



THE NAVAJO NATION

OFFICE OF THE PRESIDENT & VICE PRESIDENT

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Navajo President Joe Shirley, Jr., announces \$140 million earned from first Arizona compact auction of gaming devices

First State of Navajo Nation Address of 2008 delivers optimistic, upbeat message

WINDOW ROCK, Ariz. – Navajo Nation President Joe Shirley, Jr., announced today that the Navajo Nation has become the first Arizona tribe to auction gaming devices and expects to raise more than \$140 million over the next 18 years.

During his quarterly State of the Navajo Nation address to the Navajo Nation Council, the President said Arizona's three largest gaming tribes bid on the Navajos' excess machines during the first pooling auction held in Arizona last week.

Emphasizing an optimistic vision of the Navajo Nation this year taking its most significant steps to return to its historical independence, the President said that development of its first casino at Church Rock, N.M., is on track, the Leupp Chapter in Arizona has withdrawn 100 acres for a destination resort casino, other locations are being considered for northern Navajo and western Navajo casinos, and the Navajo Agricultural Products Industry has turned a loss around to show a profit of \$4.8 million.

"Despite historical obstacles, and difficult as it has always been for the Nation, our Administration continues to work to develop the Navajo economy," President Shirley said. "At long last, this is the year when the deep and common desire of our people to stand on their own again will begin to bear fruit, and we, as a Nation, take the first true steps to return us to independence."

The President said that only through economic development can the Navajo Nation be put a path toward the historical self-sufficiency it knew prior to imprisonment at Fort Sumner in 1863-64.

Last Wednesday, he said, the Navajo Nation became the first tribe to invoke the pooling provisions of its Arizona gaming compact. That allowed it to auction the excess gaming machines it will not need for its own casinos.

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– Navajo Nation President Joe Shirley, Jr.

"As a result of this historic auction, three of the larger Arizona gaming tribes offered bids that will result in almost \$8 million per year for the next 18 years," he said. "This means that the Navajo Nation will earn more than \$140 million from this one auction."

These agreements now need approval of the Navajo Nation Council's Intergovernmental Relations Committee.

The President also announced his support of using a \$35 million loan from the Navajo Nation's Land Acquisition Trust Fund to finance our Church Rock casino development.

He said the topographical survey and traffic study for the Church Rock property has been completed, and that the Navajo Nation Gaming Enterprise is negotiating construction access permits from the New Mexico Department of Transportation.

He said Navajo Nation Gaming Enterprise CEO Robert Winter has retained a Navajo-owned engineering firm to perform the required soil surveys within the next 30 days, and that the Gaming Enterprise will select a architectural firm this week to prepare preliminary drawings for the casino.

He said the Gaming Enterprise has already received some 250 applications for its 200-plus jobs.

The President said the Gaming Enterprise has selected a site within the Leupp Chapter near the Twin Arrows exit along Interstate 40 as potentially the Navajos' most profitable casino location in Arizona.

"This site provides the best chance throughout the Navajo Nation for the development of a destination resort," he said. "In addition to the casino, which will have about 800 slot machines, plans include a hotel, RV Park and conference center, as well as other amenities. "

He said the pro forma is complete for the northern Navajo area and locations examined include *Tse Daa Kaan*, Shiprock, and Upper Fruitland chapters.

"A decision will be made in short order where it would be the most feasible to build a casino in our northern agency," President Shirley said. "The Gaming Enterprise is also working to complete a financial pro forma for the Coal Mine/Cameron areas."

The President praised the turn-around of the Navajo Agricultural Products Industry. Significant financial losses at NAPI in the late 1990s caused concern, resulting in restructuring in 2001, he said.

Since then, the President said, NAPI's financial performance has been one of steadily-increasing profits. Its audited financial statements for the NAPI fiscal year last May showed a \$4.8 million profit, he said.

"NAPI is exceeding its projections for the current fiscal year," he said. "Its banking relationships are strong. It has

reinvested more than \$3.1 million of its retained earnings in capital improvements at the farm for such things as grain storage facilities, a state-of-the-art potato fresh-pack operation, and the finest modern farm equipment."

He said NAPI is now investigating rail facilities to enhance marketing opportunity. He said it is considering three agricultural processing ventures, including a venture for snack foods, a greatly-expanded cattle feed lot, and a potato processing facility.

But to enable NAPI to grow, the President said the federal government needs to live up to its 45-year-old promise to develop its land.

In legislation passed in 1962 and after more than a decade of negotiations, he said, Congress agreed to develop a 110,630-acre irrigated farm in exchange for a diversion right of 508,000 acre-feet of San Juan River Basin water into the Rio Grande Basin per year.

"Although the San Juan Diversion was completed on time, the Navajo Indian Irrigation Project is more than a quarter-century behind schedule," President Shirley said. "The demand for NAPI land is intense, but NAPI has only 70,000 of the promised 110,630 acres to work with. We now need to work together to rectify this injustice to the Navajo people. "

In other issues, the President said he would issue an executive order to authorize the Division of Economic Development as the "managing entity" to waive the businesses' surety bond requirement. He explained that despite approval of Navajo Nation Business Leasing Regulations of 2005, more insurance and bonding companies refuse to bond small businesses.

This has prevented many small businesses from obtaining their business site leases. So the Division will be empowered to accept certificates of deposits, letters of credit, or cash deposits, which serve the purpose of a bond.

"This waiver will help our small business owners obtain their business site leases, and, in turn, move to develop our economy and provide new jobs for our people," the President said.

He also said the Navajo Nation has overcome the legal and political obstacles to expand U.S. 491 between Ya-Ta-Hay and Shiprock, N.M., which is now scheduled to begin in June.

The President also acknowledged the late Arlene Luther, the department manager for the Navajo Nation's Environmental Protection Agency's Waste Regulatory Compliance Department who passed away on Jan. 6, as "a true protector of our land."

He said as one of the first generation of Native American environmental professionals, she helped create and build the Navajo Nation EPA into the pre-eminent Native American environmental department in the country.

She worked for the Navajo EPA for 27 years, and is credited with persuading the federal EPA that the radioactive-contaminated land around the Northeast Church Rock Uranium Mine site was actually located on Navajo land, and so qualified for federal cleanup.

The President also acknowledged the generous donations of \$25,000 for holiday turkeys by Overstock.com CEO Patrick Byrne, 500 turkeys by Eddie Basha of Bashes' Diné Markets. The turkeys were distributed to needy elderly and families throughout the holiday season.

He also thanks volunteers for distributing more than 17,000 toys to Navajo children through the annual Toys for Tots program.

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