TRIBAL ECONOMIC DEVELOPMENT LEADERS

2nd Quarterly Meeting
September 16, 2016
Hualapai Health Education & Wellness Center

AGENDA

10:00—10:30 AM INTRODUCTION

10:30—12:00 PM UPDATE on tribes
• What would your tribe like to share? What would you like to collaborate on or need additional information on?

12:00—12:20 PM FOLLOW UP AND REVIEW
• Tribal Speed Networking Forum—September 30, 2016, North Valley Phoenix-NAU Campus
• BIA WRO REALTY Event—November 28-30, 2016, High Country Conference Center, Flagstaff, AZ

12:20-12:30PM OPEN ANNOUNCEMENTS

12:30-1:30PM LUNCH (TBD)

1:30—4:00 PM TOUR OF GRAND CANYON WEST (Optional)—fee required
Hualapai Indian Tribe
Benefits of Tourism Development*


Presented by: Kevin A. Davidson, AICP, Planning and Economic Development Director for the Hualapai Tribe

The People of the Tall Pines, 2,339 enrolled members as of March 4, 2016.

Reservation comprises approximately one million acres established by Executive Order in 1883.

Traditionally, Hualapai inhabited an area up to seven million acres, with archeological evidence dating to 600 AD. The homeland stretched from the Grand Canyon southward to the Bill Williams and Santa Maria Rivers and from the Black Mountains eastward to the San Francisco Peaks located near what is today Flagstaff, Arizona.
Hualapai Reservation in Relation to Arizona
Contemporary Political Map showing Hualapai Reservation and Census Designated Places
Stability
- Population declines slightly from 1,353 to 1,335
- Female Headed Households relatively stable: 116 vs. 111

Improvements
- Labor Force Participation increases by one-half: 45.1% to 67.4%
- Household Income increases over 80%: $19,833 vs. $36,250
- Persons in Poverty declines by one third from 462 to 313

Data Not Matching Expectations
- Unemployment Rate increases: 18.2% vs. 20.8%
- Persons per Household increases: 3.74 vs. 4.15
In 2012, DOE/NREL conducted a Strategic Technical Assistance Response Team planning session for clean energy development on Hualapai. The facilitator worked with a dozen community members for three days. The first day’s findings add more insight into the community’s condition:

- Over 60% of population age 30+ have Type II Diabetes
- Young people don’t grow old due to drug/alcohol use
- Blood quantum leading to prejudice and racism
- Disjointed & underdeveloped communication skills inhibit understanding between individuals & community

Although anecdotal in nature, these testimonies provide some insight into life on the reservation.
Hualapai Government

- Operating under Constitution adopted in 1991
- Seat of Government, Peach Springs, Arizona
Government Profile

- Legislative and Judicial Branches
  - Nine members serving 4-year staggered terms led by Chairman Dr. Damon R. Clarke
  - One chief justice and one or more associate justices appointed by Council for two-year terms
  - Appellate Court appointed by Council.

- 375 employees* working in 19 departments supervised by the Chair or Vice-Chair
  - 18 Departments generate little or no revenue
  - Game & Fish Department generates revenue through the sale of hunting tags

Human Resources estimates the tribe employed 89 people in 1995.
The Department offers traditional hunts of Antelope, Elk, Desert Bighorn Sheep, Javelina, Mountain Lion, small game and Turkeys

Hunting Benefits
- Manage the tribe’s wildlife population
- Provide employment for Hualapai hunting guides
- Raise revenue for the tribe’s operations
- Provide exposure to the Hualapai Tribe, its reservation and Northern Arizona.
Grand Canyon Resort Corporation

- Founded in 1988
- Offices in Peach Springs, Kingman and Grand Canyon West
- Holds 9,000-acre lease at Grand Canyon West for the purpose of pursuing economic development beneficial to the Tribe
Hwal’bay Ba:j, dba as Grand Canyon Resort Corporation, a Section 17 Indian Corporation owned by the Hualapai Tribe

- Seven board members appointed by tribal council
- Chief Executive Officer, Chief Operational Officer and Chief Financial Officer appointed by the Board
- Half a dozen enterprises employing nearly 900 full and part-time employees as follows:
  - Grand Canyon West & Western Town
  - Hualapai River Runners & Pontoons
  - Hualapai Lodge
  - Diamond Creek Restaurant
  - Walapai Market and Fuel Station
Over 5,000 tourists take the rafting trip each year with most staying at the Hualapai Lodge in Peach Springs the night before.

Begining in 1973, with a small, one-day whitewater rafting adventure along the Colorado River, the Rivers Runners rafting operation may accommodate as many as 80 tourists per day on a dozen boats between the Diamond Creek Delta and the pontoon boat docks located below the rim at Grand Canyon West.
Tourism at Grand Canyon West

- The Hualapai have invested a considerable amount of capital to develop their tourism at Grand Canyon West culminating with the opening of the Skywalk in 2007.

- This economic engine has helped provide employment for tribal members as well as Mohave County residents.

- Much of the profit has been reinvested in the business venture and in public programs and services benefiting tribal members.
Originally the brain-child of David Jin, the operator of Oriental Tours Inc. of Las Vegas, the Skywalk opened in 2007 after some $30 million was invested by his company to design and construct the visitor center and glass bottom bridge.

In exchange for a building permit, the tribe agreed to split the profits from ticket sales with Mr. Jin over the next 25 years.

By 2011, the relationship began to unravel because the visitor center remained unfinished causing management difficulties.

In 2012, the tribe enforced eminent domain to take control of the unfinished building. Mr. Jin challenged the action.

In 2013, two council members were recalled because of their advocacy in taking over the Skywalk. After Mr. Jin’s death in June, the tribe settled with the Jin Estate in late 2013 and now is the owner of the Skywalk.
Marketing the Venue – Three Geographic Areas

- Feeder Markets - Las Vegas, Arizona and California
- National Market - Continental USA
- International Markets - Canada, Mexico, United Kingdom, Germany, China, France, India
- These markets are reached through print, online campaigns, trade shows, and television

Paving of Diamond Bar Road

- Council began setting aside BIA road improvement funds in 1999
- Paving of the final 9.5 miles of Diamond Road completed in September 2014
- Tourist volumes increased nearly 20% after roadway dedication
- 1,000,000th visitor (2015) arrives on 12/21
Tourism’s Direct Benefits to Hualapai

- Employment at Grand Canyon Resort Corporation (nearly 900 full and part-time employees, including over 250 Hualapai tribal members, receiving $25 million in annual payroll and benefits)

- Employment by Hualapai Tribe (375 full and part-time employees in Peach Springs with an estimated $15 million in annual payroll and benefits)

- Services provided directly by Tribal Departments
  - Health, Education and Wellness
  - Social Services for domestic violence
  - Training Center for obtaining a GED
  - Cultural Resources
  - Day Care
  - Public Works for emergency home repair
21-plus Third-Parties Benefiting from Hualapai

- The Home Depot
- UnitedHealth
- KRMC
- A.R. Mays Construction
- Sonosky, Chambers, Sachse, Endreson & Perry, LLP
- Walmart
- UrbanTech Ltd
- Selberg Associates Inc.
- Coca-Cola
- 76
- Staples
- Rebel
- Stroh Architecture
- Ford
- Jackson Oil
- Cholla Managing Group
- Hobbs Straus Dean & Walker
- Gallagher & Kennedy
- Fennemore Craig
- Kanim Associates LLC
Over the past three decades, Hualapai has secured over $14.1 million from HUD’s Indian Community Development Block Grant (ICDBG) program while spending $3.6 million of its capital as a match.
Opened in early 2014, the Hualapai Child Care serves some 40 enrolled member and non-member children. This is arguably the most important public building constructed with ICDBG funds in that it allows other members of the household to participate in the labor force, having reliance on a regular and dependable and affordable source of public day care for tribal members.

From the dream of past council members and directors, the $3,600,000 of investment in Youth Camp covers the complete rebuild of facilities dating from the 1970s. A Bunkhouse (picture), flanked by a Pavilion, Laundry & Restroom, RV Park, camping spaces & softball field, have taken oven seven years to fund, design and construct – Grand Opening in October.
5,600 sq. ft. market opens in early 1970s, run by tribal members under tribal lease.
Market falls into disrepair by 2004,
Tribe tasks two departments to make repairs
Repairs do not occur but tenant makes building repairs in lieu of paying rent.
March 2014, Council serves 90-day eviction notice.
GCRC sets up temporary modular market.
In July, the tribe, under the direction of Planning Dept, advertizes and hires a Design/Build firm.
Discovery of asbestos in October delays New Year’s Day Grand Opening to 2/7/15.
$1.3 million spent as of Grand Opening

Benefits to the People of Peach Springs
Tribe invests $2.25 million in cash to remodel market in downtown Peach Springs.
During the Design/Build team interviews, one firm declares that “for only another $900,000, we can build a four-position fuel station and give you a 20,000 sq. ft. paved parking lot.”

Looking long-term, Council and Board takes the plunge, even though total budget for the Market remodel was not to exceed $1 million.

Planning staff drafts Fuel Station EA for approval by TERC and Council.

GCRC and Planning initiates a fuel vendor survey which is completed by the end of 2014.

Fuel station breaks ground in late March 2015 and opens on May 18th.
More Plans for Peach Springs
With the adoption of the Hualapai Tribe’s Long Range Transportation in 2014, two major projects were launched by Council in late 2015

Grade-separated crossing on BNSF main rail line (with Public Works)
- At-grade crossing dates to 1880s
- Issues with 80 trains per day
  - EMS response time to south side of town
  - Deaths, not all accidental.
  - Noise generating negative reviews at Hualapai Lodge
- Enlisted NAU Capstone team to vet problem
- Developing RFP for professional engineering services
- Estimated cost of bridge is about $9 million.

Transit system (with Public Works)
- Need identified by both NREL/START and LRTP
- Provide commuter service between Kingman and Peach Springs
- Provide in-town circulator route and shopping trips to Kingman.
- Awarded by ADOT some $500,000 to cover first year start-up costs including hiring staff and purchasing buses.
Plans for Grand Canyon West

**New Master Plan (2014)**
- Shows two hotels, expansion of restaurants and attractions, new RV park, commercial uses and over 300 homes for employees in anticipation of serving 2 million visitors per year in the next decade
- Not all tribal members agree to this aggressive growth plan

**Power line to GCW**
- Capacity of existing diesel generators will be exceeded in less than 10 years
- Diesel price: 45 cents/kWhr
- Grid electricity via new power line: 6.5 cents/kWhr, or about a $2 million savings per year
Past Projects:

- DOE and BIA renewable energy resource assessments (over $400,000 in tribal matching funds)
- Strategic Technical Assistance Response Team (DOE) assessment and creation of Energy Launch Plan in 2012

Creation of Hualapai Tribal Utility Authority in 2014 (administered by Planning)

- Tribe approves Constitutional amendment allowing Council to approve contracts that contain limited waivers of sovereign immunity in order to build power line to GCW and other large projects
- Acquisition of 481 KWs of Post-2017 Boulder Canyon Project hydropower. Contracts with Western and APA approved by Council

Negotiations with Arizona Public Service on right-of-way renewal for Eldorado-Moenkopi 500 KV power line, status: on-going

Bureau of Reclamation’s formal inclusion of Hualapai in NREL II/Navajo Generating Station Post-2019 Glide Path.
Keeping the Sovereign Nation on Course

- **Governing**
  - Conduct Open Meetings
  - Avoid “self-dealing” and cronyism when awarding contracts and nepotism when hiring employees
  - Hold Director’s accountable for the actions of their staff

- **Governmental Relations**
  - Hold the BIA and Indian Health Services accountable for keeping their trust responsibility to the tribe
  - Insist that other agencies such as EPA, National Park Service, and Bureau of Reclamation engage in government-to-government relations with the tribe

- **Fiscal Discipline**
  - Review all capital expenditure requests with Chief Financial Officer prior to seeking Council approval.
We invite the tribe to sign a 20-year lease with our company to build a 1 MW experimental solar energy power plant on the reservation. You can purchase the system outright for $9 million ($9 per watt) and save even more.

We would like to enter into a joint-venture with the tribe to construct a $5 million medical facility that offers a six-month Return on Investment.

Did you now that because the Hualapai Tribe is a sovereign nation it has the unique opportunity to become a safe haven for foreign capital, such as the Principality of Liechtenstein. In exchange, we can bring you thousands of clients looking to open an “off-shore account” on the reservation if you are open to splitting their account registration fees with our company.
In Conclusion

- The Hualapai Tribe has had marked success in recent years in creating significant employment opportunities in the tourism industry and public sector for Hualapai tribal members and other residents of northwest Arizona.

- Beginning in 1973 with a small, one-day whitewater rafting adventure along the Colorado River to the opening of the Skywalk in 2007, the Hualapai have seen more than a 50-fold increase in revenue from its tourist industry.

Using its profits from tourism wisely, to serve the greater good of tribal members, the tribal council has leveraged more than 30 federal grants to build a number of high-profile, community-serving projects on the Reservation and fund needed human services programs.

- This new-found revenue has allowed the tribe to hire additional staff to tackle its more sophisticated projects which come about as the tribe’s economy grows.
Thank You, Questions Welcome!

Kevin A. Davidson, AICP, Planning and Economic Development Director for the Hualapai Tribe
885 West Highway 66
Peach Springs, AZ 86434
kdavidson@hualapai-nsn.gov
(928) 769-1310

Hualapai Cowboys pose for the camera ca. 1930.