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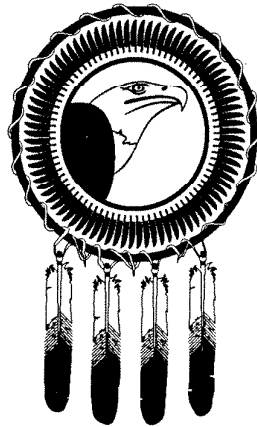
*Navajo Forest Products Industries:  
Establishing an Economic Development Corporation*

**A Report to the Navajo Forest Products Industries**

by

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## TABLE OF CONTENTS

NFPI REPORT	
ESTABLISHING AN ECONOMIC DEVELOPMENT CORPORATION . . . . .	2
INTRODUCTION . . . . .	2
STRATEGIC CHOICES . . . . .	4
Correcting Tunnel Vision (4)	
ORGANIZATIONAL ISSUES . . . . .	3
NTCDC Executive Leadership (3); NTCDC Board of Directors (3); Advisory Committees (4); NTCDC External Relationships (5)	
FINANCING NTCDC ACTIVITIES . . . . .	6
EXAMPLES OF FINANCING OPTIONS FOR ECONOMIC DEVELOPMENT PROJECTS . . . . .	9
HOUSING . . . . .	9
Housing Ownership (9); Improvement of Existing Rental Housing Stock (10); Business Development (10); Resort Development (11); Facilities/Infrastructure Development (11); Foreign Trade (12)	
SUMMARY . . . . .	13
APPENDIX . . . . .	15

**NFPI REPORT**  
**ESTABLISHING AN ECONOMIC DEVELOPMENT CORPORATION**

**INTRODUCTION**

Development work in reservation economies is often difficult given the internal and external tensions regarding direction of a given enterprise or overall strategic direction for the organization's business interests.

Tribal governments (White Mountain Apaches, Cherokees, Mississippi Choctaw and others are exceptions) do not actively promote the success of their own or of individually-owned Indian businesses. Further, the constant change of political leadership, the factionalism of specific interests of major family groups, the resistance to and intolerance of business or political leadership create an unstable business environment. In short, it is a necessary to position NTCDC outside the typical machinations of tribal politics.

The rationale behind this behavior is apparent but nonsense. For some internal conflicts it is merely striving to retain control, others the opportunistic mining of tribal business interests to serve personal interests, or simply a negative attempt to protect cultural integrity. Whatever the cause, vying for leadership control and authority in business management and strategic direction engenders a phenomenon of "open access" mining of leadership.<sup>1</sup>

This phenomenon is characterized by attempts to run the business by committee. Members of the committee (and the community interests they represent) pull business direction where political winds blow. Often decisions are made, agreements reached then are subjected to change and equivocation depending on which family interest gains ascendancy.

Under this development scenario competent Indian businessmen are misutilized, and experience frustration which results in frequent turnover, executive burnout and lack of management succession. Instability sends a clear but negative message to the business community resulting in a loss of business confidence and support.

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<sup>1</sup> Kalt, Joesph, "The Redefinition of Property Rights in American Indian Reservations: A comparative Analysis of Native American Economic Development," May 1987.

This is not necessarily the development context for NFPI parent corporation. Given NFPI's successful thirty-year business history, professional management and standing in the forest products industry, prospects for establishing a viable economic development corporation, development strategy and objectives for Townsite development are favorable and unequivocally attainable.

Central to NTCDC's development success and long-term survival is NFPI's ability to understand, craft and regulate the appropriate relationship with the Navajo Tribal Council vis-a-vis the Navajo Tribal Advisory Committee. This formal tie with the Tribal Government in conjunction with the institutional standing as an incorporated development organization will give NTCDC a foundation for legitimacy with other entities which is required for accessing public and private capital markets, other development institutions, sources of technical assistance, and prospective co-venturers.

Carefully-crafted mechanisms for working with Townsite residents, and the Tribal Advisory Committee will enable NTCDC executive staff to direct adaptive strategies to preserve the integrity of the organizational structure, as well as ensure its ability to adapt as the business environment changes.

Because the fledgling NTCDC is resource dependent on the Tribal government, NFPI, and the legitimacy conferred by the business community, establishing workable relationships with all is a primary first step and on-going task in NTCDC survival.<sup>2</sup> Failure to cultivate the relationship with the Tribal government seriously compromises development, manifested by an inability to secure necessary capital. Indeed NTCDC opposition will use the absence of a supportive relationship with the Navajo Tribal Advisory Committee as a tool to withhold the necessary resources, force capitulation and foster NTCDC disintegration.

Failure to properly consider the nature of resource dependency and the solid foundation of legitimacy requisite for an economic development corporation leads to incorporating strategic choices, organizational design, and relationships that promote NTCDC failure. Failure will render the NTCDC impotent while remaining vigorously expensive.

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<sup>2</sup> Darden, Clifford Ellis, Unpublished Doctoral Thesis, "Organizational Survival as a Function of Boundary Conditions and Their Management," Harvard University, Graduate School of Business Administration, February 1982, p. 65.

## STRATEGIC CHOICES

### Correcting Tunnel Vision

If NTCDC is to provide business development services it is obliged to take calculated risks in its economic development strategy in order to have a meaningful impact on the community. The same risk required of those who are investing in Navajo Townsite.

Situated in such timely opportunity, risk is the only real avenue to reward. Opportunity is characterized by brevity; it must be capitalized upon quickly, or lost. Response to opportunity is inherently risky; however, in such situations the embrace of risk is not an embrace of chaos. Instead it leads to a stable internal process promoting successes and failures until the developmental vision evolves and allows NTCDC to prosper moving from success to success.

This development tactic requires both vision and judgement on the part of NTCDC's executive, as well as the full support and faith of NTCDC parent corporation. Unlike the mature parent corporation, NTCDC is obliged with new direction setting and cultivating business start-ups. NFPI's tried and tested business development methods no longer apply to an organization gathering resources and establishing business start-ups. Given the expressed time constraints and the development challenges, there is not room for incrementalism. An incremental approach may well disintegrate into equivocation and create an environment uncondusive to decision-making. It is a time for creating new ideas, new methods and new leadership.

In short, the leadership of NTCDC may well have to challenge the conventional business wisdom of NFPI parent corporation. The freedom and charter to do so is a critical component of NTCDC's success. It should be the role of the NTCDC leadership to constantly challenge the conventional approaches and be overly receptive to new ideas and opportunities. NTCDC leadership must risk, test, stretch and augment, change all preliminary assumptions to direct NTCDC along a projected growth path leading to a solid developmental start.

NTCDC has wide ranging potential to develop opportunities for its corporate parent and its residents. Worded simply, the Navajo Townsite has too much to offer to allow its liabilities to go uncorrected, its assets undeveloped and its future unplanned.

## ORGANIZATIONAL ISSUES

### NTCDC Executive Leadership

The NTCDC executive must have demonstrated, hands-on experience in developing start-up businesses, a strong intuitive sense of relationship and possibility, and an ability to determine prosperous strategic direction gleaned from an uncertain environment. In effect, this individual must be most effective and creative and at ease when the development market is most uncertain and strategic direction must be made sure.

The NTCDC executive must sort through a wide range of inputs--politics, internal and external; development possibilities, available resource endowments to form a personal development vision. This vision can not be enunciated immediately but will be shaped after the individual has had time to immerse in the development environment. The executive must pursue the developmental vision systematically, consistently and with intensity. Through this personal example of vision and leadership, the executive can enlist the necessary support and bring out the very best effort of everyone involved in development efforts. Once the developmental path is established the executive must continue to exert and adapt his personal vision and leadership "incrementally," adjusting the NTCDC's strategic development vision to changing environmental conditions and evolving opportunities.

In sum, the NTCDC executive must intuit and develop a strong, prosperous strategic direction for the fledgling NTCDC, enlist the support of all key participants through personal leadership and vision, and continue to refine, change, and communicate the NTCDC's strategic vision such that the organization continues to achieve development success.

### NTCDC Board of Directors

The NTCDC Board of Directors if skills levels and personal orientation are well-suited to the development efforts of the organization will be among the organization's most vital resources. Conversely, the Board has the potential to impede actions due to factionalism, lack of support, and other activities distracting NTCDC's development strategy.

The NTCDC Board of Directors must realize that the techniques and strategies competitive for the core corporation are not the same methods applicable to the start-up energy and the appurtenant risk-taking behaviors required for investment attraction. The Executive-Board relationship should not be characterized by bureaucratic, unilateral communication but should be distinguished by a fast-moving, cooperative front-line orientation pursuing NTCDC development objectives.

After the NTCDC's strategic development vision is formed, various committees can be chaired by board members with finance, marketing, operations, negotiations or international trade experience. In the early developmental phase before NTCDC reaches a minimum viable staffing size for aggressively pursuing development, members of the Board should work with the NTCDC executive instituting a interim business team to probe prospective co-venturers, sell developmental strategy initiatives, and make presentations for capital funding. Given the powerful nature of governmental relations, establishing a standing committee on tribal, federal and state relationships is a fundamental first step.

In sum, it is important to establish an unafraid, can do approach for the NTCDC strategic development vision. Without this commitment on the part of the NTCDC Board of Directors, valuable business judgement, strategic direction, intelligent and insightful proposals will be stone-walled, massaged beyond recognition or completely disabled.

#### Advisory Committees

When the NTCDC executive identifies development opportunities which require specialized market or other experience not resident in the organization, it is important NTCDC recruit the necessary talent as cost effectively as possible. With given stability and perceived legitimacy in the dual government and business environment, NTCDC will have little difficulty in recruiting specialized talent to the organization as needed. Bond issue development, syndication formation, financing strategies such as mortgage-backed securities, and SBIC treasury bond financing are areas which require specialized short-term assistance. By involving members of the NTCDC Board of Directors, the NTCDC executive and the members of the business and financial community, NTCDC leadership can receive cost-efficient expert help and simultaneously send messages of legitimacy, competence, and vision to the business and Navajo community.

**NTCDC External Relationships**

The executive must establish feedback mechanisms in NTCDC organizational structure both allowing input from the key constituencies while prohibiting direct interference or impediment in NTCDC development and activities. Tensions arising from the need to balance the input from community and government with the more urgent charter of responsiveness to the business community is an element intrinsic to this type of organization. An ability to master these naturally occurring tensions and not allow them to distract from the NTCDC's business development activities will be key to the organization's success in ultimately serving the Navajo Township community through creation of opportunities.

NTCDC cannot pursue development capital without the legitimacy conferred by the tribal government. Consequently, a well-managed alignment with the Navajo Tribal Advisory Committee is required. A master development license makes tribal government authority non-restrictive but is a short-term tactic only. As requirements extend beyond the licensed authorities NTCDC cannot adapt strategic direction rendering survival again subject to political constraints. It is vital to retain the NTCDC's ability to direct an adaptive response to changing business conditions.

Legitimate ties can be established with business and financial institutions in the community either by expanding the current Board Structure of NFPI (not preferred) or by allowing various members of the enabling institutions to serve in advisory functions.

Because of the initial tensions of start-up and the focus of determining strategic direction by the executive, active involvement of the community in planning economic development projects is not necessary or recommended. Community legitimacy is required for the development effort but the relationship must be masterfully regulated to minimize the tension between community need and business necessity. An alignment with a separate community development program or organization serving Navajo Townsite's community development needs is the most appropriate relationship.

A shadow of schizophrenia is a dynamic inherent in an organization serving two different sets of masters. Yet this regulated behavior in managing all the necessary relationships is key to NTCDC survival. Given the conflicting tensions between the various parties, it is important NFPI, and the NTCDC Board of Directors give full-faith and backing to the NTCDC executive and determine performance and salary compensation indexed by development milestones.

## FINANCING NTCDC ACTIVITIES

Developing capital for NTCDC's infrastructure, housing, and strategic development activities will prove a challenging and attainable endeavour. The menu of capital sources is quite extensive with federal and/or state sources available for all project areas resulting from the Navajo Townsite Community meeting. Capital sources for NTCDC establishment and development objectives include

- o Business development grants including construction of industrial parks, incubator facilities, business development for job retention/creation, general business development, and seed capital for profit oriented Indian businesses.

- o Business development loans including business loans, loans for equity and venture capital investment, working capital, facilities expansion, and establishment of credit unions.

- o Grants and loans for resort development including recreational facilities, tourism facilities, and a wide range of public recreational projects.

- o CDC establishment and operation loans and grants including grants for staff salaries and administrative expenses, and other programs specific to business development centers..

- o Housing loans and grants specific to improving existing housing stock; others specific to establishing a build to own housing program.

## DEVELOPMENT TACTICS

In securing financing for housing stock, infrastructure development and economic development projects, NTCDC must approach the development process such that the reservation political constraints are minimized as recommended.

Although preliminary discussion regarding capital funding suggested public financial sources would serve no real benefit for capitalization of the NTCDC, pursuing this financial route would not only prove infinitely costly to NTCDC in freezing legitimate capital for its development projects but would also ultimately set up NTCDC for failure.

Numerous funding sources exist specific for Indian business development as well as for general business development. Grant and loan programs exist specifically for infrastructure development, housing stock rehabilitation and low income build-to-own programs, grants and loans for CDC establishment, grants and loans for tourism and recreational development.

Pursuing development tactics which do not immediately set up NTCDC to aggressively pursue all federal and state sources will not allow NTCDC access to readily available capital sources and will retard NTCDC's ability to establish itself and gain the necessary legitimacy with the larger network of financial resources necessary to achieve all development projects.

These financial resources require both legitimacy of NFPI as parent and the Tribal Council as government. Recognition of NTCDC as a legitimate development arm enabled to seek such development funds from various federal and state sources is absolutely necessary. The relationship of NTCDC to the Navajo Tribal Council is less deterministic and it is in shaping of this relationship that NTCDC can regulate political constraints such as to succeed in development projects and survive long term.

Many of the financial sources available to NTCDC will be forestalled until the organization is registered under the Internal Revenue Code as a 501 c (3) non-profit corporation or other incorporated organizational form. Legitimate or not, federal and state funding sources and more importantly other financial institutions and coventurers will use this institutional form as a benchmark measurement that NTCDC intends to conduct business according to set of expectations, practices and standards. If NTCDC chooses not to pursue this development tactic, several significant capital sources will be unavailable.

Townsite Manager Leonard Teller's concept of a master business development license is a most intriguing and potent development tactic. The interest in establishing a 501 c (3) development corporation is its value in accessing available low cost loan and grant capital. The incorporated status in concert with the guarantee of Navajo Townsite Development via a master development license opens access to public capital formation as well as to the private capital market. The financing opportunities afforded through the ability to offer exclusive development of the entirety, or segments of Navajo Townsite are limited only by the creativity of NTCDC's executive staff.

Prospects for developing the Navajo Townsite under a master development license, using an incorporated development organization include

Scenario A

NTCDC controls master business development license. NTCDC technical, planning, and feasibility development staff propose a short- and long-term development project list. In addition to proposed projects, NTCDC estimates capital development funds for 5 year period. A bond offering is issued through allowable 501 c (3) bond instruments. To ensure offering is attractive to the capital market, credit enhancements are secured from a surety company or from a municipal bond insurance agency. The debt issuance would be managed through an underwriter. Investors would be investing to recover their appropriate share of project rents. Should there be a default under the bond issuance, investors bear the brunt of the default; no supplemental revenues will be available from NTCDC. Once the bond is issued NTCDC will take bond proceeds and build various projects and lease to prospective lessees who will manage the ventures. Infrastructure needs could be financed through added cost to the lease payments. The responsibility for collecting the lease payments made by the lessees resides with the bond trustee acting pursuant to a trust indenture.

Scenario B

NTCDC holding the master business development license solicits joint venture partners for specific sectors of business development for townsite or cultivates several coventurers and forms a syndicate for total townsite development. Specifications on management responsibility, risk split, equity split, investment recapture, and terms and duration of joint venture would be negotiated through joint venture contract.

There are numerous sources and opportunities for capital formation for NTCDC development of Navajo Townsite. Central to accessing both public and private sources is the legitimacy of NTCDC using the expectations, standards of public, private and commercial institutions.

EXAMPLES OF FINANCING OPTIONS FOR ECONOMIC DEVELOPMENT PROJECTS  
HOUSING

Housing Ownership

It is recommended that the establishment of a self-build housing development program be undertaken, to be funded by the Farmers Home Administration through NTCDC. Funding for the program would be in three parts:

- 1) A technical assistance grant to NTCDC to administer/manage the program.
- 2) Interim construction financing.
- 3) Mortgage financing

Mortgages are for the full site and construction costs of the home. Buyers purchase home with no money down; mortgage interest rates are subsidized through interest credits (the amount of subsidization is tied to household income).

The self-build program as operated by NTCDC would

- o Identify and purchase (or otherwise secure) acreage appropriate for housing development, create one or more subdivisions.
- o Group together eight to ten families with similar incomes and housing needs.
- o Hire a construction manager for each group.
- o Form a home builders' association for each group through which construction financing is distributed and construction materials are purchased.
- o Sub-contract out the electrical/mechanical portion of home construction.
- o Monitor the construction of each group's set of homes.

The program would be organized so that the homes for each family in a group are built simultaneously with no family moving into their home until all within the group are able to do so. Each family contributes approximately 70% of the construction labor. Construction time is approximately one month per house.

12

This program is in place in southern New Mexico where it provides home ownership opportunities for families earning between \$8,000 and \$18,000/year. Homes range in size from two to four bedrooms, 1,200 square feet under roof on lots of approximately 6,000 square feet. Construction costs average \$31,000 per house (based on lot costs of approximately \$10,000); houses appraise at between \$48,000 and \$50,000. Interest credit subsidy puts monthly payments between \$100 and \$300. Income is reassessed bi-annually and payments are adjusted.

Communities utilizing this program have realized an added benefit in the form of the development of a secondary industry - small construction/contracting businesses were spawned from the program.

#### Improvement of Existing Rental Housing Stock

NTCDC could apply for an Indian CDBG (Community Development Block Grant) through the Dept. of Housing and Urban Development. CDBG funds may be used for improving/rehabilitating housing stock in Navajo; average size of financial grants in FY 87 was \$300,000.

#### Business Development

Immediate opportunities for investment in service/retail businesses currently exist in Navajo. Through NTCDC an application should be made for an Economic Development Grant (Indian Business Development Program) through the Bureau of Indian Affairs. An application for funds for the purchase or development of either a fast-food franchise operation or other appropriate restaurant facility is recommended.

These ED Grants may be used to finance up to 25% of project costs; remaining investment funds could be raised from private investors and/or commercial bank loans. An example of projects funded through this program is a grant award of \$40,000 in 1987 for the purchase of a pizza restaurant which now employs five full-time and several part-time employees and generates a net income of \$8,000/month.

Funds for job retention/creation activities are available through the Federal Economic Development Administration's Business Development Assistance program. One job is expected to be retained or created for every \$20,000 of funding assistance. Average grant size is \$2 million.

The EDA also funds the development of incubator facilities through their Grants for Public Works and Development Facilities program. Establishment of a business incubator through which new businesses can be "hatched" is a viable economic diversification strategy; businesses that can add value and diversify the NFPI product line are likely candidates for attraction to an incubator facility in Navajo. Service sector businesses are also often spun-off through incubators which provide management, administrative, and technical assistance to entrepreneurs. Average grant size is \$560,000.

NTCDC staff and operating expenses can be partially financed through the EDA's Support for Planning Organizations program. Grants are used for staff salaries and other administrative expenses of an economic development organization. Average grant size is \$50,000.

Resort Development

It is possible that Red Lake possesses the attributes necessary for large scale resort development and that its potential for profit generation will warrant the attention of property developers. However, the potential market and existing competition in the market for such a development of the lake should be thoroughly researched prior to the investment of any large amount of capital.

In the short term, however, some of the Navajo community's recreational needs can be met through development of campgrounds, sports facilities, and other recreational amenities. Funding for such development can be applied for through the Outdoor Recreation Development and Planning Grant division of the National Park Service. Average grant size is \$68,000 though grants range up to \$5.4 million.

Facilities/Infrastructure Development

Enhancement of public facilities and infrastructure in Navajo can be funded through two programs of the Farmers Home Administration: the Community Facilities Loans program and the Industrial Development Grants program.

Community Facilities Loans are available for overall community development such as fire and rescue services, access ways, utility extensions and industrial park sites; all projects funded must be for public use. Some examples of funded projects include: health clinics, fire-fighting equipment purchases, construction of municipal buildings and new schools. Average size of Community Facilities Loans is \$460,000. Determination of the ability of the Navajo townsite community to repay the loan through tax revenues or some other means should be assessed prior

to application.

14

Industrial Development Grants are more oriented to the development of facilities to accommodate business, industry, and job-generating investment. Grant funds are available for financing of industrial sites, access streets and roads, utility extensions, water and waste disposal facilities, etc. Such funds have been used to develop small industrial parks in rural communities. Average grant size is \$63,000, though grants range up to \$3 million.

#### Foreign Trade

It is both appropriate and advisable for NFPI, as the parent of NTCDC, to position itself to prosper and grow from its economic development activities along with the community. In fact, the degree to which the company and the community are interdependent dictates the mutual desirability of such a tactic.

The initiation of export activities may be a timely business diversification strategy for NFPI to consider; export markets for lumber products, particularly Japan, are widening and are expected to continue to grow. A cursory inquiry was made with one of the larger Japanese trading companies regarding the possibility of a licensing or joint venture partnership to ship lumber products out of San Diego to Japan. The trading company indicated interest and requested additional information. Similar interest is likely to be found in other trading companies.

Should export activities fit into NFPI's growth strategy, then NTCDC should include among its ongoing activities the investigation of potential trade partners and the facilitation of communication between NFPI and those parties. The focus would center on identifying the trading companies and other contacts which represent clients in the Japanese construction industry and other lumber consuming industries.

Although the state of New Mexico does not as yet have any export finance programs in place, the federally funded Export-Import Bank (Eximbank) offers several loan and loan guarantee programs to both experienced and first-time exporters. Eximbank works with a company's own bank in facilitating these projects.

**SUMMARY**

After a thorough understanding of the development context, particularly for reservations, the organizational and leadership requirements, it is now with deep concern that NFPI's position in embarking on this development effort is addressed. After review of the townsite masterplan, updated documents and contact with current players there is a marked difference between NFPI's stated economic development directives and the preliminary planning performed to date. Although NFPI's success attests to its understanding of the requirements of competing in a mature industry it must now turn to a development context which may appear antithetical to the methods it has, until now, employed with mastery.

To date there is no evidence of the necessary insight or skills level key for development as exhibited by current townsite development consultants. In truth, some aspects of existing planning could serve to derail many significant and immediate opportunities.

Prospective coventurers or lending institutions would immediately discern in reviewing these documents a glaring absence of real world business experience. Further, other parties viewing the current development tactic of controlling business development through zoning concepts would construe it as not only laughable but an investment danger signal. It does not set the foundation for the attraction of investment. While NFPI's commitment is apparent current consultive assistance compromises its energies. If NFPI is in the development race it must race to win.

Economic development is founded upon investment attraction. Solicitation of investment from outside the community is a competitive activity, one in which the Navajo Townsite is up against hundreds of other equally well aspected communities, many of which will be approaching the challenge with the aim of responding aggressively to opportunity, rather than endeavoring to control it.

In assessing site options industry practices a rigorous analysis of a variety of factors: investment and operating costs are chief among these. However, once a "short list" of possible sites emerges from the site search, issues of business climate become critical to the final decision. NTCDC has at hand the chance to craft a strategy that can provide dual opportunities for the community, and parent company, as well as for the investors it is in a position to attract.

In assessing the opportunities for investment offered by the Navajo Townsite the business community will correctly determine this approach as attempting to control development rather than encourage it. The message conveyed by the current consulting firm to the business community and potential investors is disconcerting in its orientation to land use planning instead of business development. The two are diametrically opposed--land use is not a business attraction or development tool. NFPI's stated goal is business development. It is critical that the commitment to that goal is distilled into strategic direction, and not reduced to base greed, or another incarnation of authoritative control of opportunity.

This experience must be brought in-house immediately for both cost efficiency reasons and for ultimate NTCDC survival and success. Present planning evidences little of substance or strategic worth such that if NFPI chooses to use consultants in the start-up phase consideration of legitimate development firms such as Westinghouse IRD, A.D. Little or other firms with similar expertise should be contracted immediately.

These remarks are necessarily brutal as they are the basis for asset protection, capital growth and long-term survival. Short and long-range business development opportunities abound; few communities are invested with the assets, and absence of liabilities possessed by the Navajo Townsite community. After requesting Navajo Townsite's full opportunities be revealed, what now remains is the challenge of their realization.

APPENDIX

Sources of Capital for CDC establishment and Programs

FEDERAL

GRANTS FOR BUSINESS DEVELOPMENT

Program Name:	Program Number:	Range of Funding:	Average Funding:	Typical Projects:
Industrial Dev. Grants	10.424	\$7,000- 3 mil.	\$63,000	Construction of ind. Pks.
ED Grants for Public Works and Development Facilities	11.300*	56,000 - 1.8 mil.	560,000	Incubator Facilities, Tourism Dev.
ED Grants for Business Development Assistance	11.301	500,000 - 111.1 mil.	2 mil.	Bus. Dev. for job retention/creation
Minority Bus. Dev. Ctrs.	11.800*	165,000 - 900,000	.25 mil.	Establish MBDC to provide bus. dev.services
American Indian Program	11.801*	165,000 - 303,000	N/A	Provide bus. dev.services
Native Am. Programs - Financial Assistance Gts.	13.612*	20,000 - 860,000	125,000	CDC funding, ED Projects, bus. invest.
Indian Grants - ED	15.145	20,000- .25 mil.	36,000	Seed capital for profit oriented Indian bus.
Small Business Dev. Ctr.	59.037*	200,000- 3.1 mil.	667,000	Provide bus. dev.services

\* Program referenced under other categories in document

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FEDERAL

LOANS FOR BUSINESS DEVELOPMENT

Program Name:	Program Number:	Range of Funding:	Average Funding:	Typical Projects:
Business & Industrial Loans	10.422	310,000-7.5 mil.	1.5 mil.	Loans to businesses to retain/create jobs
Indian Loans - ED	15.124	1,000-1 mil.	100,000	Business loans, re-lending to Indian orgs. or members
Community Development Revolving Loan Program for Credit Unions	44.002	100,000-200,000	150,000	Loans to stimulate ED projects (via NFIP cred. union)
Small Business Investment Companies (SBICs)	59.001	50,000-	1 mil.	Loans for equity & venture cap. investments
Loans for Small Businesses	59.003			Loans for businesses owned by low income pers.
Small Business Loans	59.012	up to 150,000	60,000	Working capital, facilities expansion
State & Local Dev. Co. Loans (501 and 502)	59.013	62,000 - 500,000	187,000	Loans to development cos. to provide long term fin. to small bus.
Certified Dev. Co. Loans (503)	59.036	up to 500,000	210,000	Loans are to assist small businesses in const./

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expansion

Certified Dev. Co. Loans 59.041  
(504)

up to  
500,000

230,000

Loans for  
fixed assets  
& constr./  
expansion

FEDERAL

GRANTS & LOANS FOR RESORT DEVELOPMENT

Program Name:	Program Number:	Range of Funding:	Average Funding:	Typical Projects:
Resource Conservation & Dev. Loans	10.414	13,000 - 500,000	98,000	Public water based recreational facilities
Watershed Protection and Flood Prot. Grants	10.904	up to 7.5 mil per state	1.7 mil	Public water based recreational facilities (through st. governor)
Economic Development - Grants for Public Works and Development Facilities	11.300*	56,000 - 1.8 mil.	560,000	Public works including tourism facilities
Outdoor Recreation - Acquisition, Dev. & Pl. Grants	15.916	up to 5.4 mil.	68,000	wide range of public recreational projects

FEDERAL

GRANTS & LOANS FOR CDC ESTABLISHMENT AND OPERATION

Program Name:	Program Number:	Range of Funding:	Average Funding:	Typical Projects:
Economic Development - Grants for Public Works and Development Facilities	11.300*	56,000 - 1.8 mil.	560,000	Grants for public works including incubator facilities
Economic Development - Support for Planning Organizations	11.302	25,000 - 125,000	50,000	Grants for staff salaries & administrative expen.
Economic Development - Technical Assistance Grants	11.303	7,500 - .25 mil.	25,000	Funds to link area universities into ED projects
Minority Business Development Centers	11.800*	165,000- 899,000	243,000	Grant to provide bus. dev. services
American Indian Program	11.801*	165,000- 303,000	not given	Funds for an Indian Bus. Dev. Ctr. & an Am. Ind. Bus. Consultant (contract grant)
Native American Programs - Financial Assistance Grants	13.612	20,000 - 860,000	125,000	Funding for non-profits involved in developing ED projects
Indian Community Dev. Block Grant Program Grants	14.223	not given	300,000	Funds to support ED projects by non-profit dev. cos.

Small Business Dev. Center Grants	59.037*	200,000- 3.1 mil.	667,000	Matching funds for bus. dev. services
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FEDERAL

GRANTS & LOANS FOR HOUSING

Program Name:	Program Number:	Range of Funding:	Average Funding:	Typical Projects:
.....	.....	.....	.....	.....
Indian Community Dev. Block Grant	14.223*	not given	300,000	Funds may used to improve housing stock
Low Income Housing - Homeownership Opportunities (Loans & Grants)	14.851	not given	not given	Funds to Indian Housing Authorities
Public & Indian Housing - Comprehensive Improvement Assistance (Loans & Grants)	14.852	not given	not given	Funds to IHAs for capital costs of upgrades & improvements to existing housing stock

MISCELLANEOUS DEVELOPMENT GRANTS & LOANS

Program Name:	Program Number:	Range of Funding:	Average Funding:	Typical Projects:
.....	.....	.....	.....	.....
Communities Facilities Loans	10.423	8,000-3.8 mil.	460,000	Funds for infrastructure dev. including municipal bldgs. & schools
Industrial Development Grants	10.424*	7,000-3 mil.	63,268	Funds for infrastructure dev. including streets,

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LOANS FOR BUSINESS DEVELOPMENT

Program Name:	Program Number:	Range of Funding:	Average Funding:	Typical Projects:
Business & Industrial Loans	10.422	310,000-7.5 mil.	1.5 mil.	Loans to businesses to retain/create jobs
Indian Loans - ED	15.124	1,000-1 mil.	100,000	Business loans, re-lending to Indian orgs. or members
Community Development Revolving Loan Program for Credit Unions	44.002	100,000-200,000	150,000	Loans to stimulate ED projects (via NFIP cred. union)
Small Business Investment Companies (SBICs)	59.001	50,000-	1 mil.	Loans for equity & venture cap. investments
Loans for Small Businesses	59.003			Loans for businesses owned by low income pers.
Small Business Loans	59.012	up to 150,000	60,000	Working capital, facilities expansion

State & Local Dev. Co. Loans (501 and 502)	59.013	62,000 - 500,000	187,000	Loans to development cos. to provide long term fin. to small bus.
Certified Dev. Co. Loans (503)	59.036	up to 500,000	210,000	Loans are to assist small businesses in const./ expansion
Certified Dev. Co. Loans (504)	59.041	up to 500,000	230,000	Loans for fixed assets & constr./ expansion

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GRANTS & LOANS FOR CDC ESTABLISHMENT AND OPERATION

Program Name:	Program Number:	Range of Funding:	Average Funding:	Typical Projects:
Economic Development - Grants for Public Works and Development Facilities	11.300*	56,000 - 1.8 mil.	560,000	Grants for public works including incubator facilities
Economic Development - Support for Planning Organizations	11.302	25,000 - 125,000	50,000	Grants for staff salaries & administrative expen.
Economic Development - Technical Assistance Grants	11.303	7,500 - .25 mil.	25,000	Funds to link area universities into ED projects
Minority Business Development Centers	11.800*	165,000- 899,000	243,000	Grant to provide bus. dev. services
American Indian Program	11.801*	165,000- 303,000	not given	Funds for an Indian Bus. Dev. Ctr. & an Am. Ind. Bus. Consultant (contract grant)
Native American Programs - Financial Assistance Grants	13.612	20,000 - 860,000	125,000	Funding for non-profits involved in developing ED projects
Indian Community Dev. Block Grant Program Grants	14.223	not given	300,000	Funds to support ED projects by non-profit dev. cos.
Small Business Dev. Center Grants	59.037*	200,000- 3.1 mil.	667,000	Matching funds for bus. dev. services

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GRANTS & LOANS FOR RESORT DEVELOPMENT

Program Name:	Program Number:	Range of Funding:	Average Funding:	Typical Projects:
Resource Conservation & Dev. Loans	10.414	13,000 - 500,000	98,000	Public water based recreational facilities
Watershed Protection and Flood Prot. Grants	10.904	up to 7.5 mil per state	1.7 mil	Public water based recreational facilities (through st. governor)
Economic Development - Grants for Public Works and Development Facilities	11.300*	56,000 - 1.8 mil.	560,000	Public works including tourism facilities
Outdoor Recreation - Acquisition, Dev. & Pl. Grants	15.916	up to 5.4 mil.	68,000	wide range of public recreational projects