

RESOLUTION OF THE
NAABIK'ÍYÁTI' STANDING COMMITTEE OF THE

23rd NAVAJO NATION COUNCIL -- Fourth Year, 2018

AN ACTION

RELATING TO RESOURCES AND DEVELOPMENT COMMITTEE, BUDGET AND
FINANCE COMMITTEE, AND NAABIK'ÍYÁTI' COMMITTEE; RESCINDING
NABIAU-61-17, ENTITLED "AMENDING THE NAVAJO NATION ECONOMIC
DEVELOPMENT FUND AND FUND MANAGEMENT PLAN"

BE IT ENACTED:

SECTION ONE. AUTHORITY

- A. The Resources and Development Committee serves as the oversight committee for the Division of Economic Development. 2 N.N.C. § 501(C)(1).
- B. The Budget and Finance Committee is empowered with the authority to approve fund management plans. 2 N.N.C. § 301(B)(14).
- C. The Navajo Nation Code provides, "[i]f the voting results of the committee with final approval authority over the legislation are different from the voting results of the other committee to which the legislation was assigned, the legislation shall be referred to the Naabik'íyáti' Committee for final action, notwithstanding any other delegations to other committees of final approval authority." 2 N.N.C. § 164(A)(12).

SECTION TWO. FINDINGS

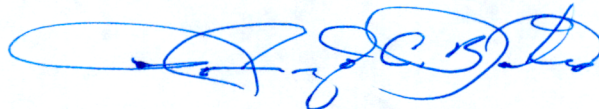
- A. The Navajo Nation first approved the Division of Economic Development Fund Management Plan, on December 17, 2013 through BFD-48-13, which is attached as **Exhibit A** to **Exhibit 1**.
- B. The Fund Management Plan was amended through NABIAU-61-17 on August 10, 2017, which is attached as **Exhibit 1**.

SECTION THREE. RESCINDING BFS-141-03, ENTITLED "AMENDING THE
NAVAJO NATION ECONOMIC DEVELOPMENT FUND AND FUND MANAGEMENT
PLAN"

The Navajo Nation hereby rescinds NABIAU-61-17, entitled "Amending the Navajo Nation Economic Development Fund and Fund Management Plan."

CERTIFICATION

I, hereby, certify that the foregoing resolution was duly considered by the Naabik'iyáti' Committee of the 23rd 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 11 in Favor, and 01 Opposed, on this 31st day of December 2018.



LoRenzo C. Bates, Chairman
Naabik'iyáti' Committee

Motioned: Honorable Olin Kieyoomia
Second : Honorable Benjamin L. Bennett

Chairman LoRenzo C. Bates not voting

RESOLUTION OF THE
NAABIK'ÍYÁTI' COMMITTEE OF THE
23RD NAVAJO NATION COUNCIL - Third Year, 2017

AN ACTION

RELATING TO RESOURCES AND DEVELOPMENT, BUDGET AND FINANCE
COMMITTEES; AMENDING THE NAVAJO NATION ECONOMIC DEVELOPMENT FUND
AND FUND MANAGEMENT PLAN

BE IT ENACTED:

SECTION ONE. AUTHORITY

- A. The Resources and Development Committee is a standing committee of the Navajo Nation Council. 2 N.N.C. § 500 (A) (2015).
- B. The Resources and Development Committee serves as oversight over The Division of Economic Development. 2 N.N.C § 500 (C) (1) (2015).
- C. The Resources and Development Committee makes recommendations for amendments to the Navajo Nation Economic Development Fund and Fund Management Plan. See BFD-48-13 attached as **Exhibit A**.
- D. Endorsement of the amendment to the Navajo Nation Economic Development Fund and Fund Management Plan by the Resources and Development Committee constitutes a recommendation for purposes of BFD-48-13 regarding the Navajo Nation Economic Development Fund and Fund Management Plan.
- E. The Budget and Finance Committee is final authority to approve amendments to the Navajo Nation Economic Development Fund and Fund Management Plan. See Navajo Nation Economic Development Fund and Fund Management Plan, Section VIII.

SECTION TWO. FINDINGS

- A. In 2013, the Navajo Nation approved the Navajo Nation Economic Development Fund and Fund Management Plan (Fund). See Exhibit A.
- B. The purpose of the Fund is for the Division of Economic Development to stimulate economic development activities on the Navajo Nation. The goal of the Fund is to improve the Navajo Nation economy with the small business, commercial, industrial and tourism sectors of the Navajo Nation. These economic development improvements will create jobs, provide

marketable lands, establish an economic base and provide for an economic multiplier effect. See Exhibit A.

- C. The Division of Economic Development (DED) made recommendations for amendments to the Fund. See Memorandum from Crystal Deschinny, Division Director, DED, attached as **Exhibit B**.
- D. The DED recommendation to the Fund will allow funds to be used as seed money for a tribal corporation or a Section 17 corporation, limited to five years of initial development. See Proposed Amended Navajo Nation Economic Development Fund and Fund Management Plan attached as **Exhibit C**.

SECTION THREE. RECOMMENDATION AND APPROVAL

- A. The Resources and Development Committee recommends the amendment to the Navajo Nation Economic Development Fund and Fund Management Plan, Project Activities, Section V(8), Exhibit C.
- B. The Budget and Finance Committee approves the amendment to the Navajo Nation Economic Development Fund and Fund Management Plan regarding Project Activities, Section V(8), Exhibit C.

CERTIFICATION

I hereby certify that the foregoing resolution was duly considered by the Naabik'iyáti' Committee of the 23rd 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 09 in favor and 05 oppose, this 10th day of August 2017.



LoRenzo C. Bates, Chairperson
Naabik'iyáti' Committee

Motion: Honorable Lee Jack, Sr.
Second: Honorable Otto Tso

Chairperson Bates not voting

3

**23rd Navajo Nation Council
Naabik'iyati' Committee**

Date: August 10, 2017

Legislation No. 0218-17

Motion: Lee Jack, Sr.

Second: Otto Tso

ALL DELEGATES:

	Yea	Nay
BATES, LoRenzo C.		
BEGAY, Kee Allen Jr.	✓	
BEGAY, Norman M.		
BEGAY, Steven		✓
BEGAYE, Nelson		✓
BENNETT, Benjamin L.		
BROWN, Nathaniel		
CHEE, Tom T.	✓	
CROTTY, Amber K.		
DAMON, Seth		
DANIELS, Herman		
FILFRED, Davis		
HALE, Jonathan L.		
JACK, Lee Sr.		
PERRY, Jonathan		✓
PETE, Leonard H.	✓	
PHELPS, Walter	✓	
SHEPHERD, Alton Joe	✓	
SLIM, Tuchoney Jr.	✓	
SMITH, Raymond Jr.	✓	
TSO, Otto	✓	
TSOSIE, Leonard		✓
WITHERSPOON, Dwight	✓	
YAZZIE, Edmund		✓

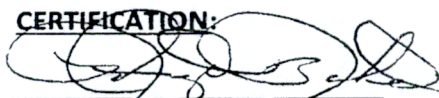
BY COMMITTEE:

	Yea	Nay	TOTAL
BFC:			
CHEE, Tom T.			
DAMON, Seth			
JACK, Lee Sr.			
SLIM, Tuchoney Jr.			
WITHERSPOON, Dwight			
TSOSIE, Leonard			
HEHSC:			
BEGAY, Norman M.			
BEGAY, Steven			
BEGAYE, Nelson			
BROWN, Nathaniel			
CROTTY, Amber K.			
HALE, Jonathan L.			
LOC:			
BEGAY, Kee Allen Jr.			
DANIELS, Herman			
SMITH, Raymond Jr.			
TSO, Otto			
YAZZIE, Edmund			
RDC:			
BENNETT, Benjamin L.			
FILFRED, Davis			
PERRY, Jonathan			
PETE, Leonard H.			
PHELPS, Walter			
SHEPHERD, Alton Joe			
SPEAKER:			
BATES, LoRenzo C.			
(Votes only in a tie)			

GRAND TOTAL

9 | 5

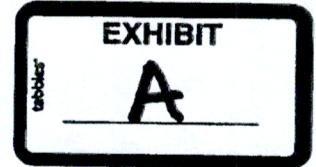
CERTIFICATION:



Honorable LoRenzo C. Bates
Speaker

GRAND TOTAL

RESOLUTION OF THE
BUDGET AND FINANCE COMMITTEE
OF THE NAVAJO NATION COUNCIL



22ND NAVAJO NATION COUNCIL - Third Year, 2013

AN ACTION

RELATING TO RESOURCES AND DEVELOPMENT AND BUDGET AND FINANCE; APPROVING
THE NAVAJO NATION ECONOMIC DEVELOPMENT FUND MANAGEMENT PLAN

BE IT ENACTED:

The Navajo Nation hereby approves the Navajo Nation Economic Fund Management Plan, as set forth in Exhibit A.

CERTIFICATION

I hereby certify that the foregoing resolution was duly considered by the Budget and Finance Committee of the Navajo Nation Council at a duly called meeting held at Window Rock, Navajo Nation (Arizona), at which a quorum was present and that the same was passed by a vote of 3 in favor, 0 opposed, this 17th day of December, 2013.

A handwritten signature in black ink, appearing to read "LoRenzo C. Bates".

LoRenzo C. Bates, Chairperson
Budget and Finance Committee

Motion: Danny Simpson
Second: Nelson S. BeGaye

Navajo Nation Economic Development Fund Fund Management Plan

Section I. Establishment

There is hereby established the Navajo Nation Economic Development Fund (hereinafter "Fund") and Fund Management Plan for use by the Division of Economic Development ("DED"); and the Resources and Development Committee of the Navajo Nation Council shall provide legislative oversight.

Section II. Purpose

The purpose of this Fund is for DED to stimulate economic development activities on the Navajo Nation. The goal of the Fund is to improve the Navajo Nation economy within the small business, commercial, industrial and tourism sectors of the Navajo Nation. These economic development improvements will create jobs, provide marketable lands, establish an economic base and provide for an economic multiplier effect.

Section III. Administration

A. Funding Source

The funding source for this Fund shall be revenue generated by the Navajo Nation Sales Tax in accordance with the "Navajo Nation Sales Tax Distribution Reform Act of 2012," Resolution No. CO-46-12 amending 24 N.N.C. § 620 (B) and (C), and other funds appropriated or allocated by the Navajo Nation Council.

B. Program Management

DED shall have the authority and responsibility to use the funds to stimulate and complete economic development activities in accordance with the Fund Management Plan.

Section IV. Fund Management

A. Planning

The Navajo Nation Overall Economic Development Plan shall serve as the basis for the Fund.

The Resources and Development Committee of the Navajo Nation Council under 2 N.N.C. §501 (2) (h) is delegated the authority to approve the Navajo Nation Overall Economic Development Plan.

B. Budgeting

Expenditures from this Fund shall be budgeted annually in accordance with established Navajo Nation budget policies and procedures.

C. Fund Accounting

The records and books of accounts for the Fund shall be kept separate with its own balance sheet and revenue and expenditure statement. The day-to-day accounting shall be performed by the Office of the Controller, in accordance with Generally Accepted Accounting Principles.

D. Reports

DED Chief Financial Officer shall account for expenditure of funds. Such accounting shall be reported to the Resources and Development Committee of the Navajo Nation Council as a part of the annual Navajo Nation budget process and quarterly to DED Management.

Section V. Project Activities

The Fund shall be used for development of small business, commercial, industrial and tourism related projects equitably among the five agencies. Such expenses to be funded shall include the following phases of development and activities:

1. Preliminary planning that may include feasibility studies, technical/engineering site analysis, traffic studies, master plans, other predevelopment planning studies, etc.;
2. Preliminary development which may include environmental assessment, appraisals archaeological clearance, boundary surveys, topographic mapping, other predevelopment studies, etc.;
3. Architecture/Design services which may include: pre-design services, schematic designs, final construction documents, other architectural services, etc.;
4. On-site development which may include: infrastructure, utilities - water, sewer, gas, electric, communication, access roads, turnout lanes, etc.;
5. Construction (limited to 50% of fund a year), maintenance, renovation and repair that may include: materials testing/quality control, as-built drawings, other construction services, etc.;
6. Leveraging/Matching Funds — The funds from private, tribal, state and federal funding resources can be used to match, leverage and/or augment this Fund; and
7. Other professional services which promote the development and sustainment of Navajo businesses.

Section VI. Effective Date

The effective date of the Fund shall be January 01, 2013 and shall remain in effect until the Budget and Finance Committee of the Navajo Nation Council terminates this Fund.

Section VII. Audit Requirement

The Fund shall be audited annually as part of the overall audit of the Navajo Nation Government by independent auditors.

Section VIII. Amendments

The Navajo Nation Economic Development Fund and Fund Management Plan shall be amended by the Budget and Finance Committee of the Navajo Nation Council, upon recommendation by the Division of Economic Development and Resources and Development Committee of the Navajo Nation Council.



NAVAJO NATION ECONOMIC DEVELOPMENT FUND FUND MANAGEMENT PLAN

EXECUTIVE SUMMARY

Pursuant to the Navajo Nation Sales Tax Distribution Reform Act of 2012, the Fund Management Plan funds 100% pre-development and construction projects and does not allocate any resources to any overhead cost.

As outlined in the Section V. Project Activities, the Fund Management Plan funds pre-development services. These services are essential in preparing a track of undeveloped land set aside for commercial and/or industrial and making the land marketable for development.

In addition, the Fund Management Plan funds onsite development and construction. These services allow the business site to become equipped with utility and water infrastructure and the construction of pavements, buildings and other structure which businesses can begin to locate.

Lastly, the Fund Management Plan allows for the fund itself to be leveraged with other funds within and outside the Navajo Nation.

No part of the Fund Management Plan stipulates the fund be allocated toward general operations such as travel, advertisement and or personnel. The entire fund is designated toward developing businesses on the Navajo Nation.

To date, with reduced budgets, the Division of Economic Development's Contractual Services and Capital Outlay budget line items for pre-development and construction services to less than \$80,000 for FY2014. The \$80,000 represents funding for these services for the 17.5 million acres of land on the Navajo Nation.

Passage of the Fund Management Plan by end of FY2013 would greatly assist the division in immediately implementing the plan within FY2014.

Your support and passage of the Fund Management Plan is greatly appreciated.



THE NAVAJO NATION

RUSSELL BEGAYE
JONATHAN NEZ



MEMORANDUM

TO : Mr. Russell Begaye, President
Navajo Nation Council

FROM : Crystal Deschinny, Division Director
Division of Economic Development

DT: : December 23, 2017

Subject : Proposed Amendment to the Economic Development Fund Management Plan

I respectfully ask for your consideration of a proposed amendment to the Economic Development Fund Management Plan. The proposed amendment would assist in providing much needed capital utilizing the Sales Tax fund to assist with the development of a much needed Section 17 Corporation.

The proposed amendment is:

8. Initial seed funding to start a tribal corporation and/or Section 17 corporation owned by the Navajo Nation

One of the challenges faced by the Division of Economic Development (DED) is that despite well planned and well formulated business ideas, the ideas will remain as such until an appropriate business vehicle, such as the Section 17 Corporation is in place. The Corporation will accommodate, promote and help grow economic development opportunities.

The Section 17 Corporation will:

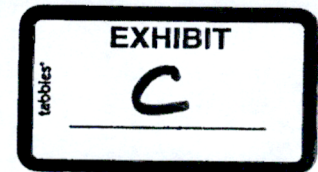
- Provide a structured vehicle to promote business development;
- Serve as a protective umbrella thereby reducing risk to Navajo Nation while preserving its assets;
- Separate business from politics;
- Encourage entrepreneurship and business development with divided expertise;
- Allow DED and NN to capitalize on and participate in the Tronox fund settlement;
- Promote development of Navajo businesses that will brand and market operating companies built on the strength and reputation of NN;
- Establish the opportunity for issuance of tax exempt bonds to finance projects; and
- Create federal tax savings.

NN has the potential to create businesses that will begin to impact the NN's economic climate. A Section 17 Corporation is what is needed to allow this change to happen.

Respectfully,

Crystal Deschinny, Division Director
Division of Economic Development

**Navajo Nation Economic Development
Fund Management Plan
PROPOSED**



Section I. Establishment

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A. Funding Source

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B. Program Management

DED shall have the authority and responsibility to use the funds to stimulate and complete economic development activities in accordance with the Fund Management Plan.

Section IV. Fund Management

A. Planning

The Navajo Nation Overall Economic Development Plan shall serve as the basis for the Fund. The Resources and Development Committee of the Navajo Nation Council under 2 N.N.C. §501 (2) (h) is delegated the authority to approve the Navajo Nation Overall Economic Development Plan.

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4. On-site development which may include: infrastructure, utilities - water, sewer, gas, electric, communication, access roads, turnout lanes, etc.;
5. Construction (limited to 50% of fund a year), maintenance, renovation and repair that may include: materials testing/quality control, as-built drawings, other construction services, etc.;
6. Leveraging/Matching Funds – Funds from private, tribal, state and federal funding resources can be used to match, leverage and/or augment this Fund; and
7. Other professional services which promote the development and sustainment of Navajo businesses.
8. Initial funding to a tribal corporation or a Section 17 corporation fully owned by the Navajo Nation; funding will be limited to five (5) years for initial development.

Section VI. Effective Date

The effective date of the Fund shall be January 01, 2013 and shall remain in effect until the Budget and Finance Committee of the Navajo Nation Council terminates this Fund.

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The Fund shall be audited annually as part of the overall audit of the Navajo Nation Government by independent auditors.

Section VIII. Amendments

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NAVAJO NATION

RCS# 1197

Naa'bik'iyati Committee

12/31/2018

03:58:39 PM

Amd# to Amd#

Legislation 0444-18: Rescinding

PASSED

MOT Kieyoomia

NABIAU-61-17, Entitled "Amending

SEC Bennett

the NN Economic Development Fund
and Fund Management Plan"

Yea : 11

Nay : 1

Excused : 0

Not Voting : 12

Yea : 11

Begay, K
BeGaye, N
Bennett

Daniels
Filfred
Jack

Kieyoomia
Pete
Shepherd

Tsosie
Yellowhair

Nay : 1

Brown

Excused : 0

Not Voting : 12

Bates
Begay, NM
Chee

Crotty
Damon
Hale

Perry
Phelps
Slim

Smith
Tso
Yazzie