



THE NAVAJO NATION

OFFICE OF THE PRESIDENT & VICE PRESIDENT

FOR IMMEDIATE RELEASE

OCT. 11, 2007

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

Navajo President Joe Shirley, Jr., sends message to Council urging delegates to support \$100 million gaming line of credit

WINDOW ROCK, Ariz. – Navajo Nation President Joe Shirley, Jr., today urged Navajo Nation Council delegates to support legislation to approve a \$100 million line of credit so casino gaming can begin on the Navajo Nation.

In a message delegates will receive when they come to vote on the legislation on Friday, President Shirley said the line of credit is an excellent way for the Nation to get gaming underway. The Navajo people approved gaming in a referendum vote in November 2004.

“With your approval of Legislation No. 0524-07,” the President wrote, “the will of the people will be fulfilled, the Nation can finally begin to realize the revenue-generating potential from gaming, services to more of our people will be able to increase and dire needs will be lessened. As our Nation’s leaders, this Council will lay the historic foundation for our Nation to achieve real economic development, financial self-sufficiency, and regain a measure of independence that was wrested from us 144 years ago.”

Navajo Nation Gaming Enterprise CEO Robert Winter told the Council last week that after negotiating more than \$1 billion worth of gaming financing, this is the best deal he has ever seen. President Shirley said the line of credit will put the Navajo Nation in an advantageous position to negotiate with developers.

“Approval of the line of credit is absolutely essential to enable the Nation to engage in meaningful negotiations with potential and credible developers.” President Shirley said. “The absence of the line of credit alternative puts the Nation at a disadvantage in any such negotiations. The line of credit is, in essence, the bargaining chip the Nation has with potential developers.”

The President said that the Navajo Nation is at a point now where financing is necessary to implement its gaming development initiative.

“The Office of the Controller, the Department of Justice, and the Gaming Enterprise CEO have worked diligently to

“Approval of the line of credit is absolutely essential to enable the Nation to engage in meaningful negotiations.”

– Navajo Nation President Joe Shirley, Jr.

negotiate a \$100 million line of credit from JP Morgan Chase,” he said. “The funds from the line of credit will be used for the development and construction of at least two gaming facilities. We have received the financial pro forma containing information that the general areas identified will generate significant gaming profits for the Nation.”

He said approval of the line of credit authorizes a financial arrangement so that JP Morgan Chase would set aside the funds for use by the Navajo Nation when it needs to use the money. The Navajo Nation will pay interest only on the amount it uses, known as a “draw down,” rather than the entire \$100 million, but will have access to that amount should it need it.

Under the terms of the agreement, he said, the Nation will provide security for the amount borrowed in the form of “legally available liquid assets” of the Nation. This secured line of credit results in a lower rate of interest on the amount borrowed by the Nation than would be available under a standard loan agreement, he said.

“This type of arrangement gives the Nation more flexibility to plan construction and operating costs by providing ready access to capital as needed,” President Shirley wrote. “The bank is willing to remove the requirement of the Nation to provide security and transfer the obligation to the Navajo Gaming Enterprise when the construction of the gaming facilities are completed and the casinos become operational.

###