Potential:** Is the site a good location for tourist-oriented businesses?
- **Cultural Consideration:** Is the site use appropriate to community needs and will future development conflict with significant cultural uses?

**Table 3.4
Site Analysis Matrix**

Site	Infrastructure Utility Access	Highway Access	Visibility	Topography	Adjacent Uses	Market Potential	Tourism Potential	Cultural Issues
1	Water: Not Available Sewer: Not Available Electricity: Available Telecommunications: Available	Excellent if planned w/NMDOT	Good	Flat	Housing	Good for local uses and museum/arts & crafts	Good Signage and marketing required	Potential Burial Sites
2	Water: Available Sewer: Available Electricity: Available Telecommunications: Available	Local Road No Access Issues	Excellent	Flat	Fire Station Schools	Will require additional buying power	Good	Potential Burial Sites
3	Water: Available Sewer: Available Electricity: Available Telecommunications: Available	Local Road No Access Issues	Excellent	Flat	Future Commercial Schools	na	Good	Potential Burial Sites
4	Water: Not Availalbe Sewer: Not Available Electricity: Available Telecommunications: Available	Excellent	Good, slight dip in highway at this location	Slight slope to Northwest (drainage area)	Highway Commercial	Good	Good	Unknown

Source: Aho Consulting and D. Sloan Architects, 2003.

Infrastructure Assessment

In several recent projects, Newcomb Chapter has addressed planning issues related to future population growth and land development. According to discussions at stakeholder workshops, Newcomb Chapter's water system has the necessary capacity to serve the community's future needs. Additional wastewater treatment and water facilities will need to be constructed to accommodate future development on Site 4.

While the *Draft Newcomb Chapter Land Use Planning Project* addresses infrastructure needs for new housing development, it does not consider infrastructure needs for commercial or institutional development. The Chapter should consider drafting a coordinated infrastructure plan with the help of the Navajo Tribal Utility Authority (NTUA).

Several of the four sites under consideration in this study have full access to existing utility service. Sites 1 and 4 will require utility extensions—specifically, single or three-phase power, new water lines, a sewer lines or septic systems, and telecommunications service. Telecommunications should be state-of-the-art for new development. This should be all coordinated with any adjacent housing and/or institutional development.

Infrastructure Development Costs

The IHS Engineering Department and NTUA provided the following general infrastructure development cost estimates. These are provided for discussion purposes only and do not represent actual estimated costs. They are based on recent NECA estimates and are provided in this context for discussion purposes only.

Actual costs for the conceptual development projects presented in this report will vary depending on engineering plans and prevailing prices at the time of issuing construction contracts. Additional costs would include land permit withdrawal costs, archeological assessments, environmental assessments, and soft engineering costs.

Water Lines: Commercial / 8 inch = approx. \$6.00 / linear foot; 6 inch = \$3.65 / linear foot; 4 inch = \$2.60 / linear foot. Right of way clearance is \$0.09 per linear foot.

Waste Water Lines: Commercial / 8 inch = \$7.75 / linear foot; Manholes (required every 400 feet) = \$1,360 (installation from 0 to 5 ft. deep). Right of way clearance is \$0.09 per linear foot. New Well: \$300,000 to \$500,000

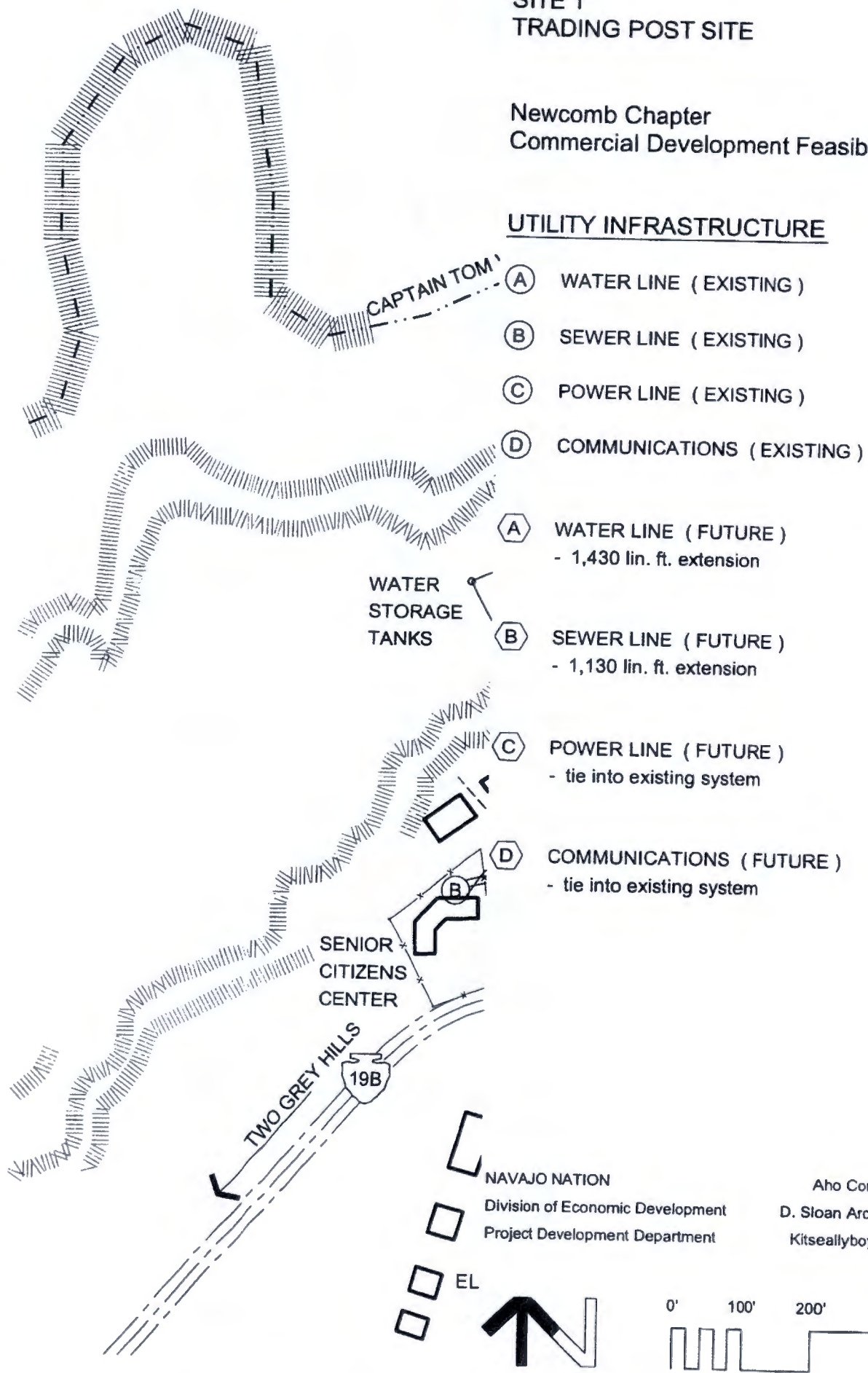
Waste Water Lagoon: Typical cost = \$120,000 per acre, i.e., 5-acre Treatment Facility = \$600,000. Note: Cost can vary substantially depending on soil conditions.

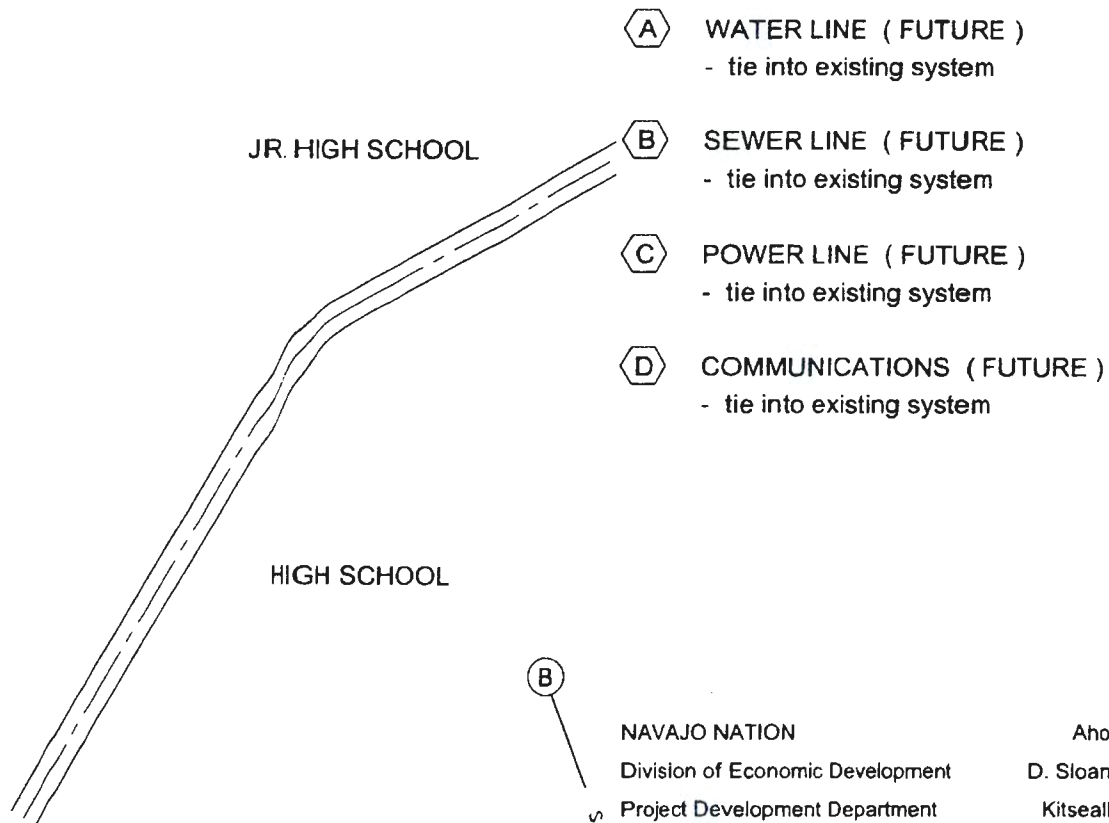
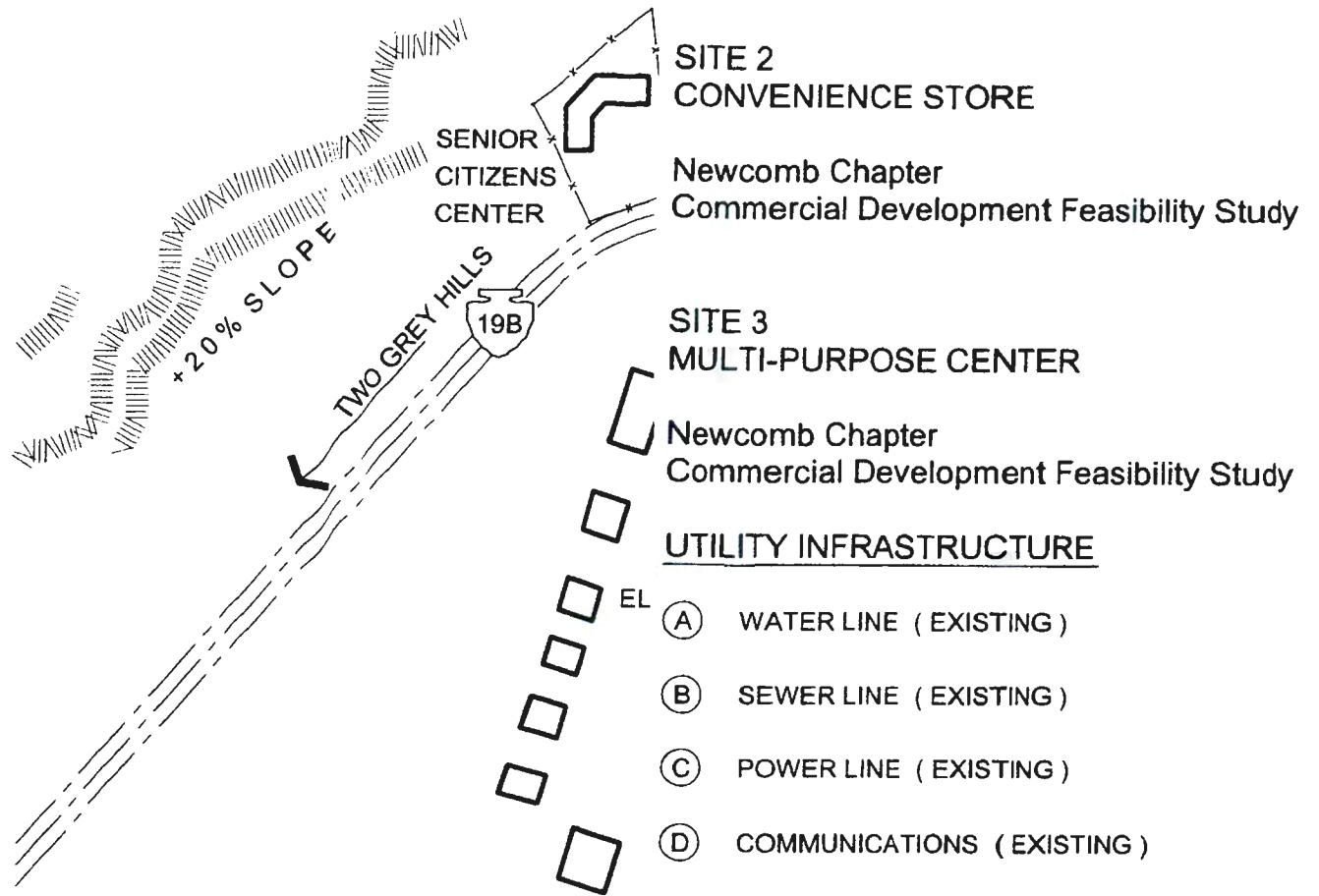
Electric Power Lines: Single-phase = \$28,000 per mile; Three-phase (commercial) = \$40,000 to \$60,000 per mile. Right-of-way clearance is \$6,000 per mile.

SITE 1
TRADING POST SITE

Newcomb Chapter
Commercial Development Feasibility Study

UTILITY INFRASTRUCTURE





SITE 4
BURNHAM JUNCTION
FUTURE TRAVEL CENTER

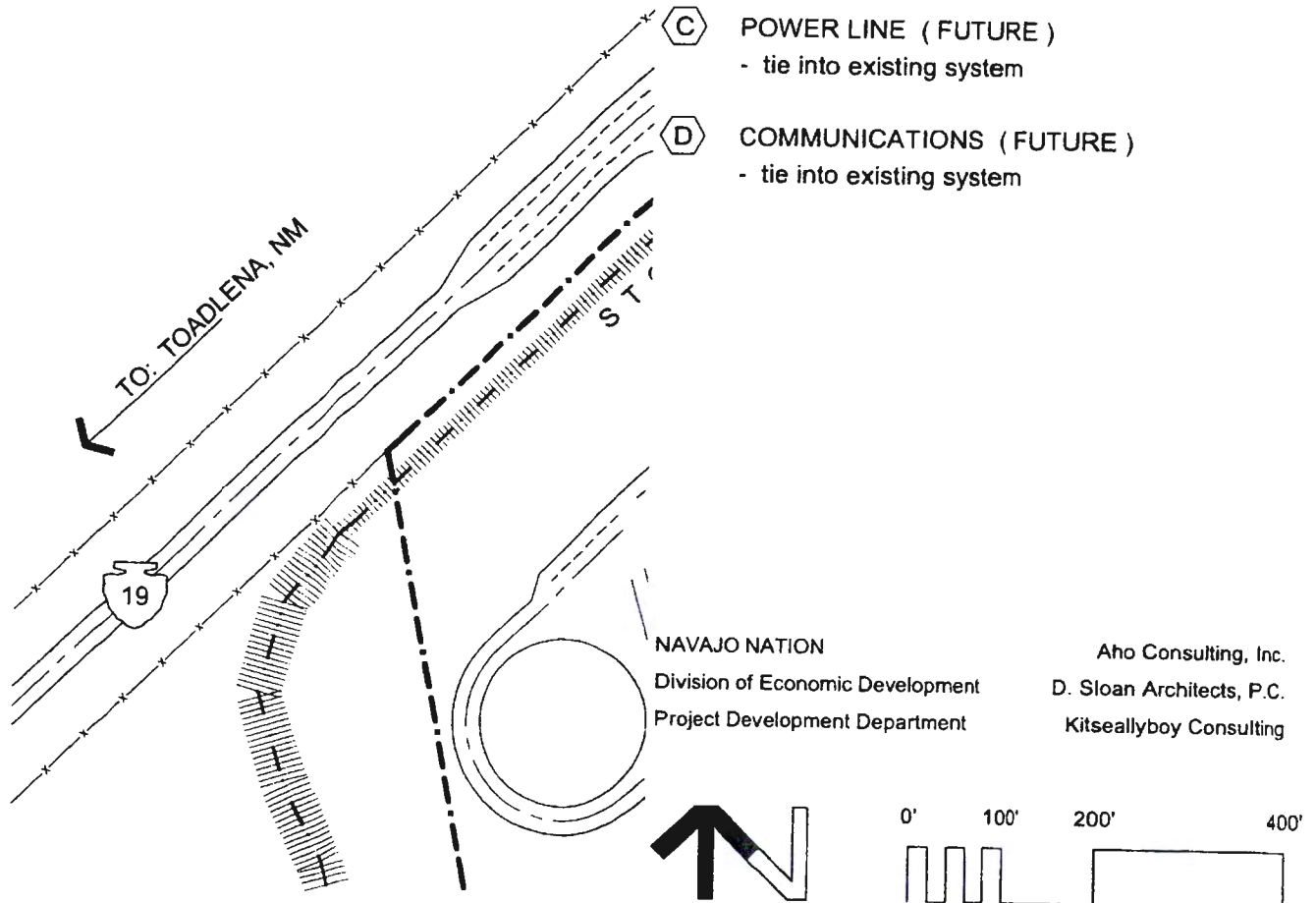
Newcomb Chapter
Commercial Development Feasibility Study

UTILITY INFRASTRUCTURE

- x 5%
- (A) WATER LINE (NOT AVAILABLE)
 - (B) SEWER LINE (NOT AVAILABLE)
 - (C) POWER LINE (EXISTING)
 - (D) COMMUNICATIONS (EXISTING)

- (A) WATER LINE (FUTURE)
 - To be developed
 - New well or line extension
- (B) SEWER LINE (FUTURE)
 - To be developed
 - New lagoon or septic systems

- (C) POWER LINE (FUTURE)
 - tie into existing system
- (D) COMMUNICATIONS (FUTURE)
 - tie into existing system



Funding Sources

State of New Mexico-Sponsored Community Development Block Grants, Loans, and Grants¹

Community Development Block Grant (CDBG) Loans

Funds are allocated to the economic development set-aside program on an annual basis. These are federal funds from the U.S. Department of Housing and Urban Development. Albuquerque, Santa Fe, Las Cruces, and Rio Rancho administer their own programs. The New Mexico Department of Finance and Administration administers the program for the balance of the state. Grants are made to local governments, which then loans the funds to the private sector.

The loan can be used for acquisition of real property and equipment, working capital and construction, but may not be used to finance the movement of equipment or plants from one location to another. The program requires a 2:1 match between non-CDBG and non-public cash funds to the CDBG amount. The loans are flexible with respect to pay-back; terms are negotiated between the local government and the private company involved. Loan maximum is \$400,000 (tied to the number of jobs created, usually \$15,000 per job). There is also a requirement to hire a certain number of low to moderate-income people. The size of the requirement varies depending on the loan amount.

Community Development Block Grants (CDBG)

Grants are made only to local governments for public purposes. The local government on completion of the project must own any project so funded. This does not preclude local governments from applying for CDBG funds to accomplish such goals as the extension of utilities or streets, or to assist a new or expanding employer. Grant maximum is \$400,000 (tied to jobs created and impact on low to moderate-income people).

New Mexico Business Participation Loans

The State Investment Council may invest a portion of the Severance Tax Permanent Fund in real property-related business loans. Participation may be up to 80% in an individual loan. Origination of the loan must be through a New Mexico financial institution. There is a loan minimum of \$500,000, and a maximum of \$2 million. Loan maturities may not be less than five, nor more than 15, years. The interest rate is based on U.S. Treasury securities plus 2.5% or the yield received by the lending institution. Loan proceeds must be used by the borrower to expand or locate a business operation in New Mexico.

¹ Source: New Mexico Department of Commerce

Other State-Wide Economic Development Finance Programs

Enchantment Land Certified Development Company (ELCDC)

The ELCDC is a Small Business Administration-licensed, not-for-profit organization, authorized to administer the SBA 504 loan program. A 504 program provides long-term (20 years), low down payment (10%), fixed-rate loans for land, buildings, and equipment for expanding small businesses. ELCDC sells a debenture with a 100% SBA guarantee for up to 40% of the project, or \$750,000 (in some cases \$1 million), and the company provides 10% equity. The remaining 50% is from a first mortgage loan from a private sector lender.

Enchantment Land Certified Development Company
625 Silver SW, Suite 210
Albuquerque, NM 87102
505/843-9232
Fax: 505/764-9153

New Mexico Community Development Loan Fund

Provides loans to businesses and organizations that have tangible benefits for low-income people. Loans may be for housing projects, as well as income producing ventures. Rates and terms vary according to project requirements. Typical loans are from \$5,000 to \$25,000.

NM Community Development Loan Fund
PO Box 705
Albuquerque, NM 87103
505/243-3196
Fax: 505/243-8803

4. CONCLUSION

The Newcomb Chapter Commercial Development Market Feasibility Study considered commercial development opportunities for selected sites in Newcomb Chapter. The project helped establish potential opportunities, future timeframes, and the actions necessary to facilitate and stimulate development. The project team identified the following key issues during the study:

- The Chapter grazing coordinator should determine the land status of the selected sites and other areas designated for commercial use (i.e., grazing permits), and if directed, begin the land withdrawal process at the earliest possible opportunity;
- The planned expansion of US Highway 491 (formally US 666) is a key factor for commercial development. The community must be an active participant in the planning and design of highway improvements.
- Planning and coordinating infrastructure development, (i.e., water, sewer, utilities, telecommunications, roads, etc.), to accommodate Newcomb Chapter's population growth and future economic development is imperative. Future housing and institutional development should be coordinated with commercial development.
- The close proximity to Shiprock and Farmington is detrimental to local small business development. The wide availability of goods and services in Shiprock and Farmington is due to their respective roles as important regional activity centers. Shiprock is the shopping destination of choice for many families living on the Navajo Nation in northwest New Mexico. This will continue to negatively affect Newcomb Chapter and the local supply of most goods and services for the immediate future.
- A tourist center or other "visitor" uses may be viable in the future at the highway junction if the community reaches a consensus on developing tourist-related businesses, and the Navajo Nation is willing to work with the community. Continued interest in the Southwest and ongoing marketing by Shiprock will help simulate additional tourist demand in the region. In partnership with Navajo Nation Parks and Recreation and the Navajo Nation Tourism Development Department, the Newcomb Chapter should consider developing a tourism and recreation plan to specifically address potential opportunities. The planned Sheep Springs project will impact future nearby tourism development potential.
- The Chapter should consider the possibility of establishing a non-profit community development corporation (CDC) to help achieve long-range local economic development goals. A CDC would be very useful once the Chapter is certified under the LGA (see Appendix for additional information on starting a CDC).

This project reviewed development issues typically addressed when considering development feasibility. Although it will take a lot of determination, hard work, and strong leadership, the consultant team's opinion is that Newcomb Chapter should continue to pursue commercial development planning. Sites 1 and 2 hold promise and should be considered for tourism-based development first. Site 3 is a community works project that will require significant funding from many sources. Site 4 should be considered when the new highway is completed and traffic volume increases.

5. APPENDIX

Newcomb Survey Results

Key Factors for Every Development

**2000 US Census Information
Newcomb Census Data Place (CDP)
San Juan County, NM**

**Navajo Nation Tourism Report
Executive Summary (2003)**

Community Development Funding Sources

Forming a Non-Profit Corporation

Sheeps Springs Tourist Facilities Narrative

US 491 Project Description

Newcomb Chapter Community Survey / (24 responses)

Note: Not all respondents answered all of the questions

INCOME AND EXPENDITURES

1) What are your household's three (3) top monthly expenditures?

Reported in order of importance

Groceries
Utilities
Gasoline
House Payment
Car Payment
Hay
Clothing

SHOPPING

2) Where does your family currently shop for groceries and other items that are used in your home?
(Please check only the town you shop at the most).

Shiprock: 3
Farmington: 19
Gallup: 2
Window Rock: 0

3) How many days each month does your family visit each of the following towns for shopping?

Farmington: 3 / 10 / 15 / 1 / 15 / 12 / 3 / 3 / 2 / 1 / 3 / 3 / 2 / 1 / 4 / 10 / 2 / 5 / 20 / 9	Average: 5.45
Shiprock: 2 / 10 / 15 / 4 / 24 / 2 / 3 / 3 / 5 / 57,15 / 4 / 5 / 1 / 6 / 30 / 2 / 5 / 5 / 5	Average: 7.15
Gallup: 1 / 1 / 6 / 1 / 2 / 1 / 3 / 1 / 2 / 5 / 4 / 3 / 3	Average: 2.53
Window Rock: 20 / 4 / 1 / 3 / 1	Average: 5.8
Albuquerque: 3 / 1	Average: 2

4) What kinds of stores or businesses do you or your family visit when shopping at any of the towns?

Reported in order of importance

Grocery Store
Laundromat
Department Store (Wal-Mart, Target, etc)
Gas Station
Restaurants
Clothing Store
Automobile Parts
Movie Theater
Feed Store
Flea Market
Tribal Services Office
Casino
Bowling
Nursing Home

Newcomb Chapter Community Survey / (24 responses)

5) If a small stores or service businesses were to be built within the Newcomb Chapter, what type of business would you like to see? Please indicate three ideas for possible uses.

**Grocery Store
Cultural Center
Multi-Purpose Building
Auto Service and Parts
Medical
Feed Store
Convenience Store w/gas
Laundromat
RV Park
Pawn Shop
Hardware Store
Eye Center
Small Mall
Restaurant
Clothing Store
Shoe Store
Truck Stop**

6) If industrial uses (i.e., warehouse, light manufacturing, etc.) were to be built within the Newcomb Chapter, what would you like to see? Please indicate three ideas for possible uses.

**Feed Store
Wool Processing
Auto Repair
Cultural Center
Tractor Dealer
Blanket / Clothing Factory
Furniture Manufacturing
Gravel Pit
Lumber Yard
Tarp manufacturing
Meat Processing**

TOURISM

7) If tourism were to be promoted in Newcomb Chapter, what types of tourist accommodations would you like to see built? (Listed in order of most responses.)

**Convenience Store
Motel
Navajo Arts and Crafts
Museum / Interpretive Visitor Center
Campground/RV Park
Rest Stop
Truck Stop
Swap Market
Restaurant**

Newcomb Chapter Community Survey / (24 responses)

GOALS AND VALUES

8) What are your three most important goals for commercial development planning?

**Develop Land for Jobs
Jobs
Tire Stop
Motel
Nice RV Area
Multi-Purpose Building
Casino
Gas Station
Grocery
Meetings
Feed Store
Mall
Funding (taxes)
Clothing store
Museum
Laundry
A plan
Education
Funding
Housing
Kentucky Fried chicken
Dollar \$ Store
Housing**

9) What do you feel are three major future challenges for the community's future?

**Water Issues
Land
Cooperation
Archeological Issues
Unstable Land
Land Dispute
Lack of Funding
Activity Building
Hospital
Nursing Home
Group Home
Grazing Areas
Tourism
Withdraw Land
Community Education
Infrastructure
Lack of technology
No land use master plan—areas of different use.**

Key Factors for Every Development

Any development idea must be viewed within the context of various factors that constrain or influence the development process. These are outlined below as a *series of questions* that a community or individual considering a land development project must address.

1. What drives development?

Development is driven by a variety of forces, including the following:

- a. **Demographics** – social and economic profiles of site users and the surrounding community such as local government employees, livestock owners, seasonal workers, tourists, etc.;
- b. **Traffic and location** – traffic flows and the accessibility and convenience of the site to tenants as well as customers;
- c. **Site infrastructure** – the availability and adequacy of utilities, water, sewer, access roads, and other support services;
- d. **Site suitability** – suitability in terms of such factors as terrain features, visibility, competing uses, and other suitability criteria of specific investors or developers;
- e. **Adjacent/nearby activity nodes** – the proximity of the site to other concentrations of uses or customers that would make the site attractive to investors or developers in roadside attractions;
- f. **Specific development/investor criteria** – the measuring sticks used by specific developers, such as a motel developer, food uses, a retail outlet, that determine whether a specific site is worthy of investment and will attract and sustain enough revenue to create a return on investment.

2. What constrains development?

Each potential development was reviewed against a number of constraints in rating the feasibility for development. These include, but are not limited to, the following:

- a. **Environmental constraints** – These include both natural and manmade environmental constraints that would limit the suitability of the site. For example, the location of adjacent junkyards, or the lack of sufficient water would be an environmental constraint;
- b. **Economic feasibility** – The specific assessment of the feasibility of the site with respect to either public or private use criteria, such as potential income, cost of development, proximity of a local or regional customer base, etc.;
- c. **Area and local competition** – The degree to which a proposed use or uses are already captured by nearby competing uses;
- d. **Poor access and visibility** – The inability of users or customers to see and gain access to the site. There may also be natural and manmade constraints that make a development site a poor investment.
- e. **Permitting/use authorization delays** – The cost to an investor or developer of securing necessary permits or approvals after the site has been approved for designated uses is one of the main deterrents to developers besides lack of land and cost of infrastructure. This is a variation on the "time is money" theme whereby every day or week lost in developing the site to its potential is a loss of revenue or loss of utility to the developer or tenant.

3. What are the economics of site development?

Every site must be reviewed within an economic perspective. A full discussion of area and economic factors follows with considerations that must be addressed in a feasibility study:

- a. **Matching site/area characteristics with use demand** – Making sure that the site development concept and the mix of uses is appropriate given the economic and demographic characteristics of the area. For example, is there sufficient consumer buying power within the immediate area for a major use? Would the envisioned plan be inappropriate and built at a larger scale than the area can sustain?
- b. **Purchasing potential of market area and traffic** – Every potential tenant needs to look at the purchasing potential for the specific sales or service the tenant will provide and evaluate that against the current and projected traffic volume along nearby highways and roads. For example, a Mustang Convenience store requires at least 2,000 people living nearby, while a Wal-Mart may require 20,000 to 30,000 people in its trade area.
- c. **Site preparation/development costs** – There are specific costs for preparing the site, providing infrastructure and services and developing the specific structures and amenities for a site. These costs are a combination of hard development costs (e.g. construction) as well as the soft costs associated with planning (i.e., securing necessary permits and approvals, payments for withdrawing land from grazing status, etc.).

4. What are potential site uses?

Based on the assessment of site conditions in addition to discussions with Newcomb Chapter officials and the project management team, several potential development sites were analyzed. Appropriate uses may include the following classifications:

- a. **Commercial** – retail, food, lodging, entertainment, office, tourist.
- b. **Residential** – single-family housing, apartments, senior housing, special needs housing.
- c. **Government/Public** – recreation/cultural center, government office, visitor center, vendor market, etc.
- d. **Open space** – park and recreation areas, landscaped areas, open use areas such as pavilions, public plazas, etc.

Table DP-1. Profile of General Demographic Characteristics: 2000

Geographic area: Newcomb CDP, New Mexico

[For information on confidentiality protection, nonsampling error, and definitions, see text]

Subject	Number	Percent	Subject	Number	Percent
Total population	387	100.0	HISPANIC OR LATINO AND RACE		
SEX AND AGE			Total population	387	100.0
Male.....	191	49.4	Hispanic or Latino (of any race).....	7	1.8
Female.....	196	50.6	Mexican.....	3	0.8
Under 5 years.....	27	7.0	Puerto Rican.....	-	-
5 to 9 years.....	32	8.3	Cuban.....	-	-
10 to 14 years.....	44	11.4	Other Hispanic or Latino.....	4	1.0
15 to 19 years.....	39	10.1	Not Hispanic or Latino.....	380	98.2
20 to 24 years.....	20	5.2	White alone.....	50	12.9
25 to 34 years.....	46	11.9	RELATIONSHIP		
35 to 44 years.....	56	14.5	Total population	387	100.0
45 to 54 years.....	55	14.2	In households.....	387	100.0
55 to 59 years.....	17	4.4	Householder.....	123	31.8
60 to 64 years.....	17	4.4	Spouse.....	41	10.6
65 to 74 years.....	25	6.5	Child.....	146	37.7
75 to 84 years.....	7	1.8	Own child under 18 years.....	95	24.5
85 years and over.....	2	0.5	Other relatives.....	61	15.8
Median age (years).....	31.5	(X)	Under 18 years.....	33	8.5
18 years and over.....	257	66.4	Nonrelatives.....	16	4.1
Male.....	120	31.0	Unmarried partner.....	9	2.3
Female.....	137	35.4	In group quarters.....	-	-
21 years and over.....	243	62.8	Institutionalized population.....	-	-
62 years and over.....	41	10.6	Noninstitutionalized population.....	-	-
65 years and over.....	34	8.8	HOUSEHOLD BY TYPE		
Male.....	14	3.6	Total households	123	100.0
Female.....	20	5.2	Family households (families).....	84	68.3
RACE			With own children under 18 years.....	37	30.1
One race.....	378	97.7	Married-couple family.....	41	33.3
White.....	53	13.7	With own children under 18 years.....	20	16.3
Black or African American.....	1	0.3	Female householder, no husband present.....	33	26.8
American Indian and Alaska Native.....	322	83.2	With own children under 18 years.....	14	11.4
Asian.....	-	-	Nonfamily households.....	39	31.7
Asian Indian.....	-	-	Householder living alone.....	34	27.6
Chinese.....	-	-	Householder 65 years and over.....	9	7.3
Filipino.....	-	-	Households with individuals under 18 years.....	55	44.7
Japanese.....	-	-	Households with individuals 65 years and over.....	29	23.6
Korean.....	-	-	Average household size.....	3.15	(X)
Vietnamese.....	-	-	Average family size.....	3.95	(X)
Other Asian ¹	-	-	HOUSING OCCUPANCY		
Native Hawaiian and Other Pacific Islander.....	-	-	Total housing units	138	100.0
Native Hawaiian.....	-	-	Occupied housing units.....	123	89.1
Guamanian or Chamorro.....	-	-	Vacant housing units.....	15	10.9
Samoan.....	-	-	For seasonal, recreational, or		
Other Pacific Islander ²	-	-	occasional use.....	6	4.3
Some other race.....	2	0.5	Homeowner vacancy rate (percent).....	-	(X)
Two or more races.....	9	2.3	Rental vacancy rate (percent).....	4.0	(X)
Race alone or in combination with one			HOUSING TENURE		
or more other races:³			Occupied housing units	123	100.0
White.....	59	15.2	Owner-occupied housing units.....	75	61.0
Black or African American.....	5	1.3	Renter-occupied housing units.....	48	39.0
American Indian and Alaska Native.....	331	85.5	Average household size of owner-occupied units.....	3.29	(X)
Asian.....	-	-	Average household size of renter-occupied units.....	2.92	(X)
Native Hawaiian and Other Pacific Islander.....	-	-			
Some other race.....	2	0.5			

- Represents zero or rounds to zero. (X) Not applicable.

¹ Other Asian alone, or two or more Asian categories.² Other Pacific Islander alone, or two or more Native Hawaiian and Other Pacific Islander categories.³ In combination with one or more of the other races listed. The six numbers may add to more than the total population and the six percentages may add to more than 100 percent because individuals may report more than one race.

Source: U.S. Census Bureau, Census 2000.

Table DP-2. Profile of Selected Social Characteristics: 2000

Geographic area: Newcomb CDP, New Mexico

[Data based on a sample. For information on confidentiality protection, sampling error, nonsampling error, and definitions, see text]

Subject	Number	Percent	Subject	Number	Percent
SCHOOL ENROLLMENT			NATIVITY AND PLACE OF BIRTH		
Population 3 years and over enrolled in school.....	207	100.0	Total population.....	545	100.0
Nursery school, preschool.....	16	7.7	Native.....	545	100.0
Kindergarten.....	-	-	Born in United States.....	545	100.0
Elementary school (grades 1-8).....	94	45.4	State of residence.....	467	85.7
High school (grades 9-12).....	62	30.0	Different state.....	78	14.3
College or graduate school.....	35	16.9	Born outside United States.....	-	-
EDUCATIONAL ATTAINMENT			Foreign born.....	-	-
Population 25 years and over.....	265	100.0	Entered 1990 to March 2000.....	-	-
Less than 9th grade.....	71	26.8	Naturalized citizen.....	-	-
9th to 12th grade, no diploma.....	44	16.6	Not a citizen.....	-	-
High school graduate (includes equivalency).....	43	16.2	REGION OF BIRTH OF FOREIGN BORN		
Some college, no degree.....	31	11.7	Total (excluding born at sea).....	-	-
Associate degree.....	9	3.4	Europe.....	-	-
Bachelor's degree.....	27	10.2	Asia.....	-	-
Graduate or professional degree.....	40	15.1	Africa.....	-	-
Percent high school graduate or higher.....	56.6	(X)	Oceania.....	-	-
Percent bachelor's degree or higher.....	25.3	(X)	Latin America.....	-	-
MARITAL STATUS			Northern America.....	-	-
Population 15 years and over.....	406	100.0	LANGUAGE SPOKEN AT HOME		
Never married.....	198	48.8	Population 5 years and over.....	500	100.0
Now married, except separated.....	144	35.5	English only.....	184	36.8
Separated.....	4	1.0	Language other than English.....	316	63.2
Widowed.....	25	6.2	Speak English less than "very well".....	140	28.0
Female.....	25	6.2	Spanish.....	-	-
Divorced.....	35	8.6	Speak English less than "very well".....	-	-
Female.....	25	6.2	Other Indo-European languages.....	-	-
GRANDPARENTS AS CAREGIVERS			Speak English less than "very well".....	-	-
Grandparent living in household with one or more own grandchildren under 18 years.....	39	100.0	Asian and Pacific Island languages.....	-	-
Grandparent responsible for grandchildren.....	19	48.7	Speak English less than "very well".....	-	-
VETERAN STATUS			ANCESTRY (single or multiple)		
Civilian population 18 years and over ..	356	100.0	Total population.....	545	100.0
Civilian veterans.....	13	3.7	Total ancestries reported.....	540	99.1
DISABILITY STATUS OF THE CIVILIAN NONINSTITUTIONALIZED POPULATION			Arab.....	-	-
Population 5 to 20 years.....	191	100.0	Czech ¹	-	-
With a disability.....	9	4.7	Danish.....	-	-
Population 21 to 64 years.....	258	100.0	Dutch.....	-	-
With a disability.....	60	23.3	English.....	5	0.9
Percent employed.....	31.7	(X)	French (except Basque) ¹	-	-
No disability.....	198	76.7	French Canadian ¹	-	-
Percent employed.....	58.1	(X)	German.....	8	1.5
Population 65 years and over.....	51	100.0	Greek.....	-	-
With a disability.....	37	72.5	Hungarian.....	-	-
RESIDENCE IN 1995			Irish ¹	15	2.8
Population 5 years and over.....	500	100.0	Italian.....	-	-
Same house in 1995.....	415	83.0	Lithuanian.....	-	-
Different house in the U.S. in 1995.....	85	17.0	Norwegian.....	-	-
Same county.....	48	9.6	Polish.....	-	-
Different county.....	37	7.4	Portuguese.....	-	-
Same state.....	25	5.0	Russian.....	-	-
Different state.....	12	2.4	Scotch-Irish.....	-	-
Elsewhere in 1995.....	-	-	Scottish.....	-	-
			Slovak.....	-	-
			Subsaharan African.....	-	-
			Swedish.....	-	-
			Swiss.....	-	-
			Ukrainian.....	-	-
			United States or American.....	43	7.9
			Welsh.....	-	-
			West Indian (excluding Hispanic groups).....	-	-
			Other ancestries.....	469	86.1

-Represents zero or rounds to zero. (X) Not applicable.

¹The data represent a combination of two ancestries shown separately in Summary File 3. Czech includes Czechoslovakian. French includes Alsatian. French Canadian includes Acadian/Cajun. Irish includes Celtic.

Source: U.S. Bureau of the Census, Census 2000.

Table DP-3. Profile of Selected Economic Characteristics: 2000

Geographic area: Newcomb CDP, New Mexico

[Data based on a sample. For information on confidentiality protection, sampling error, nonsampling error, and definitions, see text]

Subject	Number	Percent	Subject	Number	Percent
EMPLOYMENT STATUS			INCOME IN 1999		
Population 16 years and over	391	100.0	Households	130	100.0
In labor force	199	50.9	Less than \$10,000	54	41.5
Civilian labor force	199	50.9	\$10,000 to \$14,999	8	6.2
Employed	142	36.3	\$15,000 to \$24,999	5	3.8
Unemployed	57	14.6	\$25,000 to \$34,999	25	19.2
Percent of civilian labor force	28.6	(X)	\$35,000 to \$49,999	4	3.1
Armed Forces	-	-	\$50,000 to \$74,999	12	9.2
Not in labor force	192	49.1	\$75,000 to \$99,999	14	10.8
Females 16 years and over	201	100.0	\$100,000 to \$149,999	8	6.2
In labor force	100	49.8	\$150,000 to \$199,999	-	-
Civilian labor force	100	49.8	\$200,000 or more	-	-
Employed	87	43.3	Median household income (dollars)	16,500	(X)
Own children under 6 years	33	100.0	With earnings	78	60.0
All parents in family in labor force	16	48.5	Mean earnings (dollars) ¹	49,058	(X)
COMMUTING TO WORK			With Social Security income	50	38.5
Workers 16 years and over	142	100.0	Mean Social Security income (dollars) ¹	6,016	(X)
Car, truck, or van -- drove alone	72	50.7	With Supplemental Security Income	30	23.1
Car, truck, or van -- carpooled	36	25.4	Mean Supplemental Security Income		
Public transportation (including taxicab)	-	-	(dollars) ¹	3,569	(X)
Walked	34	23.9	With public assistance income	-	-
Other means	-	-	Mean public assistance income (dollars) ¹	-	(X)
Worked at home	-	-	With retirement income	21	16.2
Mean travel time to work (minutes) ¹	30.8	(X)	Mean retirement income (dollars) ¹	6,229	(X)
Employed civilian population			Families	98	100.0
16 years and over	142	100.0	Less than \$10,000	33	33.7
OCCUPATION			\$10,000 to \$14,999	13	13.3
Management, professional, and related			\$15,000 to \$24,999	5	5.1
occupations	82	57.7	\$25,000 to \$34,999	9	9.2
Service occupations	10	7.0	\$35,000 to \$49,999	4	4.1
Sales and office occupations	20	14.1	\$50,000 to \$74,999	12	12.2
Farming, fishing, and forestry occupations	-	-	\$75,000 to \$99,999	14	14.3
Construction, extraction, and maintenance			\$100,000 to \$149,999	8	8.2
occupations	8	5.6	\$150,000 to \$199,999	-	-
Production, transportation, and material moving			\$200,000 or more	-	-
occupations	22	15.5	Median family income (dollars)	19,000	(X)
INDUSTRY			Per capita income (dollars) ¹	8,584	(X)
Agriculture, forestry, fishing and hunting,			Median earnings (dollars):		
and mining	-	-	Male full-time, year-round workers	30,833	(X)
Construction	8	5.6	Female full-time, year-round workers	34,205	(X)
Manufacturing	-	-			
Wholesale trade	5	3.5		Number	Percent
Retail trade	5	3.5		below	below
Transportation and warehousing, and utilities				poverty	poverty
Information	-	-		level	level
Finance, insurance, real estate, and rental and					
leasing	-	-			
Professional, scientific, management, adminis-			POVERTY STATUS IN 1999		
trative, and waste management services	-	-	Families	51	52.0
Educational, health and social services	-	-	With related children under 18 years	32	48.5
Arts, entertainment, recreation, accommodation			With related children under 5 years	23	63.9
and food services	-	-			
Other services (except public administration)	-	-	Families with female householder, no		
Public administration	15	10.6	husband present	28	77.8
CLASS OF WORKER			With related children under 18 years	9	52.9
Private wage and salary workers	40	28.2	With related children under 5 years	5	55.6
Government workers	102	71.8			
Self-employed workers in own not incorporated			Individuals	265	48.6
business	-	-	18 years and over	145	40.7
Unpaid family workers	-	-	65 years and over	26	51.0
			Related children under 18 years	112	61.9
			Related children 5 to 17 years	83	61.0
			Unrelated individuals 15 years and over	28	65.1

-Represents zero or rounds to zero. (X) Not applicable.

¹If the denominator of a mean value or per capita value is less than 30, then that value is calculated using a rounded aggregate in the numerator. See text.

Source: U.S. Bureau of the Census, Census 2000.

Table DP-4. Profile of Selected Housing Characteristics: 2000

Geographic area: Newcomb CDP, New Mexico

[Data based on a sample. For information on confidentiality protection, sampling error, nonsampling error, and definitions, see text]

Subject	Number	Percent	Subject	Number	Percent
Total housing units.....	142	100.0	OCCUPANTS PER ROOM		
UNITS IN STRUCTURE			Occupied housing units	132	100.0
1-unit, detached.....	102	71.8	1.00 or less.....	87	65.9
1-unit, attached.....	25	17.6	1.01 to 1.50.....	19	14.4
2 units.....	-	-	1.51 or more.....	26	19.7
3 or 4 units.....	-	-			
5 to 9 units.....	-	-	Specified owner-occupied units	64	100.0
10 to 19 units.....	-	-	VALUE		
20 or more units.....	-	-	Less than \$50,000.....	38	59.4
Mobile home.....	15	10.6	\$50,000 to \$99,999.....	14	21.9
Boat, RV, van, etc.....	-	-	\$100,000 to \$149,999.....	-	-
			\$150,000 to \$199,999.....	7	10.9
YEAR STRUCTURE BUILT			\$200,000 to \$299,999.....	-	-
1999 to March 2000.....	5	3.5	\$300,000 to \$499,999.....	-	-
1995 to 1998.....	7	4.9	\$500,000 to \$999,999.....	5	7.8
1990 to 1994.....	21	14.8	\$1,000,000 or more.....	-	-
1980 to 1989.....	44	31.0	Median (dollars).....	35,700	(X)
1970 to 1979.....	42	29.6			
1960 to 1969.....	23	16.2	MORTGAGE STATUS AND SELECTED		
1940 to 1959.....	-	-	MONTHLY OWNER COSTS		
1939 or earlier.....	-	-	With a mortgage.....	-	-
ROOMS			Less than \$300.....	-	-
1 room.....	10	7.0	\$300 to \$499.....	-	-
2 rooms.....	30	21.1	\$500 to \$699.....	-	-
3 rooms.....	10	7.0	\$700 to \$999.....	-	-
4 rooms.....	19	13.4	\$1,000 to \$1,499.....	-	-
5 rooms.....	32	22.5	\$1,500 to \$1,999.....	-	-
6 rooms.....	36	25.4	\$2,000 or more.....	-	-
7 rooms.....	-	-	Median (dollars).....	-	(X)
8 rooms.....	-	-	Not mortgaged.....	64	100.0
9 or more rooms.....	5	3.5	Median (dollars).....	119	(X)
Median (rooms).....	4.6	(X)			
Occupied housing units	132	100.0	SELECTED MONTHLY OWNER COSTS		
YEAR HOUSEHOLDER MOVED INTO UNIT			AS A PERCENTAGE OF HOUSEHOLD		
1999 to March 2000.....	9	6.8	INCOME IN 1999		
1995 to 1998.....	24	18.2	Less than 15.0 percent.....	42	65.6
1990 to 1994.....	38	28.8	15.0 to 19.9 percent.....	15	23.4
1980 to 1989.....	26	19.7	20.0 to 24.9 percent.....	-	-
1970 to 1979.....	12	9.1	25.0 to 29.9 percent.....	-	-
1969 or earlier.....	23	17.4	30.0 to 34.9 percent.....	-	-
			35.0 percent or more.....	7	10.9
			Not computed.....	-	-
VEHICLES AVAILABLE					
None.....	24	18.2	Specified renter-occupied units	53	100.0
1.....	24	18.2	GROSS RENT		
2.....	55	41.7	Less than \$200.....	14	26.4
3 or more.....	29	22.0	\$200 to \$299.....	6	11.3
			\$300 to \$499.....	16	30.2
HOUSE HEATING FUEL			\$500 to \$749.....	-	-
Utility gas.....	8	6.1	\$750 to \$999.....	11	20.8
Bottled, tank, or LP gas.....	55	41.7	\$1,000 to \$1,499.....	-	-
Electricity.....	16	12.1	\$1,500 or more.....	-	-
Fuel oil, kerosene, etc.....	6	4.5	No cash rent.....	6	11.3
Coal or coke.....	-	-	Median (dollars).....	335	(X)
Wood.....	47	35.6			
Solar energy.....	-	-	GROSS RENT AS A PERCENTAGE OF		
Other fuel.....	-	-	HOUSEHOLD INCOME IN 1999		
No fuel used.....	-	-	Less than 15.0 percent.....	30	56.6
			15.0 to 19.9 percent.....	-	-
SELECTED CHARACTERISTICS			20.0 to 24.9 percent.....	4	7.5
Lacking complete plumbing facilities.....	21	15.9	25.0 to 29.9 percent.....	6	11.3
Lacking complete kitchen facilities.....	21	15.9	30.0 to 34.9 percent.....	-	-
No telephone service.....	46	34.8	35.0 percent or more.....	7	13.2
			Not computed.....	6	11.3

-Represents zero or rounds to zero. (X) Not applicable.

Source: U.S. Bureau of the Census, Census 2000.

DP-1: Profile of General Demographic Characteristics: 2000
 Data Set: Census 2000 Summary File 1 (SF 1) 100-Percent Data
 Geographic Area: San Juan County, New Mexico

NOTE: For information on confidentiality protection, nonsampling error, and definitions, see <http://factfinder.census.gov/home/en/datanotes/expsfl1u.htm>.

Subject	Number	Percent
Total population	113,801	100.0
SEX AND AGE		
Male	56,405	49.6
Female	57,396	50.4
Under 5 years	9,149	8.0
5 to 9 years	10,178	8.9
10 to 14 years	10,890	9.6
15 to 19 years	10,854	9.5
20 to 24 years	7,427	6.5
25 to 34 years	14,040	12.3
35 to 44 years	17,963	15.8
45 to 54 years	14,267	12.5
55 to 59 years	4,713	4.1
60 to 64 years	3,994	3.5
65 to 74 years	6,033	5.3
75 to 84 years	3,255	2.9
85 years and over	1,038	0.9
Median age (years)	31.0	(X)
18 years and over	76,668	67.4
Male	37,297	32.8
Female	39,371	34.6
21 years and over	71,073	62.5
62 years and over	12,621	11.1
65 years and over	10,326	9.1
Male	4,583	4.0
Female	5,743	5.0
RACE		
One race	110,642	97.2
White	60,118	52.8
Black or African American	499	0.4
American Indian and Alaska Native	41,968	36.9
Asian	303	0.3
Asian Indian	62	0.1
Chinese	48	0.0
Filipino	70	0.1
Japanese	37	0.0
Korean	47	0.0
Vietnamese	14	0.0
Other Asian I	25	0.0
Native Hawaiian and Other Pacific Islander	55	0.0
Native Hawaiian	21	0.0
Guamanian or Chamorro	6	0.0
Samoan	13	0.0
Other Pacific Islander 2	15	0.0
Some other race	7,699	6.8
Two or more races	3,159	2.8
Race alone or in combination with one or more other races 3		
White	62,862	55.2
Black or African American	810	0.7
American Indian and Alaska Native	43,516	38.2
Asian	535	0.5
Native Hawaiian and Other Pacific Islander	106	0.1
Some other race	9,255	8.1
HISPANIC OR LATINO AND RACE		
Total population	113,801	100.0
Hispanic or Latino (of any race)	17,057	15.0

Subject	Number	Percent
Mexican	6,116	5.4
Puerto Rican	86	0.1
Cuban	32	0.0
Other Hispanic or Latino	10,823	9.5
Not Hispanic or Latino	96,744	85.0
White alone	52,922	46.5
RELATIONSHIP		
Total population	113,801	100.0
In households	112,587	98.9
Householder	37,711	33.1
Spouse	21,012	18.5
Child	41,306	36.3
Own child under 18 years	32,195	28.3
Other relatives	7,845	6.9
Under 18 years	4,210	3.7
Nonrelatives	4,713	4.1
Unmarried partner	2,528	2.2
In group quarters	1,214	1.1
Institutionalized population	972	0.9
Noninstitutionalized population	242	0.2
HOUSEHOLDS BY TYPE		
Total households	37,711	100.0
Family households (families)	28,930	76.7
With own children under 18 years	15,829	42.0
Married-couple family	21,012	55.7
With own children under 18 years	10,858	28.8
Female householder, no husband present	5,558	14.7
With own children under 18 years	3,435	9.1
Nonfamily households	8,781	23.3
Householder living alone	7,268	19.3
Householder 65 years and over	2,413	6.4
Households with individuals under 18 years	17,762	47.1
Households with individuals 65 years and over	7,428	19.7
Average household size	2.99	(X)
Average family size	3.43	(X)
HOUSING OCCUPANCY		
Total housing units	43,221	100.0
Occupied housing units	37,711	87.3
Vacant housing units	5,510	12.7
For seasonal, recreational, or occasional use	1,725	4.0
Homeowner vacancy rate (percent)	1.2	(X)
Rental vacancy rate (percent)	9.3	(X)
HOUSING TENURE		
Occupied housing units	37,711	100.0
Owner-occupied housing units	28,419	75.4
Renter-occupied housing units	9,292	24.6
Average household size of owner-occupied unit	3.03	(X)
Average household size of renter-occupied unit	2.85	(X)

(X) Not applicable

1 Other Asian alone, or two or more Asian categories.

2 Other Pacific Islander alone, or two or more Native Hawaiian and Other Pacific Islander categories.

3 In combination with one or more other races listed. The six numbers may add to more than the total population and the six percentages may add to more than 100 percent because individuals may report more than one race.

Source: U.S. Census Bureau, Census 2000 Summary File 1, Matrices P1, P3, P4, P8, P9, P12, P13, P17, P18, P19, P20, P23, P27, P28, P33, PCT5, PCT8, PCT11, PCT15, H1, H3, H4, H5, H11, and H12.

NAVAJO NATION VISITOR SURVEY FINAL REPORT

Executive Summary

The *2002 Navajo Nation Visitor Survey & Economic Impact Study* was the first comprehensive survey of Navajo Nation tourism. As such, it has produced a wealth of information that can be used by the Navajo Nation Tourism Development Department to position its marketing and advertising programs, demonstrate accountability to tribal government, and plan for future tourism promotion projects. Each of the entities that participated in the survey collection process will find data they can use to understand and improve their products and their place in Navajo Nation tourism.

The study produced these seminal findings about Navajo Nation visitors:

- A majority of visitors (56%) had not visited the Navajo Nation before, although 44 percent were repeat visitors to Navajo Nation. Repeat visitors' trip purposes indicated they were returning for general recreation but more specifically, to shop for arts and crafts and engage in cultural activities.
- For the vast majority of visitors (81.5%), the visit to Navajo Nation was not their primary destination, but one stop on a longer trip.
- Four-fifths of visitors were of domestic origin (80%); of these, 13 percent were Arizona residents and 67 percent were residents of other U.S. states. Foreign visitors comprised the remaining 20 percent of Navajo Nation visitors.
- Among out-of-state visitors, the largest number hailed from California (14.4%), followed by Colorado (6.8%), Massachusetts (4.6%), New York (4.2%), Texas (3.7%), Washington (3.5%), Florida and Ohio (3.1%), and New Mexico (3.0%).
- The largest cohort of foreign visitors came from the United Kingdom (28.0%), followed by Germany (14.9%), France (11.0%), Canada (10.3%), The Netherlands (7.5%), and Italy (5.8%).
- The average number of nights on the total trip was 17.5; overnight visitors spent an average of 4.3 nights on Navajo Nation, and two nights in the community where they completed the survey.
- Two-thirds of visitors (66.1%) spent at least one night on the Navajo Nation.
- More than three-fourths of overnight stays on Navajo Nation were in hotels/motels (79.1%), 19.9 percent were in campgrounds/RV parks, and the remainder in private homes (1.9%), bed and breakfasts/Hogan B& Bs (1.8%), and "other" accommodations.

- Average size of visitor parties was three persons; approximately 20 percent of parties contained children (average one child). Larger parties and parties with children were more likely to visit in the summer months.
- Average ages of visitors to Navajo Nation were 50 years for men and 52 years for women. Few age differences occurred by season.
- Navajo Nation visitors are a more highly educated group than the general population. Sixty-four percent of Navajo Nation visitors had either a Bachelor's or post-graduate degree, compared to 26 percent of the general population who have college degrees.
- The top three information sources used by visitors to find out about Navajo Nation were: recommendations from friends & family, guidebooks, and brochures. Despite its rising importance, the Internet ranked ninth in importance as an information source. College-educated visitors were slightly more likely to use the Internet as an information source than were non-college graduates. However, college graduates were also much more likely to rely on print media, such as guidebooks, magazines, novels, maps or National Park Service information. The dominance of referrals from friends and family as the top information source is not exclusive to Navajo Nation visitors, but occurs commonly across Arizona communities, and may be due to this state's high percentage of VFR tourists (those visiting friends and relatives).
- The automobile was the primary means of transportation, used by 87 percent of Navajo Nation visitors. Of these visitors, more than half (51.3%) traveled to Navajo Nation in their personal car, and more than one-third (35.8%) traveled to Navajo Nation in a rental car. The remaining travel modes, in descending order, were camper/RV, airplane, bus/motor coach, train, and "other."
- Rental cars were a major source of travel to Navajo Nation, and the largest percentage of these cars was rented in Phoenix (31.5%), followed by Las Vegas (17.2%), Albuquerque (15.1%), Los Angeles (7.0%), and Denver (5.5%). Phoenix as a source of rental cars peaked in the January-March period, (high season in Phoenix), while rentals from Las Vegas peaked in the Fall. Albuquerque accounted for a significant percentage of summer car rentals.
- The three most important reasons for visiting the Navajo Nation were: sightseeing and scenic attractions, scenic beauty, and engaging in outdoor recreation, and these reasons were consistent in all seasons – not surprising giving the astonishing landscape of Navajo Nation.
- The most important activities participated in by visitors to the Navajo Nation were: general sightseeing, visiting parks, visiting historical sites, photography, and shopping for arts and crafts. General shopping, hiking and visiting museums were also important reasons for the visit.
- Overall, visitors to Navajo Nation were "very satisfied" with their visit. (Measured on a 1 to 5 scale (where 1 is "not at all satisfied" and 5 is "totally satisfied," the mean was a high 4.01).
- The highest visitor satisfaction scores were for: availability of adequate parking (4.0), friendliness of the local people (3.9), friendliness of the local merchants and service providers (3.9), quality of attractions and events (3.9), variety of things to

see and do (3.9), feelings of personal safety (3.9), and attractiveness of the Navajo Nation (3.9).

- The lowest visitor satisfaction scores were for: the quality of the restaurants (3.4) and overall value for money (3.5). However, no satisfaction scores fell below “satisfied.” Overall, visitors rated their Navajo Nation trip a high 8.7 out of a possible 10 points.
- Visitor satisfaction with the Navajo Nation was perhaps best expressed by the 99.3 percent of visitors – virtually unanimous – who said they would recommend a visit to Navajo Nation to their friends and relatives.
- The economic impact of visitor spending on Navajo Nation in 2002 (direct, indirect and induced) totaled more than \$100 million. Summer season produced the highest level of visitor spending at \$35 million; Spring visitor spending was second at \$25 million; Fall produced \$22 million; and the Winter season produced approximately \$19 million.
- Finally, tourist expenditures on Navajo Nation supported the direct employment of 2,540 full-time persons, and produced an additional 967 indirect and induced jobs as tourist dollars worked their way through the local economy – a total of 3,507 jobs supported by the tourism industry on Navajo Nation.

FUNDING SOURCES

The following table identifies potential funding sources reviewed during the Newcomb Chapter project. Once the Chapter NAHASDA Housing Plan is adopted, the Chapter is certified under the Local Governance Act, and a Capital Improvement Plan (i.e., infrastructure) is in place, the Chapter should make a concerted effort with appropriate Navajo Nation agencies to identify potential funding sources for specific capital improvement and economic development projects.

Possible Funding Sources

Funding Source	Agency	Contact Information	Information	Notes
Navajo Nation Division of Economic Development	Shiprock Regional Business Development Office	Randy Sells Shiprock RBDO	Assists with business site leasing, all lease transactions, and certification for Navajo small business loans	Business and Industrial Development Fund If economic development projects are initiated by Navajo Nation, funds can be allocated.
Navajo Nation Division of Community Development Capital Improvement Funds	Navajo Nation Division of Community Development		Provides funding for infrastructure development, i.e., wastewater, treatment, water system development, roads, etc.	
Rural Development Distance Learning and Telemedicine Telecommunications Grants	USDA	U.S. Department of Agriculture 14th & Independence Ave., SW Washington, DC 20250 Telephone: 202-720-2791	Provides distance education/medical assistance to rural areas	\$325 million in loans/grants available
CFDA #10.760 Water and Waste Disposal Systems for Rural Communities Infrastructure Funding	USDA	Rural Housing Service Room 5037, South Building 14 th St. and Independence Ave. S.W. Washington, D.C. 30250 202-720-4323	To provide new and improved waste/water disposal to rural areas; grants and loans are available	Funds used for installation and repair only, not to refinance existing loans or operations costs
CFDA #10.766 Community Facilities, Loans and Grants	Rural Housing Service, USDA	Rural Housing Service / USDA Room 5037, South Building 14 th St. and Independence Ave. SW Washington, D.C. 30250 202-720-4323	To provide community development assistance with childcare, distribution centers, fire & rescue, etc.	Project grants/loans available.

Funding Source	Agency	Contact Information	Information	Notes
CFDA #10.767 Intermediary Re-Lending Program Community Development Loans.	Rural Business- Cooperative Services, USDA	Rural Business-Cooperative Services 1400 Independence Ave. SW Room 5050 South Building Washington, D.C. 20250 (202) 720-1400	Acts as an agent for intermediary lenders to provide funds for community development programs in rural areas.	Max. loan amount = \$2,000,000 over 30 years. No loan recipient can get over \$250,000
CFDA #10.769 Rural Development Grants	Rural Business- Cooperative Services, USDA	Rural Business-Cooperative Services 1400 Independence Ave. SW Room 5050 South Building Washington, D.C. 20250 (202) 720-1400	Project Grants used for expanding learning networks or job training programs to rural residents. Also used for access roads or water needs, parking, etc.	Has Television Demonstration grant to utilize television programming of agricultural information to rural farmers.
CFDA #10.771 Rural Cooperative Development Grants (RCDG)	Rural Business- Cooperative Services, USDA	Rural Business-Cooperative Services 1400 Independence Avenue SW Room 5050 South Building Washington, D.C. 20250 (202) 720-1400	Project Grants used for basic feasibility studies or technical assistance for individuals or small businesses to develop or improve new or existing cooperatives.	Application deadlines are posted in the Federal Register.
CFDA #10.773 Rural Business Opportunity Grants (RBDG)	Rural Business- Cooperative Services, USDA	Rural Business-Cooperative Services 1400 Independence Avenue SW Room 5050 South Building Washington, D.C. 20250 (202) 720-1400	Project Grants used for assisting economic development for rural areas (technical assistance, training, planning, etc.)	
CFDA #11.300 Grants for Public Works and Economic Development	Economic Development Administration, Department of Commerce	Economic Development Admin. 14 th & Constitution Ave. N.W. Washington, D.C. 20230 (202) 482-5081	Project grants for public facilities such as water/waste systems, access roads, etc. Also includes tourism, training facilities	Projects must include terms for expansion of job opportunities, benefiting low-income families and expand industrial or commercial facilities.
CFDA #11.302 Economic Development-Support for Planning Organizations	Economic Development Administration, Department of Commerce	Economic Development Admin. 14 th & Constitution Ave. N.W. Washington, D.C. 20230 (202) 482-5081	Project grants used for providing administrative aid for multi- county Economic Development Districts.	Grants are used for salaries or other administrative expenses.

Funding Source	Agency	Contact Information	Information	Notes
CFDA #11.303 Economic Development- Technical Assistance (National, University Center and Local Technical Assistance)	Economic Development Administration, Dept. of Commerce	Economic Development Admin. 14 th & Constitution Ave. N.W. Washington, D.C. 20230 (202) 482-5081	Project grants used for university centers to establish economic development in distressed areas.	Technical assistance is used for providing information, data, and expertise to promote economic development. Application deadlines in Federal Register
CFDA #11.801 Native American Program	Minority Business Development Agency, Department of Commerce	14 th St. & Constitution Avenue NW, Room 5055 Washington, D.C. 20230	Project grants for providing management and technical assistance for Native Americans.	
CFDA #11.802 Minority Business Development	Minority Business Development Agency, Dept of Commerce	14 th St. & Constitution Avenue NW, Room 5055 Washington, D.C. 20230	Project grants for developing minority businesses in both public and private sector.	Program includes scheduled evaluations and funds are contingent upon performance.
CFDA #11.806 Minority Business Opportunity Committee Development	Minority Business Development Agency, Department of Commerce	14 th St. & Constitution Avenue NW, Room 5055 Washington, D.C. 20230	Project grants used for developing minority businesses.	Renewals based on performance of recipients.
CFDA #14.250 Rural Housing and Economic Development	Community Planning and Development, Dept. of Housing and Urban Development	U.S. Department of Housing and Urban Development 451 7th Street S.W. Washington, DC 20410 (202) 708-1112	Project grants used for capacity building, innovative housing/economic programs (including seed money).	Notice of Funding Availability (NOFA) contains application deadlines.
CFDA #15.032 Indian Economic Development	Bureau of Indian Affairs, Dept. of the Interior	Bureau of Indian Affairs Office of Public Affairs 1849 C Street, NW - MS-4542-MIB Washington, DC 20240-0001 Office: 202-208-3711	Direct payments used for tribal revolving loan programs.	Final approval is restricted to the Bureau of Indian Affairs.
CFDA #15.124 Indian Loans - Economic Development (Loan Guaranty Program)	Bureau of Indian Affairs, Dept. of the Interior	Bureau of Indian Affairs Office of Public Affairs 1849 C Street, NW -MS-4542-MIB Washington, DC 20240-0001 Office: 202-208-3711	Assists in obtaining loans for Recognized Indian Tribal Governments	Finances must be used on or near reservations.

Funding Source	Agency	Contact Information	Information	Notes
CFDA #59.006 8(a) Business Development Section 8(a) Program	Small Business Administration	Small Business Administration 2828 North Central Ave Suite 800 Phoenix, Arizona 85004 Phone: (602) 745-7200 Fax: (602) 745-7210	Procurement contracts authorized by Section 8(a) of SBA given to program participants	Applications accepted on an on-going basis.
CFDA #59.007 Management and Technical Assistance for Socially and Economically Disadvantaged Businesses (7(j)) Development Assistance Program	Small Business Administration	Small Business Administration 2828 North Central Ave Suite 800 Phoenix, Arizona 85004 Phone: (602) 745-7200 Fax: (602) 745-7210	Project grants used for providing disadvantaged businesses with training, marketing and other forms of financial assistance and counseling authorized by Section 7J of the SBA	
Native American Programs	Administration for Children and Families, Department of Health and Human Services	Admin. for Children and Families 370 L'Enfant Promenade Washington, DC 20447	Project grants/Direct loans used for governmental, economic development and social development projects.	Individual programs have their own deadlines and due dates.
Various community facilities grants	Rural Housing Service, USDA	Rural Housing Service U.S. Department of Agriculture Room 5037, South Building 14th Street & Independence Avenue, Washington, D.C. 20250 202-720-4323	Grants available for education, health, public safety for communities where unemployment is over 19.5%	Communities with lowest populations and lowest median income are given priority.
Rural Development Business Programs	Rural Business- Cooperative Service, USDA	Rural Development 1835 Black Lake Blvd. SW, Suite B Olympia, WA 98501-5715 Phone: (360) 704-7740 Fax: (360) 704-7742	Flyer explaining business and water/waste programs offered by RBCS	
Native American Enterprise Program	Northland Pioneer College	Northland Pioneer College Small Business Development Center PO Box 610 Holbrook, AZ 86025	General outline of Native American Enterprise Program	Includes course descriptions, general counseling info.

Source: Aho Consulting, 2003

Starting a Nonprofit Organization



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February 2004

1

Becoming a Nonprofit Corporation



Nonprofit World

Board Members

Planning

Accountability

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2

What is a Nonprofit Organization?

- | | |
|--|--|
| <ul style="list-style-type: none">■ <u>For-Profit Corporations</u><ul style="list-style-type: none">- Stockholders- Board members are paid- CEO is on the BOD or the President of the BOD- Not exempted from paying federal, state or local taxes | <ul style="list-style-type: none">■ <u>Nonprofit Corporations</u><ul style="list-style-type: none">- Public owned- Board members are volunteers- Executive Director is not on the board- Usually exempted from federal taxes and some state and local taxes |
|--|--|

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Nonprofit Meets Many Needs

- Board Range of Services
 - Important to community
 - Excellent network and collaboration systems
- Economic Impact
 - Provide jobs - 10% of the work force
- Voluntary Support
 - Very high charitable contributions
 - 88% of donations come from individuals
 - 75% of all American household volunteer or donate

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Unique Culture of Nonprofits

- Leadership & Management is KEY
- Personnel are often highly diverse
- Problems are especially complex
- Sufficient resources to pay leadership may be lacking
- Networks are lacking
- ED wears too many hats
- NP is too small to justify or pay for expensive outside advice
- NP need low-cost management and TA
- Typical nature of planning in NPs is on current issues

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Formal and Informal Nonprofits

- What legal form do you want to use:
 - Informal nonprofits
 - Formal Nonprofit corporation
 - Tax-exempted nonprofits
 - Tax-deductible(charitable)status

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Advantages of 501 (C)(3)

- Tax exemptions
- Receiving Public and Private Funds
- Limited Liability
- Separate and Perpetual Legal Existence
- Employee Benefits
- Formality and Structure
- Other Advantages

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Disadvantages of a 501 (c)(3)



- Paperwork
- Incorporation cost and fees
- Time and Energy

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Forming a Nonprofit Organization

- Before starting a nonprofit, there is some preliminary thinking that you really should do.
- This will save you, employees, and clients a great deal of hardship
- Talk with other NP organizations that have incorporated for "Lessons Learned"

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First Things First....

- Develop a **POWERFUL** and **Concise** Mission Statement
 - A mission statement describes the overall purpose of the organization
 - It addresses why the organization exists
 - Keep the mission statement simple



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Identify Board of Directors...*"A good Board is a Victory, not a gift"*



- Identify Initial Board of Directors
 - Inside Community Leaders
 - Outside Community Leaders
- Seek for those who express interest
- Incorporators is typically 3 individuals
- Initial Board Members is 4-6 individuals

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Prepare Articles of Incorporation

- Your Corporation comes into existence on the date you file your AOI
- Tribes/State have codes for corporation and generally have the same language for the AOI
- Get support of your organizational incorporation by community, tribe and other relevant sources deem necessary.
- Have an attorney review your AOI before submitting them

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Develop By-laws

- By-laws should be carefully develop to avoid further modifications
- By-laws are the operating rules of the organization,
- Should be drafted and approved by the Board early in the organization's development



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13

"If your don't know where you are going, any road will do"

Strategic Planning

- A good strategic plan will provide staff and board with guidelines to:
 - Establish program activities
 - Allocate resources
 - Evaluate program, staff and resources

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14

Strategic Planning

- Why strategic planning sometimes Fail...
 - So many ideas are presented that the real focus is unclear
 - Wish lists does not account for what is happening in the REAL WORLD
 - Lack of commitment to the plan
 - No operational plan developed for the strategic plan
 - Leaders changing
 - No follow-thru on the plan

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Strategic Planning

- Key Elements of Planning Process
 - Is a flexible guideline, NOT a rigid plan;
 - Is not a single, one-time event.
- The Retreat
 - Obtain support
 - Get outside facilitator
 - Conduct a SWOT
 - Plan the session
 - Document and Monitor plan

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Develop A Budget & Resource Development Plan

- Financial oversight and resource development are critical board responsibilities.
- Resources needed to carry out the strategic plan must be described in a budget and financial plan



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Establish a Record Keeping System

- Corporate documents, board meeting minutes, financial reports, and other official records must be preserved for the life of the organization.



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Establish an Accounting System



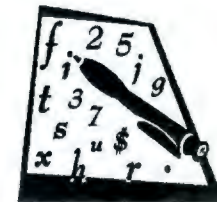
- Responsible stewardship of the organization's finances requires the establishment of an accounting system that meets both current and anticipated needs.

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File for Employer Identification Number

- File for employer identification number
 - Complete for SS-4 (from the IRS)
 - Call IRS to receive EI# (Instructions on SS-4)
 - When you receive number, sign and mail SS-4 to IRS within 24 hours



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20

File Tax Exempt Status 501(c)3

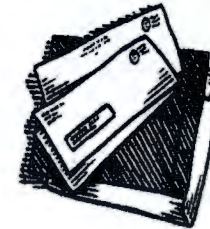
- 501 (c) (3) exempts you from paying federal income taxes and permit donations to be deductible on income tax.
- Applying to IRS for tax exempt status requires that you fill out form 1023 and a fee of \$150 or \$500
- To qualify for exemption must be a corporation, fund, or foundation and have activities that are:
 - Charitable, Religious, Scientific, Educational, or Literacy purposes

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File for State/Local Tax Exemptions

- In accordance with Tribal, State, county, and municipal law, apply for exemption from income, sales, and property taxes.



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Reminders for Registering

- | | |
|--|---|
| <input type="checkbox"/> Draft Mission | <input type="checkbox"/> File for Federal Tax Exemption w/IRS |
| <input type="checkbox"/> Recruit Board Members | <input type="checkbox"/> Get State Tax exemption |
| <input type="checkbox"/> Get Expertise (banker, accountant, insurance agent) | <input type="checkbox"/> Get mail permit |
| <input type="checkbox"/> Draft AOL & By-laws | <input type="checkbox"/> Get Federal Employer number |
| <input type="checkbox"/> Get Board approval | <input type="checkbox"/> Get unemployment insurance |
| <input type="checkbox"/> File for incorporation with Tribe/State | |

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Meet Legal Responsibilities

- | | |
|---|--|
| <input type="checkbox"/> File form 990 or 990 EZ with IRS & State Attorney General Office | <input type="checkbox"/> Withhold taxes from employees & send to IRS and State |
| <input type="checkbox"/> Complete an Audit | <input type="checkbox"/> Report any lobbying activities on form 990 and register as a lobbyist |
| <input type="checkbox"/> Report any changes of name, address, or amendments to AOL | <input type="checkbox"/> Give receipts to donors for contribution above \$250 |
| <input type="checkbox"/> Make forms 990 and 1023 available to public | <input type="checkbox"/> Comply with the terms of donations, promises made to donors are legally binding |
| <input type="checkbox"/> Report any Unrelated Business Income (UBI) to State and IRS and send payments with form 990T | <input type="checkbox"/> Record minutes of board and annual meetings |

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24

Resources

- IRS
EP/EO Division
4900 DAL
1100 Commerce Street
Dallas, Texas 75242
www.irs.ustreas.gov
- Navajo Nation Division of
Economic Development
Commerce Department
P.O. Box 633
Window Rock, AZ 86515
(928)871-7365/6714
- Internet
www.nonprofit.org
www.charitychannel.com
- Public or College Library
- Newsletter & Forums
* Pulse – (415)541-7708
sca@supportcenter.org
* Board Café – (415)541-9000
msimpson@supportcenter.org

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25

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February 2004

26

Feb-26-04 11:26am From:NN TOURISM DEPARTMENT

15208717381

T-814 P.02/02 F-310

SHEEP SPRINGS TOURIST FACILITIES NARRATIVE

INTRODUCTION: Sheep Springs lies approximately half way between Gallup and Shiprock, New Mexico on US Highway 491, at the point of intersection with New Mexico Highway 134. New Mexico Highway 134 serves as a link to the Chuska Mountains, Canyon de Chelly, other scenic attractions, and Window Rock, Arizona. The traffic count conducted in 1995 of the two roads shows 4,800 daily traffic count. The community of Sheep Springs clustered with two surrounding chapters in the region has a population of at least 3,300 people.

ECONOMY: Although Sheep Springs is strategically located along heavily traveled US 491 Highway, its economy is provided mostly by the public sector. There is a lack of businesses in the community such as tourist-related business that can be a leading factor in the local economy. The three clustered chapters have a work force of at least 1,400 and unemployment rate of 26%. The current per capita income of Sheep Springs is \$5,599. Currently, Sheep Springs has one gas station, one convenient store, and one laundromat. Tourist-related businesses can generate travel industry revenues, create jobs, and a good quality of life.

BACKGROUND: In 1996 Sheep Springs Chapter Economic Development Feasibility Study was completed funded by the State of New Mexico (\$30,000.00). The purpose of the study was to identify projects that will boost the economy in the community as well as helping the Navajo people retain their culture pride and integrity. A Site Development Master Plan for Sheep Springs Tourist Facilities was completed in 1998 funded by the Navajo Nation (\$45,000.00). Based on this master plan a professional consulting firm has been retained to perform architectural and engineering services for the facilities funded by the Navajo Nation (\$91,500.00). New Mexico State Legislature appropriated \$417,500.00, which is only enough for construction as shown in the Attachment "A". There is an additional need for funds in the amount of \$1,001,830.00 to complete the remaining phases of the project. The remaining phases are earthwork, installation of water and sewer lines, curbing, sidewalk, electrical power line, paving 8,935 s.y. truck & RV parking lot, and architectural/engineering for and construction of 3,500 s.f. restaurant facility.

VISION: The vision of Sheep Springs Chapter is to improve local and regional economic conditions through tourist-related business development. The purpose of economic feasibility study was to develop a vision for the future, setting goals, and planning realistic and feasible projects that will set a strong foundation for shaping the future of Sheep Springs tourist-related business as a factor in the local economy. The tourist facilities will provide a reference point to direct tourists to other regional attractions and destinations. Sheep Springs desire a high quality facility for year-round business activities. It is the intention of the Sheep Springs for the operation and maintenance of the Tourist Facilities to be a self-sustaining project utilizing revenues it collects from the business operations. The Tourist Facilities will provide safe and sanitary conditions for economic and tourist-related business activities.

NEED: There is a need for additional funds in the amount of \$1,001,830.00 to complete the remaining phases of the project, which are earthwork, installation of water and sewer lines, curbing, pavement, sidewalk, electrical power line, paving 8,935 s.y. parking lots, and architectural/engineering for and construction of 3,500 s.f. restaurant facility. See the attached Project Scope of Work for the construction and cost breakdown.



US 491

US 666: Gallup To Shiprock

New Mexico Department of Transportation

[Home](#)[Project Description](#)[Design Team](#)[Project Status](#)[Contact Us](#)

Project Description

A NEW NAME: The US 666 Corridor was recently changed to US 491 by the American Association of State Highway and Transportation Officials (AASHTO). The New Mexico Department of Transportation (NMDOT) filed an application for the name change and received concurrence from Colorado Department of Transportation and Utah Department of Transportation to change the designation of the highway to US 491.

US 491 is a major north-south route that begins at Interstate 40 in Gallup and ends at US 191 in Monticello, Utah. In 2003, the New Mexico State Legislature passed a House Memorial Bill to name the portion within NM State limits "John Pinto Highway."



[Click on the map to see a more detailed view of the corridor.](#)

The NMDOT is in the process of evaluating the corridor of US 491 which is located in the northwest corner of New Mexico between Gallup and Shiprock. This NMDOT project, designated FLH-666-1(49)17, CN 2357, begins near milepost 15 north of Gallup and ends near milepost 85 at the existing four-lane section south of Shiprock. The project, located in both McKinley and San Juan Counties, is included in both Districts 5 and 6 of the NMDOT. Click on the map of New Mexico to see the project location.

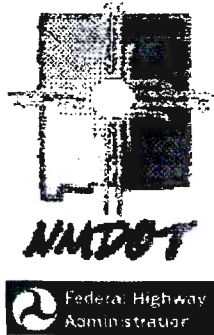
Within the project limits, US 491 passes through the communities of Tohatchi, Buffalo Springs, Naschitti, Sheep Springs, and Newcomb. US 491 is a major transportation corridor connecting Interstate 40 and the Four Corners area, and is also one of the primary routes for traffic through the Navajo Indian Reservation. This highway serves as a primary link in the state's transportation system for moving commercial goods, conveying traffic to tourist attractions, and providing access to and from local communities in the area.

Evaluating the corridor will help review existing conditions, identify deficiencies, determine project needs, and develop alternatives to meet existing and future demands and goals for the area. The Corridor Study will follow the Location Study Procedures, NEPA Guidelines, and comply with all local, state, and federal regulations. The process is broken into the following phases:

- Phase A – Initial Evaluation of Alternatives
- Phase B – Detailed Evaluation of Alternatives
- Phase C – Environmental Documentation
- Preliminary and Final Design
- Construction

For a more detailed description of the project development phases and status of the project, click here or go to the Project Status link of this web site.

The project is in Phase A of the study process and the project goal is to begin construction in January 2005. If you are interested in additional information, please contact any of the following or click on the "contact us" link at the top of the page:



**Navajo Department of
Transportation**
Aquilla Martinez
P.O. Box 4620
Windowrock, AZ 86515-4620
(920) 871-7976

**NM Department of
Transportation**
Mike Pope, P.E.
P.O. Box 1149, Rm 224
Santa Fe, NM 87504-1149
(505) 827-5122

Marron & Associates, Inc.
Eric Johnson
7809 4th Street, NW
Albuquerque, NM 87107-6526
(505) 898-8848

Bohannon Huston, Inc.
Albert M. Thomas, P.E.
7500 Jefferson Street, NE
Courtyard I
Albuquerque, NM 87109
(505) 823-1000

For more information about this project,
you can view the NMDOT US 666 Project Information document.

Eastern Agency Economic Development
Projects shall be broken down as this:

\$3,000,000.00 for Crownpoint Hotel

\$3,950,000.00 for Crownpoint
Convenience Store

Totaling = \$6,950,000.00

**MARKET AND FINANCIAL FEASIBILITY ANALYSIS /
BUSINESS PLAN OF THE
CROWNPOINT HOTEL AND CONFERENCE CENTER**

PREPARED FOR:

CSB ENTERPRISES LLC

CROWNPOINT CHAPTER

AND

NAVAJO NATION EASTERN REGIONAL BUSINESS DEVELOPMENT OFFICE

PREPARED BY:

THOMPSON'S ACQUISITIONS LLC

OCTOBER 13, 2015

I. EXECUTIVE SUMMARY

The Thompson Acquisitions LLC has conducted this feasibility analysis at the request of CSB Enterprises LLC, Crownpoint Navajo Chapter, and the Navajo Nation Eastern Regional Business Development Office (RBDO). After careful examination of the pertinent data and accounting for the potential risks and benefits of the hotel and conference center, Thompson Acquisitions LLC recommends that CSB Enterprises LLC, in conjunction with the Eastern RBDO and the Crownpoint Chapter, proceed with the design and construction of a Navajo-architectural-theme hotel with conference space.

The Navajo Nation Division of Economic Development, Eastern RBDO, CSB Enterprises LLC (Owner/Developer), and Choice Hotels International will organize a public-private partnership to facilitate the development and construction of the Crownpoint Hotel & Conference Center, a 53,927 square foot, three-story Sleep Inn & Suites branded hotel, with 67 rentable rooms, averaging 508 square feet.

Construction cost estimations used in this study have been provided by the Choice Hotels International. The proposed Crownpoint Hotel & Conference Center is envisioned to offer a 67-room Sleep Inn & Suites hotel at an estimated construction cost of \$80,000 per room, resulting in a total construction cost of \$5,360,000.

In addition, the proposed Conference Center will offer 2,000 square feet of clear-span, subdividable convention space, of which, 1,000 square feet would accommodate ballroom space functions with an additional 1,000 square feet of meeting space to allow for breakout space in close proximity to the primary function space. The Conference Center will have an estimated construction cost of \$150.00 per square foot, resulting in a total construction cost of about \$300,000.

Overall, the total development cost of the Crownpoint Hotel & Conference Center is approximately \$5,660,000, encompassing 1.24 acres of a 5-acre site which includes landscaping and a 70-space parking lot. The property location is convenient to nearby New Mexico State Highway 371 (NMSH 371 and Navajo Route 9), educational institutions, government and medical concerns, and to the many businesses, and tourist attractions in the regional area.

Construction costs will be significant and are to be determined by the finalized facility design and specifications. This study concluded that the total cost of developing a 67-room Sleep Inn & Suites hotel with a connected 2,000 square foot conference center facility would be \$5,660,000. The exhibit below illustrates the total development cost analysis.

Crownpoint Hotel & Conference Center Total Development Costs

Sleep Inn & Suites Development Costs	
Total Rooms	67
Costs Per Room	\$80,000
Total Hotel Development Costs	\$5,360,000
Conference Center Development Costs	
Ballroom	1,000 SQ FT
Meeting & Conference Rooms	1,000 SQ FT
Costs Per Square Foot	\$150
Total Conference Center Development Costs	\$300,000
TOTAL CH & CC PROJECT DEVELOPMENT COSTS	\$5,660,000

The Crownpoint Hotel & Conference Center is being capitalized on a solid foundation. Access to cost effective capital for expansion and growth, diversification of the property, and operating economies of scale will result in Net Operating Income (NOI) increases and a higher overall Rate of Return (ROI).

The Pro Forma Operating Statements demonstrate that the Crownpoint Hotel & Conference Center has the potential to generate total annual Revenues of \$1,866,312, Net Operating Income of \$1,161,377, a Net Profit of \$381,351 and Net Cash Flow of \$437,152 in the first year of operation.

The Pro Forma Cash Flow Statements demonstrate that the business ending cash balance will increase from \$437,152 at the end of the first year, to \$532,656 at the end of the fifth year. Cumulative cash flow by the end of Year 5 would total \$2.5 million, almost half the invested capital. There is adequate internally generated cash flow for business growth, indicating less financial risk, improved liquidity, and faster rate of return.

A new strongly branded hotel opening in 2016 would be expected to produce performance results as follows:

Crownpoint Hotel & Conference Center Operating Performance Summary

	Occupancy Percent	Average \$ Rate	\$ RevPAR	Total Revenue	Cash Flow
Year 1	79 %	\$ 92	\$ 72.68	\$ 1,866,312	\$ 1,161,377
Year 2	81 %	\$ 94	\$ 76.14	\$ 1,955,148	\$ 1,237,609
Year 3	83 %	\$ 94	\$ 78.02	\$ 2,003,378	\$ 1,268,139
Year 4	83 %	\$ 96	\$ 79.68	\$ 2,046,003	\$ 1,295,121
Year 5	84 %	\$ 96	\$ 80.64	\$ 2,070,654	\$ 1,310,724
Year 6	84 %	\$ 97	\$ 81.48	\$ 2,092,223	\$ 1,324,376
Year 7	84 %	\$ 98	\$ 82.32	\$ 2,113,793	\$ 1,338,029
Year 8	85 %	\$ 98	\$ 83.30	\$ 2,138,957	\$ 1,353,961
Year 9	85 %	\$ 99	\$ 84.15	\$ 2,160,782	\$ 1,364,775
Year 10	85 %	\$100	\$ 85.00	\$ 2,182,609	\$ 1,381,594

The Sleep Inn & Suites hotel will achieve a Return on Equity of 38.13% and Return On Investment of 6.74%. This is an excellent hotel investment.