Self-Governance Tribal Infrastructure Opportunities Wed. April 25, 2018 3:30 pm

Infrastructure is the basic physical systems of a business or nation; transportation, communication, courts, sewage, water and electric systems are examples. In order to fulfill the Federal government’s trust and treaty obligations to Indian country, there must be a substantial investment made to acknowledge and support Tribal infrastructure because it is the backbone of a healthy Tribal economy. This session will focus on how Tribes can explore options to create a business environment that will incentivize investors and create jobs through the development of modern, efficient and reliable infrastructure.

Moderator: Kay Rhoads, Chief Sac and Fox Nation

Recorder: Deanna Scabby

Panelists:

Christopher Munoz; ECO, Tigua, Inc., Ysleta del Sur Pueblo

David Eisenberg, Tribal Judge, Taos Pueblo Tribal Court

Heidi J. Frechette, Deputy Assistant Secretary for Office of Native American Programs, Department of Housing and Urban Development Robert Lamb guest with Heidi J. Frechette

Christopher Munoz: Tigua, Inc. Presentation:

A Story of Growth

April 26, 2018

Tribally- owned. Focus on Business Growth

Flexibility to move into various markets

Small Business Administration- certification opportunities Hub Zone

Long Term revenue and profit growth

Sustainable dividends to support Tribal Communities

Grow manageable overhead

Why a development company?

Separate the business process from the Tribal government.

Allows businesses to operate without jeopardizing the Tribal Sovereign immunity

Develop under the Tribal Government

Tribal Council needs to agree that separation of business and tribal government politics is a core value of both the business and government.

Develop Corporate charter and by laws for the tribal corporation.

Develop five year strategic plan

Hire qualified people.

Policies to lay the foundation for development.

Tiguas Growth

History of Tigua

Ysleta del Sur Pueblo formed the economic development from 2006- 2018.

Location of business map

Current business

Organization chart and corporate chart

2010 Employee Census

2017 employee census

Tiguas clients and customers

Tigua Smoke Shop 15 years. Now own cigar label. Differentiate your product

Tigua Joint ventures: casino, health care.

Tigua construction services. Tigua Technology Services; American Airlines.

Tigua Facility Services

Tigua Financials graph. Don’t look at the dollars. You will always have growth. Just maintain your growth.

Annual Gross Profit. Build baselines at the very beginning.

Corporate and Community Awareness. You can’t detach yourself from the Community. Go and see what the community wants. Make awareness. Teach non -tribal who you are. Teach your community. We want to give back to our community.

Support your regions. Support your local troops. WE are not a reservation. WE are not an island. It’s all about Community. It’s best to lend a hand.

Kay Rhoads; You’re going to have to go beyond that. At Sac and Fox 65 percent of their gaming dollars go out to per capita pay outs. Don’t put your tribal businesses with your gaming. Need to have infrastructure, computer technologies, make sure you get a copy of Tiguas model. Sac and Fox have over 400 business entities across the United States.

David Eisenberg: Comment on contracts. Dispute resolution clause. Pattern in arbitration. Language in the dispute resolution language. Tribal court if the business is located on tribal lands. What is a court of competent jurisdiction? Courts are an integral part of development of infrastructure. What should that look like? Modern court facilities. Law and order codes. Fair and just forum for disputes otherwise they may not seek to do business with your tribes. Rules, codes but more importantly a civil side to they can go and dispute. I am not a commercial developer I am a judge. You want to have a modern court with processes and systems.

Frechette: Housing infrastructure, Why is HUD here today? To share programs available. We do a lot more than homes. We run the largest Indian funding block grant. Given to tribes under a formula. Title VI. Program for Veterans. We also have the Indian community block grant. We have a tribal HUD program for veterans.

Title VI. Pledge a portion of their block grant. I see the future going this way to leverage these funds. I have been fortunate to visit San Felipe. Major housing developments hold them as a model. Under Title VI There is no competition. First come, first serve. We have demand for the program. To date there has been 100 loans. Ms. Frechette turned her presentation to Bob who is a community planner and Loan Specialist.

Loan specialist from Title VI Loan Guarantee Program

How many of you have been involved in the Housing block grant? With Self Determination you pick the projects. Low and moderate. What is low and moderate? Moderate is 80 percent or less. Always talk to your grant management person or call the Loan specialist. As long as lenders are active they will continue to lend to tribes they have lent to before. The banks have more capital than HUD has. Make them your best buddy. They do charge a loan fee as they are a business and they need to make money. Build partnerships. Someone gave to the Boys and girls fund and they built a strong relationship.

Development: new construction. Rehabilitation Infrastructure, roads, utilities, water and sewer community facilities

Pledge. I pledge to you future revenue for a variety of sources. You pledge your grant. If you pay the loan you still have the money to spend. Lands are not collateral.

Debt Service. Unfortunately you have debt service. We don’t want you to get overstretched. You cannot have debt service to over exceed your need. Title VI financing is a loan guaranteed by HUD

We don’t track a lot of developments they do seven loans to six tribes. No defaults in the program. Longest delinquency was 60 days.

Application process. PLA Application from Borrower- Optional

General checklist

PLA and firm commitment

Cover letter Summary of vision and project

Operating income and expense. Overview Tribal support

As a planner we think outside the box. How a contract does with a tribe, with a pledge, with a lender is also important. I have seen that those whose goal is to run their housing department as a business. If you run your Housing like a department you are only running free housing. Create housing so they can move into their own home. Does it make sense to have the same people running the rental homes with new home? What is the role of your Board of directors? What’s the Tribal Council’s vision? What is their vision? Even the though Housing and the Council has disagreements they all had the same vision. Everyone agreed to the vision. We want projects to work. Housing is economic development. It takes man power to build. Stable jobs bring money, stable business brings jobs. Local builders are hiring away his crews. What a wonderful problem to have. He is expanding the construction development. Then comes the maintenance. My question is why aren’t you using your housing authority as a business?

Kay Rhoads had to leave so Shawn Duran moderated the meeting.

Question: Alaska participant. We live in a remote area; off the roads. We have to transport all our supplies. We need water and sewer. We can’t get money for our projects.

Answer: there is a level of funding with the block grant. We try to maximize the money we have. Title VI is the way to get new construction. Alaska is a hard nut to crack. Title VI can help with new construction.

Comment from Tanana participant: Not everybody is fit for the housing authorities.

Answer: the Loan specialist agreed. Local resources are a possibility. If I am a small village in Alaska I’d join a regional housing authority. It’s a way you can spread that Administrative cost.

Joe Garcia- there is a housing summit coming up in Washington DC. Don’t have to worry about building on site. Maybe ideas can come from the summit. Instead of building on site the home can be manufactured elsewhere. Supplies will be the only thing they send up there. It’s a unique approach.

Manufactured housing doesn’t fit everywhere. Tax credits maybe a source. Talk to Tigua and see if they can build manufactured housing. Tigua has been looking at this for the past five years. What is the process to apply for this? We have representatives. The best place to start is Google Title VI loan guarantee program. There is a lot of material. The hard part is the vision of what you want. What? Where? And how? You want things interconnected. That is the planning hat the Loan Specialist wears. I don’t care about policies and procedures. We have a housing board. TDAG. The best thing to do is give the Loan Specialist a call.