

THE NAVAJO NATION  
LEGISLATIVE BRANCH  
INTERNET PUBLIC REVIEW PUBLICATION



LEGISLATION NO: 0180-19

SPONSOR: Seth Damon

**TITLE: An Action Relating To The Resources And Development, Budget And Finance, NAABIK'IYATI' Committees, And Navajo Nation Council; Allocating \$19,297,576 From The Sihasin Fund To The Division Of Economic Development Project Development Department And Approving And Adopting The Church Rock Industrial Park Project Fund Expenditure Plan Pursuant To 12 N.N.C. §§2501-2508**

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**LEGISLATIVE SUMMARY SHEET**

**Tracking No.** 0180-19

**DATE:** June 28, 2019

**TITLE OF RESOLUTION:** AN ACTION RELATING TO THE RESOURCES AND DEVELOPMENT, BUDGET AND FINANCE, NAABIK'ÍYÁTI' COMMITTEES, AND NAVAJO NATION COUNCIL; ALLOCATING \$19,297,576 FROM THE SÍHASIN FUND TO THE DIVISION OF ECONOMIC DEVELOPMENT PROJECT DEVELOPMENT DEPARTMENT AND APPROVING AND ADOPTING THE CHURCH ROCK INDUSTRIAL PARK PROJECT FUND EXPENDITURE PLAN PURSUANT TO 12 N.N.C §§ 2501 – 2508

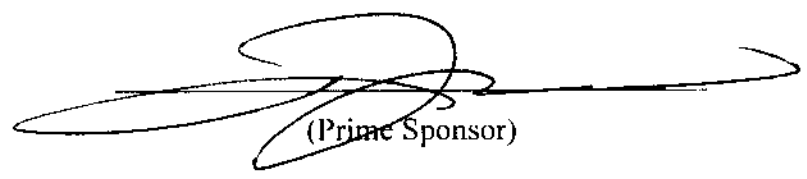
**PURPOSE:** The purpose of this legislation is to allocate Síhasin Fund funding to the Division of Economic Development Project Development Program, in the amount of \$19,297,576.00 for the Church Rock Industrial Park Project and to approve and adopt the Church Rock Industrial Park Project Expenditure Plan.

This written summary does not address recommended amendments as may be provided by the standing committees. The Office of Legislative Counsel requests each Council Delegate to review each proposed resolution in detail.

S-DAY BILL HOLD PERIOD: 26350  
Website Posting Time/Date: \_\_\_\_\_  
Posting End Date: 7/7/19  
Eligible for Action: 7/8/19

Resources & Development Committee  
Thence  
Budget & Finance Committee  
Thence  
Naa'bik'iyati' Committee  
Thence  
Navajo Nation Council

1 PROPOSED NAVAJO NATION COUNCIL RESOLUTION  
2 24<sup>th</sup> NAVAJO NATION COUNCIL – First Year, 2019  
3 INTRODUCED BY

4   
5  
6 (Prime Sponsor)

7  
8 TRACKING NO. 0180-19

9  
10 AN ACTION

11 RELATING TO THE RESOURCES AND DEVELOPMENT, BUDGET AND  
12 FINANCE, NAABIK'ÍYÁTI' COMMITTEES, AND NAVAJO NATION COUNCIL;  
13 ALLOCATING \$19,297,576 FROM THE SÍHASIN FUND TO THE DIVISION OF  
14 ECONOMIC DEVELOPMENT PROJECT DEVELOPMENT DEPARTMENT AND  
15 APPROVING AND ADOPTING THE CHURCH ROCK INDUSTRIAL PARK  
16 PROJECT FUND EXPENDITURE PLAN PURSUANT TO 12 N.N.C §§ 2501 – 2508

17  
18 BE IT ENACTED:

19  
20 **Section One. Authority**

- 21 A. The Navajo Nation Council is the governing body of the Navajo Nation. 2 N.N.C.  
22 § 102 (A).  
23 B. The Naabik'iyati' Committee of the Navajo Nation Council is empowered to review  
24 all proposed legislation which requires final action by the Navajo Nation Council. 2  
25 N.N.C. §164(A)(9).  
26 C. The Budget and Finance Committee of the Navajo Nation Council is empowered to  
27 review and recommend to the Navajo Nation Council the budgeting, appropriation,  
28 investment, and management of all funds. 2 N.N.C. § 301 (B) (2).  
29  
30

1 D. The Resources and Development Committee of the Navajo Nation Council is serves  
2 as the oversight authority for the Division of Economic Development 2 N.N.C. §§  
3 501 (C)(1).

4 E. The Naabik'iyáti' Committee established the Naabik'iyáti' Síhasin Fund  
5 Subcommittee to recommend to the Naabik'iyáti' Committee and Navajo Nation  
6 Council financial support and/or financing plan(s) for the purposes designated in the  
7 Síhasin Fund. NABIAP-20-15. However, approval by the Naabik'iyáti' Síhasin  
8 Fund Subcommittee is not a requirement for legislation.

9 F. The Navajo Nation Code provides the purpose of the Navajo Nation Síhasin Fund  
10 ("Síhasin Fund") is as follows:

11 § 2502 Purpose

12 A. The purposes of this Fund are to provide financial support and/or  
13 financing for:

14 1. The planning and development of economic development  
15 and regional infrastructure supporting economic development  
16 and community development, including such infrastructure  
17 as, but not limited to, housing, commercial and government  
18 buildings, waterline, solid waste management development,  
19 powerline projects, and transportation and communication  
20 systems, within the Navajo Nation; and

21 2. Education opportunities for members of the Navajo  
22 Nation.

23 B. For the Purpose in § 2502(A)(1), Fund expenditures for  
24 infrastructure shall not be limited by 12 NNC § 1310(F) or  
25 TCDCJY-77-99.

26 C. Leveraging the Fund by way of guaranteeing loans, match  
27 funding, direct funding in part, and other weighted uses of the  
28 Fund, including loan financing from the Fund, for the purposes  
29 in § 2502(A)(1), shall be favored over direct funding in whole.

30 12 N.N.C. § 2502, as amended by CJA-03-18.

1 G. The Sihasin Fund provides that "Fund Principal" shall consist of all deposits made  
2 to the Sihasin Fund and that "Fund Income" shall consist of all earnings (interest,  
3 dividends, etc.) generated and realized by the Fund Principal, and that Fund Income  
4 shall be deposited in and added to Fund Principal until such time as a Fund  
5 Expenditure Plan is duly adopted. 12 N.N.C. §§ 2504 and 2505 (C).  
6

7 **Section Two. Findings**

8 A. Rhino Health, LCC, is a subsidiary of Church Rock Development, LLC, proposes  
9 to manufacture nitrile gloves at the Church Rock Industrial Park. The Church Rock  
10 Industrial Park Project Plan is detailed in **Exhibit 1**.

11 B. As set forth in Exhibit 1, the Project Development Department within the Division  
12 of Economic Development is responsible for the operation, maintenance and  
13 management of projects within the industrial parks on the Navajo Nation, which  
14 includes construction of facilities for lease, and will be the department responsible  
15 for the Church Rock Industrial Park Project. See also division of Economic  
16 Development, master Plan of Operation, Section IV, set forth in Exhibit 1.

17 C. Church Rock Development, LLC, has provided a letter of intent, attached within  
18 **Exhibit 1**, to develop an income generating nitrile glove manufacturing and  
19 distribution warehouse facility in the Church Rock Industrial Park.

20 D. A cost estimation totaling \$19,297,576.00 is provided within **Exhibit 1** and will be  
21 used for construction, including infrastructure of a manufacturing and warehouse  
22 facility (124,000 square feet) in the Church Rock Industrial Park.

23 E. Rhino Health, LLC, has an emergency operating agreement with the Navajo  
24 Division of Economic Development entered into in April 2018, which is attached  
25 within **Exhibit 1**.

26 F. The Navajo Nation Division of Economic Development Plan of Operation, attached  
27 within **Exhibit 1**, provides that the purpose of the Division of Economic  
28 Development is to "creat[e] an environment that is conducive to promote and  
29 develop businesses in the commercial, tourism, industrial and other sectors of the  
30

1 Navajo Nation economy, to enhance the creation of jobs and business  
2 opportunities.”

3 G. A Letter of Support from the President and Vice President of the Navajo Nation and  
4 a physical description of the project site is attached within **Exhibit 1**.

5 H. Rhino Health, LLC, has applied for an Industrial Revenue Bond through McKinley  
6 County. The application is attached within **Exhibit 1**. A resolution by the Advisory  
7 Committee to the Navajo Nation Council, ACMY-189-71, which created Church  
8 Rock Industrial Park, is attached within **Exhibit 1**.

9  
10 **Section Three. Allocation of \$19,297,576.00 to the Division of Economic**  
11 **Development Project Development Department and Approval and Adoption of**  
12 **Expenditure Plan**

13 A. The Navajo Nation hereby approves and adopts the Church Rock Industrial Park  
14 Project Expenditure Plan, attached and incorporated herein as **Exhibit 1**.

15 B. The Navajo Nation hereby allocates funding to the Division of Economic  
16 Development Project Development Program, in the amount of \$19,297,576.00 from  
17 the Sihasin Fund for the Church Rock Industrial Park Project as set forth in **Exhibit**  
18 **1**.

19 C. The Sihasin Funds allocated for the Church Rock Industrial Park Project  
20 Expenditure Plan may be further leveraged by bond or loan financing pursuant to  
21 the Navajo Nation Bond Financing Act, 12 N.N.C. § 1300 *et seq.*, as amended,  
22 using Sihasin Fund earnings for repayment and financing costs upon the  
23 recommendation of the Budget and Finance Committee and approval by a two-  
24 thirds (2/3) vote of all members of the Navajo Nation Council.

25  
26 **Section Four. Approval and Adoption of Expenditure Plan Administration**

27 The Navajo Nation hereby approves administration of the Church Rock Industrial  
28 Park Project Expenditure Plan as follows:

- 1 1. The Navajo Nation Controller shall determine whether the source of the  
2 allocation of \$19,297,576.00 will be Sihasin Fund Principal or Income or a  
3 combination of both;
- 4 2. The funding to the Project Development Department shall be released pursuant  
5 to a drawdown schedule, approved by the Office of the Controller, reflecting the  
6 projected progress of the construction.
- 7 3. The funds allocated for the Church Rock Industrial Park Project Expenditure  
8 Plan shall be used solely to design, plan, and construct the Church Rock  
9 Industrial Park Project described in **Exhibit 1**. Any and all cost-savings shall be  
10 returned to the to the Sihasin Fund once the Church Rock Industrial Park  
11 Project is completed;
- 12 4. The funds allocated for the Church Rock Industrial Park Project shall not lapse  
13 on an annual basis pursuant to 12 N.N.C. §820 (N), however, any funds not  
14 spent or encumbered within twenty-four (24) months of the date funds are made  
15 available to the Project Development Department shall revert to the Sihasin  
16 Fund principal, unless recommended otherwise by the Resources and  
17 Development Committee and approved by the Naabik'iyáti' Committee.
- 18 5. The Project Development Department shall report the status of the construction  
19 including expenditures, to the Executive Director of the Division of Economic  
20 Development and the Office of the Controller on a monthly basis.

21  
22 **Section Five. Effective Date**

23 The Church Rock Industrial Park Project Expenditure Plan, as set forth above, shall  
24 become effective pursuant to 12 N.N.C. § 2505.

25  
26 **Section Six. Directives**

27 The Division of Economic Development Project Development Department and Rhino  
28 Health, LLC, shall report the status of the Church Rock Industrial Park Project  
29 construction progress to the Naabik'iyáti' Committee on a quarterly basis.