



The Navajo Nation Council — Office of the Speaker

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FOR IMMEDIATE RELEASE

Navajo Council entertains idea of \$60 million loan to build public safety facilities, hear report from Fire Rock Navajo Casino

Navajo Nation is elated about \$74 million funding for public safety facilities, but big void is left for other facilities across Navajo Nation

WINDOW ROCK, Ariz – Public safety on the Navajo Nation is a top priority as the Navajo Council convened for a work session to entertain the idea of possibly applying for a \$60 million loan from Key Bank to construct judicial and public safety facilities across the Navajo Nation. The talk of a loan comes only days after the Public Safety Committee announced \$74 million will be received from the federal Recovery Act funds to construct detention facilities in Tuba City, Ariz., Kayenta, Ariz. and Ramah, NM.

Although the Navajo Nation is elated about the funding, a big void is still left in constructing other needed facilities across the sprawling 27,000-square-mile reservation.

Key Bank, _____, presented details about the possible \$60 million loan to construct judicial and public safety facilities. The loan is described as an unsecured general obligation loan of the Navajo Nation and the terms would be governed by the laws of the Navajo Nation, which will allow any dispute to be adjudicated within the Nation's court system.

Dolores Greyeyes, director of Navajo Department of Corrections, spoke in favor of the loan to build jails and explained the loan will be used in conjunction with the stimulus funding expected. She presented the Council with a master plan detailing the break down of 13 projects that included facilities for peacemaking, courts, detention and rehabilitation centers to be funded with the proposed loan.

"Police officers are frustrated with the lack of jails across the Navajo Nation," Greyeyes said. "They don't want to waste their time chasing criminals, just to find out the criminals are being set free because of limited jail space."

Currently, the Navajo Nation struggles with only 59 jail beds for the entire Nation. As a result, many inmates serve only a portion of their sentence before being released to recommit crime.

LoRenzo C. Bates, chairman of the Budget and Finance Committee, was the sponsor of the legislation proposing the loan. He advocated for the loan and he explained the current financial market is far better than a few years ago.

"Back then, the market conditions were different from now," Bates said. "As you will hear from my agents, this loan—at this point—is something we should consider as we move forward."

On hand to explain further details of the loan was Navajo Controller Mark Grant.

"Key Bank is taking a step of faith with the Navajo Nation and they have agreed with our court system," Grant said. "The loan will be the first of its kind in Indian Country. No other tribal government has been able to issue debt where dispute resolution is based on tribal law and where any dispute is adjudicated exclusively in the tribal court system."

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It was explained that most banks do not provide unsecured loans to the Navajo Nation, due to sovereign immunity.

"A loan of this magnitude has never been seen by a bank to step up and go through with it," said Doug Goe, a partner with Orrick Herrington, in regards to the Navajo Nation's goodwill. "If there is any dispute, we are willing to deal with the law of the Navajo Nation, and I see this as a very fortunate loan that the Nation can pursue."

The Navajo Council also received a report from Fire Rock Navajo Casino and the Navajo Nation Gaming Enterprise regarding its operations, revenues, loans, development plans, financing of future casinos, its distribution plans and other gaming issues.

Robert Winters, chief executive officer for the casino, was on hand to answer questions as the Council deliberated in a 90 minute executive session.

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