

THE NAVAJO NATION
LEGISLATIVE BRANCH
INTERNET PUBLIC REVIEW PUBLICATION



LEGISLATION NO: _0233-22_

SPONSOR: Eugene Tso

TITLE: An Action Relating to the Resources and Development, Budget and Finance, and Naabik'iyáti' Committees, and to the Navajo Nation Council; Approving \$65,000 from the Síhasin Fund for the Demolition and Cleanup of the Former Smith's Café Business Site Under the Chinle RBDO; Approving the Related Expenditure Plan

Date posted: December 02, 2022 at 3:33PM

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SUMMARY OF PROPOSED LEGISLATION

Tracking No. 0233-22

Date: December 1, 2022

Re: AN ACTION RELATING TO THE RESOURCES AND DEVELOPMENT, BUDGET AND FINANCE, AND NAABIK'ÍYÁTI' COMMITTEES, AND TO THE NAVAJO NATION COUNCIL; APPROVING \$65,000 FROM THE SÍHASIN FUND FOR THE DEMOLITION AND CLEANUP OF THE FORMER SMITH'S CAFE BUSINESS SITE UNDER THE CHINLE RBDO; APPROVING THE RELATED EXPENDITURE PLAN

Purpose of this Legislation:

to approve \$65,000 from the Sihasin Fund for the Chinle RBDO's proposed demolition and cleanup of the abandoned Smith's Café business site in Chinle; approving the related Expenditure Plan.

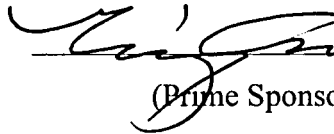
OLC No. 22-398-1

5-DAY BILL HOLD PERIOD:
Website Posting Time/Date:
Posting End Date: 12-07-22
Eligible for Action: 12-08-22

Resources & Development Committee
Thence
Budget & Finance Committee
Thence
Naabik'íyáti' Committee
Thence
Navajo Nation Council

PROPOSED NAVAJO NATION COUNCIL RESOLUTION
24th NAVAJO NATION COUNCIL - Fourth Year, 2022

Introduced by:


(Prime Sponsor)

Tracking No. 0233-22

AN ACTION

RELATING TO THE RESOURCES AND DEVELOPMENT,
BUDGET AND FINANCE, AND NAABIK'ÍYÁTI' COMMITTEES,
AND TO THE NAVAJO NATION COUNCIL; APPROVING \$65,000
FROM THE SÍHASIN FUND FOR THE DEMOLITION AND CLEANUP
OF THE FORMER SMITH'S CAFE BUSINESS SITE UNDER THE
CHINLE RBDO; APPROVING THE RELATED EXPENDITURE PLAN

BE IT ENACTED:

SECTION ONE. AUTHORITY

A. The Resources and Development Committee is a standing committee of the Navajo Nation Council with oversight authority regarding environmental protection, land, community development, the use of Navajo Nation lands, and related matters. 2 N.N.C. §500(C) and §501(B)(1).

B. The Resources and Development Committee also has authority over the Division of Economic Development ("DED"), including DED's subordinate Departments and Offices such as the Chinle Regional Business Development Office ("Chinle RBDO"). 2 N.N.C. §501(C)(1).

C. The Budget and Finance Committee is a standing committee of the Navajo Nation Council with the responsibility to "review and recommend to the Navajo Nation Council the

1 budgeting, appropriation, investment and management of all funds.” 2 N.N.C. §301(B)(2).

2 D. The Naabik’íyáti’ Committee is a standing committee of the Navajo Nation Council that
3 considers all proposed final actions by the Navajo Nation Council. 2 N.N.C. §164(A)(9).

4 E. The Navajo Nation Council is the governing body of the Navajo Nation. 2 N.N.C. §102(A).
5 As such, the Council may approve appropriations from the Navajo Nation’s Síhasin Fund.

6 F. 12 N.N.C. §2502, as amended by CJA-03-18, states the purpose of the Navajo Nation Síhasin
7 Fund (“Síhasin Fund”) as follows:

8 §2502 Purpose

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

- 10 1. The planning and development of economic development and regional
11 infrastructure supporting economic development and community
12 development, including such infrastructure as, but not limited to, housing,
13 commercial and government buildings, waterline, solid waste management
14 development, powerline Projects, and transportation and communication
15 systems, within the Navajo Nation; . . .

16 B. For the Purpose in §2502(A)(1), Fund expenditures for infrastructure shall not
17 be limited by 12 N.N.C. §1310(F) or TCDCJY-77-99.

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

22 G. The Síhasin Fund provides that “Fund Principal” shall consist of all deposits made to the
23 Síhasin Fund and that “Fund Income” shall consist of all earnings (interest, dividends, etc.)
24 generated and realized by the Fund Principal, and that Síhasin Fund Income shall be
25 deposited in, and added to, the Fund Principal until such time as a Fund Expenditure Plan is
26 duly approved. 12 N.N.C. §2504 and §2505(C).

27 H. The Síhasin Fund provides that “Fund Principal and Income shall not be expended except
28 pursuant to a Fund Expenditure Plan consistent with the purposes set forth in §2502 of this
29 Chapter and adopted by a two-thirds (2/3) vote of all members of the Navajo Nation
30 Council.” 12 N.N.C. §2505(A).

1 **SECTION TWO. FINDINGS**

2 A. In a letter dated November 2, 2022, the Chinle RBDO requests \$65,000 from the Síhasin
3 Fund for site demolition and cleanup (“Cleanup Project”) of the abandoned Smith’s Cafe
4 business site located in the Chinle community. **EXHIBIT A.** The Chinle RBDO explains
5 that, once the Cleanup Project is completed, the site will be ready for new business
6 opportunities; furthermore, this Cleanup Project is part of the Chinle RBDO’s 5-year Plan.

7 **EXHIBIT B.**

8 B. A Summary and Scope of Work for the Cleanup Project is attached hereto as **EXHIBIT C.**

9 C. A detailed Cost Estimate for the Cleanup Project, and a map showing the location of the site,
10 are attached hereto as **EXHIBIT D.**

11 D. Allocation of the Síhasin funds as requested by the Chinle RBDO meets the criteria for
12 Síhasin expenditures, because the Cleanup Project will involve economic and community
13 development, and commercial buildings, as described in 12 N.N.C. §2502(A)(1).

14 E. Allocation of the requested Síhasin funds also meets the criteria for the leveraging of funds,
15 as described in 12 N.N.C. §2502(C), because the Cleanup Project will clean up and clear the
16 abandoned site and prepare it for new business opportunities, which will then generate new
17 tax revenue for the Navajo Nation.

18
19 **SECTION THREE. APPROVING \$65,000 FROM THE SÍHASIN FUND FOR THE**
20 **DEMOLITION AND CLEANUP OF THE FORMER SMITH’S**
21 **CAFE BUSINESS SITE UNDER THE CHINLE RBDO;**
22 **APPROVING THE RELATED EXPENDITURE PLAN**

23 A. Pursuant to 12 N.N.C. §2505(A), the Navajo Nation hereby approves \$65,000 from the
24 Síhasin Fund for the Chinle RBDO’s proposed demolition and cleanup of the abandoned
25 Smith’s Cafe business site located in the Chinle community.

26 B. The Navajo Nation hereby approves the related Expenditure Plan for the Chinle RBDO’s
27 proposed Cleanup Project, as set forth in **EXHIBIT D** attached hereto.

28 C. The Controller shall determine whether the source of the Síhasin funds approved herein will
29 be Síhasin Fund Principal or Síhasin Fund Income, or a combination of both.

30 D. The total amount of approved Síhasin funds may be further leveraged by bond or loan

1 financing pursuant to the Navajo Nation Bond Financing Act (12 N.N.C. §1300 *et seq.*, as
2 amended), using Síhasin Fund earnings for repayment and financing costs, upon approval of
3 the Budget and Finance Committee and upon a 2/3 approval vote of the full membership of
4 the Navajo Nation Council.

5 E. No later than 30 business days after the effective date of this Action, the approved Síhasin
6 funds shall be disbursed to the Division of Economic Development for the Chinle RBDO's
7 use in implementing and completing its Cleanup Project, as described herein.

8 F. The approved Síhasin funds shall not be comingled with any other funds, and shall be used
9 by Chinle RBDO strictly for the Cleanup Project. DED and Chinle RBDO shall be
10 responsible for ensuring that all expenditures comply with the approved Expenditure Plan
11 **(EXHIBIT D)**.

12 G. The approved Síhasin funds for the Cleanup Project shall not lapse at the end of any fiscal
13 year, as might otherwise occur under 12 N.N.C. §820(N), so long as: (1) all Síhasin funds in
14 the Cleanup Project account are accounted for as of September 30 of each fiscal year; and
15 (2) any/all remaining Síhasin funds are budgeted in the next upcoming fiscal year for use on
16 the Cleanup Project.

17 H. Notwithstanding Section Three (G) above, any remaining amount of Síhasin funds not
18 expended or encumbered within 24 months of DED's receipt of such funds shall revert to the
19 Síhasin Fund, unless otherwise approved prior to such reversion by both the Resources and
20 Development Committee and the Naabik'íyáti' Committee.

21 I. The Síhasin Fund may be reimbursed the amount of funds approved herein, from funds
22 available to the Navajo Nation from any and all state, federal, or other sources.

23 24 **SECTION FOUR. EFFECTIVE DATE**

25 This Action shall become effective pursuant to 12 N.N.C. §2505(A) and 2 N.N.C. §221(B).
26

27 **SECTION FIVE. SAVING CLAUSE**

28 If any portion of this Action is invalidated by the Supreme Court of the Navajo Nation, or by
29 any Navajo Nation District Court without appeal to the Navajo Nation Supreme Court, the
30 remainder of this Action shall be the law of the Navajo Nation.