



THE NAVAJO NATION

OFFICE OF THE PRESIDENT & VICE PRESIDENT

FOR IMMEDIATE RELEASE

AUG. 4, 2008

CONTACT: GEORGE HARDEEN
COMMUNICATIONS DIRECTOR
OFFICE – 928-871-7917
CELL – 928-309-8532
pressoffice@opvp.org

Navajo President Joe Shirley, Jr., vetoes purchase of Gallup Inn, amendments to strip Navajo Board of Ed of authority, members

WINDOW ROCK, Ariz. – Navajo Nation President Joe Shirley, Jr., today vetoed legislation that would have spent \$6.6 million to buy the former Holiday Inn of Gallup and another that would have amended Title 10 to reduce the Navajo Nation Board of Education and transfer its authority to the Navajo Nation Council's Education Committee.

In his veto message to Navajo Nation Council Speaker Lawrence T. Morgan, President Shirley said a July 16 market analysis concluded that the purchase price of the hotel – now known as the Gallup Inn – is two-to-three times higher than the market value of the property. The analysis was done by Rick Swig, President of ISHC.

“In Mr. Swig’s opinion, the purchase is too high risk and he advises the Nation against the purchase,” President Shirley said. “According to the study, the hotel was originally built in 1966 and is overbuilt. The study looked at the average number of rooms sold per night in the Gallup area and concludes that only approximately 30 percent of the rooms would be sold on any given night.”

The President also said \$2.6 million approved by Council to renovate the hotel would not be enough to make it competitive.

“Even with the \$2.6 million in renovations, the return is still far less than what is required to make the hotel competitive in light of the age of the hotel, the high unlikelihood of conversion to a top quality hotel franchise, and the huge capital costs,” he said. “This does not include necessary fees, taxes and other operating expenses associated with the purchase. As such, this

investment is risky, and is very likely that the Nation would not see a significant return.”

“It is highly questionable as to whether spending \$6.6 million, plus an additional \$2.6 million, is a wise expenditure of the people's money – especially when this study shows that the market value is only worth \$1 million to \$2 million without renovations, and \$2 million to \$3 million with renovations.”

– Navajo Nation President Joe Shirley, Jr.

Based upon the study, he said, “it is highly questionable as to whether spending \$6.6 million, plus an additional \$2.6 million, is a wise expenditure of the people's money – especially when this study shows that the market value is only worth \$1 million to \$2 million *without* renovations, and \$2 million to \$3 million *with* renovations.”

He said the study determined that, given Gallup market conditions in 2008 and the current state of the hotel investment market, the hotel would either be potentially unsellable in 2008 or estimated at no more than land value.

The President also vetoed legislation that would have significantly amended Title 10 of the Navajo Nation Code, “undoing all that is good and special about the *Diné Sovereignty in Education Act*,” he said.

The amendments would have stripped all substantive authority to make decisions from the Navajo Nation Board of Education and hand over that authority to the Education Committee, he said.

“Unlike the Board, the Committee was not established specifically to set educational standards and requirements, nor to fulfill the vision of our past leaders,” the President said.

This legislation would have reduced the number of board members from 11 to seven, and unseated all of the elected members. Under current law, each Navajo agency is represented by a duly-elected member of the Board of Education.

“In essence, this proposed bill would rescind those votes cast in good faith by Navajo voters, and disenfranchise them about whom they want as their representatives on education-related matters,” President Shirley said. “Members of the Council, this action is wrong, misguided, and creates an unsound precedent.”

He said the legislation “tampers with our democratic process and violates the people’s trust.”

“It is indisputable that this proposal arose in reaction to issues involving our former superintendent,” he said. “I would caution against allowing personnel matters to ever be used to confuse the original intent and purpose of our still-recent Title 10 amendments to strengthen Navajo education. We must allow sufficient time to permit the law to work as intended for the benefit our children and our Nation.”

The President signed two appropriation resolutions into law. One appropriates \$280,000 to the Navajo Nation Division of Public Safety for personnel overtime and travel expenses during the Navajo Nation and community fairs this summer and fall, and also re-appropriates \$58,592 for a Fire and Rescue Services funding shortfall.

The other spending measure appropriates \$101,396 as a grant to Hoosh Dooch Dii To’ Development, Inc., and \$180,000 to the Office of the Speaker to allocate \$20,000 each for the Navajo Nation Fair, Eastern Agency Fair, Central Fair, Southwest Fair, Kayenta Fair, Western Agency Fair, Utah Fair, Alamo Fair, Northern Agency Fair and Ramah Fair.

###