



23RD NAVAJO NATION COUNCIL OFFICE OF THE SPEAKER

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Budget and Finance Committee receives report regarding the financial status of the Navajo Nation Hospitality Enterprise

WINDOW ROCK – On Tuesday, the Budget and Finance Committee received a report regarding the financial status of the Navajo Nation Hospitality Enterprise, which included an audit report containing revenue and operation summaries.

The Navajo Nation Council established the NNHE in 1982 for the purposes of creating an independent, financially self-sustaining, and successful Navajo business enterprise in the hospitality field, such as dining and hotel accommodation. The NNHE currently has hospitality operations in Tuba City, Window Rock, Page, and Navajo, Arizona.

Chief executive officer of the NNHE, Stan Sapp, reported that the revenue for hospitality generated for FY2014 was approximately \$14 million, and continues to have a strong financial performance from all operations within its enterprise. The “unsatisfied demand” from the public allows the Navajo Nation to continue expanding its hospitality services, added Sapp.

“FY2014 was our best year ever. Tourism and travel is up, and our operations are no exception, and our revenues have increased about \$500,000 [since FY2013],” said Sapp.

According to the report, revenues have grown since 2000, increasing the overall value of the enterprise. The growth provides security and collateral needed for obtaining future bank loans, as well as providing increased employment opportunities for Navajo people.

BFC member Council Delegate Mel R. Begay (Coyote Canyon, Mexican Springs, Naschitti, Tohatchi, Bahastl’a’a’) said he was interested in the strategic planning of the enterprise and asked how the NNHE compensates for the “slow season” in the wintertime.

Sapp responded that the enterprise has a very high turnover rate in employment due to the high number of seasonal jobs, which in turn decreases overall costs. He added that hospitality services, such as hotels will price rooms accordingly, based on the season — generally higher rates in the summer and lower rates in the winter.

The NNHE report listed current projects that are set to be completed, include three office buildings in Window Rock, acquisition of the Thunderbird Lodge located in Chinle, and to construct the Window Rock Hotel that could include a restaurant.

BFC chair Council Delegate Seth Damon (Bááháálí, Chichiltah, Manuelito, Tsé Lichíí, Rock Springs, Tsayatoh) asked if the NNHE would consider collaborating with the Navajo Nation Gaming Enterprise to potentially allow gaming within hotels on the Navajo Nation.

“Perhaps NNHE can go into a joint venture with NNGE. Have either of you approached one another about this?” asked Delegate Damon. “This is something that both enterprises could consider looking into.”

Sapp said both entities have met and considered the venture, however loans to obtain hotels and properties are “Bureau of Indian Affairs guaranteed” and cannot be associated with gaming, which could raise a large concern for future financing.

Commending the NNHE, BFC member Council Delegate Lee Jack, Sr. (Dilkon, Greasewood Springs, Indian Wells, Teesto, Whitecone) said he agreed with the construction of additional hotels on Navajo land so it could continue to increase revenue for the Nation.

“For instance, when we have huge events in Window Rock, visitors take their business to Gallup and we lose out on those monies,” said Delegate Jack. “We need to fix that issue.”

BFC members voted 3-0 to accept the report.

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