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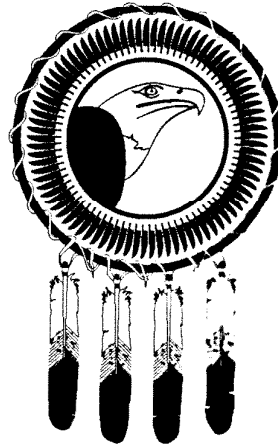
*A Foundation for Economic Development  
for the Hualapai Nation: Building an Enterprise Board*

by

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## TABLE OF CONTENTS

EXECUTIVE SUMMARY .....	i
I. INTRODUCTION .....	1
II. THE CONTEXT .....	2
A. Conditions .....	2
B. Resources .....	3
III. THE CHALLENGE .....	6
A. Economic Development within the Hualapai Context .....	6
B. Critical Transition Point .....	8
IV. EXISTING BARRIERS TO ECONOMIC DEVELOPMENT .....	9
A. Lack of Technical Capacity .....	10
B. Lack of Common Purpose .....	13
C. Underdeveloped Tribal Employee Potential .....	14
V. A STRUCTURE FOR SUCCESSFUL ECONOMIC DEVELOPMENT .....	16
A. Key Components .....	16
B. Proposed Structure: the Enterprise Board .....	17
C. The Benefits of the Enterprise Board .....	18
VI. DEFINING THE ROLE OF THE ENTERPRISE BOARD .....	19
A. Structure .....	20
B. Functions .....	24
1. Evaluation of Development Proposals .....	24
2. Private Sector Promotion .....	31
3. Technical Assistance .....	36
4. Monitoring and Budgeting .....	37
5. Human Resource Development .....	41
VII. STRATEGY FOR IMPLEMENTATION .....	45
APPENDICES	
APPENDIX 1: LIST OF TRIBAL ENTERPRISES	
APPENDIX 2: TRIBAL ORDINANCE	
APPENDIX 3: EVALUATION CRITERIA	
APPENDIX 4: METHODOLOGY & LIST OF INTERVIEWS	
APPENDIX 5: BIBLIOGRAPHY	



## EXECUTIVE SUMMARY

### Overview

The Hualapai Nation is currently in the process of rebirth. Over the past three years, the Hualapai Tribe has undergone a profound political reform process, which has increased the Tribe's capacity for self-determination. By using this increased capacity as a catalyst at this critical juncture in Hualapai history, the Tribe can extend the momentum of reform from political to organizational changes, and thereby better prepare itself to pursue economic development.

For the Hualapai Tribe, economic development engenders more than job creation or increased income generation. Economic development is a means of promoting community revitalization, which will empower the Hualapai to move from a dependent state to a sovereign nation. **Therefore, the purpose of this paper is to assist in building the institutional development capacity of the Hualapai Nation via the reconstruction of the Enterprise Board.**

### Analysis

Although the Enterprise Board was re-established by the Tribal Council in 1991, it has yet to become fully operational due to its lack of a clear and defined mission. As a result, there exists a lack of institutional capacity to deal with development issues. The Tribal Council, therefore, has found itself in the position of having to fill the void.

Currently, there are three main structural barriers which impede the Council's efforts to sustain economic development:

- Lack of Technical Capacity.** The Tribal Council has neither the technical expertise nor the time to devote to the active pursuit and implementation of economic development opportunities. Consequently, there is a loss of potential economic benefits due to:

- inefficient and ineffective management of existing tribal enterprises
- unrealized private sector investment opportunities
- no proactive tribal development

•**Lack of Common Purpose.** There is limited managerial oversight and coordination amongst the tribal enterprises. This undermines their sense of common purpose, which contributes to lower productivity.

•**Underdeveloped Tribal Employee Potential.** A lack of incentives and training as well as an ineffective personnel process create institutional barriers to realizing the full potential of tribal employees. As a result, low morale erodes individual and enterprise productivity and further discourages new investment.

### Recommendation

In order to alleviate the burden upon the Tribal Council of the day-to-day management of development functions as well as to ensure that these functions are fulfilled more efficiently and proactively, we recommend redesigning and empowering the Enterprise Board to act in a technical advisory and operational management role for the Tribal Council on development matters. Specifically, we recommend vesting the Enterprise Board with five primary functions:

#### **1) Evaluation of Development Proposals**

The Enterprise Board would be responsible for analyzing all development proposals. For low impact projects, the Board would also be responsible for deciding whether to accept or to reject the proposal. For medium and high impact projects, the Board would conduct the initial project analysis before passing the proposal and the Board's recommendations on to the Tribal Council for appropriate action.

## **2) Promotion of Business Development**

The Enterprise Board would act as a catalyst for engaging tribal entrepreneurial activities by actively identifying and promoting business opportunities. This would involve the creation of both a long-term economic development plan and a short-term business plan. The former would prioritize the broad objectives of the Tribe, while the latter would focus on more concrete opportunities compatible with those priorities.

## **3) Provide Technical Assistance**

The Enterprise Board would act as source of technical expertise to both the Tribal Council as well as to the enterprise sector, including nascent entrepreneurs. Services would focus on those activities needed in establishing new tribal-member owned enterprises, including bookkeeping, locating sources of funding, assessing market feasibility, and estimating capital and labor needs.

## **4) Monitoring and Budgeting**

The creation of the Enterprise Board would consolidate the Tribe's business activities under one office, where it would be responsible for keeping the Tribal Council informed on the state of business activity on tribal lands.

## **5) Human Resource Development**

The Enterprise Board, in its capacity for overseeing the enterprise sector, would help correct structural deficiencies that currently exacerbate the Tribe's underdeveloped base of human capital. This would include establishing a personnel policy and dispute resolution system, as well as a formal assessment of the skills and needs of the existing labor force.

*While the Tribal Council would retain all control over major investment decisions and negotiations with developers, the Enterprise Board would provide the technical advise and managerial expertise to inform those decisions. The reconstructed Enterprise Board would enhance the overall institutional capacity of the Tribe to undertake economic development initiatives while removing the existing structural barriers in the following ways.*

•**Equip the Tribe to act as Developer.** By providing the necessary technical capacity to advise the Tribal Council, the Enterprise Board enables the Tribe to be more proactive in pursuing economic development opportunities.

•**Foster a Sense of Common Purpose Amongst Tribal Enterprises.** Through the provision of operational management, oversight and coordination, the Enterprise Board would assist tribal enterprises in advancing the overall unity and well-being of the Tribe.

•**Promote Hualapai Human Resource Development.** The Enterprise Board can assist in this endeavor by establishing targeted education and training programs, consistent incentive structures, and a standardized dispute resolution system.

### Conclusion

At this moment, the Hualapai Tribe is in the unique position of having successfully completed a dramatic political wave of reform and is about to embark on a second wave of organizational reform. The challenge that lay ahead is twofold: (1) to alleviate the burden of daily development responsibilities upon the Tribal Council, and (2) to build the institutional capacity of the Enterprise Board to perform them more effectively. Toward this end, this paper proposes a reconstruction of the Enterprise Board which will imbue it with a targeted mission and a clearly defined set of development functions. The incorporation of these institutional changes by tribal leadership will enhance the overall capacity of the Hualapai Tribe to chart its own development path as a people and as a nation.

## I. INTRODUCTION

The Hualapai Nation is currently in a process of rebirth. Over the past several years, the tribe has undergone a major political reform which has empowered tribal leadership to reassess the needs of the tribe, and to redirect the future of the tribe accordingly. At this juncture, the Hualapai leadership seeks to promote the social and economic development of the Hualapai Nation. Specifically, the Hualapai hope to capitalize upon the latent development potential which exists on the reservation as well as to realize outside investment opportunities.

Prior to pursuing a specific economic development strategy, however, the tribe must have in place the organizational capacity and technical expertise to undertake development activities, and thereby fulfill as well as complement the political will of the tribe. In this way, institutional capacity building can be seen as a precondition for successful economic development. **Therefore, the purpose of this paper is to assist in building the institutional development capacity of the Hualapai Tribe via the reconstruction of the Enterprise Board.**

Although formerly established in 1991, the Enterprise Board has never been fully operational due to its lack of mission. A primary focus of this paper is (1) to define clearly the purpose of the Enterprise Board in achieving the development objectives set by the Tribal Council, and (2) to delineate the functions which will enable the Enterprise Board to fulfill its mission. First, the paper begins with an analysis of the conditions and recent changes within the Hualapai Tribe which provides the broader context for the specific institutional proposal.



## II. THE CONTEXT

### A. Conditions

Over the last several decades, the Hualapai Tribe has suffered as a people from a persistent set of social problems. Although more symptomatic than causal, these conditions have impeded the tribe's ability to exercise true self-determination. That is, they have acted as constraints on the tribe's ability to take control and chart the future of the Hualapai people. These constraints are:

- \* high structural unemployment
- \* social pathologies
- \* suppression of cultural identity
- \* overall dependency on the federal government

**High Structural Unemployment.** The official unemployment rate at the Hualapai reservation is estimated at 68%.<sup>1</sup> Of the approximately 30% employed tribal members, the majority work in delivering government services to the tribe. There is a dramatic absence of direct employment opportunities on the reservation. The nearest off-reservation employment center of significance is Kingman, Arizona, which is over 50 miles away. Only a small fraction of Hualapai tribal members are employed off the reservation.

**Social Pathologies.** There is a high incidence of alcoholism, health problems and domestic breakdown. These related social pathologies appear to be emblematic of the endemic poverty and general sense of disconnect which pervades Hualapai.

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<sup>1</sup>State of Arizona Chamber of Commerce estimate. 1989

**Suppression of Cultural Identity.** The 14 "Pai bands" or clans, which once occupied the northwest quadrant of Arizona, have been consolidated into the Hualapai Tribe. The Tribe itself consists of 1900 enrolled members, approximately 1200 of whom reside on the 1 million acre reservation. Approximately 50% of those who reside on the reservation are transient. Today, the tribe is struggling to maintain its language through a bilingual education program. In addition, the tribe is trying to reassert its heritage and tradition through ELDR, a community revitalization process.

**Overall Dependency on the Federal Government.** Similar to other tribes, the Hualapai have a recent history shaped by dependency upon the Bureau of Indian Affairs (BIA). The nature of this dependency has taken two forms, financial and administrative. Not only has the BIA provided the primary source of income for the tribe, but as a trustee the BIA has inserted itself into the intra-tribal decision-making process.

## **B. Resources**

Although these conditions persist, very promising developments have taken place within the tribe over the past three years, which seem to present a real opportunity for change. The recent developments may be used by the tribe as catalysts for further change. The Hualapai Tribe has laid a foundation upon which it can proceed to build its own future, and thereby break the dependency cycle. These resources are:

- \* constitutional reform
- \* change in political leadership
- \* return of a new generation
- \* budget surplus

**Constitutional Reform.** In 1990-91, the Hualapai Tribe underwent a constitutional reform process, which culminated in the adoption of a new tribal constitution. By extending the terms of council members from 2 to 4 years, the new constitution provides tribal leadership with the continuity and resources to enact its proposed programs and changes. Moreover, the reform process re-instituted and energized a forum for widespread and active community participation which had not previously existed. This reform process established an important vehicle for open tribal participation and gave it momentum.

**Change in Political Leadership.** Accompanying the constitutional reform process has been a significant change in tribal leadership. Within the Tribal Council, there has been both a generational and philosophical shift. Whereas the Tribal Council was formerly comprised of elders that conducted highly centralized and closed-door decision-making, the new Tribal Council is comprised of a balance between elders and young leaders that have pushed for a more open, participatory process.

**Return of a New Generation.** Contributing to the recent change in political leadership has been the return of a new generation of young, energetic, educated Hualapai to the reservation. This new generation is committed to promoting change within the tribe, and they have assumed positions of tremendous responsibility within the Council and administration. They are the vanguard of change.

**Budget Surplus.** At present, the tribe has a budget surplus primarily due to the profitability of a few natural resource based tribal enterprises. If the regional tourism and recreation market continues to grow, the Hualapai will have the benefit of additional

income-generating opportunities due to the reservation's location on the rim of the Grand Canyon. The natural resource base and the budget surplus are substantial resources for future development.

### III. THE CHALLENGE

Against the backdrop of problematic social conditions, the recent development of tribal resources have combined to create (1) a new vision for the tribe, and (2) a new political process by which to achieve it.

**New Vision.** A new sense of direction for the tribe has evolved out of these changes. It focuses upon a more comprehensive and holistic definition of community needs, which is encapsulated in the ELDR community building initiative.<sup>2</sup> The new vision incorporates a desire to break the dependency cycle coupled with an assertion of self-determination.

**New Political Process.** A new political process has evolved out of these changes which accompanies and in part produces the new vision. Internally, there has been an opening of the political process which allows and encourages greater community participation. In turn, this enhances the ability of the tribe to define its broader needs. Externally, the constitutional reform process and changes in leadership have lead to increased independence of the Hualapai relative to the BIA.

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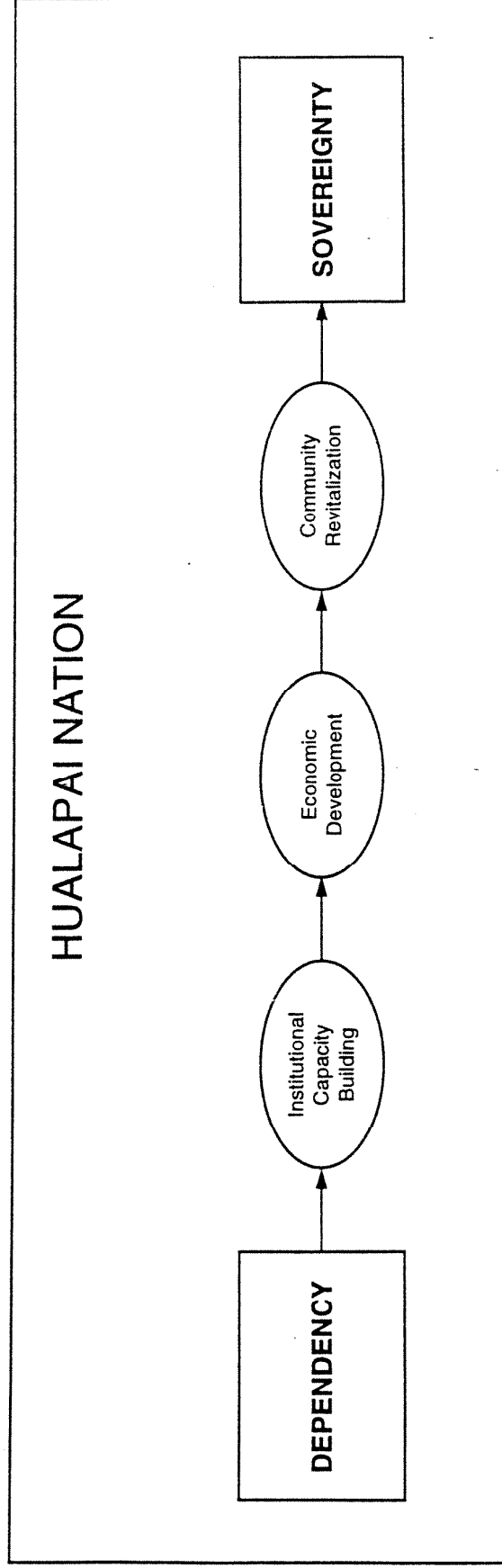
<sup>2</sup>ELDR arises out of a Native American traditionalist world view which believes that human beings as individuals, as well as within communities, must strive to reach a balance between the four parts of life: Earth (physical), Lightning (intellectual), Dream (spiritual), and Rain (emotional).

## **A. Economic Development within the Hualapai Context**

The ultimate objective of this new political process and vision is **community revitalization**. Within this framework, economic development is a means of achieving the larger goal of rebuilding the Hualapai community rather than an end in itself. From the perspective of the tribe, economic growth is intertwined with advancing the unity and vitality of the community, which includes the rediscovery and promotion of cultural values, heritage and sovereignty. This integrated approach to community building defines economic development as functioning on two levels:

- 1) For the individual, economic development provides employment opportunities which entail responsibility, productivity and ultimately confer self-esteem.
  
- 2) For the tribe, economic development is a means to financial independence as well as a mechanism for community revival, which in turn confers a greater sense of tribal identity and autonomy.

# ECONOMIC DEVELOPMENT WITHIN THE HUALAPAI CONTEXT



## **B. Critical Transition Point**

Within this first phase of structural reform, the fundamental changes which have occurred have been primarily political in nature and limited to tribal leadership. Broader structural barriers remain that prevent the Hualapai from fully realizing the gains of these positive developments. Therefore, the challenge in this second phase of institution building is to extend the focus of reform to organizational changes and to widen the process so as to broaden community involvement.

The Hualapai are at a critical transition point in building a sovereign community. They have completed a major political reform process, and now need to capitalize upon this momentum in order to translate the new vision into action. The organizational challenge of this second stage, which is the focus of this paper, is to provide an institutional structure and capacity-building process which will ensure implementation of future economic development efforts. Therefore, the challenge for the Hualapai and the policy problem at the core of this analysis becomes:

**What institutional changes should be undertaken to enable the new tribal government to successfully promote and implement economic development?**

In order to understand what institutional changes should be made, it is first necessary to gain deeper insight into the structural impediments which prevent the current Hualapai system from achieving the tribe's development objectives. Therefore, the existing institutional barriers to economic development will be examined, with an aim toward proposing measures for their remedy.

#### IV. EXISTING BARRIERS TO ECONOMIC DEVELOPMENT

The Hualapai Tribe has suffered from many of the impediments common to Native American tribes in their pursuit of self-sustaining economic development. These include: a lack of proactive identification and pursuit of development opportunities, a shortage of managerial and technical expertise, an intertwining of political decision-making and tribal enterprise management, and an ineffective personnel process. However, the newly developed resources of the tribe can be used strategically to overcome these barriers, primarily through providing the political momentum and will to assert organizational changes and break the passive dependency cycle.

Even at the relatively low level of tribal enterprise development which exists at Hualapai, there are untapped opportunities for enhanced economic development, in terms of both increased revenue generation and increased employment creation. An analysis of the existing tribal enterprises and the institutional system within which they exist reveals a series of structural factors which impede the growth of existing enterprises and inhibit the pursuit of new ones. Reform of these impediments could produce benefits on different horizons:

- (1) In the short term, structural reform could increase the productivity and hence profitability of existing tribal enterprises which are not currently realizing their full potential. In turn, this could generate additional employment opportunities for tribal members, which would promote their individual economic well-being and self-esteem.

(2) In the long term, structural reform could produce a more aggressive and comprehensive economic development initiative at Hualapai which would increase employment opportunities, revenues to the tribe, and control over the direction of development. Ultimately, the ability of the Hualapai to assert greater control over development revitalizes the community's sense of self and sovereignty.

The primary structural barriers to economic development at Hualapai can be summarized by:

- \* lack of technical capacity
- \* lack of common purpose
- \* underdeveloped tribal employee potential

Each structural impediment is examined below with an accompanying case analysis.

#### **A. Lack of Technical Capacity**

At present, the Tribal Council de facto operates as the development arm of the tribe. Although it is both desirable and appropriate for the Tribal Council to have the ultimate say over the major investment decisions, the Tribal Council has neither the technical capacity nor the time to devote to management and development of the details. As a result, there is economic development potential which goes unrealized under the current system.

In general, the lack of institutional capacity gives rise to several problems, which seriously undermine the tribe's larger effort to manage effectively existing businesses and to pursue proactively additional economic development opportunities:

- \* inefficient business management
- \* unrealized private sector investment
- \* no proactive tribal development

Due to the critical importance of institutional capacity as a precondition for successful development, each of these associated problems is examined in detail below.

**Inefficient Business Management.** First, the lack of adequate institutional capacity reduces the tribe's ability for day-to-day operations management of the tribal enterprises, which require attention and skill. As a result, tribal enterprises may operate at reduced productivity and efficiency levels. Furthermore, opportunities to expand existing enterprises may go unrealized.

#### **Tribal Cattle Districts**

Each of the four cattle districts, which functions as a cooperative of individual Hualapai cattle owners, pays set annual grazing fees to the tribe for range improvements and water maintenance. The tribe hires a full-time range water maintenance person out of the proceeds of these fees. Overall, the districts all operate at a profit.

In 1986, the proceeds from the fees could no longer cover the cost of the maintenance person. In response to the deficit, the Tribal Council gave the districts two years to come up with a viable plan for water maintenance. The districts, lacking the organizational system for a collective response, never produced a plan. Likewise, the Tribal Council did not follow-up with its two year deadline in 1988, nor did it propose an alternative plan, so the deficit continued.

Driven by a concern to eliminate revenue drains and reach some resolution on the issue, the Tribal Council decided to cut the water maintenance position to part-time in 1993, which the districts claim is unworkable. It is possible to design a variety of options, including increased grazing fees or a competitive bid for select maintenance work, which could satisfy both the districts' need for full service and the Tribal Council's need for it to be self-financing. Both the Tribal Council and the districts lack the technical and organizational capacity to design such a mutually beneficial solution, and therefore an unsatisfactory one persists.

**Unrealized Private Sector Investment.** Secondly, the lack of institutional capacity thwarts the tribe's interactions with outside investors or developers, which may manifest itself in less-than-optimal deals or foregone opportunities. Without in-house technical expertise to analyze development proposals, the tribe is at risk of (1) agreeing to a project which does not serve the tribe's best interests, or (2) allowing investment opportunities to pass the tribe by out of a fear of exploitation.

**No Proactive Tribal Development.** Finally, and perhaps most importantly, the lack of institutional capacity inhibits the tribe from taking a more proactive role in identifying and pursuing economic development projects which the tribe identifies as priorities. Without the organizational structure to equip the tribe to act as its own developer, the tribe is restricted to a passive role in economic development. That is, it can only respond to development proposals which emanate from the outside instead of generating and implementing its own ideas and projects.

**Peach Springs Retail Development**

Once an active truck and tourist stop along Route 66, the town of Peach Springs has dried up since the opening of the new highway south of the Hualapai reservation. Since Peach Springs is the only town on the reservation and the nearest city is 55 miles away, the decline of Route 66 has meant the loss of virtually all retail services to the Hualapai tribe.

Recognizing the great need for new retail, the Tribal Council has outlined in its annual Overall Economic Development Plan for the past several years the desire to develop a convenience store and a laundromat in Peach Springs. Each year, the project goes unimplemented due to the lack of time and capacity on the part of the Council to devote to soliciting funding and an operator. Each year, as the immediate need for retail development in Peach Springs goes unmet, it gets pushed forward as next year's development priority.

## **B. Lack of Common Purpose**

Overall, there is a lack of coordination and mutual support amongst the existing tribal enterprises. Although each is tribally-owned, each tribal enterprise operates independently and to some degree in isolation from the other enterprises. Due to this isolated structure, the sense of common purpose which theoretically binds the enterprises together in pursuit of the overall economic well-being of the tribe is lost or diminished. On a more tangible level, specific opportunities for joint gains go unrealized because the enterprises do not systematically support each other's marketing and business development efforts.

### **T-Shirts and Tourism**

When Arts and Cultural Enterprises (ACE) began its silk-screening operation three years ago, the established tourism markets of Hualapai River Runners and Grand Canyon West (GCW) made these two tribal enterprises ideal clients for ACE's start-up t-shirt operation. Due to initial problems of quality control at ACE, both River Runners and GCW have contracted out with non-tribal suppliers in northwest Arizona over 50 miles away.

The t-shirt/novelty business has become a profitable ancillary line of business, especially for River Runners. Although ACE has corrected its production problems, it has not been able to rebuild a supplier relationship with River Runners or GCW. Consequently, all three tribal enterprises and the Hualapai community at large have lost an opportunity for mutual benefits and gains:

- \* ACE has failed to develop a stable on-reservation client base, which is essential for further growth.
- \* River Runners and GCW have failed to realize the benefits of a more flexible, closer and presumably lower-cost supplier.
- \* The tribe has lost the semi-skilled employment opportunities and revenues of an expanded ACE operation.

### **C. Underdeveloped Tribal Employee Potential**

In some respects, this is the most formidable barrier to long-term economic development for the Hualapai. It is important, however, to understand the problem as a layered one, which lends itself to a phased approach or solution. On the most fundamental level, unrealized human potential persists along with the social pathologies that help breed it: alcoholism, domestic breakdown, limited educational and employment opportunities, and a general sense of disconnect or apathy. Addressing these basic conditions adequately requires a long-term, multi-faceted solution, which is beyond the scope of this paper.

There are other causes of underdeveloped human potential at Hualapai which arise out of more systematic than social factors, and therefore lend themselves to more immediate structural remedies. It is this set of institutional barriers to human resource development as it relates to the larger goal of economic development, which are examined in this paper.

**Lack of Incentives and Training.** First, low morale leads to employee "disinvestment". The systemic causes of low morale appear to be rooted in a lack of incentives and training for tribal enterprise employees. Employees do not feel "vested" by a sense of commitment and ownership to their job and, therefore by association, to the larger communal goals of the Hualapai enterprises. As a result, the productivity of the individual employee suffers as well as the enterprise and the tribe. In this way, the motivational problems of individual employees ripple out and affect the overall health and economic well-being of the tribe.

**Ineffective Personnel Process.** Second, once motivational problems arise, there currently exists no systematic way to resolve the problem. At present, there is a personnel process on the books, but it has never been instituted in practice. As a result, there are

inconsistent standards and practices across enterprises for hiring, evaluating and firing of tribal employees. Furthermore, due to the lack of any dispute resolution mechanism, employee performance problems are able to persist and further erode enterprise productivity.

**Grand Canyon West (GCW)**

GCW, which was originally a joint venture between non-tribal entrepreneurs and the Hualapai tribe, today is 100% owned Hualapai Tribal enterprise - a guided tourism operation - and is run under management contract by non-tribal members. All formal channels for employee management and communication, including personnel grievances, are handled by the manager.

As problems arise amongst GCW tribal employees, particularly as they relate to claims of favoritism and unfair compensation, employees who do not receive satisfaction through formal channels seek redress through personal contacts on the Tribal Council. In turn, tensions between the joint partners, the Tribal Council and the managers are exacerbated due to perceived interference on the part of the tribe in operations management.



## V. A STRUCTURE FOR SUCCESSFUL ECONOMIC DEVELOPMENT

### A. Key Components

The above analysis of the existing barriers at Hualapai points to several key institutional components as critical to an organization equipped for economic development. These include:

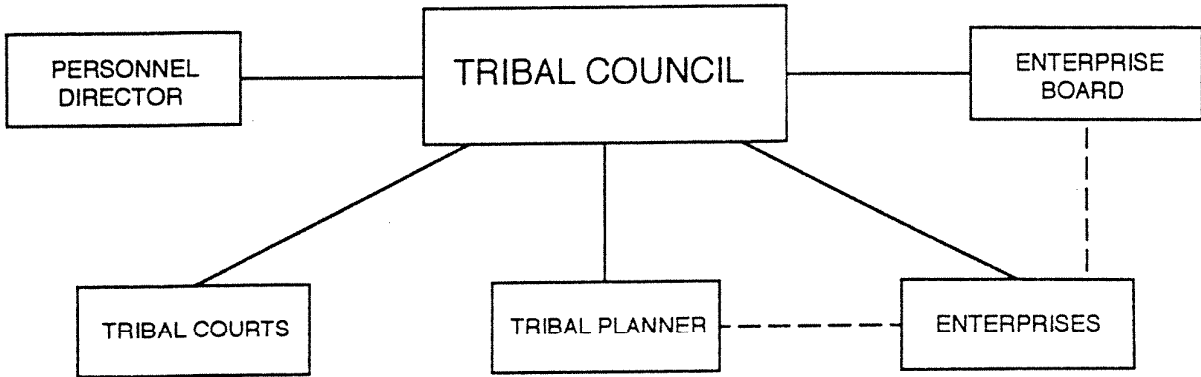
- \* technical capacity and time
- \* managerial expertise and oversight
- \* effective personnel and training process
- \* established dispute resolution mechanism

A system which incorporates these features helps to produce a sound environment within which economic development can thrive. Specifically, these institutional components combine to create (1) a stable and responsive environment for attracting outside investment and promoting new business development, and (2) an efficient and attentive management structure for assisting existing tribal enterprises.

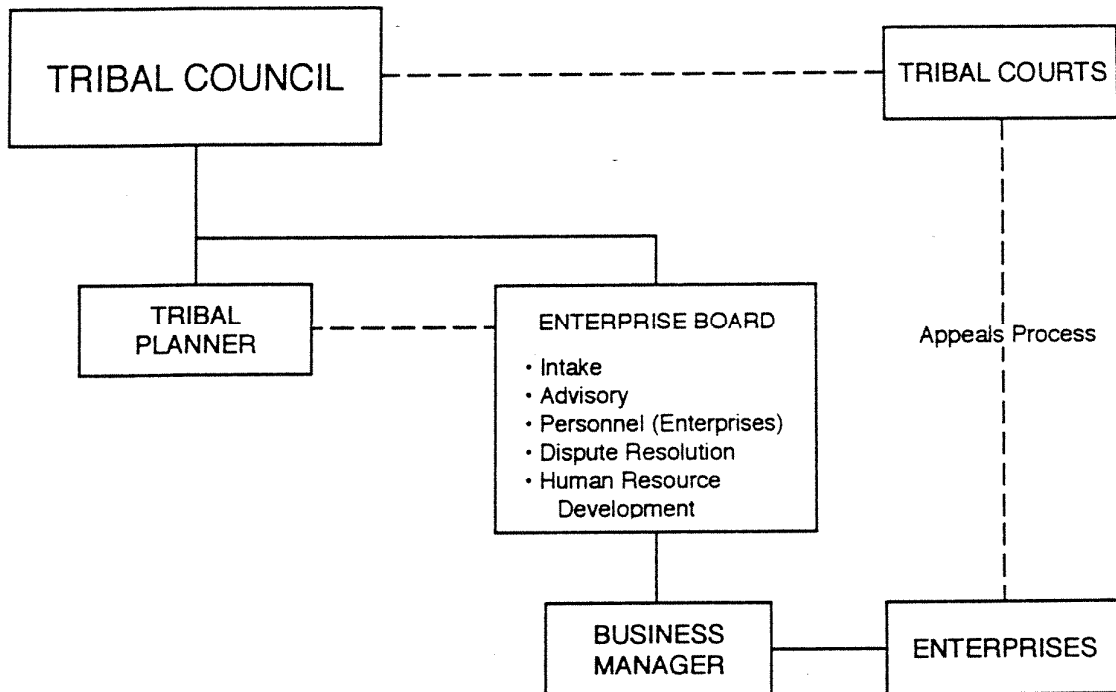
It is important to note within this proposed system there is a division of responsibility between the development agency and the political body under whose direction it operates. The governing body or tribal council sets the overall economic development objectives, and the development organization acts in an advisory and management capacity to fulfill those objectives. Although this proposed structure separates the functions of economic analysis from political decision-making, it retains a complementarity between them.

# HUALAPAI DEVELOPMENT STRUCTURE

## CURRENT



## PROPOSED



## **B. Proposed Structure for the Hualapai: The Enterprise Board**

Currently within the Hualapai system of government, these components do not exist at all or they are informally and thereby intermittently handled. By default, all of these functions become the responsibility of the Tribal Council. As a result, the Council finds its scarce time and resources increasingly drawn away from more pressing policy issues, such as long-range development planning, by the daily operational needs of tribal enterprises. In the end, the Tribal Council's ability to fulfill both its formal governance functions and informal development functions is severely compromised.

In order to alleviate the additional burden of these development functions upon the Tribal Council as well as to ensure that they are fulfilled more efficiently and proactively, a separate yet accountable development agency is needed. The institutional requirements detailed above are beyond the scope and capacity of any individual tribal government department; however, they are perfectly compatible with the original intent of the Enterprise Board. Therefore, the Enterprise Board should be redesigned to function in an advisory and management role for the Tribal Council, and thereby enhance the overall institutional capacity of the Hualapai Tribe to undertake economic development initiatives.

Although the Enterprise Board exists on paper, it functions only nominally. A lack of clarity with regard to its mission and specific powers has hindered the Enterprise Board's efforts to assist the Tribal Council and has created some friction between the two entities. However, re-establishing the Enterprise Board is a positive step. With a full-time Business Manager on staff and clearly defined responsibilities, the Enterprise Board could begin to address the development needs of the tribe while promoting a stable operating environment for existing and potential business activities. In this relationship, the Tribal

Council would retain control over major decisions relating to the investment of tribal funds and negotiations with outside investors; the Enterprise Board, alternatively, would be responsible for pursuing economic development and overseeing the day-to-day operations of the tribal enterprises.

### **C. The Benefits of the Enterprise Board**

The proposed restructuring of the Enterprise Board in relation to the Tribal Council holds a number of benefits for both the Tribal Council and the Hualapai community at large. The redesigned Enterprise Board will:

- (1) provide the necessary technical capacity to advise the Tribal Council and function as the development arm of the Hualapai tribe;
- (2) foster a sense of common purpose among tribal enterprises through the provision of operational management, oversight and coordination;
- (3) promote the development of Hualapai human resource potential through the establishment of targeted training programs, consistent incentive structures and evaluation procedures, and a standardized dispute resolution process.

Please see the attached table for a more detailed overview of the key components of the Enterprise Board which are designed to address the existing barriers to economic development at Hualapai while simultaneously produce tangible benefits for the Tribe.

## **VI. DEFINING THE ROLE OF THE ENTERPRISE BOARD**

When tribes collectively own their own businesses, one major challenge is to allow those businesses to be productive and profitable as possible. This means not subjecting them to overly politicized decision-making, while still assuring that they continue to serve the long-term interests of the tribal community. To facilitate achieving this objective, the Enterprise Board would bear responsibility for direct oversight of the enterprise sector.

Specifically its goals would be to:

- \* provide technical assistance and management expertise to the tribe;
- \* ensure that the operations of the enterprise sector serve the long-term interests of the tribe, as specified by the Tribal Council;
- \* insulate the enterprises from inappropriate interference on the part of the elected government, and
- \* ensure that the enterprises follow sound business practices.

With the assistance of a full-time Business Manager, the specific tasks of the Enterprise Board include:

- (1) Evaluation of Development Proposals
- (2) Promotion of Business Development
- (3) Provide Technical Assistance
- (4) Monitoring and Budgeting
- (5) Human Resource Development

**EXISTING BARRIERS TO ECONOMIC DEVELOPMENT**

**KEY COMPONENTS OF ENTERPRISE BOARD**

**BENEFITS TO TRIBE**

**Lack of Technical Capacity**  
 TC does not have time or expertise to devote to economic development.

- Inefficient business management
- Unrealized private sector investment
- No proactive tribal development

**Technical Capacity**  
 EB is comprised of skilled tribal and non-tribal business people to advise TC.

- Troubleshoot for tribal enterprises on operational management issues
- Analyze and promote private sector development proposals
- Implement economic development priorities set by TC

**Builds Development Capacity of Tribe**  
 TC benefits from the expertise of EB on development matters, while TC is free to devote its scarce time to larger tribal concerns.

- Increased productivity and efficiency of existing tribal enterprises
- Increased private sector investment on more favorable terms for the tribe
- Enables tribe to act as its own developer

**Lack of Common Purpose**  
 Lack of mutual support amongst tribal enterprises undermines achievement of community objectives.

- Lack of incentives
- Lack of training
- Ineffective personnel process

**Managerial Oversight**  
 EB coordinates marketing and business development strategies.

- Create competitive and fair compensation scale
- Design training program for all tribal enterprises
- Standardize performance evaluations and conduct dispute resolution

**Reinforces Communal Focus of Tribal Enterprises**  
 Tribal enterprises work together to realize joint economic gains.

- Improve motivation and productivity of tribal employees
- Enhance tribal employees capacity for work performance
- Enhance performance and minimize disruption of tribal enterprises and employees

**Underdeveloped Tribal Employee Potential**  
 Structural problems cause employee disinvestment and low morale.

**Personnel, Training and Dispute Resolution Mechanism**  
 EB institutes consistent and fair practices to assist employees in improving their performance.

**Enhances Tribal Employee Performance and Motivation**  
 Increased tribal employee satisfaction and performance improves productivity of tribal enterprises.

- Lack of incentives
- Lack of training
- Ineffective personnel process

- Create competitive and fair compensation scale
- Design training program for all tribal enterprises
- Standardize performance evaluations and conduct dispute resolution

- Improve motivation and productivity of tribal employees
- Enhance tribal employees capacity for work performance
- Enhance performance and minimize disruption of tribal enterprises and employees

## **A. STRUCTURE OF THE ENTERPRISE BOARD**

### **1. The Enterprise Board**

The most important function of the Enterprise Board will be to supply the tribe with sound business advice. The Board should be composed of individuals with experience and interest in business development, which will increase the effectiveness of the Board's decisions. While the Board, as with all Hualapai government departments, will be dependent ultimately on the Tribal Council for its authority, the objective is to make the board sufficiently autonomous to provide relief from momentary political pressures. This in turn will help create a more predictable and reliable investment atmosphere for both tribal and non-tribal investors.

Furthermore, as an advisory committee to the tribe, the Board will ensure that specific business operations complement and conform to the goals of the tribe. This will be carried out through such mechanisms as overseeing and approving decisions of the Business Manager and annually submitting for approval by the Tribal Council all budgets and operating plans of the Enterprises. The Enterprise Board will also submit for review periodic assessments of enterprise performance as measured against tribal goals.

**PROPOSED STRUCTURE  
of the  
ENTERPRISE BOARD**

	<u>Proposed</u>	<u>Change from Existing Structure</u>
<b>Number of Members</b>	7 members	Reduced from 9
<b>Representation</b>	At least 4 tribal members Max of 3 non-tribal members	Removal of Tribal Chairman
<b>Requirements</b>	Business skills Interest in Tribal Development	Greater emphasis
<b>Limitation of Powers</b>	Cannot enter into agreements without Council approval Cannot waive rights of the Tribe	None
<b>Removal</b>	For just cause as specified by the Tribal Constitution	Requires 6-3 vote of Tribal Council
<b>Term</b>	4 year appointments	None
<b>Compensation</b>	Per diem basis	None
<b>Appointment</b>	By the Tribal Council	None

## Nature of the Board

Much of the nature of the Enterprise Board will remain as stated in the current tribal ordinance. These include:

- \* Limitations of Powers
- \* Compensation
- \* Records
- \* Indemnification

However certain changes are recommended to provide the Board with maximum stability and competence, while still holding it accountable to tribal interests. These proposed changes are discussed below.

**i. Composition and Number:** The most recent plan of operation for the Enterprise Board gives the Tribal Chairman the power to serve on the Board ex-officio with full voting rights. In the most constructive situation this may facilitate communication between the Tribal Council and Enterprises. However, given the acknowledgement on behalf of the tribal government that "certain business opportunities have presented themselves that require active management by the tribe which is better done without political influence," it is strongly recommended that the two bodies remain separate in membership.<sup>3</sup> In this way, the Board will help ensure that its decisions regarding enterprise development will remain free and clear of more immediate political considerations.

Additionally, the number of board members should be lowered from nine to seven. This would allow for the necessary expertise, while facilitating the Board's ability to meet its

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<sup>3</sup> Tribal Council Resolution, 14 February 1991.

quorum of a majority of members. While the Board currently has two non-tribal members, the number of such persons on the Board should not exceed three. No more than three non-tribal members would protect the tribe's interests from adverse outside influence by maintaining a tribal majority, while giving a significant advisory role to outsiders whose business expertise may be a necessary resource.

**ii. Appointment and Removal:** The Board Members would be appointed by the Tribal Council. Criteria for appointment should be based primarily on business experience and a commitment to the development goals of the tribe. Desirable areas of expertise include business management, economic development, marketing, finance, law, and accounting. It is strongly recommended that a banker be appointed to the Board so as to (1) provide access to credit analysis services, and (2) build a long-term banking relationship.

A Board Member could only be removed from the Enterprise Board with a two thirds vote of the Tribal Council, but only for cause. Cause would be defined in the same manner as in Article IX section one of the Hualapai Constitution.

## **2. Business Manager**

The role of Business Manager is to bring skill to the daily administration of the enterprise sector, while at the same time acting in the best interests of the tribe. The Business Manager will need enough latitude to make quick business decisions, but will be bound by the specific operating goals as set by the Enterprise Board and the Tribal Council.

### **Nature of the Position**

As the focal point of responsibility and accountability in the enterprise sector, the Business Manager must be knowledgeable of sound business practices and be able to understand and appreciate the goals of the tribe. The position will involve setting operational goals, objectives, policies and procedures, as well as preparing a business plan for approval by both the Enterprise Board and the Tribal Council. The manager's decisions will always be subject to review by the Enterprise Board.

**i. Appointment and Removal:** The Business Manager is hired by the Enterprise Board. The appropriate criteria for such a position include business experience, and a willingness to operate within the guidelines established by the Board. The Business Manager would be hired for a multi-year contract with a specific probationary period (e.g., one year.) The salary paid should be commensurate with positions requiring similar skills and experience (e.g. director of an economic development corporation).

The Manager may be removed by a 5-2 vote of the Members of the Enterprise Board whenever he or she is in breach of contract or has demonstrated incompetence in the position.

## PROPOSED FUNCTIONS of the ENTERPRISE BOARD

FUNCTION	PARTICIPANTS	PROCESS
<b>EVALUATION OF DEVELOPMENT PROPOSALS</b>		
Step 1: Initial Review	Business Manager (BM) Enterprise Board (EB)	i) applicant submits proposal to BM for analysis and review ii) proposal then analyzed by EB iii) EB approves or denies low impact projects
Step 2: Community Input	Tribe Tribal Council Business Manager	i) EB reviews high, med impact projects ii) EB submits recommendations to TC iii) TC holds public hearings iv) high impact projects require referendum vote
Step 3: Tribal Council Decision	Tribal Council	i) TC approves, approves conditionally or denies medium impact projects
Step 4: Appeals Process	Tribal Court	i) denied proposals may appeal to Tribal Court on procedural grounds
<b>SMALL BUSINESS &amp; PRIVATE SECTOR PROMOTION</b>		
	Business Manager Enterprise Board Tribal Council	i) EB formulates Economic Development Strategy to fulfill goals set by TC ii) BM implements development projects as prioritized in Strategy
<b>TECHNICAL ASSISTANCE</b>		
	Business Manager Enterprise Board	i) EB supplies technical assistance to TC on development issues ii) BM supplies technical assistance to tribal members & enterprise sector
<b>MONITORING &amp; BUDGETING</b>		
Monitoring	Business Manager	i) BM prepares financial reports on performance of enterprises ii) EB monitors performance
Budgeting	Business Manager Enterprise Board	i) BM works with enterprises to draft annual budgets ii) focus on enterprises planning to expand
<b>HUMAN RESOURCE DEVELOPMENT</b>		
Personnel Policy and Dispute Resolution	Enterprise Board	i) EB hears and rules on all tribal employee and manager grievances ii) decisions appealed to Tribal Court
Personnel Assessment and Development	Business Manager Tribal Planner Educational Officer	i) BM conducts labour survey and assesses training needs of tribe ii) BM designs training program

## **B. FUNCTIONS OF THE ENTERPRISE BOARD**

There are five main functions proposed for the reconstructed the Enterprise Board:

- (1) Evaluation of Development Proposals
- (2) Small Business and Private Sector Promotion
- (3) Provide Technical Assistance
- (4) Monitoring and Budgeting
- (5) Human Resource Development

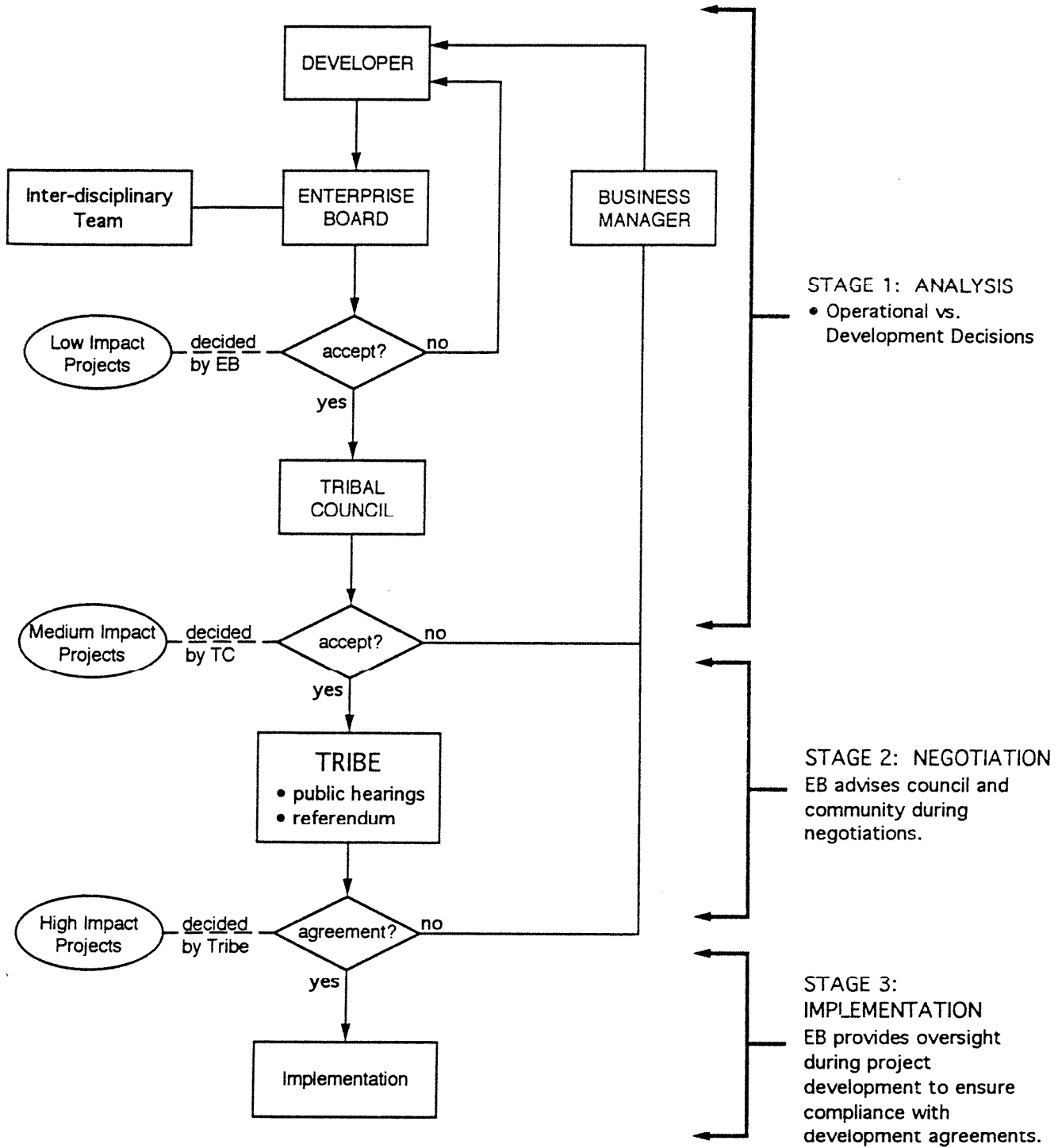
### **FUNCTION 1: EVALUATION OF DEVELOPMENT PROPOSALS**

Every development project should start with a review to ensure compliance with some baseline set of criteria, which would act as a screen to filter out those projects not meeting those criteria. Criteria, as explained in the appendix, cover the following areas:

- \*Structural Concerns
- \*Environmental Impact
- \*Economic Development
- \*Financial Benefits
- \*Cultural Enrichment
- \*Natural Resource Preservation

The Tribal Council, realizing the scarcity and value of its time, recently imposed a \$1000 processing fee for non-tribal development projects. The evaluation process would complement that process by further ensuring that obviously unacceptable projects would be eliminated early in the development process and by discouraging developers from

# PROPOSAL EVALUATION (proposed)



pursuing frivolous ventures. By establishing a standard set of procedures, the initial review would help eliminate wasteful ad-hoc governmental activity. The overall goal is to conserve the Tribal Council's scarce resources by allowing it to focus more of its energies on more important policy matters until the appropriate time.

### **STEP 1: INITIAL REVIEW**

The objective of the evaluation phase is to apply a consistent set of standards to help bring stability to the development process. Of course, the evaluation process will have to take account of the fact that no two projects are alike. Therefore, the process will require some flexibility.

### **PARTICIPANTS**

The project evaluation will be carried out by both the Enterprise Board and the Interdisciplinary Team. (IDT) According to tribal law, any project involving tribal lands or physical capital on the reservation must be reviewed by the Interdisciplinary Team. In accordance with that law, the Interdisciplinary Team will be responsible for the initial assessment of proposals that impact cultural and natural resources.

The Enterprise Board, with the Business Manager as coordinator, will be responsible for assessing the economic and financial implications for the tribe, including potential revenues, opportunity for spinoff investments, and jobs. In addition, the Board should be responsible for making sure that the project is in compliance with building and safety codes and other baseline criteria. Finally, the Board will be responsible for evaluating the role of the tribe in the proposed project, including any liabilities to be assumed by the tribe and powers that would be required, such as a waiver of sovereignty.

## **PROCESS**

The initial review process is straight forward. The Business Manager should develop an application form, which should be submitted by all applicants along with any necessary general plans, feasibility studies, investor credentials, and financial statements. Upon receiving the proposal, the project should be categorized by type. Project types can be defined as:

### **PROJECT TYPE**

#### **LOW IMPACT**

- A. Involving less than 1 acre of land.
- B. No tribal funds

#### **MEDIUM IMPACT**

Involving between one and 1000 acres of land  
Tribal Funds of less than \$100,000

#### **HIGH IMPACT**

Involving more than 1000 acres of land  
Tribal funds more than \$100,000

### **APPROVAL PROCESS**

- A. EB approves or rejects proposal

- A. EB reviews and makes recommendations
- B. Public hearings held
- C. TC approves or rejects proposal

- A. EB reviews and makes recommendations
- B. Public hearings held
- C. TC approves or rejects proposal

Once all the necessary documents are in place, the Business Manager would distribute copies to the appropriate individuals on each committee. Additional data, such as job creation potential, cash flow estimates, or potential investment spinoffs, can then be gathered by the Enterprise Board. It may be desirable, especially for high impact projects, to contract out analysis which cannot be performed in-house. All information should then be placed in a file.

As time is a critical factor in business development, a decision should then be made in a timely fashion, say within 14 to 30 days. At the next regularly scheduled convening of the Enterprise Board, the Board should review the proposal and make recommendations on the proposal.

Medium and high impact projects will be submitted, along with the original proposal, to the Tribal Council for further appropriate action. While the exact form has not been specified, the report stating the Board's recommendations should be standardized as much as possible to enhance the consistency and clarity of this process.

Low impact projects, such as a crafts stand, should require a simple approval of the Enterprise Board. These projects can then be turned over to the Business Manager for day-to-day oversight.

#### **STEP 2: COMMUNITY INPUT (High and Medium Impact Projects)**

Each high and medium impact project approved by the Enterprise Board will go through a community review phase, including a public hearing and a gathering of written comments to be coordinated by the Business Manager. The purpose of the community review process is to fulfill the original intent of the current tribal ordinance which requires a referendum on all projects involving more than 1000 acres or 50 thousand dollars. That is, the intent is to keep the community informed about large scale projects.

#### **PARTICIPANTS**

The community review process would be coordinated by the Business Manager in coordination with the Tribal Council. A public hearing, open to the entire Hualapai

community, would be conducted by the Tribal Chairperson. Any written comments should be gathered by the Business Manager and added to the file.

## **PROCESS**

After the initial screening and proper analysis, the proposal is forwarded to the Tribal Council where, in order to promote broad participation, the Council will schedule a public hearing. These hearings should be scheduled at regular intervals at a specified time and location, such as the community gym. However, they may be scheduled on an as-needed basis. In either case, they should be announced at least seven days prior to the hearing by direct mailings and postings in the Tribal Office to ensure all interested parties are informed of the opportunity for input. Written comments should be accepted for some period, such as 90 days beginning with the submission of the proposal to the Tribal Council. All hearings should take place within 90 days.

To ensure procedural consistency and fairness, hearings should proceed according to a standard agenda. The tribal chairperson or appropriate staff person, such as the Business Manager, should start with a description of the project and a summary of the Enterprise Board's analysis. Applicants are then given a chance to make their pitch. From that point on the bulk of the time should be allotted for public statements and audience questions and comments. Minutes should be taken and added to the proposal's file.

For high impact projects that require a referendum vote, this vote should occur at the hearing. This vote could either take place either as a voice vote or by ballot.

## ISSUES

One of the biggest procedural obstacles to economic development facing the Hualapai Tribe is the law requiring a referendum vote on all projects involving more than one thousand acres or 50 thousand dollars. In general, the spirit of this law is very positive. Coming out of an incident in which the tribal members felt excluded from the workings of tribal government, it represents an effort to keep the community informed and to provide tribal members with regularly scheduled opportunities for participation. However, given the dollar amount, this law would subject virtually all possible development projects to such a vote. Given the importance of time in the development process, it is strongly recommended that this law be repealed and replaced with the recommendations contained in this proposal. It is the intent of the public hearing process, in conjunction with the right to appeal to the Tribal Court on procedural grounds, to infuse the development process with the same opportunity for community participation as intended by the original law.

### **STEP 3: TRIBAL COUNCIL DECISION (Medium Impact Projects)**

The purpose of the prior processes was to synthesize all the information that had been gathered to allow a decision to be made that reflects the tribe's priorities. For medium impact projects, the Tribal Council decision is the final decision, upon which the project is turned over to the Enterprise Board for regulatory oversight. The Enterprise Board should then act as a buffer and conduit between the Tribal Council, the enterprises, and the community members. By allowing the Enterprise Board regulatory control, the Council thus takes the first step in depoliticizing the difficult task of economic development and business promotion.

## **PROCESS**

As with all applications, the Business Manager should present all necessary documents to the Tribal Council. After reviewing the proposal and a summary of the recommendations of the Interdisciplinary Team and Enterprise Board, and injecting any comments of their own, the Council should then vote to grant approval, grant approval with conditions, or deny approval. If the approval is denied, the applicant should be notified in writing and be allowed to resubmit a new application.

## **ISSUES**

As the organizations involved in the evaluation process develop their respective capacities to carry out the aforementioned functions, the tribe should transfer more decision-making responsibility to the Enterprise Board. The Tribal Council retains ultimate oversight and, hence ultimate veto control over broad economic decisions affecting the tribe. Yet all would benefit if the influence of elected officials in the development selection process were limited. The Council has a wide array of responsibilities and faces a shortage of time. Even the smallest issues can get mired in disputes that are difficult to resolve, thus further congesting the Council's schedule. By delegating more responsibility, while retaining oversight and broad veto powers, the Council would provide itself with more time to address pressing policy issues.

## **STEP 4: APPEALS PROCESS**

If applicants or opponents disagree with a final decision on a proposed development project, they should be granted the opportunity to file an appeal. An appeal based on whether required procedures were followed should be taken to the Tribal Court.

Substantive issues should be addressed through the review process; but applicants who

feel their proposals meet tribal criteria, or can be satisfactorily revised, should have the option of reapplying.

## **FUNCTION 2: SMALL BUSINESS AND PRIVATE SECTOR PROMOTION**

While a comprehensive system of project evaluation can bring immediate benefits to the tribe, development will be limited as long as the tribe remains reactive to investment opportunities. Currently the tribe lacks the capacity to actively seek, identify, and assess business opportunities. For example, currently a non-tribal member sells jewelry on consignment at the River Runners. This opportunity could easily exist for a tribal member. Additionally, does the tribe wish to pursue the possibility of gaming on the reservation? Is this opportunity compatible with tribal priorities? What effects will it have on the community?

The Tribal Council serves two primary functions in this process: (1) the tribal council demonstrates to the outside world that the tribe is serious about economic development, and (2) it is the source of authority and direction from which the Enterprise Board receives its mandate. By setting long-term priorities, the Council sets development strategy and assures a good fit with tribal objectives.

The objective then is to create a process where the priorities and resources can be matched to a set of tangible goals, both at different levels of feasibility and different probabilities of achievement. However, this requires that the tribe come to some understanding of both its priorities and its possibilities. The Business Manager could act as catalyst for engaging tribal entrepreneurial activities by actively identifying and promoting business

opportunities, seeking outside sources of funds , and offering necessary support services. This would involve the creation of both a long-term economic development plan and a more short term business plan. The former would prioritize broad long-term development objectives of the tribe, while the latter would seek more concrete opportunities compatible with those priorities.

### **STEP 1: OVERALL ECONOMIC DEVELOPMENT PLAN**

The Hualapai Tribal Government has been in the fortunate position of having run budget surpluses since at least 1987<sup>4</sup>. Additionally, the tribe has currently several enterprises generating net positive revenues, which includes not only contributions to the general tribal fund but the maintenance of individual cash reserves. However, the question remains for what purpose are these revenues generated? Is it employment creation of carefully defined job opportunities, or to subsidize other social programs or business enterprises? Is the priority employment training, or underwriting other business opportunities? Defining the needs, problems, and priorities will help establish the appropriate answers. The formation of an overall economic development plan, by establishing guidelines for long-term development plans, can assist the Tribal Council in focusing on and addressing overall tribal goals.

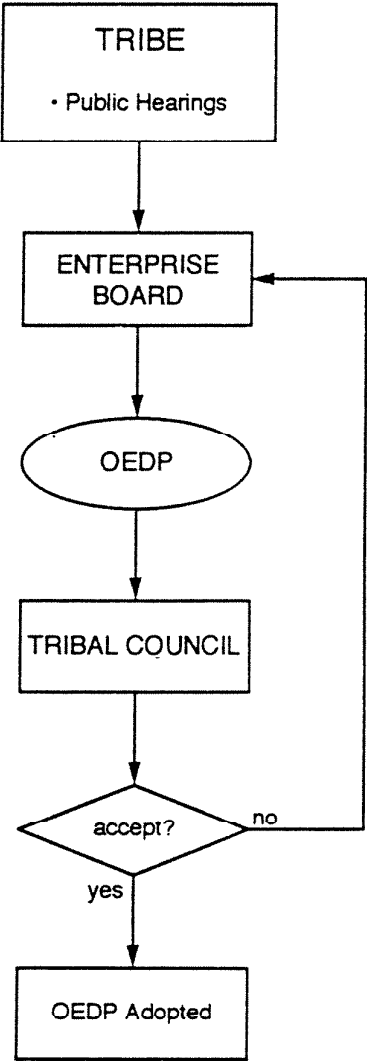
### **PARTICIPANTS**

The Enterprise Board should play an integral role in the tribe's economic development strategy. While it is ultimately the responsibility of the Council to set long-term development goals, the Enterprise Board can facilitate this process. By holding public hearings, the Enterprise Board can receive the input of tribal members in beginning to assess the needs and interests of the tribe. Through its advisory capacity, the Enterprise

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<sup>4</sup>The last year for which data was available.

# OVERALL ECONOMIC DEVELOPMENT PLAN



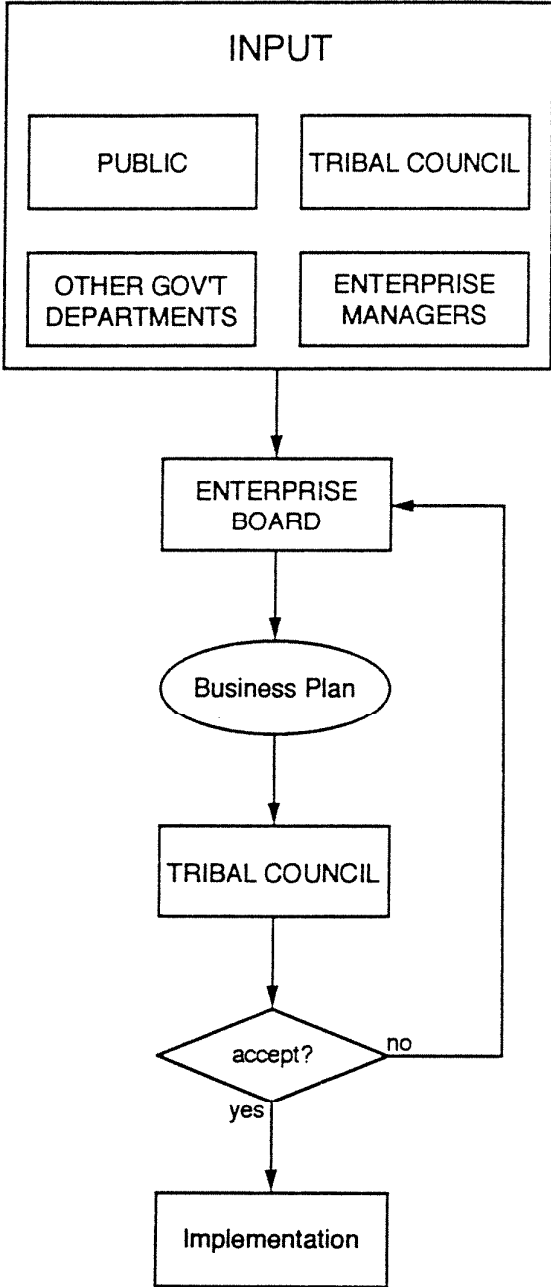
Board could then begin to develop, for Council approval, a long-term economic development plan, while the Council continues to attend the more immediate and pressing policy decisions facing the tribe.

## **PROCESS**

The Enterprise Board should begin by holding hearings open to the general public to receive the community's input in assessing the needs of the tribe. Other methods to reach the public, such as surveys, could also be used. Through deliberate attention to issues, the Enterprise Board could formulate a general policy in the area of economic development, setting broad guidelines for the business activity of the reservation. Such a plan would then be submitted to the Council for review. If the Council approved the plan, it would then act as a guide for evaluating and pursuing development opportunities. If the Council rejected the plan, a written notification would be provided by the Council. Then, the Enterprise Board could begin modifying the necessary sections, again with continued community input.

Among the issues the Enterprise Board would wish to consider are the relative priority of: job creation (quality and quantity), training (job, management, and investment), provision of goods and services needed by the community, tax revenue, opportunity for spinoff enterprises, type of ownership. The plan should also assess the availability of skilled labor (see also Human Resource Development section), financial capital (both tribal and non-tribal), and natural resources. In addition, the plan should consider acceptable levels of: capital costs, tribal liability, environmental pollution, natural resource depletion, presence of non-tribal members on the reservation. Finally, the process should also assess acceptable and unacceptable forms of economic activity.

# BUSINESS DEVELOPMENT PLAN



## **STEP 2: BUSINESS PLAN**

The objective of the business plan is to assist the Business Manager in seeking and actively promoting development possibilities for members of the community. Without such a proactive role, the tribe is restricted to a passive reactive role in its own economic development. While the position of Business Manager creates the necessary organizational structure to allow the tribe to begin to act as its own developer, the business plan represents the catalyst to seek out and encourage new business possibilities. In creating a business plan, the tribe establishes a more formalized method to begin a thorough assessment of development and land-use opportunities, while prioritizing those opportunities based upon the existing enterprises, near-term opportunities (small tribally owned or tribal member owned enterprises), and future possibilities (large scale enterprises or joint venture projects).

## **PARTICIPANTS**

The Business Manager, being most familiar with both the tribe's business needs and its development goals would start the process on behalf of the Enterprise Board and the Tribal Council. Working closely with the tribal community, as well as other administrative heads and the Council itself, the Business Manager would be responsible in developing the business goals and promoting them to the community. All plans would be subject to approval of the Tribal Council on an annual basis.

## **PROCESS**

The Business Manager, with the assistance of the Enterprise Board, would be responsible for developing the plan. Input would come from the tribal community, including the general public, administrative heads, the Tribal Council, and the enterprise managers. Intake could be undertaken either through small meetings, public hearings, or direct

mailings. Once developed, the plan would be submitted for initial review to the Enterprise Board where, after any necessary changes, it would be sent to the Tribal Council for final approval. If the plan is rejected by the Council, it would be returned to the Business Manager with the stated reasons for rejection and suggested modifications to meet the Council's approval. Any specific plans approved by the tribe would then undergo the standard evaluation process to begin to more rigorously assess the impacts for the tribe.

The process should begin with an inventory of existing of enterprises and business operations on the reservation. Criteria should include the type of enterprise, the ownership structure, employment (quantity and skills), and revenue generation (for non-tribal enterprises, revenues accruing to the tribal fund, and for tribal enterprises, gross and net revenues). This database will be the first step in highlighting both near-term and longer-term possibilities. Furthermore, it will provide the manager the opportunity to begin to coordinate complementary activities between enterprises, as well as recognize opportunities for small tribal member owned enterprises.

The second step, which focuses on new enterprises, should consider how any new venture will contribute to the achievement of tribal goals. The Business Plan should include the identification of potential enterprises by the type of business, the type of ownership (joint venture, member owned), key production factors, including capital, labor and resource requirements, facility location, financial and nonfinancial benefits to the tribe, as well as the relationship to the long-term development goals of the tribe. Furthermore, an initial market analysis should be part of the plan. Ideally, this would consider key market determinants (price, location), market trends, competition, and market projection.

The plan should also include a financial analysis, such as projected budgets and profits, income and cashflow and measures of performance (profits, job creation, training) typically over a five year period. This portion would include the structure of financing, whether it is from the tribe or grants, as well as locating potential outside sources of funding, the dollar amounts available and any constraints attached to those sources. Finally, an implementation plan and schedule would also be included.

### **FUNCTION 3: TECHNICAL ASSISTANCE**

As the center for business opportunities, the Business Manager should act to engage the entrepreneurial energies of the community and seek to improve to production within existing business operations by offering technical assistance. This assistance would occur on two levels: (1) as a source of technical expertise to the Tribal Council; and (2) as a source of expertise and services to the enterprise sector, including nascent entrepreneurs.

The former would take place principally during the evaluation/negotiation process. The latter would take place in the framework of the day-to-day operations. This means that the Business Manager must be aware of the needs for such assistance and make arrangements for providing the appropriate services, coordinating with the Tribal Planner when necessary. Services could include locating sources of funds, assisting with bookkeeping and accounting, arranging training programs, locating and renting space, assessing capital and labor needs. As is standard, all expenditures would need to be approved by the Tribal Council either through the annual budget process or supplemental requisition funding.

## **PARTICIPANTS**

The Business Manager would be responsible for assessing the needs of the enterprises and coordinating with the necessary parties on providing services. Coordination with the Tribal Planner is needed if funding or services are to be sought from outside resources, particularly government agencies. Additionally, the Tribal Council would have to give approval for any necessary funding.

## **PROCESS**

The Business Manager will have to assess and prioritize among the most pressing needs presented by the enterprise managers, tribal employees, and prospective entrepreneurs. Where in-house capacity doesn't exist, the Business Manager may bring in outside consultants, or draw upon the resources of the Enterprise Board. In these cases, costs of such programs will need to be estimated.

The technical assistance provided by the Business Manager's office is not intended to substitute for the on-going long-term process of developing tribal human resources. On the contrary, it is intended to complement that process by addressing the more immediate lack of entrepreneurial and managerial skills.

## **FUNCTION 4: MONITORING AND BUDGETING**

The objective is to consolidate the tribe's business activities under one office, where one of its principal functions would be to keep the Tribal Council informed on the state of business activity occurring on tribal lands and all of the existing resources being generated from those activities. Additionally, by acting as an active overseer of the tribal

enterprises, the Business Manager would improve the capacity of the Enterprise Managers to make day-to-day business decisions, thus improving their ability to profitably run their respective enterprise.

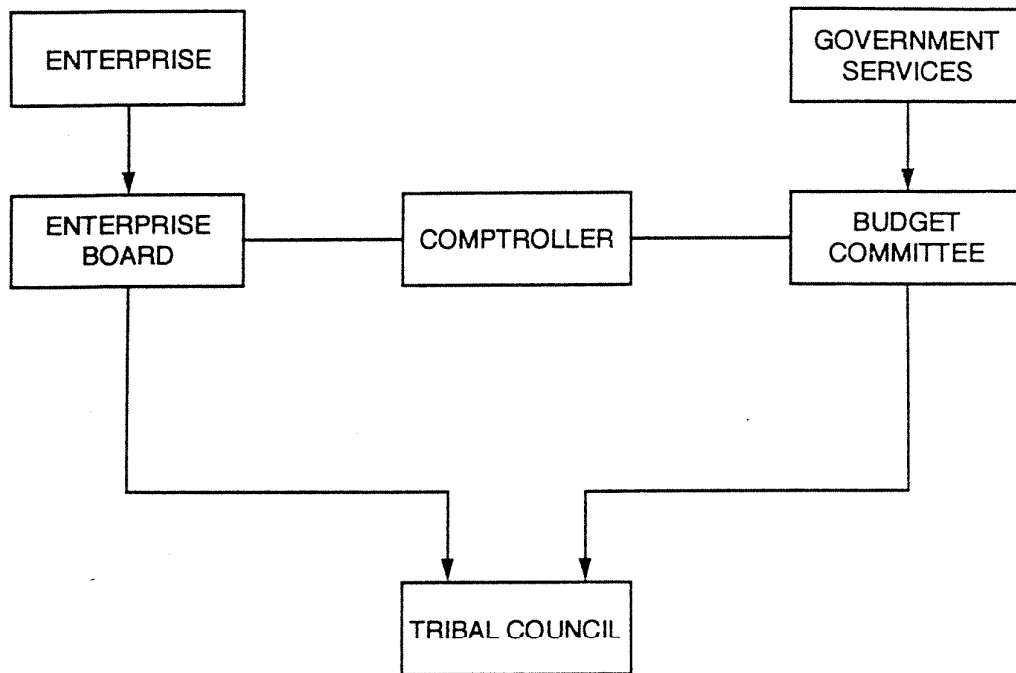
Currently all financial oversight of tribal enterprises is carried out by the Comptroller. The Comptroller collects tribal revenues from the enterprises, oversees investment strategy for both enterprise and tribal funds, maintains all financial statements, approves requisitions, and, with the budget committee, prepares the initial draft of the tribal budget, including both government departments and programs, as well as tribal enterprises.

Under this proposal, the office of the Business Manager would be the recipient and keeper of all financial records and accounting documents relating to all business activity occurring on tribal lands, including tribal enterprises, joint venture projects, and contracts with tribally and non-tribally owned businesses. The Business Manager would then be responsible for the transfer of tribal revenues accruing to the tribe from all business activities. The Business Manager would semi-annually submit to the Tribal Council balance sheet and profit and loss statements for the Council's review, as well as overseeing annual audits of the tribal enterprises.

## **PARTICIPANTS**

The monitoring of the tribal enterprises and tribal business activity would fall on the office of the Business Manager, who would then be responsible for disseminating copies of the necessary documents to the appropriate parties such as the Comptroller and the Tribal Council. The yearly auditing and budgeting process of the tribal enterprises would be coordinated by the Business Manager under the direction of the Enterprise Board.

# BUDGETING PROCESS



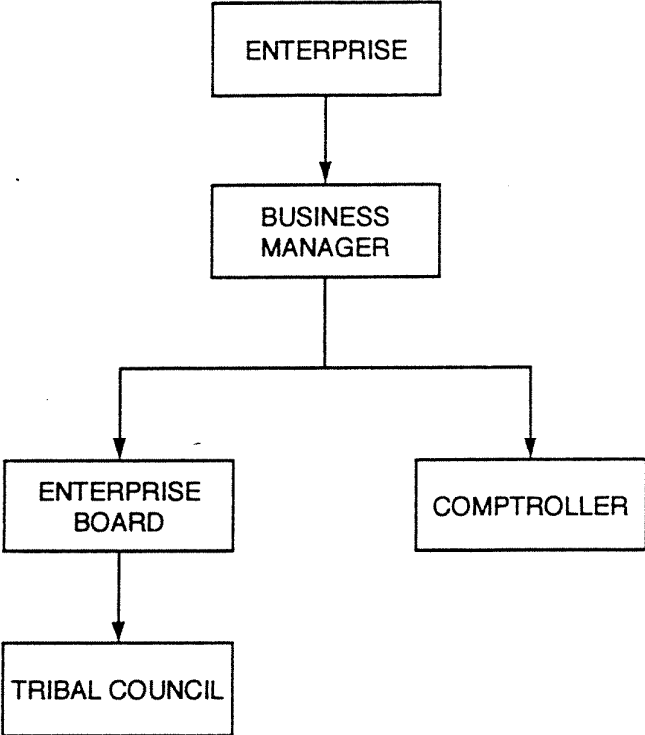
This new organizational structure would require close cooperation between the Comptroller and the Enterprise Board. However, this should be facilitated by the fact that the comptroller currently sits on both the Enterprise Board and the Budget Committee. Given the Comptroller's experience and knowledge in financial statements, investments, and budgeting, this could only increase the effectiveness of the Board in its advisory capacity. Additionally, while the Business Manager would oversee equity investments and business expansion, the Comptroller would be solely responsible for financial investments of Enterprise retained earnings and other funds.

### **STEP 1: BUDGETING**

One of the problems afflicting the tribe has been the demonstrated lack of entrepreneurial initiative among enterprise managers and the community at large. A contributing factor to this problem has been the lack of incentives, particularly in regards to enterprise managers' and tribal employees' wages, provided by the tribal government. The government, in treating the enterprises in the same manner as other administrative departments, separated reward from achievement. For example, the manager of the River Rafting operation waited 12 years before finally receiving a raise, despite the enterprise realizing continued increasing profits. The result is that tribal members, unless they were willing to work for stagnating, have tended to use the few available positions as stepping stones to other off-reservation employment. Alternatively, they have disinvested themselves from their employment and, consequently, community responsibilities.

Given that one of the objectives of the Tribal Council is to promote the entrepreneurial energies of the tribe, it is incumbent upon the government to create a situation where enterprise employees, as well as tribal members in general, feel vested in their responsibilities. With a business focus, the Enterprise Board would be more sensitive to

# MONITORING



this need and to ways of promoting it. Therefore, it should be the function of the Enterprise Board to review initially the yearly budgets of the enterprises. While it can't be considered as a panacea for larger problem of tribal morale, it would be a noted improvement.

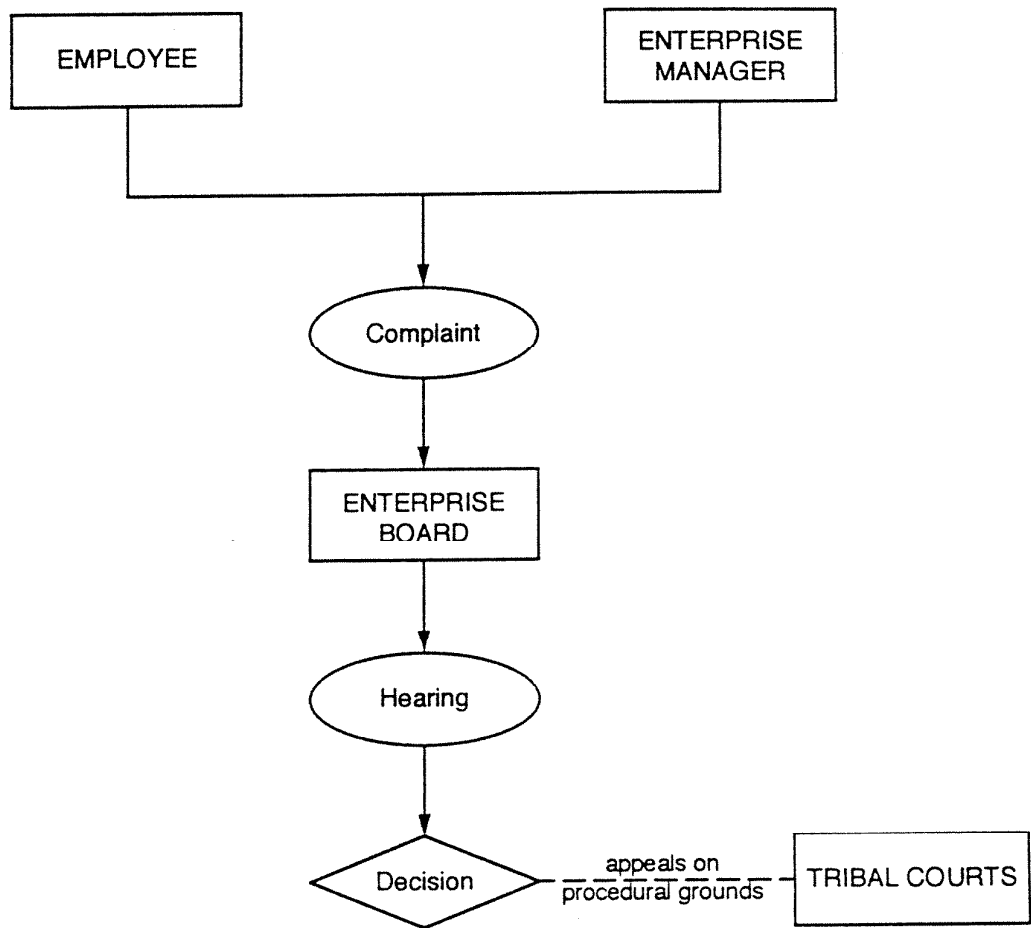
The Enterprise Board would assist the enterprises in formulating their yearly budget proposals and necessary financial documents. Special attention would be given to those enterprises planning an expansion at the end of the fiscal year. The Board would then pass on these proposals with its recommendations to the Tribal Council for final approval.

## **STEP 2: MONITORING**

The office of the Business Manager, with oversight provided by the Enterprise Board, would act as the primary repository of all financial data pertaining to business activity on tribal lands. That is, copies of all financial statements, balance statements, and audits should kept with the Business Manager. Proper copies of documents and required reports would then be distributed to the Comptroller and the Tribal Council.

Additionally, revenues owed to the tribe would be collected by the Business Manager, who would then, after noting the receipts in the office records, turn over those funds to the Comptroller. In this way the Business Manager would immediately be notified of those operations unable to meet their obligations and could act as a board of inquiry to provide or arrange any technical assistance the business may require to solve any problems it may be experiencing. If the problem is suspected of being illegal activities, the Manager would notify the Tribal Council, where the Council working with the Enterprise Board could begin a more formal investigation.

# HUMAN RESOURCE DEVELOPMENT: DISPUTE RESOLUTION



## **FUNCTION 5: HUMAN RESOURCE DEVELOPMENT**

One of the biggest obstacles to economic growth facing the Hualapai Tribe is its disinvested, underdeveloped base of human capital. While the tribal government has taken active steps to address this problem, the root causes, and hence solutions, lie outside the framework of this proposal. However, certain structural inefficiencies have served to exacerbate these problems, including an ineffectual personnel policy and dispute resolution mechanism, as well as the lack of a formal assessment of the skills and needs of the existing labor force. The Enterprise Board, in its capacity as an advisory agency to both the Tribal Council and the tribal enterprises, could assist in alleviating these structural problems.

### **STEP 1: PERSONNEL POLICY AND DISPUTE RESOLUTION**

The tribe currently has a set of personnel policy guidelines which contain procedures for resolving grievances. However, given the lack of authority vested in the position responsible for overseeing and enforcing such guidelines, the tribe has been unable to implement them effectively. As the system breaks down, the Tribal Council finds itself embroiled in personnel matters, further politicizing the development process. (See, for example, the box on Grand Canyon West.) Unless the tribal government wishes to continue being embroiled in personnel policy problems, and consequently continuing to politicize the development process, it should delegate authority over such matters to more appropriate departments. As these problems pertain to the enterprise sector, the Council should place such matters in the hands of the Enterprise Board.

Existing procedures, which require the manager to provide a written evaluation and notification of the grievance, would remain in effect. However, copies of any such

## PROPOSED IMPLEMENTATION SCHEME

	Timing	Staffing	Resources
<b>PHASE 1: Evaluation of Development Proposals Technical Assistance</b>	3 months	Business Manager	EB Members
	i) BM establishes in take procedure	i) Hire skilled BM	i) BM draws upon knowledge and business resources of EB
	ii) BM establishes relationship with tribal enterprises	ii) Provide secretarial support	ii) BM can use information and services provided by national ec dev orgs (e.g. CUED, CERT)
<b>PHASE 2: Monitoring Budgeting</b>	3 months - 1 year	Business Manager Comptroller Enterprise Managers	Cooperation between Comptroller, BM, and Enterprise Managers
	i) BM becomes familiar operations of enterprises	i) Use existing Staff	i) BM establishes cooperation of  - Enterprise Managers by providing technical assistance
	ii) BM assists enterprises in planning budgets	ii) Option to hire bookkeeper to establish record keeping system	- Comptroller's office by relieving Comptroller of undesired managerial oversight of enterprises
	iii) EB begins to evaluate overall enterprise sector performance		
<b>PHASE 3: Small Business &amp; Private Sector Promotion Development</b>	1 - 2 years	Project Manager	Cooperation of Personnel Director, Tribal Planner, and Tribal Council
	i) Conduct wage and benefit review; recommending changes to improve incentives	i) Hire PM to be responsible for implementing OEDP and Business Plan priorities	i) PM establishes cooperation of  - Personnel Director by assuming responsibilities for enterprise sector
	ii) PM assists in carrying out OEDP and Business Plan	ii) PM assists with evaluation procedure and technical assistance	- Tribal Planner by assisting with the OEDP
	iii) PM establishes grievance procedure		- Tribal Council by relieving it of personnel matters relating to enterprise sector

communication would be forwarded to the Business Manager, as it would now be the Enterprise Board's responsibility for hearing such disputes, enforcing guidelines, and rendering decisions on such disputes.

For example, if the employee felt proper procedures were not followed prior to his or her dismissal (or reprimand), the employee could appeal to the Enterprise Board where a hearing would be held and a decision rendered. If the employee felt as if he or she were suffering from unfair or gross mismanagement practices (such as favoritism or the undercutting of a supervisor's authority on the part of management), the employee could again appeal to the Board where a hearing would be scheduled and a decision rendered. Where appropriate the Board would have the authority to dismiss employees. Any dismissal could be appealed to the Tribal Court on procedural issues.

Regarding tribal managers, similar procedures would be followed. Two weeks prior to any action against the manager, the Enterprise Board would be required to provide the manager with a written notification listing the grievances. Any grounds for removal or reprimand must be made clear and limited to objective reasons for poor performance. A hearing between the Enterprise Board, the manager, and any appropriate parties, must then be scheduled. Enterprise managers would retain the right to appeal to the Tribal Court, on procedural grounds, on any reprimand delivered by the Board.

While the Enterprise Managers would be responsible for hiring employees, the Enterprise Board would take responsibility for the hiring of Enterprise Managers. Once a management position became available, the Business Manager would be required to serve public notice by posting the position, along with a description of responsibilities and any necessary qualifications, in the tribal government offices for three weeks prior to starting

the interviewing process. The Business Manager would also be responsible for collecting the applications for the position. At the end of the three week period, the Enterprise Board and Enterprise Manager should schedule interviews with each of the respective applicants. Once a decision had been reached, applicants should be notified in writing as to their status.

## **ISSUES**

To help ensure that any decision is based on objective criteria relating to the position in question, the Business Manager should create an application form which would include questions pertaining to prior educational and employment experience. Relating to non-tribal members, several tribal members expressed the tribe's difficulty in ascertaining the quality of such persons. While the Enterprise Board should give preference to tribal members, in such cases where the Enterprise Board may deem it necessary to hire outside the tribe, a more extensive background check becomes very important. The applicant should be required to submit a resume along with the application. Furthermore, the application should include a list of previous employers and references, along with a statement which permits the Tribe to call on such references. It then becomes incumbent upon the Business Manager to undertake such a review.

## **STEP 2: PERSONNEL ASSESSMENT AND DEVELOPMENT**

The Tribal Planner and Educational Officer are to be commended on their efforts to encourage and facilitate tribal members, particularly the recent high school graduates, to continue their education and training. Such efforts will only continue to strengthen the human capital base, and hence the overall standard of living, of the tribe. To complement such efforts, an assessment of the human resources of the tribe should be conducted. In this way, the tribal officials will have a better understanding of the strengths and needs of

the community. Furthermore, it would assist in determining those potential enterprises the tribe may be able to undertake or attract in the near future, while addressing the shortage of skills needed for longer-term projects.

The Business Manager could coordinate with the current efforts of the Tribal Planner and Education Officer to begin drafting a survey to be distributed among community members. Such a survey would include prior education, including particular classes and prior employment experience, listing responsibilities, as well as those skills most desired or needed in any current capacity. Such a database would provide tribal officials with a more accurate assessment of the skills of the tribe, and assist in the planning process.

Furthermore, by more systematically appraising the needs and desires of the tribe, the Business Manager could coordinate with the Tribal Planner to begin designing and implementing a job training/business-skill development program. Such a program may include outside consultants or trainers to hold seminar sessions with Enterprise Managers and small business entrepreneurs. In addition to the direct economic benefits, it would increase the confidence of both the individual and the nation as a whole.

## VII. STRATEGY FOR IMPLEMENTATION

The guiding principle for implementing the reconstructed Enterprise Board is to "start small and grow strong". Institutional capacity building is a process, and therefore it lends itself to a phased approach to implementation. Within the Hualapai context, a phased approach is essential in light of the starting point for the tribe. Given the small size of the tribe and the tribal government, it is important to institute an Enterprise Board which is of comparable scale. Furthermore, although a budget surplus exists, the resources required to start the Enterprise Board must be minimal until the Board can begin to show returns and eventually become self-sustaining.

Finally, and perhaps most importantly, the primary function of the Enterprise Board is to provide technical advise and management expertise to the Tribal Council on development matters. Therefore, the Enterprise Board must begin by relieving the Council of those day-to-day operational and development decisions, which the Council has neither the time nor inclination to handle. In this way, the Enterprise Board can be of the greatest immediate value by freeing the Tribal Council from routine management and investment analysis decisions to pursue larger development and policy issues, which are of more importance to the Hualapai people and their future.

Once the Enterprise Board together with the strong staff support of the Business Manager have demonstrate their capacity to responsibly and efficiently conduct the evaluation of development proposals and technical assistance functions, then the Board can begin to expand to assume the additional functions. A phased approach for implementing the Enterprise Board is outlined below, with recommended timing, resource and staffing levels.



**APPENDIX 1: LIST OF TRIBAL ENTERPRISES**

# TRIBALLY-OWNED ENTERPRISES

## 1. Hualapai River Runners

Hualapai River Runners is a tribally-owned river rafting operation located on the Hualapai Reservation. The tribal rafting operators have been successful in using the tribe's location on the South Rim of the Grand Canyon to carve out a niche in this lucrative market. Rafting operations located within the Grand Canyon tend to specialize in more extended rafting trips (approximately one to two weeks), while the Hualapai specialize in one and two day trips. The fees for these trips are \$223 and \$333, .

Operating from approximately the end of May through the beginning of October, the River Rafters last year grossed approximately \$650,000.. After contributions to the tribal funds (15% of gross) and capital improvements, the operation netted about \$150,000. The enterprise is seeking to expand to eight rafts for the coming season. Additionally, River Rafters employ two tribal members full time (Manager and Assistant), and eight members seasonally, although this is projected to increase to twelve this season. The majority of its clientele come from the surrounding region, including Southern California.

## 2. Grand Canyon West

Grand Canyon West was originally established as a joint-venture between the Hualapai Tribe and outside investors for the purpose of developing a tourist resort complex in a remote area of the reservation known as Guano Point. The current operations of GCW consist of day trips to Guano Point where visitors are served a meal and taken on a bus tour and hike of the surrounding area. The visitors are either flown or bussed in from the surrounding areas, principally Boulder City and Las Vegas. The site accommodates an average of five tours per day during peak season, totalling about 300-400 individuals. In the off-season, GCW serves approximately 75 individuals per day. Year round, the enterprise employs two full time crews of 6 tribal members.

The Tribe is the sole owner of GCW. The manager, who is a non-tribal member operating under management contract, is responsible for overseeing the day-to-day operations. GCW collects a flat fee of \$25 per head. Of this \$25 dollars, \$8 goes to tribal general funds, \$5 to a reserve fund, \$2 to fulfill a contractual obligation with the previous partners, \$13 to cover the tribe's portion of expenses. In total, GCW contributed approximately \$120,000 to general tribal funds during the 1992 fiscal year.

### **3. Hualapai Wildlife**

With a habitat that includes such big-game trophies as bighorn sheep, elk, and antelope, the Hualapai have maintained a successful hunting operation. Each year the tribe sells a limited number of permits. With the purchase of a permit, the hunter is provided with tribal guides and hunting lodges. The top fee is \$19,000 for bighorn sheep, while an elk permit averages about \$10,000. Over the last several years, the operation has maintained a level of contributions to the tribal fund of approximately \$25,000, while employing eight to ten tribal members.

### **4. Arts and Cultural Enterprises (ACE)**

Since its inception, ACE's operations have been sporadic. Due to previous management problems, ACE hasn't been able to fill the markets for silkscreening and other crafts that currently exist on the reservation. As a result, ACE has been limited to one part-time employee.

### **5. Tribal Herd**

The tribe currently maintains a herd of cattle on the reservation. However, this enterprise currently operates at a loss. It is interesting to note that the other four cattle districts owned by cooperatives of individual tribal members do maintain profitable private herds on the reservation. The members pay a grazing fee to the tribe.



**APPENDIX 2: TRIBAL ORDINANCE  
ESTABLISHING THE ENTERPRISE BOARD**



# HUALAPAI TRIBAL COUNCIL

P.O. BOX 179 • PEACH SPRINGS, ARIZONA 86434 • 602 769-2216

## HUALAPAI TRIBE BUSINESS DEVELOPMENT POLICY

The Great Spirit created Man and Woman in his own image. In doing so, both were created as equals. Both depending on each other in order to survive. Great respect was shown for each other, in doing so, happiness and contentment was achieved then, as it should be now.

The connecting of the Hair makes them one person; for happiness or contentment can not be achieved without each other.

Big canyons are represented by the purple in the middle round, where the people were treated. These canyons are a real and should be so treated all times.

The Reservation is pictured to present the land that is ours to all.

The Reservation is our heritage, the heritage of our children. Be good to our land and it will continue to be good to us.

The Sun is the symbol of life, without it nothing is possible - plants don't grow - there is no life - nothing. The Sun represents the dawn of the Hualapai people. Through hard work, determination and education, everything is possible - we are assured bigger and better days ahead.

Tracks in the middle represent the cubote and other trails which were here before.

Green around the symbol are trees, representing our Hualapai - PEOPLE OF THE PINE -

This policy was enacted by the Hualapai Tribal Council on March 3, 1990 in order to clarify responsibilities of the Tribe and outside business entities for possible development projects on the Hualapai Reservation. In general, the Tribe is committed to generating job opportunities for members and operating income for the Tribal government through economic development on or off the reservation. Specific development objectives are outlined in the Tribe's annual Overall Economic Development Plan, but new ideas are always open to discussion, providing they are environmentally sound and make economic sense.

All proposers of projects on the Hualapai Reservation are required to submit the following information to ensure a prompt, complete review by the Hualapai Enterprise Board.

### Required information:

1. A specific proposal and/or business plan,
2. Total capitalization and financing plan,
3. Estimated labor requirements,
4. Resumes of key personnel and all partners/principals,
5. Proposed ownership structure, or various suggested alternatives,
6. Current financial statement of entity or individual principals,
7. Non-returnable proposal processing fee of \$1000.00.

The proposal fee is required to share in the Tribe's costs of processing the proposal. If the proposal is accepted for further negotiation, developers also may be asked to share part of the Tribe's costs of continuing negotiations.

Within two weeks of submitting the required information, the Hualapai Enterprise Board will review and evaluate the proposal, and recommend whether to continue discussions with the developer/project principals. If the proposal is not accepted for further negotiations, developers/principals will be advised of the reasons in writing, and will then have the option to appeal to the Tribal Council.

All information and correspondence shall be submitted in duplicate, with one copy to each of the following:

Delbert Havatone, President  
Hualapai Enterprise Board  
PO Box 179  
Peach Springs, AZ. 86434

Carrie Bender, Chairperson  
Hualapai Tribal Council  
PO Box 179  
Peach Springs, AZ. 86434

HUALAPAI TRIBAL COUNCIL  
RESOLUTION NO. \_\_\_\_\_  
OF THE GOVERNING BODY OF THE  
HUALAPAI TRIBE OF THE HUALAPAI RESERVATION  
A FEDERALLY CHARTERED INDIAN CORPORATION  
PEACH SPRINGS, ARIZONA

WHEREAS, the Hualapai Tribal Council is the governing body for the Hualapai Reservation and its empowered pursuant to its Constitution, Article V and XI, Section 4, to act in all matters that concern the welfare of the Tribe, and ;

WHEREAS, the Tribal Council is desirous of promoting economic development for the purpose of providing income to support governmental activities, and;

WHEREAS, the Tribe is desirous of creating employment opportunities for Tribal members and to generally promote their welfare, and;

WHEREAS, certain business opportunities have presented themselves which require active management by the Tribe which is better done without political influence.

NOW THEREFORE BE IT RESOLVED, that the Hualapai Tribal Council, pursuant to the authorities given it in the Hualapai Tribal Constitution, hereby charters, empowers and sanctions a Tribal committee to be known as the Hualapai Enterprise Board which will be operated conformance with the attached **PLAN OF OPERATION OF THE HUALAPAI ENTERPRISE BOARD**.

CERTIFICATION

I, the undersigned, as Chairman of the Hualapai Tribal Council hereby certify that the Hualapai Tribal Council of the Hualapai Tribe is composed of nine (9) members of whom \_ constituting a quorum were present at a \_\_\_\_\_ thereof held on this \_\_\_\_\_, and that the foregoing resolution was duly adopted by the affirmative vote of \_ members pursuant to authority of Article V and XI, Section 4, of the Revised Constitution and Bylaws of the Hualapai Tribe approved February 14, 1991.

\_\_\_\_\_  
Delbert Havatone,

Attest

Christine Lee  
Secretary\*

PLAN OF OPERATION  
FOR  
HUALAPAI ENTERPRISE BOARD

The Hualapai Tribal Council, acting pursuant to the powers granted it in Article VI of the Amended Constitution and Bylaws of the Hualapai Tribe of the Hualapai Indian Reservation, hereby creates, The HUALAPAI ENTERPRISE BOARD for the following purposes on the terms and conditions set forth below:

1. Name. The name of the Committee hereby created shall be the HUALAPAI ENTERPRISE BOARD.
2. Place. The principal place of business of the Hualapai Enterprise Board shall be at Peach Springs, Arizona, but the board may meet at such other places as it deems reasonably necessary or desirable.
3. Purpose. The Enterprise Board will act as an advisory board to the Hualapai Tribal Council. The purposes and duties for which this committee is established are to: (1) Engage in any and all lawful Negotiation activities, the choice of which shall be subject to the approval of the Hualapai Tribal Council, and undertake all related and incidental matters as good business practice permits, for purposes of making a profit which can be used in support of governmental activities of the Hualapai Tribal Council; (2) To facilitate, the creation of employment opportunities for Tribal members; (3) And to produce the Overall Economic Development Plan acceptable to the Hualapai Tribal Council.
4. Board of Directors. The Enterprise Board consisting of ten individuals, 9 of whom shall be appointed by the Hualapai Tribal Council, the 10th member of the Board shall be the Chairman of the Hualapai Tribal Council. With the exception of the Chairman of the Hualapai Tribal Council, who shall serve ex-officio, the Board members shall be appointed for a term of four (4) years and shall be subject to removal by the Hualapai Tribal Council only for cause; cause being defined in the same manner as in Article IX §1 of the Hualapai Constitution as clarified in Article II of the Bylaws. The initial Board shall be appointed in such manner that three of the Board members, The President, Vice-President, and Secretary will serve a full four (4) year term and three members will serve a two year term. Thereafter, each appointee will serve a four (4) year term. Should a member of the board be unwilling or unable to serve

his full term, the Tribal Council will appoint an individual to fill the unexpired balance of the withdrawing member's term.

5. Duties. The Enterprise Board shall serve as the steering committee for the Economic Goals of the Hualapai Tribal Council.

6. Limitation on Powers. Unless expressly authorized by resolution of the Hualapai Tribal Council, the Enterprise Board may not; (a) expressed or implied enter into agreements of any kind on behalf of the Tribe; (b) pledge the credit of the Tribe; (c) dispose of, pledge, or otherwise encumber real or personal property of the Tribe; (d) secure loans or incur indebtedness requiring any obligation, contribution or guarantee on the part of the Tribe; (e) waive any right of, or release any obligation owed to, the Tribe; (f) waive any other rights, privileges or immunities of the Tribe.

7. Compensation. All Board members shall serve without compensation and shall receive no emoluments, fees, or remuneration for their services; however, committee members shall be entitled to per diem as authorized by the administration.

8. Records. The Enterprise Board and its officers shall establish and maintain appropriate written procedures and records, both written and financial. The Hualapai Tribal Council, or its appointed representatives may have reasonable access to records maintained on behalf of the Enterprise Board.

9. Sub-Boards/Committees. For the Advisement of new individual business operations, the Board is authorized to appoint and direct sub-boards from its own membership or, with Tribal Council approval, individuals who are not members of the Board.

10. Reports. The Board of Directors will report to the Tribal Council at such times as the Council requests, but in no event less often than once every three (3) months.

11. Compliance With Laws. The Hualapai Enterprise Board in all agreements, contracts or subcontracts it negotiates will require compliance with the Hualapai Tribal Employment's Rights Ordinance and all other applicable laws, ordinances and regulations.

12. Officers. The members of the Enterprise Board shall elect from their own membership a president, a vice-president, a secretary and treasurer, who may be the same person, and such other officers that the Board deems necessary. All officers and agents of the Enterprise Board shall have such authority and perform such duties as may be provided by resolution creating the Enterprise Board.

13. Removal. Any officer or agent may be removed by Board membership whenever in its judgment the best interest of the Hualapai Enterprise Board will be served thereby.

14. Minutes. The secretary of the Enterprise shall keep or cause to be kept a complete and accurate record of all meetings, copies of which shall be furnished to the Enterprise Board and, upon request, to the Hualapai Tribal Council.

15. Meetings/Quorum. A majority of the members of the Board of Directors appointed, including the president, shall constitute a quorum of the Board of Directors for the purpose of conducting business. The president of the Board may, and at the written request of the Hualapai Tribal Council or three members of the Board shall, call a special meeting of the Enterprise Board. Notice of such meeting, together with the stated purpose, shall be given at least forty eight (48) hours prior to the time of the meeting unless such notice is waived in writing. Board members may adopt such rules and regulations for the conduct of their meetings and the management of the Hualapai Enterprise Board as they may deem proper, not inconsistent with this Plan of Operations or the Constitution, laws and ordinances of the Hualapai Tribe.

16. Indemnification of Directors and Officers. The Enterprise Board shall indemnify any and all persons who may serve or who have served at any time as directors or officers, and their respective heirs and personal representatives against any and all costs and expenses which may be imposed upon or incurred by him/her in connection with or resulting from any claim, action, suit or proceeding in which such person may be involved by reason of his/her being or having been a director or officer of this committee.

17. Amendments. This Plan of Operation may at any time be amended, altered or supplemented by resolution of the Hualapai Tribal Council, so long as such action is not inconsistent with applicable law.

## **APPENDIX 3: EVALUATION CRITERIA**

## EVALUATION CRITERIA

Any systematic approach to development appraisal must be based on some clear set of criteria. The criteria serve, in effect, as set of standards by which all development proposals are judged. They may be both traditional measures of project viability, and objectives unique to the Hualapai Tribe<sup>1</sup>.

The purpose of this section is not to provide a comprehensive set of criteria, nor specific checklist within each criteria listed, but offer a highlight some possible broad criteria definitions and some of the issues they must cover. The criteria is divided into two approaches: Baseline criteria and variable criteria. The baseline criteria are more objective, that is clearly defined and quantifiable, and more fundamental. They therefore should be applied uniformly across all development proposals, regardless of project type or tribal priorities. Such criteria could include:

- building and safety
- environmental
- infrastructure

The variable criteria are more subjective in nature. The weight assigned to any particular criteria will therefore depend on the nature of the project under review and the prevailing tribal priorities. Such criteria might include:

- economic development
- financial benefits
- cultural enrichment
- natural resource preservation

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<sup>1</sup> **Evaluating Land-Use Proposals: A Comprehensive System for the Pallyup Tribe of Indians**, Nissenbaum and Shadle, Harvard Project on American Indian Economic Development, April 1991.

- human service provision
- sovereign identity promotion

### **BASELINE CRITERIA**

All development projects need to be evaluated on the basis of some set of baseline criteria. Each standard is measured by some specific threshold test. This measurement should be quantitative whenever possible (e.g. maximum emissions of pollutant). Although certain standards may be more relevant to any particular proposal, it is important that these standards should be applied uniformly to any tribally regulated development project, regardless of location, size or nature of the project.

Specific thresholds can always be revised as tribal policies change shift over time or new technologies are developed. Additionally, the Tribe may use the regulatory powers to discourage or encourage certain types of development. To some extent, the Tribe is currently doing this with the Interdisciplinary Council. However, to maintain a credible and predictable system, the standards must be applied in a non-discriminatory fashion and should not be revised for any particular project. Therefore, the standards should be codified as much as possible through tribal law.

While federally funded projects may require certain standards, the Tribe, in developing their own standards, may wish to borrow from existing local, state or federal standards. Such standards may then be revised to the particular needs of the tribe.

### **1. BUILDING & SAFETY**

Building and safety requirements are employed by virtually all governing powers that have the responsibility of protecting the public health, safety, and welfare. Such standards

would include construction materials, design specifications, engineering, electrical, and plumbing. Often these standards are combined under a uniform building code, which is then applied uniformly to all development projects.

## **2. ENVIRONMENTAL**

Environmental impact assessments are widely adopted as a means of reviewing development. Given the Tribe's inclusion of the Interdisciplinary Council in the current project evaluation process, such assessments are particularly important to the tribe. Standards often include water and quality, hazardous waste and sources of erosion and run off. And like the Building and Safety Codes, the Tribe may wish to start with the existing standards used by the Environmental Protection Agency or the State of Arizona, and then strengthen them where it is most appropriate for the tribe.

## **3. INFRASTRUCTURE**

This would include the existence of necessary infrastructure, such as sewers, utility lines, and roads of sufficient capacity.

## **VARIABLE CRITERIA**

Variable criteria covers the more subjective set of standards that would be weighed differently depending on the type of project before the Enterprise Board and the prevailing tribal policies at the time of the review. If job creation is most important over the next several years, then all projects should be examined more closely according to the economic development standards. If sovereign identity is important, then the project's effects on the Tribe's relationship with the surrounding communities should be carefully assessed.

As they are more qualitative in nature, precise thresholds may not exist. If some sort of point system were to be devised to score projects on these criteria, then weights would have to be assigned to different standards for different project types.

## **1. ECONOMIC DEVELOPMENT**

One critical objective of the Hualapai Tribal Council is to reap the economic benefits of the from the tribe's current assets. The tribe has substantial economic development needs - needs which have not been completely identified and translated into policy goals. Long-term goals may include anything that increases economic well-being: job creation, tribal business ownership, small business development, education, community improvement.

This criteria should be used to assess the extent the proposals promote the economic development objectives. With an official unemployment rate approaching 70%, any project that creates jobs is particularly valuable. Therefore, any business or other income-producing project should be assessed in light of its employment opportunities, both short-term (construction, staff positions) and long-term (preferential hiring for Tribal members, management training program, apprenticeships).

## **2. FINANCIAL BENEFITS**

Another objective of the Tribal Council is to build the financial resources to alleviated the needs of its members and support various programs. The financial benefits criteria, a variable criteria that can be quantified, should be used to assess the amount of income that a potential development project may generate or consume. Projects to be assessed under this criteria not only include potential tribal enterprises, such as a casino or hotel, but also private business developments owned by tribal members, which under the 15% contribution rule will produce income for tribal funds. Other projects include cultural and human services, which will be assessed in light of the financial costs or subsidy required.

Standard gauges include the required rate of return, cash-on-cash return, annual cash earned, present value.

### **3. CULTURAL ENHANCEMENT**

Similar to the plight of other American Indian tribes, the Hualapai realized a rapid disintegration of their unique cultural characteristics with the coming of the European settlers. Tribal members and leaders have expressed a desire to redevelop and preserve their cultural identity. The ELDR, which seeks to promote economic development within the Hualapai cultural framework, is probably the most powerful statement of this desire.

The cultural enhancement criteria seeks to measure the extent to which the project contributes to this effect. For cultural projects, such as a museum, this criteria may be the primary measure used in the evaluation. For other projects, such as a small retail store, it may be more peripheral, focusing on the cultural symbols used in decoration.

### **4. HUMAN SERVICES PROVISION**

In addition to being ultimately responsible for the economic well-being of the tribe, the Tribal Council must also manage the internal affairs of the tribe. In representing the 1400 tribal members, the Council oversees a range of human services: medical and dental care, counseling, job training, court system, and so forth. These programs are supported through both grants from the Federal Government and Tribal funds.

The human service criterion should be used to assess the degree to which development projects support these human service programs. The support of such programs through the development process may either be direct or indirect. Direct support would include an investment that is specifically designed to provide or expand a human service, such as a teenage counseling service. The human service criterion would then be a principal measure

in the evaluation of the project. Indirectly, projects may contribute financial resources to Tribal funds, which in turn support other human service programs. Here projects would be judged principally against other criteria.

## **5. NATURAL RESOURCE PRESERVATION**

The Hualapai Tribe has a strong connection to the environment both historically as well as financially, as today most of the enterprise generated funds derive from the Tribe's natural resource base. The concern for the impact of development on those natural resources is reflected in the formation of the Interdisciplinary Council, which takes into consideration the environmental impact of a project in its review.

The natural resource criterion would complement the work of the IDC by assessing the extent to which projects which contribute to preserving or improving existing natural resource base. Projects, such as a park that preserves open land, may be judged principally by this criterion. Alternatively, projects that threaten natural resources would be penalized under this criterion.

## **6. SOVEREIGN IDENTITY PROMOTION**

The Hualapai Tribe has a vested interest in asserting itself as a sovereign identity. To be successful, however, the tribe cannot just exercise authority on Tribal lands. It must also maintain constructive relationships with surrounding communities - Kingman and Seligman, as well as Phoenix and Las Vegas. As related to development, large projects may be noticed by groups outside of the reservation, which may lead to the cultivation of either support or opposition to the project. Additionally, and just as important, outside groups may provide a source for needed development funding and technical assistance. Therefore, developing and maintaining relationships with these groups may enhance tribal credibility, as well as assist the Tribe in achieving its longer-term development objectives.

This criterion then seeks to measure the extent to which proposals address their social context and contribute to tribal prestige and self-esteem. While it is difficult to measure, this criterion should be construed as a means of increasing tribal options, not limiting them.

## **APPENDIX 4: METHODOLOGY**

## METHODOLOGY

This research was carried out under the auspices of The Harvard Project on American Indian Economic Development. The client contact was Joe Flies-Away, Director of Planning and Community Vision and Tribal Council Member for the Hualapai Tribe.

The first step in writing this proposal was conducting a literature search on the theory of economic development. The main objective was to provide a framework for subsequent research.

The principal methodology was personal interviews, which were conducted on-site over a one week period. Where appropriate, follow-up conversations were conducted by telephone. In the majority of cases interviews were conducted one-on-two, with both authors meeting with the interviewee. In a few instances, the authors met individually with the interviewer. Additionally, the authors were permitted to observe several meetings attended by members of the Tribal Council. Interviews consisted of government officials, educators, community members, tribal enterprise employees, and representatives from the Bureau of Indian Affairs and the Council of Energy Resources for Tribes.

Additionally, the Office of Planning and Community Vision supplied tribal documentation, including auditor's reports, federal government documentation, and reports on various tribal activities conducted both in-house and by outside consultants.

## LIST of INTERVIEWEES

Almukhtar, Abdel	Tribal Comptroller
Beecher, Monroe	Director of Wildlife Conservation
Clarke, Rudy	Tribal Council Member
	Director of Higher Education
Flies Away, Joe	Tribal Council Member
	Director Planning and Community Vision
Gordon, Camille	Educator
Grand Canyon West Supervisor	
Halvatone, Christy	Office of Planning and Community Vision
Halvatone, Delbert	Tribal Chairman
Mahone, Clara	Tribal Membership Officer
Manakaja, Everett	TERO Director
	Budget Committee Member
	Local Cattleman
McNicholls, Robert	Director, Land Resources Development
Milhelcic, John	CERT Representative
Murphy, Charles	Forest Manager, Hualapai Tribal Forestry
Powskey, David	JTPA Assistant
	ACE Employee (Graphic Designer)
Powskey, Melinda	Educator
Querta, Ona	Water Resources Program Assistant
Romero, Terry	CERT Representative
Selina, Donita	Enterprise Manager, Hualapai River Rafting
Watahomigie, Lucille	Principal, Hualapai Elementary and Middle School
	Superintendent Hualapai School District
Watahomigie, Philbert	Tribal Council Member
	Educator
Wuaneka, Louis	Hualapai River Rafters
	Local Artisan
Whatsoniame, Marty	President, Tribal Enterprise Board
Wicketts, George	CERT Representative
Yellowhawk, Sandra	Health System Specialist
Yellowhawk, Sherry	JTPA, Childcare, Summer Employment Director



## **APPENDIX 5: BIBLIOGRAPHY**

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