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Dineh Cooperatives Incorporated: Investigating the Navajo Nation

LaDonna Harris

Americans for Indian Opportunity (AIO)

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DINEH COOPERATIVES, INCORPORATED

Investing in the Navajo Nation

Prepared for

Ms. LaDonna Harris

American Indian Opportunity

October 17, 1984

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THIS BOOKLET, PREPARED FOR THE NAVAHO TRIBE, DESCRIBES
DINEH COOPERATIVES, INCORPORATED AND ITS 12 MAJOR PROJECT AREAS
AS OF May, 1984.

WE HAVE PROVIDED A BRIEF SUMMARY AT THE BEGINNING OF EACH SECTION,
AS WELL AS ADDITIONAL MATERIALS FOR THOSE WHO WISH GREATER DETAIL.

Dineh Cooperatives, Incorporated (DCI) is a non-profit community development corporation organized by residents of several Navaho Nation communities in 1971. DCI was an outgrowth of economic development efforts originally undertaken by Dinebeiina Nahiilna Be Agaditae (DNA) and Dine' Ahilndaalnish, Incorporated (DAI). It is currently one of the most successful rural community development corporations receiving federal funds and the only Indian community development corporation in the United States.

Most recently, we have received national recognition as one of 20 community-based organizations to represent the United States at the International Exposition of Rural Development in New Delhi, India. In 1982, we were among six community development organizations cited by The President's Task Force on Private Sector Initiatives in its book entitled INVESTING IN AMERICA: Initiatives for Community and Economic Development. The book describes how organizations are forging government/private sector partnerships.

Several other tribes have attempted to form community development corporations since federal funding was made available--only to non-governmental entities--in 1964. The Lummis, Northern Cheyenne and Rosebud Sioux, among others, have operated CDCs for various periods of time. In each case, however, tribal politics interfered and the organizations and their business ventures failed.

Many people have a difficult time understanding what a community development corporation (CDC) is. The fifty or so CDCs throughout the country generate significant funding from public and private sources in order to establish or expand profit-making businesses in economically depressed areas. The earnings of the businesses flow back to the CDC and are reinvested into new or expanded enterprises. During the past 12 years, DCI has provided technical assistance to more than 40 community-based organizations resulting in the receipt of project funds in excess of \$46,000,000 and the creation of 223 permanent jobs.

Oftimes in focusing on economic issues it is necessary to provide for a wide variety of basic infrastructure systems, the lack of which continue to inhibit business development and community growth. We are often asked, for example, why would a business development organization spend thousands of hours and thousands of dollars over a 7-year period to help develop a \$32,000,000+ hospital/housing complex? And why spend hundreds of hours assisting a planning board and Navaho Housing Authority bring 275 homes to an area? And why establish and develop a locally-controlled fire department? All of these, and a multitude of additional projects in 34 Navaho Nation chapters, have been supported by DCI resources during the past decade.

The key to a CDC's success, we've found, is investing our time and dollars in a mix of projects which build on one another and create a significantly greater impact together than any project or combination of projects would standing alone. It is this synergism which logically ties shopping centers and houses and health care and fire protection and our many other activities together. Yet our basic thrust is the development of successful business enterprises which will eventually provide sufficient revenues to make DCI a self-sustaining entity.

Back in 1977, when the Tribe's Office of Program Development (OPD) was in charge of economic planning and development for the Navaho Nation, it was agreed with the Economic Development and Planning Committee of the Navaho Tribal Council that DCI would concentrate its efforts in a Special Impact Area (SIA) comprised of Grazing Districts 4, 5 and 10 and OPD would concentrate on the remaining four-fifths of the reservation.

DCI has grown steadily over the years by meeting the needs of Navaho Nation residents. These needs are expressed through our 19-member board of directors, who seven years ago approved an Overall Economic Development Plan (OEDP) on which DCI projects have since been based. DCI's OEDP is an integral part of the Tribe's own Overall Economic Development Program.

Our first high-need, high-impact endeavor--the Tseyi' Shopping Center begun in 1977 at the request of the Chinle Chapter--has been so phenomenally successful that over 25,000 consumers shop there regularly and it has been used as a model for shopping center development in other major reservation towns and by other tribes. The Chinle Hospital, which we have worked on since 1977, is not only the finest such facility to serve Native Americans, but the first which was developed and will be operated under truly local control. The Minority Enterprise Small Business Investment Company (MESBIC) will be the first Navaho-owned financial institution providing funds for business startup and expansion. Our industrial development plans in Leupp forecast over 250 new jobs by 1985.

Our achievements have been brought about as a result of our independence from, but close and mutually beneficial working relationship with, the Navaho tribal government. In addition, DCI has enjoyed relatively low staff turnover, our current staff of 8 having approximately 44 years experience with DCI and over 82 years experience and training in finance, accounting and business analysis, development and management. From its beginnings, DCI has had only unqualified audit opinions and no questioned costs.

Among the goals we have set out to accomplish in concert with the Navaho Tribe are:

- + stimulate development of a Navaho private sector
- + involve private sector resources and expertise in projects as needed
- + create permanent jobs with long-term potential
- + provide training, management and ownership opportunities for Navahos
- + prevent, or at least minimize, economic leakage of Navaho dollars
- + serve as a model for community-based and -controlled economic development for the rest of the Navaho Reservation and the Indian Nations throughout the country.

On the pages that follow in this opening section, we have included:

- statements about DCI from around the country
- a DCI board of directors and staff listing
- International Exposition of Rural Development invitation
- Proclamation
- Entrepreneur Magazine venture capital listing
- Investing in America
- Chinle Revisited
- Dineh Cooperatives helps communities
- Investing in the Navaho Nation

WHAT PEOPLE ARE SAYING ABOUT DINEH COOPERATIVES, INCORPORATED

"I have found that the lack of a private sector on the Indian reservations undercuts both the federal and tribal efforts to improve the social and economic conditions in these communities. Dineh Cooperatives, Inc. represents the kind of local initiative which, in these circumstances, is critical to channeling both public and private sector resources into the most meaningful investments within the Indian communities.

I fully support Dineh Cooperatives, Inc., believing it to be a most vital link between the Navajo communities and private and public sector resources."

--Dennis DeConcini
United States Senate

"We within the Navajo Tribal Government respect and totally support the efforts and goals of Dineh Cooperatives, Incorporated."

--Michael T. Allison
Director
Commerce Department
Division of Economic Development
The Navajo Tribe

"Economic development on the reservations is the key and certainly organizations such as yours are very necessary if we are to see positive progress for the Indian peoples. Dineh Cooperatives has done some very good projects, such as the Tseyi' Shopping Center, and I hope you will continue to report on your developments on the Navajo Reservation."

--Barry Goldwater
United States Senate

"Thank you for your courtesy and the time you took to show me your HUD CDBG and other projects. The shopping center and fire station were particularly interesting and I was most impressed with the new hospital. Your organization and the members of the Chinle community have every reason to be proud of these accomplishments."

--Raymond E. Combs
Special Assistant to the Secretary
for Indian and Alaska Native Programs
Department of Housing and Urban Development

"Dineh Cooperatives, Inc., is unique in that instead of seeking palliative remedies it is attacking the root cause - the lack of a functioning economic infrastructure. The creation of small businesses appropriate in scale and responsive to existing markets designed by Navajo people with local participation in daily operations can result in a self-sustaining solution. This approach created by Dineh Cooperatives, Inc., should provide a new direction that other Indian communities can emulate.

I hope Dineh Cooperatives, Inc., will continue its pioneering work so that it can build upon its outstanding record and in so doing, restore local initiative as a means to foster community development."

--Paul Klores
Vice President
Valley National Bank of Arizona

"DCI's focus on economic development as a means of alleviating poverty conditions on the Navajo Reservation has been very effective. It has been successful in development of a 60-bed hospital, a small industrial park, a tool and die company, and the Tseyi' shopping center."

--Pete V. Domenici
--Manuel Lujan, Jr.
--Joe Skeen
Congress of the United States

"CHD provided the start up funding for D.C.I. in the early 70's and they have been growing ever since. They started out with one small cooperative store and now have blossomed into one of the most successful and competent community development ventures in the country.

We take pride in the fact that we provided crucial support for D.C.I. when they were starting out."

--Ron Sundergill
Campaign for Human Development
United States Catholic Conference

"Dineh Coops (DCI) is the oldest and most sophisticated independent community development corporation serving an American Indian reservation in the United States. I have had the privilege of watching its growth for most of its 12-year history.

From its initial efforts to build retail and producer cooperatives and a federally-chartered credit union, DCI has expanded its scope and capacity to take on the type of multi-million dollar projects represented by the Tseyi' Shopping Center, Chinle Hospital complex and tool and die venture to be established in Leupp.

All of these efforts are obviously significant in their own terms. The five and six-figure returns from the shopping center make this project stand out among the business ventures started by all the community-based development groups throughout the country. The \$36 million investment in hospital and related housing facilities mark this as a significant project for any rural community. The example of the public interest-private sector corporation partnership between DCI and the Packard Electric Division of General Motors is certainly a fine illustration of such partnerships nationwide.

Yet DCI's achievements are even more significant when measured in the context of Indian America. Few, if any, economic development professionals in "mainstream" America would ever seriously contemplate a major retail development in a community as small and geographically isolated as Chinle--much less one in an area with a population as poor as that of the Navajo Reservation. DCI not only planned such a development; it proved that it could be profitable.

DCI's efforts to establish business financing institutions for Indian-owned ventures are equally important. To my knowledge, DCI's success would mark the first time that such a non-governmental financial vehicle has been established specifically focused on reservation-based ventures, as distinct from ones oriented toward urban or off-reservation businesses.

Throughout all of these major projects, DCI has remained dedicated to its own immediate community. Its farming and livestock operations have inspired new hope that an economically-viable, individual family-oriented approach to these basic agricultural activities--so vital to so many Navajo people--may yet emerge."

--Norman C. DeWeaver
Center for Community Change

"The problems and opportunities on the Indian Reservation are unique, and DCI performs a special service."

--Bruce Babbitt
Governor
State of Arizona

"Dineh is the only remaining Indian Community Development Corporation (CDC) grantee under Title VII of the Economic Opportunity Act, that has established a positive track record in economic development.

Dineh is an effective mechanism for combatting the extreme socio-economic depression on the Navaho Reservation. The fact that Packard Electric Division of General Motors made a three-year commitment to use Dineh's tool and die plant as a supplier of some of their precision tool needs, and that other private and public organizations chose to invest in Dineh enterprises, speaks to Dineh's reputation as an economic developer."

--Eddie Beasley
Office of Community Services
Department of Health and Human Services

"The commitment made by Packard Electric to Dineh Cooperatives in December, 1981, culminated a 12 month effort on the part of Packard Electric personnel and our consultant Mr. Irving Schwartz, to locate an American Indian Tribe in the Southwest which we believe would have the desire and ability to succeed in this venture. After having the opportunity to meet with various tribes, we are very optimistic about the ability of Dineh Cooperatives and your Department of Economic Development to lead this business toward the goal of being a profitable venture with growth potential for the Navaho Tribe."

--Richard M. Bowden
Packard Electric Division
General Motors Corporation

"I have been impressed with the work that they have accomplished thus far and the many fine things they have underway in their area on the reservation.

I have worked with many Indian projects for the past 20 years, but have not seen a better example of partnership between the public and private sector.

It is very rewarding to see an organization such as Dineh Cooperatives move forward to assisting the people to self development."

--Dale T. Tingey
Director
American Indian Services
Brigham Young University

"I am sure that the shopping center will contribute greatly to the economic development of the Navajo Tribe. You have my support -- and my congratulations."

--Morris K. Udall
Congress of the United States

"It is the only really successful Indian economic development entity I know of and from the grass roots level it is one of only a very few entities operating on the Navajo Reservation, which is developing jobs in the private sector that have real long term potential."

--David G. Hanna
Planner

"During a visit to the reservation last month I had an opportunity to visit Chinle. Not only is there a new "about to be opened" Indian Health Service Hospital, but a marvelous new shopping center complex. But most impressive was the self initiative of the leadership of Dineh Cooperatives, Incorporated that created a very modern facility capable of meeting the extended-community needs of the Chinle trade area. It was not long ago that shopping in stores well stocked with fresh merchandise of competitive prices was a luxury for those privileged to have the means for two days of travel.

The creation of opportunity for reservation employment and dollar-turnover retention is truly the future of the Navajo Reservation."

--Marvin L. Franklin
former Assistant to the Secretary
of the Interior--Indian Affairs

"I was fortunate to find a very favorable article in a trade magazine lauding the efforts of Dineh Cooperatives, Incorporated and their very successful completion of their Phase I portion of their Tseyi Shopping Center.

I was intrigued enough to contact Dineh Cooperatives, Incorporated, and journey there to see their operation at work. What I found was an extremely good, solid, success-oriented organization that has the full, unqualified support of the community they work for. They are not only "planners," but "doers."

--Virgil Free
Vice Chairman
Winnebago Tribal Council

"The tour of the new hospital was appreciated--no question about it being a first class facility. It certainly will be a shot in the arm for the Chinle area."

--Jack G. Hunt
Senior Vice President
Great Western Bank

"The Economic Development and Planning Committee of the Navajo Tribal Council gives recognition to the local efforts of DCI and its Board of Directors in promoting the development of the Special Impact Area (Districts 4, 5, and 10) communities and the Committee pledges its support to DCI in its efforts."

--Edward T. Begay
Chairman
Economic Development and Planning Committee
Navajo Tribal Council

BOARD OF DIRECTORS

| | |
|-------------------------------|--------------------|
| Askie Bahe | Chinle Chapter |
| Vacant | District 4 |
| Jimmy Burbank | District 4 |
| Charlie Claw | District 10 |
| Deswood Etsitty | District 4 |
| Linda Hadley | Appointee |
| Ned Joe | District 5 |
| Daniel Peaches, Vice Chairman | Appointee |
| Darrell Purcell | Appointee |
| Alex Riggs, Sr., Chairman | Leupp Chapter |
| Dan Taylor | Many Farms Chapter |
| Frank Tohannie | District 5 |
| Enos Tsinijinnie | District 10 |
| Keith A. Tsosie, Sr. | Appointee |
| Jackie Yazzie | Chinle Chapter |
| James C. Yazzie | District 10 |
| Joe H. Yazzie | District 5 |
| Vacant | Appointee |
| Peter C. Begay | Pinon Chapter |

DCI STAFF:

Allan S. Begay
President

Jon D. Colvin
Vice President and Treasurer

Grayson Claw, Jr.
Controller

Nathaniel Begay
Senior Business Development Analyst

Alice M. Begay
Administrative Assistant

Evelyn Featherhat
Secretary

John W. Mitchell, Jr.
Building Manager

INTERNATIONAL
EXPOSITION
OF RURAL
DEVELOPMENT



October 10, 1983

RECEIVED

OCT 14 '83

DINEH COOPERATIVES
INCORPORATED

Dineh Cooperatives, Inc.
Mr. Alan Begay
P. O. Box 569
Chinle, Navajo Nation 86503

Dear Colleagues:

Congratulations! Dineh Cooperatives, Inc. has been selected from among some thousand self-help development projects to represent the U.S.A. at the International Exposition of Rural Development Plenary Session in New Delhi, India, on February 5-15, 1984.

Twenty projects have been selected to form the U.S. delegation to the event, which will include representatives from 67 nations, all experienced in the practical tasks of rural development. It will be a time for sharing approaches that work for the sake of massively accelerating rural development around the world.

The selection was difficult, so great is the extent of creative local initiative throughout the nation. Your selection is not only a recognition of your outstanding achievements, but is also an opportunity to represent the nation's wisdom and experience to the globe.

You will be contacted soon by regional representatives to work out with you the practical details of preparation for the trip. We offer you our heartiest congratulations and wish you the best in this exciting endeavor.

Sincerely yours,

Betty Pesek

Betty Pesek
for the National Steering Committee
of the International Exposition of Rural Development

Selection Committee:

Donald P. Elliott, M.D., Denver, CO.
Mary Coggeshall, Brookside, N.J.
Joy Jinks, Colquitt, GA.
Ron Gregg, Ann Arbor, M.I.
Irene Whitney, Minneapolis, MN.

AFFILIATED COORDINATION OFFICES

Box 660
Bombay, India 400 001
tel. 37-3741

31 Whitfield Rd., 1/F. No. 1
Causeway Bay, Hong Kong
tel. 5/786-566

4750 N. Sheridan Road
Chicago, Illinois USA 60640
tel. 312/769-6363

EXPOSITION COORDINATION CENTRE rue Amedee Lynen 8. 1030 Brussels, Belgium • tel. 322/217-4884 • Telex 62035-ICABRU

PROCLAMATION

OFFICE OF THE GOVERNOR STATE OF ARIZONA

Bruce Babbitt ~ Governor

* RURAL SUCCESS DAY *

WHEREAS, "Sharing Approaches that Work" is the theme of a three-year international series of events of the International Exposition of Rural Development is spotlighting successful examples of rural development throughout the world; and

WHEREAS, this multi-phased Exposition is being sponsored by the:

International Council of Women
United Nations Children's Fund
United Nations Development Program
United Nations Fund for Population Activities
World Health Organization
Agricultural Financial Corporation in India
Association of Indian Engineering Industry
Canara Bank of India
Control Data Corporation (for special technical support)
and The Institute of Cultural Affairs, Int'l. (Organizing Sponsor); and

WHEREAS, over 50 nations will participate in a gathering in New Delhi, India, in February 1984 for a great interchange and exhibition of successful rural development projects; and

WHEREAS, of 20 outstanding projects selected to represent the U.S. in this event, two are from the State of Arizona: Dineh Cooperatives Inc. of the Navajo Nation and the Papago village of Pisinemo; and

WHEREAS, Dineh Cooperatives Inc. and Pisinemo village are just two of the many innovative locally-developed efforts helping to improve the quality of life in our state in the midst of adverse conditions; and

WHEREAS, they will serve as an example of effective community action among the Native American people of our state,

NOW, THEREFORE I Bruce Babbitt, Governor of the State of Arizona, do hereby proclaim November 10, 1983, as

* RURAL SUCCESS DAY *

and urge all citizens to seek ways to combine our wisdom, resources and efforts in implementing approaches that work towards the local development of rural areas across the state of Arizona.

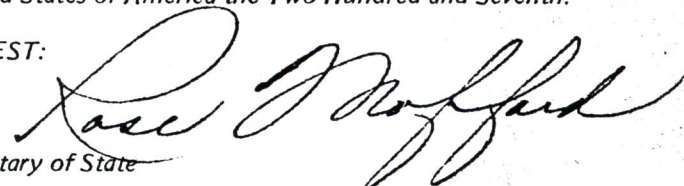
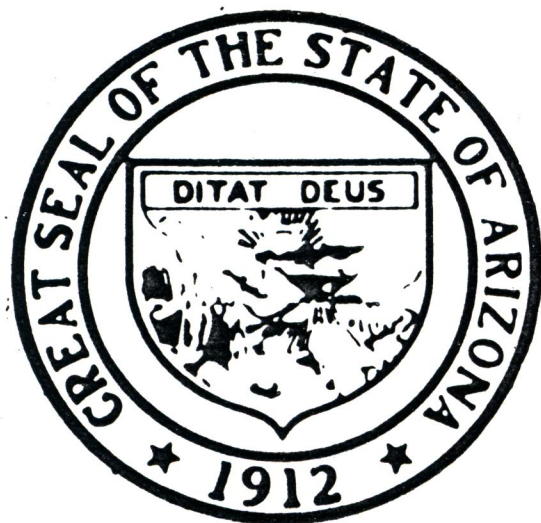
IN WITNESS WHEREOF, I have hereunto set my hand and caused to be affixed the Great Seal of the State of Arizona



GOVERNOR

DONE at the Capitol in Phoenix on this tenth day of November in the Year of Our Lord One Thousand Nine Hundred and Eighty-three and of the Independence of the United States of America the Two Hundred and Seventh.

ATTEST:


Secretary of State

Special Money Issue: Where It Is & How To Get It

ENTREPRENEUR

The business opportunity magazine

October 1983 \$2.95

**Bingo: An In-Depth
Report On This
\$10 Billion—Yes,
\$10 Billion-A-Year
Business**

**Tax Expert Claims
Small Business Is
Best Tax Shelter**

**Sell Groceries By
Phone—\$300,000
Per Week Gross**

**22-Year-Old
Makes Million \$
With Bar Codes—
Fast-Growing
Segment Of
Computer Industry**

**Excerpt From
*Power Of Money
Dynamics* By
Venita VanCaspel**

**100 Venture
Capital Firms That
Want To Give You
Money**

**Secret To Winning
Negotiations—
Stack The Deck**

**Chocolate Photos—
New Craze**



WEST/ SOUTHWEST

ADVANCED TECHNOLOGY VENTURES

800 El Camino Real, Suite 210
Menlo Park, CA 94025

(415) 321-8601

Contact Name:

R. J. Nunziato

Types of businesses invested in?

High-Technology: Solid State Electronics, Lasers, Advanced Micro-Computers, Fiber Optics Communication and Medical Technologies, etc.

Minimum and maximum amount will consider investing?

\$500,000-\$1,500,000

ARSCOTT, NORTON & ASSOCIATES

369 Pine, #506

San Francisco, CA 94104

(415) 956-3386

Contact Name:

Dean C. Campbell

Types of businesses invested in?

Telecommunications, Electronic High-Tech, Information Systems, Computer Peripherals

Minimum and maximum amount will consider investing?

\$500,000-\$1,500,000

ASSET MANAGEMENT CO.

1417 Edgewood Drive

Palo Alto, CA 94301

(415) 321-3131

Contact Name:

Craig Taylor

Types of businesses invested in?

High-Technology, Manufacturing, Medical, Related Biotechnology

Minimum and maximum amount will consider investing?

\$100,000-\$500,000

BESSEMER VENTURE PARTNERS L.P.

3000 Sand Hill Road,

Bldg. 3, Suite 225

Menlo Park, CA 94025

(415) 854-2200

Contact Name:

Neill H. Brownstein, Robert B. Field

Types of businesses invested in?

High-Technology, Startup & Second-Stage Companies

Minimum and maximum amount will consider investing?

\$500,000 up

BRYAN & EDWARDS

Suite 260, Bldg. 2

3000 Sand Hill Rd.

Menlo Park, CA 94025

(415) 854-1555

Contact Name:

William C. Edwards

Types of businesses invested in?

Computers, Peripherals, Software, Communications, Molecular Biology, Semiconductors, Computer Services, Test Equipment, Robotics, etc.

Minimum and maximum amount will consider investing?

\$100,000-\$1,000,000

BURR, EGAN, DELEAGE & CO.

3 Embarcadero Center, 25th Floor

San Francisco, CA 94111

(415) 362-4022

Contact Name:

Jean Deleage

Types of businesses invested in?

Communications, Computer and Computer Peripherals, Health-Related Products and Services, Semiconductor Software

Minimum and maximum amount will consider investing?

\$500,000-\$3,000,000

CAL FED VENTURE CAPITAL CORP.

5670 Wilshire Blvd., Suite 2135

Los Angeles, CA 90036

(213) 932-4077

Contact Name:

Anna Henry

Types of businesses invested in?

Computer Hardware and Software, Communications, Medical Technologies and Leverage Buyouts

Minimum and maximum amount will consider investing?

\$100,000-\$1,000,000

CAPITAL MANAGEMENT SERVICES

3000 Sand Hill Rd., Bldg. 4

Menlo Park, CA 94025

(415) 854-3927

Contact Name:

Donald Valentine, Pierre Lamond,

Gordon Russell

Types of businesses invested in?

Computers, Computer Peripherals, Medical Data Communications, Semiconductors

Minimum and maximum amount will consider investing?

\$750,000-\$1,500,000

CAPITAL SOUTHWEST CORPORATION

12900 Preston Rd, Suite 700

Dallas, TX 75230

(214) 233-8242

Contact Name:

William R. Thomas, J. Bruce Duty,

Patrick F. Hammer

Types of businesses invested in?

Diversified

Minimum and maximum amount will consider investing?

\$250,000-\$1,500,000

CENTENNIAL FUND, LTD., THE

600 South Cherry Street, Suite 1400

Denver, CO 80222

(303) 329-9474

Contact Name:

Steven C. Halsted, G. Jackson Tankersley, Jr.

Larry H. Welch

Types of businesses invested in?

High-Technology, Communication, CATV

Minimum and maximum amount will consider investing?

\$250,000-\$750,000 typical

CHURCHILL INTERNATIONAL

444 Market Street, Suite 2501

San Francisco, CA 94111

(415) 398-7677/(415) 328-4401

Contact Name:

Robert C. Weeks, President

Types of businesses invested in?

Semiconductors, Computing Hardware, Software and Peripherals, Intelligent Robotics, Automotive Electronics, Medical Electronics, Plant and Animal Genetics

Minimum and maximum amount will consider investing?

\$100,000-\$750,000

COLORADO VENTURE CAPITAL CORP.

885 Arapahoe Ave.

Boulder, CO 80302

(303) 449-9018

Contact Name:

Paul D. Whittle

Types of businesses invested in?

High-Tech, Medical Technology Communications

Minimum and maximum amount will consider investing?

\$200,000-\$750,000

DINEH COOPERATIVES, INCORPORATED

P. O. Box 569

Chinle, Navaho Nation 86503

(602) 674-3411

Contact Name:

Jon D. Colvin, Vice President and Treasurer

Types of businesses invested in?

Businesses within the Navaho Nation

Minimum and maximum amount will consider investing?

Flexible



WHAT THEY BUY—A typical venture capital firm not only invests in a product or idea, but they also count heavily on the personal factor.

BUILDING
PARTNERSHIPS



The President's
Task Force on
Private Sector
Initiatives

RECEIVED

DEC 7'82

DINEH COOPERATIVES
INCORPORATED

INVESTING IN AMERICA

INITIATIVES FOR COMMUNITY
AND ECONOMIC DEVELOPMENT

OVER

were financed primarily with private funds.

+ Walnut Hills Redevelopment Foundation

This organization, known locally as the RF, designs and packages syndicated real estate projects. Now the owner, and to be eventually the manager, of more than 20 apartment buildings in the Walnut Hills neighborhood of Cincinnati, the RF has also begun its first office building project, converting a vacant neighborhood school into high quality professional space. Though the RF has received local and federal government subsidies, its newer projects are being financed with significantly less public participation and proportionally more private financing and equity investment. RF is also considering plans to market its services for-profit. But the demands such an expansion would make on its small staff may make this venture too risky.

+ Dineh Cooperatives, Inc.

Dineh is one of the very few U.S. Indian community development corporation in the nation. It operates on the Navaho Reservation in Arizona, and is locally-owned and controlled, although not an official part of the Navaho Tribal government. Its major projects have included a community fire department, an industrial park, a hospital and housing complex, and a full-service shopping center, located in Chinle, at the mouth of Canyon de Chelly National Monument. Begun in 1977, the center will eventually encompass a 15 acre site and contain over 110,000 square feet, including a supermarket, bakery, delicatessen, laundromat and dry cleaning store, post office, variety store, fast food and restaurant facilities, clothing stores, an optometrist, auto accessory and service center, theatre, and a bank. The goal is to have both Navaho entrepreneurs and large regional companies in the center. The first phase of the center was opened to the public in March 1981.

In addition to these examples, two projects still in the planning stages point to the increasingly sophisticated use by community-based organizations of funds invested by outside sources. The first is a proposed housing and commercial space rehabilitation project being developed by the South East Bronx Community Organization (SEBCO), a large CDC in the neighborhood adjoining the one served by the Desperadoes. In Hunt's Point, SEBCO and a private construction firm will jointly rehabilitate a \$17 million housing and commercial complex through a limited partnership with local for-profit investors. SEBCO's equity contribution will be borrowed from a national intermediary and then invested in the development. The loan will be repaid after construction from SEBCO's share of the proceeds of the syndication, which will exceed \$500,000.

In Cleveland, Ohio, another venture is being proposed in which

Chinle Revisited

Arizona's Dineh Cooperatives, a Navaho development project, has been moving the Navaho Nation towards economic self-sufficiency ever since receiving CHD support in 1972.



Abelle Deschenie's two hogans exemplify the Chinle (Ariz.) community's desire to move ahead economically while preserving the Navaho culture. One, traditional sod and split-rail structure, was built by her father more than 100 years ago and the other, a modern structure, is where she lives.

They call themselves "Dineh," the people. The people of the purple mountains, the black mesas, the magnificent wind-swept land that stretches mile upon empty mile until it touches the horizon. The people. The Navaho.

For 500 years they have lived on this land. Once, they were a proud, resourceful people. Later, subjugated on a reservation under an "alien" American system of laws, they were a people with little hope. But in 1971, as part of growing efforts toward self-sufficiency, Navahos formed an organization to promote economic independence. They called their group Dineh, too, after the people it was to serve. And, with early assistance from the Campaign for Human Development (CHD), they began bringing change to the 5,000-square-mile Navaho nation.

Dineh Cooperatives Inc. (DCI), based in Chinle, Ariz., is the geographical center of the Navaho reservation, developed as part of efforts to fight one of the oldest vestiges of white man's control over the Indian — the trading post, a means of attacking trading post abuses, Navahos and other concerned individuals set up Navaho-run cooperative stores (co-ops). The goal: to foster competition, decrease prices, and offer the low-income Navaho a choice.

At the time, trading posts were cheating Indians and, in some cases, refusing to even post prices.

CHD got involved in 1972 through a grant to the first co-op store. It was located in Pinon, a small, dirt-poor cluster of buildings in the dusty, open highlands of northeastern Arizona.

The Pinon co-op succeeded, and trading post

exploitation began to wane. DCI took root as an advocacy organization seeking to improve reservation life without threatening Navaho culture.

"We were able to get a sense in many communities that local initiative could succeed," says Jon Colvin, vice president and treasurer of Dineh Cooperatives Inc. As the concept of achieving economic independence through co-op stores spread, so did CHD's involvement. During the early 1970s, CHD aided DCI and four affiliated projects with a total of about \$225,000. Of the five groups initially supported, three (including DCI) have succeeded. Casualties included a co-op store and a cooperative credit union associated with the Pinon store. Although the credit union had assets at the time it closed in 1979, continual management problems prevented this business from reaching a necessary level of growth.



PAST — With support from a CHD grant, the first Navaho-run cooperative store opened in Pinon in 1972.

But even from failure, DCI and the Navaho have reaped benefits and moved forward.

"I wish there were one of these organizations [DCI] in each area of the reservation," asserts Robert Salabye, former DCI director and now a member of the Navaho Tribal Council, the Indians' legislature. "Instead of theorizing and talking about change, they're going out and doing it."

Since its early days, the 14-person DCI staff has turned from developing co-ops to community organizing and improvements. Through DCI's initiative, Chinle has a new community fire station, equipment, and a volunteer force of about 20. The first phase of a Navaho-run shopping center is slated to open under DCI auspices in November 1980, providing 70-150 jobs, community income, and an alternative to long trips to reservation bor-



HE HAS A DREAM

"As a people, we're fed up with making millionaires of people off the reservation," Allan Begay says. "We're fed up with having to wait three hours in a health facility for aspirin. We're fed up with having to haul water and wood. But we want to lighten the life burdens of our constituents and yet hold on to the richness that is our heritage. That is what I dream of."



PRESENT — Since 1972, the Pinon Co-op has tripled in size. The result: decreased prices for low-income Navaho and an alternative to trading post abuses.

Allan Begay, president of Dineh Cooperatives Inc. (DCI), Chinle, Ariz., says he dreams of the day when life's burdens are lighter for his people, the Navaho.

That day draws closer because of the Campaign for Human Development. For, since 1972, when they received CHD assistance, DCI has:

- Received \$1.5 million in federal funds after government designation as a Community Development Corp.
- Obtained almost \$400,000 from non-government sources for reservation development.
- Initiated construction and outfitting of a community fire station that now has 20 volunteer firefighters.
- Backed plans for a \$3 million Navaho-run shopping center that will employ as many as 150 persons.
- Secured government approval for a 60-bed hospital that will serve 30,000 people in the Chinle region. Hospital construction could amount to over \$50 million worth of development.
- Fostered competition, low prices and fairness of trading post practices on the Navaho reservation.

der towns. (Only one shopping center currently exists on the reservation.) When completed, the shopping center will have an estimated value of \$3 million.

In May, construction began on a new hospital to serve the 30,000 persons in the Chinle region who now must rely on an inadequate clinic or drive 75-100 miles to border-town hospitals. DCI community organizing efforts were crucial in gaining government approval for the new facility.

Initially, the hospital will represent \$12,650,000 in development. Another \$14.5 million is being sought for subsequent construction. Hospital staff housing valued at \$20-25 million is also planned.

Future plans involving DCI include a Navaho-language radio station, construction ventures and agricultural development. DCI also works closely with the Navaho tribal government, while remaining

independent of both the tribal authorities and the federal government. Above all, DCI is interested in fostering community development and economic self-sufficiency. "You just can't separate community development from economic development," Allan Begay, DCI president, explains. "The Chinle community within the last several years has been one of the most progressive on the reservation, primarily due to DCI."

If Chinle and the reservation have benefited from DCI, Dineh Cooperatives Inc. has benefited several times over from the Campaign for Human Development support, DCI members say. According to Colvin, "It wouldn't have happened without the CHD support." With the Campaign grants, DCI could build a record and in turn leverage funds from other sources. As a government-designated Community Development Corp. for

the area, DCI obtained \$1.5 million in federal funds for 1976-79. In addition, for 1979-80, DCI obtained \$393,536 from other sources. To gain the impetus needed for such leveraging, "CHD money was crucial," Colvin admits.

Meeting the needs of the Navaho on the reservation likewise remains crucial. Poverty is pervasive. Housing for Indians who move out of their traditional wood and mud hogans often is blighted. Moreover, a lack of sufficient health care facilities creates life-and-death situations, despite the attempts of small clinics like Chinle's existing health center.

When built, the area's new hospital will have 60 beds, surgery and emergency care capabilities, room for later expansion, and — in keeping with Indian culture — a room where Navaho medicine men will be welcome.

Preserving their culture is very important to many Navaho, though others are increasingly adopting the white man's ways. The reservation itself is a curious blend of Old West, traditional Indian life and modern America. Sheep, cows and horses amble over unpaved roads. Coca-Cola advertises in the Chinle Navaho



With CHD assistance, DCI initiated construction of a community fire station that now has 20 volunteer firefighters.

newsletter that "Coke adds life to mutton stew." Tennis shoes with holes peek beneath the long skirts of an old woman crossing a soggy parking lot. Trailer homes sit forlornly near hogans with smoke curling from the chimneys. And though many Indians are bilingual, some speak only Navaho.

Isabelle Deschenie is an example. A woman in her 60s, she lives in a "modern" hogan furnished with Navaho and contemporary American items alongside a 100-year-old

hogan built by her father, a famous medicine man.

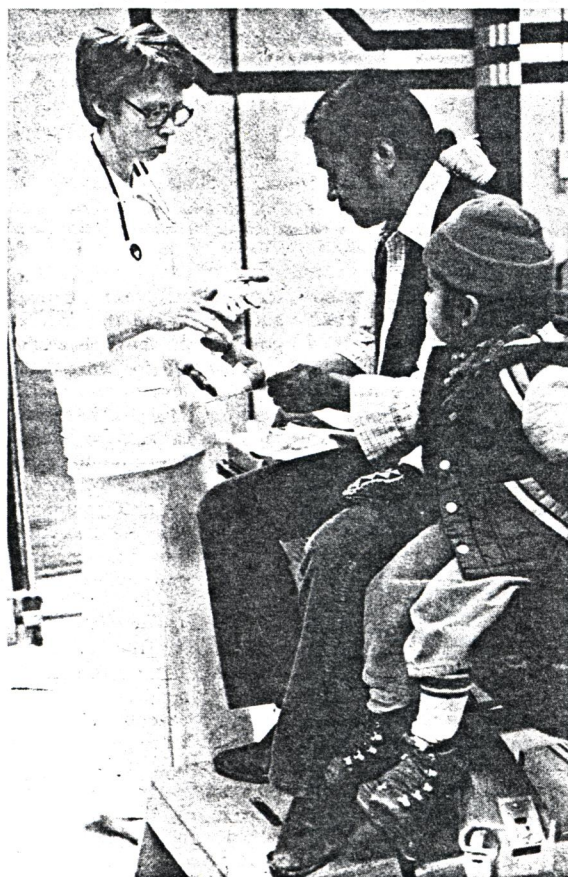
Though her children have dispersed and adopted non-Indian ways, she still clings to the traditional life. Every morning Isabelle rises and offers white corn to her god. At noon and in the evening she performs similar rituals. As she explained through a translator, she believes that way of life was chosen for her people by the Great Spirit long ago and that practicing the old ways will "stabilize life and the mind" and provide a bulwark against hardships.

DCI aims to preserve Navaho ways while moving ahead, according to Allan Begay.

To that end, Diné Cooperatives Inc. is currently working to translate English business terms into Navaho. DCI is also helping to revise trading post leases; promoting land use and growth planning; and through its various projects, helping people cope with inflation and the energy crisis. Though Indian lands contain a plentiful supply of energy resources, more than one-half of most household money is spent on trucks (needed to haul wood and water) and fuel. Needs and problems aren't likely to disappear soon.

But Begay, Salabye and other Navaho leaders are hopeful about the future, thanks in part to DCI. One of the most constructive things DCI has done is to build confidence among the Navaho, Begay believes. "It's made it possible for people to feel a little better about themselves. It also sets a pace for the rest of the communities on the reservation."

"DCI has always been involved," Fire Chief Smith adds. "They've always worked toward that end — to help the community."



Navaho father and son receive medical treatment now at a small clinic in Chinle, but next spring, construction will begin on a new hospital that will mean modern health care for the 30,000 regional residents. Diné Cooperatives Inc. (DCI) was instrumental in gaining governmental support for the new structure.

MARCH 3, 1980

Dineh Cooperatives helps communities

3-6

CHINLE—"Dineh Cooperatives Inc.(DCI) was formed in 1971 to provide funding to organizations that would help communities such as Pinon, Leupp and Torreon start cooperatives," said Jon Colvin, vice president and treasurer of DCI.

"Since then, we have changed our initiative somewhat, but we are still working with a couple of these cooperatives," he said.

CHINLE SHOPPING CENTER

The building and structural projects began in 1975. Basically, Tseyi Shopping Center and DCI will own the shopping center, but will be renting out spaces to various interested tenants, he said.

"Hopefully, bids for contracts will be coming in by the end of this month. We will award the bids as soon as possible and construction should begin in April or May," he said.

Phase I will include a supermarket, a variety store, a US post office and several small shops. Other spaces are still under negotiation, added Colvin.

Phase I of the center should be completed by Thanksgiving. "It's possible that we might not make the deadline, but that's what we're pushing for," he said.

Phase II may consist of a fast food store and businesses local people might be in-

terested in establishing.

Tenants have two options, Colvin said. Either the tenant can build the shop himself and pay for the use of the land or DCI can build the store and have the tenant pay rent for the building.

PLANNING BOARD

DCI has also been involved in assisting the Chinle Planning Board for the past four or five years. They assist the board, much like the Chinle Hospital Steering Committee, in planning projects for the community and following through, mentioned Colvin.

Two grants are under the Indian Self Determination Act. One, under the Bureau of Indian Affairs, requests the hiring of two people to work for the planning board full-time. The other self-determination grant, under the Indian Health Service, will allow for two people to work as staff to the hospital steering committee, he said.

OTHER PROJECTS

DCI, according to Colvin, has been involved with the Chinle Community Fire Department. Back in 1977, they received funds from the Community Block Grant Program under HUD, through the tribe, to obtain a fire station and a fire truck, he said.

As a result, they now have three more fire trucks and have built up a regular volunteer fire department

that's been operating for a couple of years now, he added. getting into the Chinle Shopping Center. They could contact us at 674-3411," said Colvin.

FUTURE PLANS

According to Colvin, DCI is presently in the process of applying for assistance from the Farmer's Home Administration, Department of Agriculture, in an attempt to provide several planning positions primarily in the JUA, Leupp, Tolani Lake and Birdsprings districts.

Instead of centering activities around Chinle only, these areas will be served also, he added.

Possibilities of having a radio station built in Chinle are presently being explored by DCI, said Colvin. "We have been meeting with the Federal Communications Commission staff, and we've only begun to look at it. We are beginning to see what it takes, whether or not we should do it, how we should do it and how much money it will take to do it," he said.

"If we do decide to go ahead with that, then the radio station will probably be located in the Chinle Shopping Center," added Colvin. "The whole development should take between six and ten years, but we're hopeful it will be on the six year side," he said.

"It's still not too late for businessmen interested in

DINEH COOPERATIVES, INCORPORATED

Investing in the Navaho Nation

Dineh Cooperatives, Incorporated is a non-profit community development corporation chartered under the laws of the State of Arizona. Established in 1971, Dineh Cooperatives, Incorporated (commonly known as DCI) initially involved itself in assisting consumer and community cooperatives. These activities resulted in a number of cooperatives being established in the Navaho Nation as an alternative to the trading posts and other non-Navaho interests. Over the years, the cooperatives have included a wide range of activities such as hay and livestock feed, native arts and crafts, grocery stores and gasoline outlets.

In 1976, this focus changed when DCI began receiving funding from the Community Services Administration's Office of Economic Development. DCI is the only Indian community development corporation in the United States. DCI has since been involved in a number of projects aimed at benefiting its Special Impact Area, an area of the Navaho Reservation comprised of three grazing districts and covering a land area equal to one-fifth of the entire reservation. These projects have included a community fire department, an industrial park, a \$36,000,000+ hospital and housing complex, and a full-service shopping center. The shopping center will be the largest on the Reservation. It and the hospital are true precedent setters from the standpoint of the hospital being developed by a local steering committee comprised of area residents and the shopping center altering the structure of land leasing on Indian trust lands in such a way as to accommodate development along private sector lines, e.g., a long-term lease and the right to sub-lease without government approval. The first phase of the shopping center opened for business--with record sales--in March 1981 and is exceeding projections by 42%. The Chinle Hospital began offering outpatient services in October 1982. In conjunction with these new projects, DCI has involved itself in developing housing for the area, with an estimated 500 homes to be built over the next two years.

DCI is governed by a Board of Directors comprised of elected and appointed residents, making it a Navaho-owned and -controlled organization. The Board of Directors meets regularly to determine the policy and direction of the organization and meetings are conducted in the Navaho language. The Board is comprised of persons representing a wide range of interests, backgrounds and educational preparation. Ranchers, tribal officials, educators, legislators, administrators and business persons take an active role in seeing that DCI's approach to community and economic development on the reservation is balanced and in harmony with traditional values. The staff of DCI has been historically small in numbers but large in dedication and presently numbers ten. There have been increasing demands on DCI to expand its area of activity and should the Board of Directors determine that this is a wise course of

action, DCI could expand significantly during the next few years. However, the Navaho Reservation encompasses a land area the size of West Virginia (or nearly the size of all New England), so that any expansion of activities would require greatly increased resources. The present staff includes persons from diverse backgrounds with significant professional standing and achievement.

DCI's VENTURE ACTIVITY

At the time DCI first established itself as a fully active community development corporation, it undertook the development of an Overall Economic Development Plan (OEDP). This was in 1976, and the needs identified at that time have remained essentially the same over the past seven years. Initially, DCI sought to identify ventures that would provide needed services for the people while making an economic impact. Over a period of 1 to 1 1/2 years, DCI provided local businesses with technical assistance and worked toward (1) developing ventures such as laundromats and other service-oriented activities, and (2) stabilizing businesses started by communities in previous years, such as cooperatives. DCI also sought to assist in innovative projects such as the development of a fire department, industrial park and solar demonstration project. It soon became apparent, however, that if DCI were to make a real impact in the area of economic and community development it would have to expand its activities to include a high-impact, large-scale economic development project. DCI staff, upon the request of the Chinle Community and with the approval of the Board of Directors' Venture Development Committee, began work on the Tseyi' Shopping Center. Historically, the Navaho economy has been colonial in nature with most of the economic institutions being controlled by non-Navahos. Dollars earned by Reservation residents have often flowed off the Reservation in one form or another without turning over even one or two times. Also, a full-service shopping center, i.e., one offering all of the services available in Reservation border towns, did not exist on the Reservation. This meant that residents often traveled hundreds of miles during a month just to obtain life's necessities. The trading posts, once the mainstay of the Reservation economy, were notorious for their trading and business practices.

In late 1977, DCI began the development of the Tseyi' Shopping Center. Located in Chinle, at the mouth of Canyon de Chelly National Monument, the center will eventually encompass a 15-acre site and contain over 110,000 square feet of modern shopping facilities. Being in the heartland of the Navaho Nation, the center is accessible to over one-fourth of the Reservation's 160,000 residents and will include such services as a supermarket, bakery and delicatessen, post office, variety store, fast food and restaurant facilities, clothing stores, an optometrist, auto accessories and services, a theatre, small shops and a bank. The goal in the tenant mix is that of Navaho entrepreneurs complemented by large regional companies and the post office as anchors.

The 49,133 square foot first phase was opened to the public in March 1981. The project was very difficult to develop due to (1) the trust status of the land and the lack of business site leases either long enough or strong enough to attract quality tenants and financing, (2) the isolation of the region from the mainstream of business and financial activity which has created an apprehensiveness on the part of quality anchor tenants and financial institutions to support economic development on the Reservation, and (3) additional cost factors involved in building a large center in an isolated and rural setting. The search, meetings, negotiations, proposals and other factors going into the development all had to be conducted within a rural area covering a vast amount of land and then formulated into language familiar to funding sources and other bodies used to urban development settings. Over three years have been invested in seeing this project in the ground, so to speak. However, the center's first phase now provides 110 new jobs, goods and services previously only available hundreds of miles away, and serves as a catalyst for future development while offering a source of pride in an Indian-owned enterprise.

In April 1983 production of precision machine parts began at the tool and die division of Tooh Dineh Industries, Incorporated in the Navaho community of Leupp, the second wholly-owned DCI subsidiary. The plant is producing tooling for the Packard Electric Division of General Motors Corporation under an initial 3 year commitment.

DCI'S FUTURE VENTURE ACTIVITIES

The DCI Board of Directors has decided that upcoming venture activity for DCI would involve the following:

1. Expansion of manufacturing in Leupp. Develop an electronic module assembly plant as a dedicated supplier to Packard Electric.
2. The first Navaho-owned financial institution. Development of a MESBIC and/or revolving loan program geared towards Indian self-determination and Navaho economic development is an integral part of long-range enterprise planning.
3. Office building in Chinle. In order to centralize services as a convenience to consumers, as well as provide modern office space for government agencies and private business, research is under way to determine the feasibility of constructing a 20-40,000 square foot office building.
4. Small-scale agriculture/livestock production. Long surrounded by non-Indians farming large parcels of land similar to that found in Navaholand, the Reservation has yet to seriously develop the land to its full agricultural potential.

These are being explored in a systematic manner using feasibility studies and whatever expertise is necessary to determine their viability as ventures. DCI, if funds permit, will continue to provide

technical assistance to communities within its Special Impact Area as they seek to plan, organize and develop through their own community-based organizations.

As these ventures are being explored, DCI will continue to develop the second and third phases of the Tseyi' Shopping Center, planned for full completion within 4 to 7 years. Additionally, non-venture areas will continue to consume some of DCI's time and resources as local planning bodies are developed in reservation communities and the needs of the communities are more fully defined.

DCI is a pioneering effort in Indian self-determination in that only through Indian-owned and -controlled economic institutions can Indian people fully realize their potential. This will take an understanding of the basic financial underpinnings of American society in general in order to change a colonial economy into an equal financial and trade partner with the rest of America. DCI, through its activities, is helping to build this base of knowledge and expertise to create an active and viable private sector for the Navaho Nation.

DCI'S RELATIONSHIP WITH THE NAVAHO TRIBE

DCI is a locally-owned and -controlled organization and is not an official part of the Navaho tribal government. Receiving no direct financial support from the Navaho Tribe, DCI does, however, cooperate and coordinate with the Tribe's economic and community development entities while still responding to local requests for assistance and development. Through the Tribe, several significant grants have been received to carry out specific projects. DCI is part of the Navaho Tribe's Overall Economic Development Plan through the projects DCI has undertaken.

DCI has enjoyed strong support from the Navaho Tribe both in the obtaining of funds for the Tseyi' Shopping Center, and in other projects such as the newly opened Chinle Hospital and tool and die plant. DCI attempts to complement and enhance the overall development of the Navaho Nation as expressed through local and national representation, while still addressing the direction expressed through its own locally-elected and -appointed Board of Directors.

DCI enjoys the role of a private corporation able to work toward public needs and goals while working within the private financial sector in venture development and commercial activity. This role of riding the fence between the public and private sectors can become uncomfortable at times, e.g., in operating as businessmen with representatives of Tribal or Federal government, though it appears to be the best way to accomplish development in a timely and successful manner.

March 1, 1984

Chinle Seeks Ways Of Improvement

I have heard that the Chinle Steering Committee used to stay up nights, working until 2 or 3 a.m. in the morning, writing, typing, mimeographing and stapling--sending out

corporate (DCI) headquarters in Chinle, working together for a hospital and building a better future for their community.

The hospital steering committee, the DCI board of directors, the Chinle chapter officers, the councilman and the local people are all responsible for the development of a sound economic base for their community.

Instead of waiting for others to do it for them, they took control and initiated the necessary steps to determine their own economic development. It is this forward-thinking, innovative group of people that I wish to commend this week.

The people of Chinle wanted a hospital; they wanted a multifaceted shopping center. They wanted a new chapter house, a senior citizen's center for their elderly, running water for their houses and an effective



Peter MacDonald
Navajo Tribal Chairman

letters to congressmen, businessmen, government and tribal officials and sending out proposals and reports.

A group of 20 to 50 dedicated men and women, burned the midnight oil in the Diné Cooperatives. In-

fire department. To meet these ends, they worked together on grassroots level.

Chinle, located in the heartland of the Navajo Nation, is one of our more

a food co-op. Interest in cooperatives, which offered an alternative to trading posts and other non-Navajo interests, spread throughout the reservation.

Chairman's Spotlight

As a result, a number of people in the central reservation area joined together to organize DCI, a Chinle based community development agency with the purpose of providing technical assistance, funding and advice for communities interested in helping themselves. Over the years, DCI encompassed as wide range of activities, including farm co-ops, stores, arts and craft, gasoline outlets and credit unions.

Long range economic and community development is all part of an overall plan to improve the quality of life for Chinle residents, a plan which grew out of the formation of cooperatives in the early 1970's.

The local people of Pinon became dissatisfied with the trader and initiated the formation of

and educators--its main concern is that community and economic development on the reservation be balanced and in harmony with traditional values.

Its focus has changed since 1976, when DCI received funding from the Community Services Administration's Office of Economic Development and became one of only two Indian community development corporations in the United States.

The people of Chinle are proud of the now under-construction Tseyi Shopping Center. A one-story complex, the color of the land which surrounds it and decorated with Indian motifs--a 48,607-square-foot building--will be ready for a grand opening this March.

It will offer a variety of services, some never before available in the Chinle area, including a modern supermarket, a laundry and dry cleaning, a western wear clothing store and variety stores. The complex will also house the new Chinle Post Office.

Constructed by Bradbury and Stamm Construction Company of Albuquerque, New Mexico, and owned by DCI Shopping Center, Inc., it is financed primarily by the Community Services Administration and a Housing and Urban Development (HUD) community block grant.

The project has received the support and backing of the Navajo Tribe and the Bureau of Indian Affairs and has set a precedent in Indian economic development in that the leasing arrangements are under the control of DCI.

Historically, the Navajo economy has been colonial in nature with most of the economic institutions controlled by non-Navajos.

Meeting the needs of a service area with a population of 30,000 to 40,000 with emphasis on Navajo owned and controlled businesses, the shopping center will provide employment for 70 to 100 local people in each phase of its development. And Tseyi Shopping Center will keep the Navajo dollar in the Navajo hands in the Navajo Nation.

January 1, 1981

A second phase of development, scheduled to start a year from now, will include fast food shops and a movie theatre. The third phase will feature an automotive center and clothing and specialty shops.

The construction of the 60-bed Chinle Comprehensive Care Facility, which broke ground September 1, 1980, represents a dedicated effort towards self-sufficiency on the part of the Chinle people. Four times Chinle represented of the Indian Health Service to build a hospital in the reservation hearland. Each time, they were turned down.

This time they persisted. They formed a hospital steering committee--the first of its kind in Indian health--with much community support, the backing of US Senator Dennis DeConcini (Airzona), and much hard work and diligence, made the idea of a hospital for

Chinle a priority of the Indian Health Service and the Department of Health, Education and Welfare.

According to the hospital steering committee, the Chinle Comprehensive Care Facility will be the best looking hospital in the western United States. Sitting on a hill overlooking the community, the hospital has a view across the Chinle Valley to the Chuska Mountains. The eight families who donated their grazing rights to the 100 acre plot are to be commended. It will be a full service hospital with a large outpatient and emergency department and will act as a referral center for clinics throughout the Navajo Nation.

Although operated by the Indian Health Service, the hospital will be controlled by a local board of directors--another first in the history of Indian health. Utilizing a holistic approach to medicine, the medical care will be designed to meet the physical and spiritual health care needs of the Navajo people.

The Chinle hospital steering committee was Chinle people talking to Chinle people about a Chinle hospital. It was a grassroots development at a very basic level. That is why it was successful.

The development of Chinle as a community is not random but well planned and inter-related. The new hospital will bring better quality medical care into the area, and the new shopping center will provide a more complete variety of services, hereby, attracting a higher caliber of professionals to live in Chinle.

Some 239 community and quality housing units will be constructed for the hospital staff. Chinle looks toward the future with long range goals--the Del Muerto Water Works Project will soon bring water to 122 houses on the north side of the community and a new chapter house for the community is under construction.

The volunteer fire department has now been organized and active for the past three years, and the Senior Citizen Center was dedicated last month. It now serves a hot meal daily to over 100 elderly people as well as provide a place for socializing and basic health screening.

Chinle has also established its locally controlled newspaper, the Tseyi Echo, which covers news in the Chinle-Many Farms area. The community has plans for a commercial AM radio station--another first. It would be the only Indian-owned and operated commercial radio station in America. The community is working on the development of an industrial park, already housing a wool warehouse and soft-drink bottling plant.

Chinle seeks to become the Navajo Nation's first tribally chartered city, and the Chinle Planning Board is working actively toward this end with the goal of more efficient community services and development.

I commend them in their goal and salute the people of Chinle for the progress they have in their role in the economic development of the Navajo Nation.

COOPERATION

Joint Venture Between Local Supermarket Chain And Navajo Nation Is A Step Toward Self-Sufficiency



Darrow Tully
Publisher
The Arizona Republic

supermarket operation with the Navajo nation. Basha's partner in the venture is Dineh Cooperatives Inc.

Dineh (Navajo) was incorporated in 1971 and has been promoting co-ops such as hay, arts and crafts, service stations and financial services since its inception.

The Tseyi Shopping Center, located in Chinle, will be the home of the new operation.

The supermarket will provide the anchor for an initial development of five retailing and service establishments.

This area is quite remote and residents have, of necessity, had to travel long distances to shop for basic needs.

Navajo tribal chairman Peter Mac-

Donald has evidenced strong support for the development and has expressed optimism that this venture will be the first of many Indian-controlled, non-government operations.

The chairman reaffirmed the goal of tribal leaders for self-determination in the control of their own nation and the future of the Navajo people.

Dineh President Allan Begay stated, "The store is part of a growing emphasis on developing our economy to the point where the Navajo people can be as self-sufficient as possible."

Much of the store's profits will be invested in community development projects promoting additional private sector employment.

In the past, there was reason to be concerned that private capital investment in Indian territory might be nationalized at the whim of the Indians.

The deal worked out between Basha's and Dineh provides room for optimism that those fears are unfounded and that there are mechanisms available to resolve those concerns.

No one can question the advisability of self-sufficiency for the entire Indian nation.

The present system has not worked to the advantage of the Indian people or the U.S. government.

Only through self-sufficiency can the Indian people regain their own self respect and at the same time earn the respect of others.

The path to independence will at best be difficult. No matter how sincere the Navajos are in trying to achieve autonomy, the bureaucrats will oppose it.

The Bureau of Indian Affairs has never been known to be a model of efficiency nor has it been as responsive to Indian needs as it should have been.

Perhaps with President Ronald Reagan's approach to less government this will be a most propitious time for the Indian nation to embark upon the course of more independence.

An anonymous author once said, "We are not looking for a hand out; just a hand up."

I can't think of a more fitting description of the Chinle venture.

DINEH COOPERATIVES, INCORPORATED
Selected Current Venture/Project Information

AUGUST 1984

| Name of Venture or Project | Percentage of DCI Ownership | Source of Funds a) Public b) Private | Total Assets | Annual Sales | Number of Jobs Created | Annual Payroll |
|---|--------------------------------|---|-----------------|-----------------|---------------------------|-------------------|
| A. Tseyi' Shopping Center | 100% | \$ 3,489,204 \$ 975,000 | \$ 3,967,000 | \$ N/A | 4 | \$ 64,000 |
| 1. Bashas' Market | -0- | 1,000,000 | N/A | 8,890,200 | 70 | 1,029,600 |
| 2. Yellow Front | -0- | 300,000 | N/A | 2,000,000 | 19 | 124,800 |
| 3. Elite Laundry | -0- | 166,000 | N/A | 212,000 | 3 | 35,100 |
| 4. U. S. Post Office | -0- | 75,000 | N/A | N/A | 6 | 72,000 |
| 5. Rainbow Ice Cream | -0- | 50,000 | N/A | 169,000 | 7 | 37,500 |
| 6. First American Optics | -0- | 25,000 | N/A | 44,000 | 1 | 11,000 |
| B. Chinle Hospital and Housing | -0- | 32,230,000 | N/A | N/A | 213 | 4,299,000 |
| C. Chinle Community Fire Department | -0- | 225,000 | 174,000 | N/A | 18 volunteers | N/A |
| D. Many Farms Farm | 100% | 74,000 | 12,115 | 614 | 2 part-time | |
| E. Livestock Improvement | 100% | 57,000 | 34,158 | 3,687 | 0 | |
| F. Tsaile Water/Sewer Project | -0- | 46,800 | N/A | N/A | 4 seasonal | N/A |
| G. Tooh Dineh Industries, Incorporated | 100% | 710,692 2,711,979 | 558,548 | 234,479 | 26 | 286,520 |
| H. Many Farms Irrigation Project | -0- | 90,000 | 120,000 | N/A | 0 | N/A |
| I. Tsaile Irrigation Project | -0- | 163,200 | 191,200 | N/A | 0 | N/A |
| TOTALS: | | \$37,103,896 \$ 5,351,656 | \$ 5,057,021 | \$11,553,980 | 373 | \$ 5,959,520 |

PROJECT NAME: TSEYI' SHOPPING CENTER

LOCATION: Chinle, Navaho Nation

DESCRIPTION: A full-service shopping facility serving the central one-fifth of the Navaho Nation. The 15.15-acre site is being developed in three phases and is owned and operated by DCI Shopping Center, Incorporated, a wholly-owned subsidiary of DCI. Consumer acceptance has been overwhelming.

STATUS: Phase I costing \$2,973,862 and consisting of 6 tenants occupying 49,133 square feet opened in March 1981, created 110 permanent jobs and is exceeding sales projections by 47%.

Phase II is projected to cost \$2,375,000 and consist of 7 - 10 tenants occupying approximately 22,000 square feet. Leases and financing are now being finalized, architectural design and construction are under way, and the grand opening is targeted for late 1984. About 51 new jobs will be created.

Phase III consisting of 4 - 6 tenants occupying approximately 30,000 square feet is scheduled for development in 1986-87 and will create 75-90 new jobs.

BENEFITS:

- + makes available lower prices and a larger selection of goods to over 30,000 people in 20 chapters covering an area of 5,000 square miles.
- + the center's drawing power provides a greatly increased consumer base for other Chinle businesses.
- + has increased interest among Navahos in owning and operating on-reservation businesses.
- + Phase I employs 110 people (97% Navaho) resulting in a permanent annual payroll of \$1,140,000.
- + Phase I has reduced off-reservation monetary "leakage" by \$4,000,000.
- + increases the number of Navaho business ownership, training and management opportunities.
- + furthers self-determination, self-sufficiency and community pride for the Navaho People.

- + has received significant, positive attention throughout the United States as a pioneering, successful business, thus reflecting favorably on the potential for Navaho Nation and Indian economic development.
- + began making a profit seven months after opening; the profits to be used for expansion of the center and development of other enterprises.
- + has increased the confidence of national and regional companies regarding the viability of doing business on the reservation.
- + provides greatly increased drawing power to Navaho tenants by placing them next to popular regional stores.
- + serves as a model for Navaho Nation shopping center development.

TSEYI' SHOPPING CENTER

Since the blessing by Navaho medicineman Tom Watson and the opening of the Tseyi' Shopping Center in March 1981, the center has been a hit with the residents of Chinle as well as over 30,000 other residents in 20 chapters reaching as far north as Kayenta and Dennehotso and as far south as Ganado and Fort Defiance. Rather than drive hundreds of miles to Gallup, Farmington, Cortez, or Holbrook to do their normal grocery and other shopping, these shoppers now come to the Tseyi' Shopping Center to purchase basic necessities. Besides substantial employment the center has also provided opportunities for Navaho entrepreneurs to either start or expand their businesses and to take advantage of the drawing power of Bashas' and Yellow Front/Checker Auto stores. DCISCI plans to add other required and/or desired services through Phase II (presently in progress) and Phase III expansions. Navaho dollars will remain primarily on the Navaho Nation, promoting and developing the local economy.

PHASE I

Development of the Tseyi' Shopping Center was started in late 1977 at the request of the Chinle Chapter and has progressed steadily through a maze of government red tape, due partly to the precedent-setting nature of the lease negotiations with the Tribe and Bureau of Indian Affairs. The 50-year master site lease negotiated with the Tribe gives DCI Shopping Center, Incorporated (DCISCI) complete authority to sublease space on the 15.15 acre site without further approval from the Tribe or the Bureau of Indian Affairs. DCISCI is a wholly-owned subsidiary of Dineh Cooperatives, Incorporated (DCI), a Navaho-owned business and community development corporation. Tseyi' Shopping Center is believed to be the only project of its kind which has been successfully implemented by an Indian-controlled, non-governmental organization and is thus a first in the economic progress of Indian America. It will also be the largest shopping facility in the Navaho Nation. Located in Chinle near Canyon de Chelly National Monument, the first phase opened for business in March 1981 and will eventually encompass a 15 acre site and contain over 110,000 square feet of modern shopping facilities. A summary of the tenants follows:

| <u>Tenants</u> | <u>Ownership</u> | | <u>Sq.Ft.</u> | <u>Employment</u> <u>(Navaho)</u> |
|--------------------------------------|------------------|-------------------|---------------|--------------------------------------|
| | <u>Navaho/</u> | <u>Non-Navaho</u> | | |
| Bashas' Supermarket | Non-Navaho | | 28,506 | 75 (73) |
| Yellow Front/Checker Auto | Non-Navaho | | 9,987 | 17 (16) |
| U. S. Post Office | N/A | | 4,280 | 4 (4) |
| Elite Laundromat and Dry Cleaners | Navaho | | 3,040 | 3 (3) |
| Rainbow Ice Cream | Navaho | | 1,512 | 5 (5) |
| First American Optical | Navaho | | 1,200 | 2 (2) |
| DCI Shopping Center Office | Navaho | | 608 | 4 (4) |
| <u>Total Phase I</u> | | | <u>49,133</u> | <u>110 (107)</u> |

The shopping center directly combats three of the most serious social problems in the Navaho Nation:

- 1) **Unemployment**--Phase I has created 110 permanent jobs (107 filled by Navahos) resulting in an annual payroll of \$1,140,000. Over 100 temporary construction jobs (90% Navahos) were created during construction of Phase I.
- 2) **Unavailability of goods and services** at a reasonable cost and within close proximity to people's homes. The number of retail and service establishments per capita is extremely low in the Navaho Nation. Many area residents must now drive over 200 miles round trip to purchase necessities, spending a disproportionate amount of time and money on travel. Over 30,000 people in 20 chapters in the central one-fifth of the Navaho Nation now benefit from the lower prices and larger selection of goods made available to them by the Tseyi' Shopping Center.
- 3) **"Economic Leakage"**--Well over half of the dollars earned in the Navaho Nation are spent in bordertowns, preventing the circulation of money and its benefits to Navaho Nation residents.

It is estimated that there was \$62,000,000 in personal income available in the Chinle Trade Area in 1982. Approximately 90% or \$57,000,000 was spent on consumer goods and services, with Chinle area merchants capturing nearly 67% of the dollars available. In the first full year of operation which ended September 1982, the Tseyi' Shopping Center captured 17% of the total \$57,000,000 that was spent on consumer goods in the Chinle Trade Area. Overall actual sales for Phase I tenants have exceeded projections by 47%. A summary of the sales record for each tenant follows:

| Tenants | Annual Sales Per Square Foot | | % Increase Over Projections |
|------------------------|---------------------------------|--------|--------------------------------|
| | Projected | Actual | |
| Bashas' | \$175 | \$266 | + 52% |
| Yellow Front | 150 | 180 | + 20% |
| Rainbow Ice Cream | 60 | 86 | + 43% |
| First American Optical | N/A | 30 | N/A |
| Elite Laundry | 30 | 52 | + 73% |
| U. S. Post Office | N/A | N/A | N/A |
| DCISCI Office | N/A | N/A | N/A |

Out of a total of thirty-six stores, Bashas' Chinle store now ranks fifth highest in sales. A customer traffic survey conducted in May 1982 revealed that the actual size of the Tseyi' Shopping Center's trade area is 15% to 20% larger than originally projected. See Tseyi' Shopping Center Trade Area map at the end of this section.

The \$2,973,862 design and construction funding was provided by DCI in partnership with The Navaho Tribe, U. S. Community Services Administration and Department of Housing and Urban Development. Including tenant improvements and initial inventories, over \$4,500,000 has already been invested in the center. Earnings generated will be used for expansion and other economic and community development projects. One hundred seven Navaho people are permanently employed by the first phase tenants.

PHASE II EXPANSION

In the next few years DCISCI plans to more than double the center's size to accomodate additional retail and service establishments. Phase II expansion, presently in progress, will add 22,000 square feet of additional space to the center. Strategically placed in the heartland of the Navaho Nation, the center is readily accessible to over one-fifth of the Navaho Nation's 160,000 residents and provides modern, full-service shopping facilities closer to home.

The expansion will require a total of \$2,375,000 in capitalization to be fully funded and well-positioned to continue the sound fiscal management and operation of the center. DCI has received \$500,000 from the Community Development Block Grant Program of the Department of Housing and Urban Development and \$400,000 in Office of Community Services (OCS) discretionary funds to partially finance the expansion. OCS requires that we match their grant funds on a 2 to 1 basis. DCISCI will invest \$525,000 of its own resources toward this project. Chicanos Por La Causa (CPLC), a community development corporation located in Phoenix, has approved a \$200,000 loan through their Rural Development Loan Fund. An additional \$250,000 was approved by the Navaho Tribal Council as a loan. To fully fund the Phase II expansion and to meet the OCS matching requirement \$500,000 is being requested from the Economic Development Administration.

Approximately sixty-six percent of the 22,000 square feet of space planned for in the Phase II development has already been spoken for by prospective tenants. At the present we have received letters of intent from seven tenants--one for a twin theatre, two for auto parts and services (TBA), two for combination beauty salon and barber shops, and two for fast food restaurants. A summary of the prospective tenants follows:

| <u>Prospective Tenants</u> | <u>Sq.Ft.</u> | <u>Employment</u> |
|------------------------------|---------------|-------------------|
| Twin Movie Theatre | 8,600 | 10 |
| Beauty Salon and Barber Shop | 1,200 | 4 |
| Fast Food Restaurant | 1,700 | 30 |
| Western Wear | 3,000 | 6 |
| <u>Other small shops</u> | <u>7,500</u> | <u>18</u> |
| <u>Total Phase II</u> | <u>22,000</u> | <u>68</u> |

The Phase II expansion will create approximately 68 full time jobs and over 100 temporary construction jobs (90% Navahos). The full time jobs will provide an additional \$575,000 in annual payroll.

PHASE III

Phase III development which we anticipate to complete by 1987 will add an additional 30,000 to 40,000 square feet of shop space and create 75 to 90 more jobs. Listed below are some of the tenant prospects to be contacted:

- | | |
|--------------------|------------------------|
| + Department Store | + Photo Shop |
| + Bank | + Fabric Shop |
| + Bowling Alley | + Shoe Shop |
| + Restaurant | + Sporting Goods Store |


MANAGEMENT

Staff

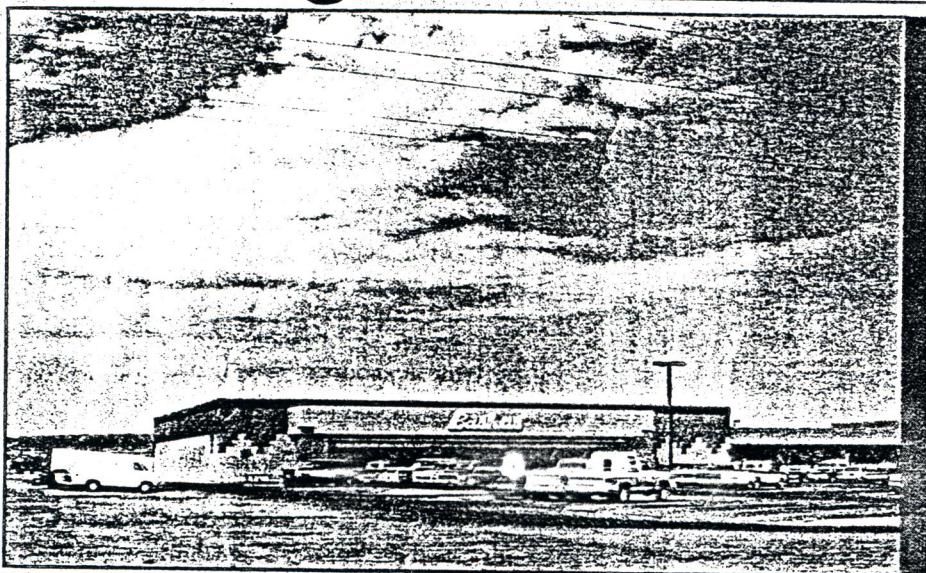
The management team is entirely Navaho. The General Manager of DCISCI, Calvin McKerry, is responsible for the day-to-day operation of the facility, as well as for the planning and execution of development plans. He reports to a Board of Directors which sets policy and long range direction for DCISCI. He is also responsible for the supervision, hiring and firing of the other two Navaho staff members. Francine Claw, the Secretary/Bookkeeper spends 75% of her time on center operations (e.g., accounts payable/receivable, correspondence, office management) and the balance assisting the General Manager in development work. She possesses strong administrative skills and is capable of performing many of the General Manager's duties in his absence. The Building and Grounds Manager, Freddie Etsitty, has full responsibility for the upkeep of the common areas of the center and coordination of contracted services such as specialized repair work.

Board of Directors

The DCISCI Board of Directors is comprised of three DCI senior staff members and one member of the DCI Board: Allan S. Begay, President; Jon D. Colvin, Vice President and Treasurer; Nathaniel Begay, Secretary and Keith Tsosie, representing the DCI Board. The Board is appointed by and responsible to the 19 member DCI Board of Directors. The inclusion of three senior staff members and one member of the DCI Board on the DCISCI Board is designed to maintain tight financial and programatic control over the shopping center, while still allowing for indirect community input by area residents through their locally elected and appointed representatives on the DCI Board of Directors. The Board's policy has been to provide a one-stop full service shopping center for over 30,000 Navaho consumers and provide opportunity for Navaho entrepreneurs to start or expand their businesses.

 The Navajo nation's first full-service supermarket represents a successful distillation of an unique community's needs and some sensitive entrepreneurship.

Bashas' Proud Navajo Venture



By Ronald Tanner

When Phoenix-based Bashas' opened a full-service supermarket on the Navajo reservation in March 1981, they made a commitment that the store would be run by Navajos and that it would contribute to the well-being of the Navajo nation. The store has done just that. And with its average weekly volume exceeding \$150,000, it has paid Bashas' back for their dedication to the native Americans.

"We anticipated that the Navajo store would be one of our better ones, and it has proven to be a top performer," says Wayne Manning, executive vice president, Bashas'. "The Navajo people are delighted that we have built a super comparable with any we operate in Phoenix. We treat them well and they are responding by becoming good Bashas' customers."

With more than 11,000 shoppers visiting every week, the new Bashas' has attracted a flood of business, particularly considering that the town of Chinle, the store's location, has a population of less than 4,000. The 29,000-square-foot store's brisk business proves that a supermarket chain's social concern can be rewarded by the loyal patronage of the people who have been helped.

▲ Life Without Supermarkets

The Navajos and the traders who sold food and other goods have historically been enemies. Trading posts represented one of the first Caucasian advances into Indian territory. Resentment grew through the years as traders took advantage of the Navajos.

"Traders had incredible power because they were often the single source of

goods, money, mail, employment and other necessities," says Jon Colvin, vice president, Dineh Cooperatives, Inc. (DCI), a Navajo-owned community development corporation based in Chinle. "Often, the traders charged twice as much as supermarkets in border towns. The people would have to pay the prices, or drive 100 miles to Window Rock or Gallup to do their normal grocery shopping."

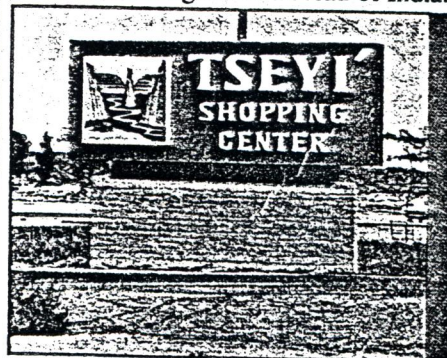
DCI was established in 1971 to combat the abuses of the traders. The initial aim of the group was to set up consumer and community cooperatives as alternatives to the trading posts. They thought the economic problems on the reservation could be countered with an alternative system, that the cooperative approach could cure the abuses of capitalism.

But in 1976, DCI's attitude changed. They decided that the Navajos would benefit more if the group worked with the private sector rather than against it. Funding from the Community Service Administration's Office of Economic Development was earmarked to bring private business onto the reservation.

"We realized that the best way to improve the quality of Navajo life was through economic development," Colvin comments. "We needed to bring businesses and services out here, to create local jobs and provide easier access to life's necessities."

So DCI decided to develop a shopping center in Chinle. Located near the entrance to the Canyon de Chelly National Monument, Chinle is the major gathering place for Navajos from one-fourth of the nation. The largest Indian reservation in the U.S., the Navajo nation spans 25,000 miles in Arizona, New Mexico and Utah. It has 160,000 residents.

The people on the reservation are quite dispersed, with an average population density of only 6.2 persons per square mile. According to the Bureau of Indian



Affairs, the average household size is 6.5 persons. More than half of the Navajos are less than 19 years old.

"A shopping center was desperately



Bashas' Proud Navajo Venture

needed to keep the people from driving off the reservation to spend money in border towns," continues Colvin. "Most Navajos were driving 75 miles to Fed Mart in Window Rock, or 100 miles to Gallup. And that's only one way."

"Historically, the Navajo economy has been colonial in nature. Dollars earned by reservation residents flowed off the reservation in one form or another without turning over even one or two times. There was next to no Navajo-controlled private sector."

So DCI decided to create a private sector through the development of the Tseyi' Shopping Center. The 110,000-square-foot site was to include a supermarket, mass merchandise outlet, movie theater, laundromat, bakery and a variety of other ventures. With \$2,136,742 of Community Service Administration money and

\$952,000 in Community Development Block Grants from HUD, the Navajo cooperative set out to plan the first phase of the center. The number one priority: to sign up a supermarket.

▲ Eddie Basha and the Pimas

About the time that Arizona became a state and the Navajos settled on the reservation, Najeeb and Najeeby Basha emigrated from Lebanon, to New York City, to Arizona. In 1910, they opened a small general store in Ray; 10 years later they moved to a location in Chandler. Azez and Edward Basha, the owner's sons, peddled pots and pans in the Arizona countryside.

After their father's death in 1932, the Basha brothers opened a store in Goodyear. The Pima Indians were among their best customers, keeping business

alive during the dark days of the Depression. The Basha family and the native population have been close ever since. So when DCI contacted Bashas' about operating on the reservation, there was an immediate, enthusiastic response.

"For years, we had been looking for an opportunity to serve the Indian people, so when DCI's plan surfaced, there were no ifs, ands or buts," Manning says. "The Navajos were showing determination to develop their own community, to take control of their own destiny. We supported that."

So Bashas' invested in the reservation. A grant of \$100,000 was given to DCI. And an additional \$1,000,000 was earmarked for fixture costs and inventory in the new store.

"We planned to build a supermarket as nice as any in Arizona," remarks Manning. "We wouldn't cut back just because the supermarket was on a reservation. Our prime concern was to provide the Navajos with the same shopping opportunity they could find in a major city."

From the beginning, the emphasis was on quality supermarketing, adapted to Navajo needs. For example, the parking lot was paved, even though the surrounding area has few paved roads. Parking spaces were made extra wide because most shoppers would come in pickup trucks.

Colvin comments, "We went out of our way to make the center of the best quality. We even landscaped with desert plants and trees native to the Navajo lands. We made a modern shopping center mesh with the ways of the Navajo."

▲ Developing A Visual Supermarket

The Bashas' chain was receptive to DCI's total concept of the project. They were willing to adapt their supermarket to the ways of the Indians and invest substantial resources in the training of a Navajo staff.

The 30-unit company had to modify some physical aspects in the Chinle store, particularly the decor and signage. Since most Navajos cannot read or speak English, departmental identification had to be visual.

"We symbolized departments for the shoppers who could not read 'Meat,' 'Dairy' and so on," points out Manning. "So that these symbols would fit into the native culture, we worked with DCI to get feedback from the community."



The Navajos were specially trained to operate the hot deli.



Bashas' Proud Navajo Venture

"Navajos have a pictorial culture, so we identified items with pictures that fit into the culture," Colvin adds. "In the baby department, we have a representation of a cute Navajo baby. A white child would look out of place."

"The Navajos have beautiful decorative arts, so we used Navajo designs throughout the store. Over the bakery and deli department, we have a beautiful, blue, Navajo wedding basket. And throughout the store we plan to hang authentic Navajo plugs."

Since Navajo is more an oral than a written language, there was little signage in the native tongue. The only representation of the language is a sign above the front end which reads, "Thank you for shopping Bashas" in both Navajo and English.

"We had a tough time finding an elder who could show us how the sign should be written," says Jimmy Attakai, store manager and a Navajo. "Hopefully, the sign will spark some interest in the Navajo writing. Imagine it, a white-owned supermarket chain helping to preserve our language."

▲ Staff to Be All Navajo

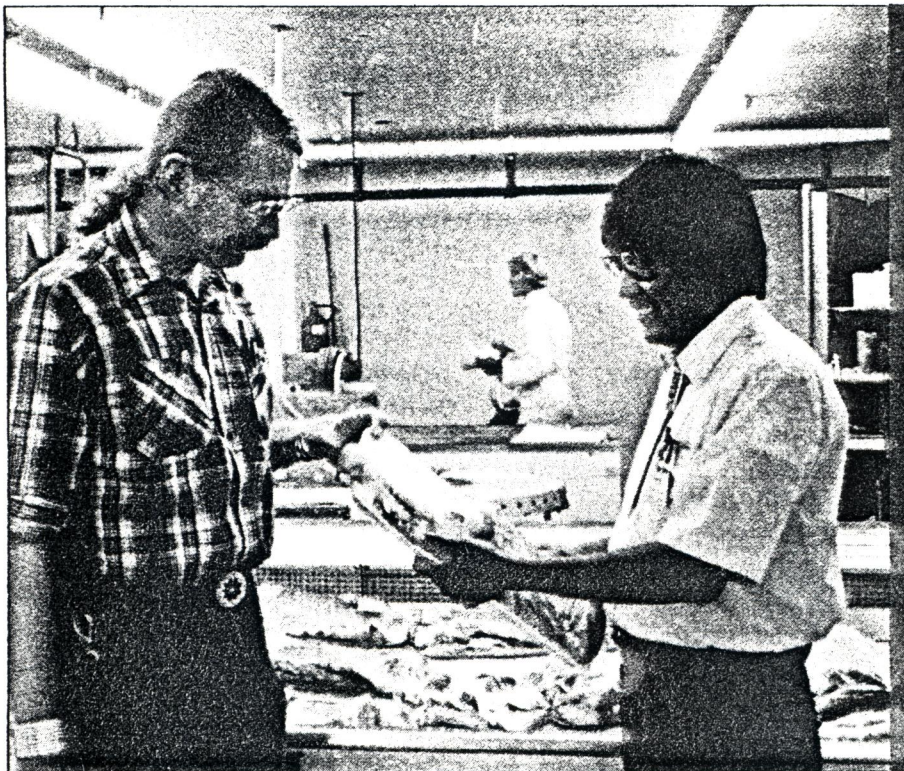
Truly the most difficult task confronting Bashas' and DCI was the selection and training of a Navajo staff. Providing employment for the underprivileged Indians was more important than store decor.

"Our goal was to create jobs for Navajos, not to invite a company to come here and take money off the reservation," Colvin explains. "We stipulated that the store be staffed entirely by Navajos; Bashas' agreed."

"Critical and genuine on-the-job training in the private sector is the key ultimately to development of a genuine private sector on the reservation," adds Peter MacDonald, chairman of the Navajo Tribal Council, the nation's ruling government. "This store employs some 100 persons, with 90% being Navajo. Ultimately, the goal will be to employ 100% Navajos."

The goal was easier to establish than to reach. Since no large retailer had ever operated in the Chinle area, there were few experienced supermarket employees. But a lot of Indians were looking for jobs. With an unemployment rate hovering between 65% and 70%, the Navajo economy makes Detroit look prosperous.

Six months before the opening, Bashas' personnel director, Pat Fulks, traveled to



Jon Colvin (left) and Jimmy Attakai in the meat department.

Chinle to begin interviewing. The first and foremost objective was to choose a reliable and responsible Navajo management staff.

"All management people were eventually to be Navajo, so our first interviews in Chinle were for a management team," Manning says. "We looked for people who were serious about a career in supermarketing."

The Bashas' interviewing team's first task was to select a store manager. The winning candidate should combine a dedication to the Navajo people with a commitment to run an exemplary supermarket.

"Nobody on the reservation had ever been given the opportunity that the management of this store offered," comments Attakai, the winning candidate. "As store manager, I would be responsible for a big business. I also would have the opportunity to create a talent pool among the Navajo people."

"From a personal standpoint, this is a great experience, to learn this level of business activity," adds Attakai, who was employed by DCI prior to joining Bashas'. "And from a community perspective, there was nothing better I could do for the Navajo people."

After choosing the store manager, the selection team hired a score of key people, such as departmental managers, head

stockers, cashiers, and others. The new Navajo employees were brought to Phoenix for training anytime from six to two months prior to opening.

"We didn't have any stores within hundreds of miles of Chinle, so we brought all key employees to Phoenix for intensive training," remarks Manning. "They learned under our best trainers, and began to feel a part of the Bashas' family. It was a total experience."

"Twenty-five Navajos came down, and most of them lived in the homes of Bashas' employees. We asked for volunteers to provide housing, and had more offers than we needed. That shows the quality of people we employ, and their excitement for this project."

After several days of orientation at Bashas' headquarters, where they learned the history and philosophy of the chain, the Navajos were apprenticed to Phoenix-area stores. They worked side-by-side with Bashas' best, learning how to run a hot deli, how to trim produce, how to manage a front end.

"It was vital for the management people to learn the problems of the job firsthand," Manning says. "It was also important for them to experience the supermarket environment, which is faster paced and more high pressure than life on the reservation."

Two months before the opening, Per-



Bashas' Proud Navajo Venture



A Navajo wedding basket is depicted on the wall in the deli/bakery.

sonnel Director Fulks, temporary Store Manager Jack Giroux and his wife Karen, and several other Bashas' people moved to Chinle to select the 90 employees who would form the store's work force. They set up shop in a trailer and interviewed 700 applicants.

In February, one month before opening, eight Bashas' departmental managers moved to Chinle to supervise intensive training. Future employees were brought in for orientation and instruction; they learned the supermarket business through structured classroom training. But hands-on, store-level experience was lacking.

"A week before opening, all the new employees piled into cars and pickup trucks and drove 400 miles to Phoenix," says Manning. "Each employee was given at least three days of on-the-job training. The most difficult thing to teach the Navajos was to smile and say, 'Thank you.' They do not smile very often and they are a proud people. But after they learned the meaning behind the smile, they began to do it."

Approximately one dozen Bashas' employees came to Chinle to assist during opening week. Everything went smoothly. And the store's operation has been improving ever since.

Although several trainers stayed on for a month after opening, the transplanted workers gradually left, leaving the Navajos in control. Many departures were sooner than anticipated. "We have never

had a better management team than the Chinle group," Manning believes. "With a large pool to choose from, we were able to pick quality individuals who had great enthusiasm, who couldn't wait to learn."

"Training is easy when you have willing students. Many of the Navajos had never been given the opportunity to develop business skills. What was so heartwarming about this entire project was that we gave a chance to a people who had never had one, and they responded with tremendous initiative."

"We hired more people than needed because we did anticipate some turnover," continues Manning. "We do that for all new supermarkets. But we've had less turnover at Chinle than at most new stores."

▲ Motivated Work Force

"The employees are thankful to have a job, and they put their full effort into doing well," adds Attakai. "The Bashas' training taught people to have pride in their jobs, and they do. We've had few employee problems."

In August, five months after the opening, the temporary store manager left, turning the reins over to Attakai. The training cycle was completed.

"Now I have the total responsibility to operate the store to best serve both Bashas' and the Navajos," comments Attakai. "I've been adapting the store to the

needs of the people."

The most successful department has been the deli, which accounts for 6% of sales, about \$9,000 weekly. Deli almost always places either number one or two in the Bashas' chain, even though almost all sales are in prepared food and snacks.

"We expected the deli to do well because the Navajos are very limited as to places to eat out," says Manning. "We even installed a balcony with seating so people could relax while eating."

"The Kentucky Fried Chicken unit in Chinle is one of the busiest in the chain, so we knew there was a fast-food market. A place to stop in and buy a soda is something new on the reservation," adds Colvin.

The Navajo hot-food case is not exactly an average Bashas' deli. One of the most popular items is mutton stew, a combination of mutton, corn, potatoes and other vegetables. This is eaten with traditional Navajo fry bread.

Bakery, which accounts for 3.3% of sales, is another successful department. Although it does not sell as much bread as other Bashas', bakery compensates with strong sales of pastries, cakes and donuts.

"We were surprised that the Navajos went for the fancy baked goods," relates Manning. "But special order decorated cakes are one of our biggest items. The cake decorator is always busy."

Meat performs reasonably well, representing 21% of sales, approximately \$31,000 weekly. Again, the mix differs from a typical Bashas'.

"Navajos have always been shepherds, and mutton is the mainstay of their meat diet," explains Attakai. "So we stock as much mutton as beef. We have all cuts, from roasts to intestines."

"The Navajo do not waste any part of the sheep, so we sell some unusual items, such as sheep's brains, and Ah Chee, which is sheep intestines. We also sell a lot of organ meat from other animals. Liver is one of our best items."

Traditional Navajo products sold in produce include black corn, pasole (a corn-based product used in stew), and an extensive variety of squash. And the store sells more potatoes than does any other Bashas'. Produce accounts for an impressive 10.2% of sales.

"The people on the reservation use a lot of produce in their diet and are thrilled that they can now buy it fresh, every day if they wish. When they had to drive

Bashas' Proud Navajo Venture

100 miles to shop, they couldn't buy many fruits and vegetables because of spoilage," Colvin points out.

The Navajos are even buying fresh plants from the Green Thumb department to decorate their hogans, traditional six-sided dwellings that many Navajos still live in. The only disappointment in florals has been fresh-cut flowers; that fixture has been removed.

As management tailors the mix more to the demands of the unique clientele, other alterations have also taken place. The first major change was to eliminate the stationery department.

"We started out with greeting cards, stationery and party supplies in a back alcove, but they didn't sell," says Attakai. "So we took out that section and made it into a baby department, with Pampers, baby food, formula and all other baby needs. With the amount of young ones on the reservation, it's become one of the most successful grocery categories."

Several other changes have also occurred as shopping habits became known. Frozen foods, especially frozen vegetables and TV dinners, did not sell at all because few Navajos own freezers. The Indians have not yet yielded to the frozen-food age.

So frozen-food space was cut back. Animal feed, including horse chow,

sheep chow, rabbit chow and others, replaced the boil-in-the-bags.

"When people first saw the store, they couldn't believe there was something like this on the reservation," Attakai says. "They had seen supermarkets before on trips to Gallup, Holbrook and other towns, but never thought they'd see one so close to home."

"For several months, people shopped us as they did when they drove off the reservation, buying large quantities to last for weeks. Then they realized that the supermarket was a permanent addition to their community, and they began shopping regularly."

"Now, many customers treat the store as a local neighborhood super, coming in to pick up some milk, eat a donut, visit some friends. We've become a social gathering place for a lot of Navajos."

On any given morning, most of the 50+ seats in the upstairs are filled with Indians, who are talking to neighbors, changing a baby, eating some mutton stew. People occupy the seats as if they are on their own turf, in a traditional Navajo home rather than a modern supermarket.

Families often spend hours shopping the store, pausing to inspect some merchandise, talk to old friends, leaf through the record and tape section.

Entire families and settlements shop

together. Since the Navajo sustains an extended family structure, with grandparents, aunts, uncles and cousins all living in a small settlement, many shopping groups are large. And because the Navajos maintain a matriarchal structure, the women usually handle the money.

So the non-English-speaking Navajos can hear about Bashas', Attakai reads the radio commercials in the Navajo tongue as well as in English. Navajo-speaking store employees aid the non-English speaking shoppers in the store.

"It's impossible to fully comprehend how important this store has become to the Navajo people unless you experienced how life used to be on the reservation," Attakai says. "This is an essential initial step in the improvement of that life."

▲ Second Bashas' On the Boards

"Only through Navajo-controlled economic institutions can the people fully realize their potential," adds Colvin. "They need to understand the basic financial underpinnings of American society in order to change a colonial economy into an equal trade partner with the rest of America."

Along with building a track record that proves that Indian and private sector ventures can be a success, Bashas' is also helping improve Navajo life financially. "A substantial portion of the store's profits will be invested in community development projects determined by DCI," points out Eddie Basha.

Yet even though they do not receive a full share of the profits, Bashas' could not be more enthusiastic about the Chinle project. The chain is already planning to open a second supermarket on the reservation. According to Manning, the 28,000-square-foot store should commence business in the fourth quarter of 1982 in Tuba City, a Navajo community about 65 miles from Chinle.

As Navajo tribal Council Chairman MacDonald says, "It is time to dream great dreams. For a people that has lost the capacity to dream is doomed. And a people that is kept on the dole—begging and surviving and dependent on federal largesse day by day—a people surviving on handouts cannot dream."

"I want to commend DCI and Bashas' for their efforts in making this store a reality. You have made a dream of mine come part way true today."

Many Navajos would echo the words of their leader. ■



Animal feed, such as sheep and rabbit chow, is a big seller.

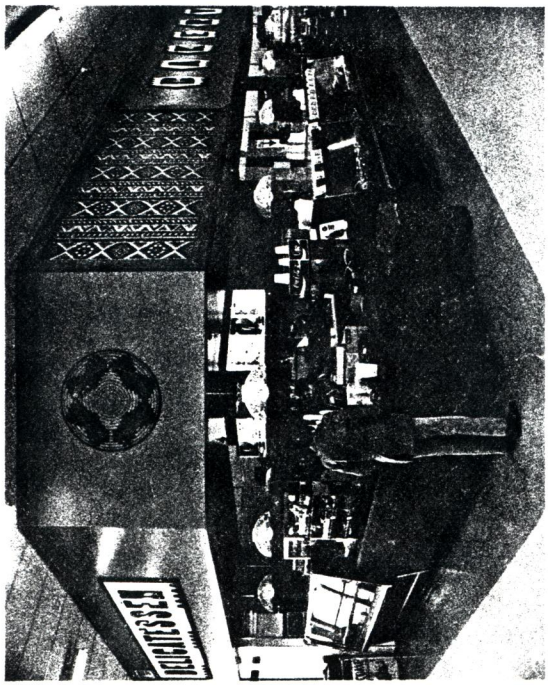
SUPERMARKET BUSINESS

FORMERLY
SUPERMARKETING

VOLUME 36/NUMBER 5
MAY 1981

Blessed by a medicine man on opening day, Bashas' new 28,600-square-foot supermarket is a hit with residents of Chinle, Arizona and the surrounding Navajo reservation. Colorful Indian motifs, a store staff 90% Navajo and tailored merchandise mix make this store their own.

NAVAJOS SAY, 'ADIOS, OLD' TRADING POST



Even sophisticated big-city dwellers who have seen it all would have sensed that it wasn't just one more new store opening last month when Bashas' cut the ribbon on its full-service supermarket number 31 in Chinle (Chinlee), Arizona.

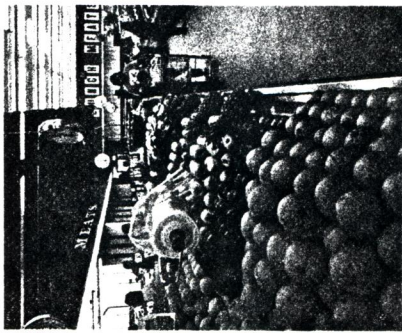
That the event was unique was emphasized by the authentic Navajo Indian medicine man who blessed the 28,600-square-foot facility, the first store to open the new 15-acre 'Tseti' Shopping Center — the largest shopping center in the Navajo Nation, which takes in parts of Arizona, New Mexico, and Utah.

Bashas', operating stores in metropolitan Phoenix, Casa Grande, Sedona and Kingman, Arizona, was one of several chains approached by a Navajo-owned organization three and a half years ago about being the anchor store in the complex. Bashas' board chairman Eddie Basha liked the idea right from the start, signed the agreement, and the wheels were in motion.

First major area food store

For many of the four thousand people living in Chinle, as well as others, Bashas' coming to town will make significant changes in the way they do things.

"The opening of a modern supermarket will enable residents to trade here or close to home as opposed to traveling great distances for basic ne-



Deli and bakery, above, total 11% of store sales at Bashas' new Navajo reservation supermarket. One uncommon deli specialty: Indian wedding baskets. Fresh perishables available locally save reservation residents trips of 60 to 100 miles to the nearest urban centers.



cessities," says Eddie Basha.

Chinle is surrounded by rural population centers. Until now, residents of these areas pretty much had to trade with small, inadequately stocked and often expensive food outlets close at hand, or drive between 60 and 100 miles one way to Window Rock, Arizona, or Gallup, New Mexico.

With a potential market draw of

study which placed the Chinle market area total personal income at about \$40 million.

Bashas' agreement with DCI involves some unusual aspects. For example, 25 percent of the net profit from the Chinle store will be paid — in addition to rent — to DCI's profit-making subsidiary, which owns the shopping center, as well as holding the lease with

the Navajo tribe for the land. The base rent and net profit percentage will be used to expand the shopping center, as well as develop other economic and community projects.

"It's good to know that all the money won't end up going off the reservation," says DCI's Colvin. "Hopefully, the money will turn one or two more times and we'll all benefit as a

result."

Store to be run by Navajos

Another facet of the agreement is aimed at keeping the Navajos very much in the Chinle business picture. Approximately 80 people are employed in the store, and 90 percent of them are Navajo. Eddie Bashas' goal is to employ

all Navajos in store number 31, teach

them the skills needed to operate and manage a modern supermarket, and then turn it over to them in six months.

Meanwhile, store manager Jack

Giroux, meat manager Dick Gosselin — both from Phoenix — as well as other key non-Indian personnel are now based in Chinle on temporary assignment while they groom their Navajo successors.

Bringing modern supermark-

eting to the Navajo Nation wasn't just a matter of financing, building, and stocking a store. Because the people of Chinle had never had anything like it before, a lot of groundwork needed to be done, including the hiring of personnel.

Bashas' personnel coordinator, Pat

Fulks, handled this part of the project. She moved from Phoenix (300 miles away) set up housekeeping in Chinle full-time, and opened an office there in the tribe's division of labor facility where she worked closely with a Navajo staff.

Employees trained in Phoenix

It was no small job. Fulks ended up interviewing some 800 applicants and reviewing almost as many applications to fill fewer than 100 openings for the store. Some of the people hired early in the game were sent to Phoenix to work in one or more of the Bashas' stores and, in some cases, the Navajos lived with Bashas' employees while going through the training program.

To understand the impact a store like Bashas' has on a reservation, one need only to look at where the Indians are coming from.

Despite substantial injection of "outside" money — various government and private sources — employment remains a chronic problem among Navajos. Tribal officials estimate an unemployment rate of 50 percent or greater. Bashas' Chinle store is similar in size and in other respects to its other stores. There's a complete in-store bakery, a deli featuring take-out foods, and a Green Thumb plant shop. But then, there are also some marked differences.

All other Bashas' stores, for example, feature liquor departments to the right of the store inside the entrance. But not in Chinle, because the entire reservation is dry. So the space, approximately 48 running feet, is given to a small appliances department. Here, in addition to a line of small appliances, are radios, cameras, batteries, film, and a large selection of tapes and records.

"With a potential market of 30,000, Bashas' has good reason for optimism. The volume potential for the store's first year could top \$9 million."

Cigarette sales, according to 'temporary' store manager Jack Giroux, "are zilch." The tobaccos that customers here buy are Copenhagen, Skoal, and chewing tobaccos. They don't smoke, but they do a lot of chewing and dipping. Cigarette sales are less than two percent of what their other stores do in the category.

Deli/bake doing well

"Hot spots" in the store — after being opened only a week and a half — are deli and bakery. Combined, they are accounting for a whopping 11 percent of total sales. Much of the noon-time

business for these departments comes from students attending nearby schools. There are 800 high school students alone in Chinle.

Demographically, Navajo Nation is youthful, with over one-half the population under age 19. Female median age is 17; for males, it is 16.

Strong Navajo dietary traditions are apparent in sections of the Chinle supermarket. For example, an eight-foot section displaying lard in one-pound packages all the way up to 25-pound tubs (in other Bashas' one- and two-pound packages of lard get only one foot). Nearby are 25-pound sacks of

Bluebird flour.

"In Phoenix," notes Jack Giroux, "we sell maybe five 25-pound bags of flour a week. Here, in our first week of business, we sold 1,200 bags." Lard and flour are used for making "fry bread," a staple food in the Navajo diet.

Mutton stew is another staple, and sells well, along with all other meat cuts. According to meat manager Dick Gosselin, somewhat more than one-third of all meats sold out of the case are family pack sizes.

Indian families large and growing

This isn't too surprising, however, considering the make-up of the Indian family. Bureau of Indian Affairs statistics show the average family size as 5.8 persons, and average household size as 6.5 persons.

And the beat goes on. Currently, Chinle is experiencing a baby boom. That's good news for the oversized baby goods department, about which

Jack Giroux says, "There's a constant run on it. We just can't keep it stocked with baby foods, diapers and related products."

Being a rural community, about half the Chinle population has no electricity; meaning, of course, that perishables can't be stored for any length of time. As a result, frozen food sales are lower, as are fresh milk sales, but movement of canned milk is brisk. Pop displayed in the 72-foot section which gets refilled every other day is also a popular item with the 1,200 customers the store is averaging daily.

Management initially didn't have high hopes for the garden shop. There was a feeling that the low-income, high-unemployment community would have decided it had better things to do with its money. The assessment proved wrong. The fact that plants weren't being sold anywhere in Chinle gave impetus for customers to buy plants at Bashas'.

The garden shop, as a result, is now considered a well-shopped, profitable area — so much so that now cut flowers are being brought in with the store's three-times weekly regular deliveries (primary deliveries are out of the chain's own warehouse, some 400 miles away, with back-up Associated Grocers in Phoenix).

Plants are rung up on the produce key and with produce have been averaging around nine percent of sales.

So far, there's been no big advertising push for the store, mainly because there just isn't that much media available.

"We use the Navajo Times, a weekly publication, and the Gallup Independent, which comes out of New Mexico, plus the radio," explains Jack Giroux. Whether this exposure is helping to bring traffic in is difficult to say at this point.

Free check-cashing, however, is a known traffic motivator. Checks of all kinds, particularly government checks, are big business in Chinle, where there is only one rather small bank in town — which is not equipped to handle "pay-day" lines that wrap around the bank building several times. On a payday weekend, as much as 90 percent of Bashas' business is done with checks.

Initial results are positive

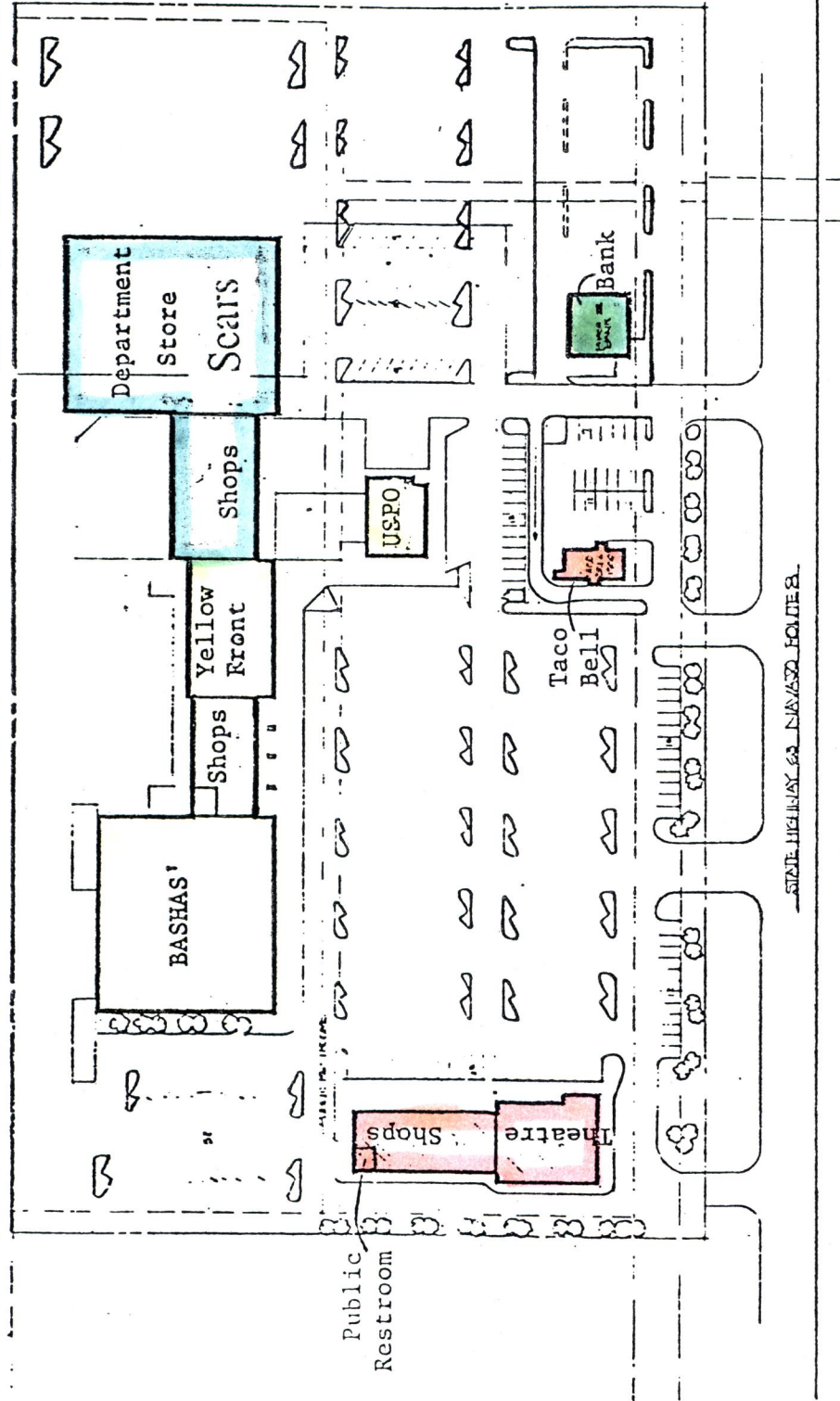
Indications are that Bashas' is pleased with results so far. (Opening day volume reportedly exceeded any previous Bashas' opening.) Summer business could also be bolstered considerably by the million or so tourists who come to see the "Canyon de Chelly (de-Shay). Some people liken it to the Grand Canyon. Entrance to Canyon de Chelly is just a mile and a half from Bashas' store.

The shopping center is in its first development phase. In addition to Bashas' there's a new post office which draws people into the complex because there is no home delivery of mail. Waiting to open are a laundromat, junior department store and possibly a hardware store. Phase 2, scheduled to get underway sometime later this year, could include a theater, a fast-food outlet and an automotive service facility.

But until then, Bashas' seems to be proving that it alone is a strong enough magnet to keep people shopping locally. About two years ago, people were going off the reservation for product and service needs an average of 2.2 times a month. Once the other stores are in place, it will be seen whether this purchasing power "leakage" can be plugged.

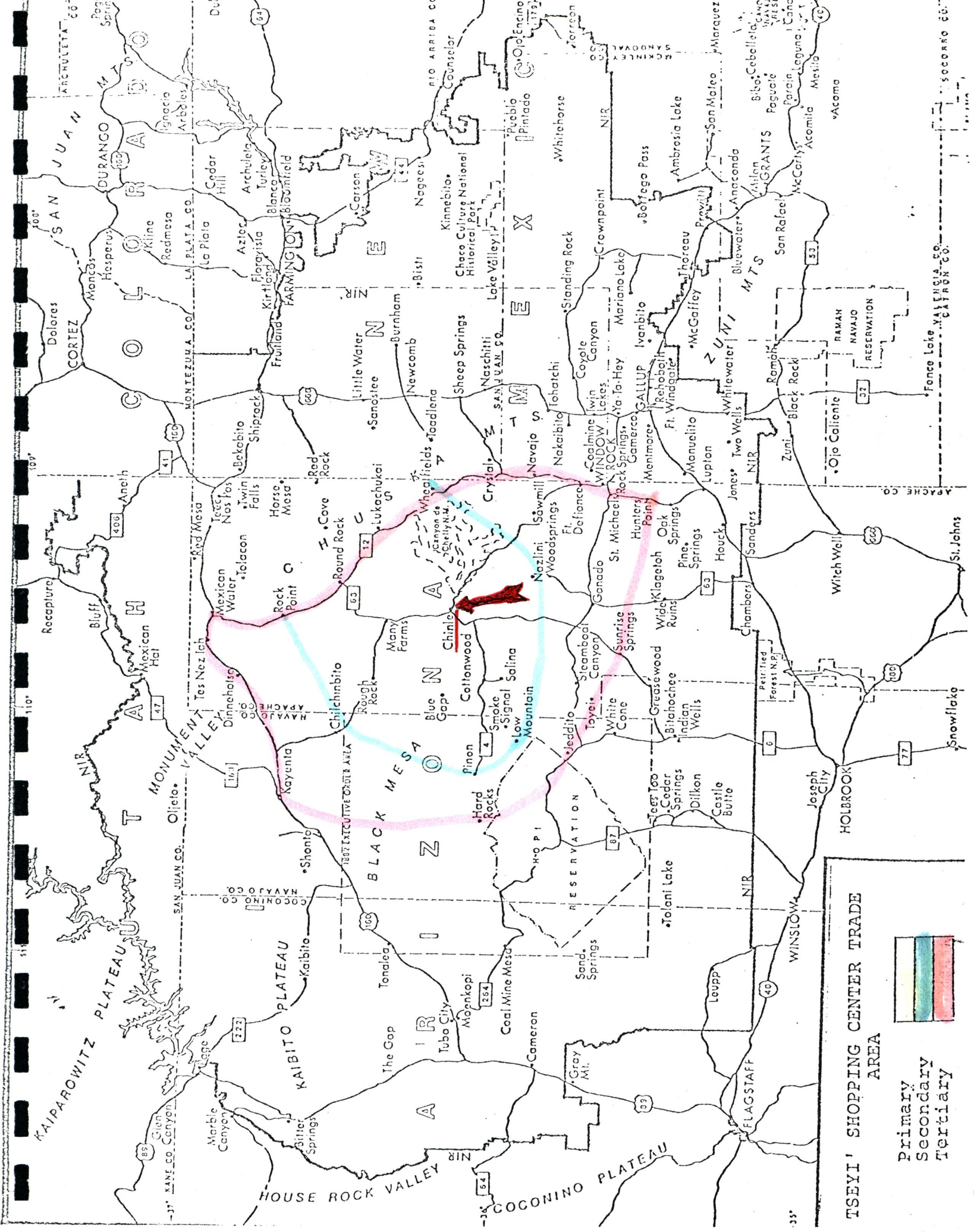
With new Bashas' stores already planned elsewhere in the expansive Navajo Nation, one thing seems certain: Indians soon will have a tough time remembering what it was like doing business with the old trading posts which used to be the hub of commerce on the reservation. ■

1 SITE PLAN
TSEYI SHOPPING CENTER
CHINLE, AZ

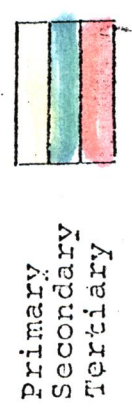


PHASE 2 SITE PLAN
1" = 50'

| LEGEND | | |
|-----------|---------|----|
| EXISTING | 49,133 | sq |
| PHASE II | 28,000 | sq |
| PHASE III | 33,000 | sq |
| | 110,133 | sq |



TSEYI' SHOPPING CENTER TRADE AREA



PROJECT NAME: MINORITY ENTERPRISE SMALL BUSINESS INVESTMENT
COMPANY (MESBIC)

LOCATION: Chinle, Navaho Nation

DESCRIPTION: A proposed federally-licensed Section 301(d) Small Business Investment Company, commonly known as a MESBIC, which will focus on meeting the equity and loan needs of new and expanding businesses in the Navaho Nation and western Indian America. The MESBIC will be the first institution of its kind in the United States, directing its attention to financing on-reservation business development.

STATUS: Joint planning by DCI and the Navaho Tribe has been underway for the past 2 years.

A \$242,990 development grant was received by DCI from the Administration for Native Americans effective October 1, 1982 to establish the MESBIC, a Revolving Loan Program and related computer services.

The license application cannot be submitted to the Small Business Administration until capitalization funds are specifically identified.

The Budget and Finance Committee and the Economic Development and Planning Committee of the Navaho Tribal Council have recommended that \$1,000,000 be appropriated to capitalize the MESBIC; this is the minimum amount acceptable to the Small Business Administration.

Operations could begin in 1984 if capitalization funds are received soon.

BENEFITS: + will leverage \$4,000,000 from the Small Business Administration and \$11,500,000 from other sources.

+ will provide much-needed capital for business start-ups and expansions.

+ will itself be a self-sustaining Navaho business.

+ will promote private sector development and permanent employment opportunities.

+ will provide technical and managerial assistance to businesses.

+ will attract private capital into reservation communities.

PROJECT NAME: CHINLE HOSPITAL/HOUSING COMPLEX

LOCATION: Chinle, Navaho Nation

DESCRIPTION: The Chinle Hospital/Housing Complex consists of (1) the Chinle Comprehensive Health Care Facility--a 107,000 square foot, 60-bed Level II medical facility serving over 27,000 residents in the heart of the Navaho Nation and (2) 181 homes for hospital employees. With extensive financial and staff support from DCI during the past 6 years, the Chinle Hospital Steering Committee has taken the lead role in planning the facilities and obtaining over \$32,000,000 for their design and construction.

STATUS: 20 units of staff housing were completed in October 1980; 161 units are under construction.

The hospital was dedicated on August 28, 1982 and out-patient services were moved from the old clinic in October 1982. Fifteen inpatient beds are currently open.

In December 1982 Congress provided over \$12,000,000 for 161 additional houses, plus allowing IHS occupancy of 18 units of substandard BIA quarters.

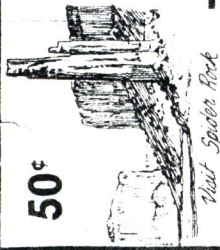
Full inpatient hospital services will not be available until housing construction is completed, probably in 1984.

BENEFITS: + when fully staffed, will bring the following new services to the area:

- native healing arts program
- surgery
- anesthesiology
- renal dialysis
- respiratory therapy
- intensive care
- blood transfusions
- medical, surgical, pediatric and OB inpatient services.

- + 324 additional permanent jobs, resulting in an increased annual payroll of over \$6,000,000 when fully staffed.
- + 200 construction jobs.
- + the finest IHS hospital in the United States.
- + increased revenues for all area businesses.
- + community control over hospital medical services through the establishment of a Governing Board.

50¢



West Spider Rock

Navajo Times



VOLUME 21

NUMBER 22 WINDOW ROCK, ARIZONA

SEPTEMBER 6, 1979

Ground broken for Chinle hospital

CHINLE—"It's really happening" was a comment made frequently by speakers and guests who gathered at the groundbreaking this past Saturday for the planned Chinle Comprehensive Health Care Facility.

After more than two years of planning, meeting and but-torholing politicians, ground was indeed broken before

some 200 persons and v.i.p.s., including a U.S. senator, tribal chairman and director of the Indian Health Service.

"We've been working together for many years to get to this point," said Dr. Emery A. Johnson, director of the Indian Health Service. "This is just the beginning."

"It's really happening," said Dr. Marlene Haffner, Navajo Area IHS director. Once-a-week Chinle Hospital Steering Committee meetings during the last two years finally paid off, Dr. Haffner told the gathering.

Also praising the tenacity and dedication of the steering committee was Navajo Tribal Chairman Peter MacDonald. "No matter where I went the last year it seemed there was always a member poking me in the side reminding me about the hospital."

Ground will be broken shortly for a Chinle shopping

can't to page 3



TIMES photos - P. J. Natonaboh

Ground broken for a New Hospital

Arizona Sen. Dennis DeConcini breaks ground for Chinle Hospital last Saturday. Watching is Navajo Tribal Chairman Peter MacDonald, Jon Colvin, Emmett Bia and Dr. Gregory Alexander.

More about hospital

Continued from page 1

center, the chairman said. "The Navajo Nation is moving forward and Chinle is no exception."

The chairman also took the opportunity to give a few verbal pats on the back to Ariz. Sen. Dennis DeConcini. "There's no doubt in my mind that unless we had a good friend like Sen. DeConcini, this facility wouldn't be a reality."

"We need friends who will not quit on us," he said.

"We're seeing the American dream brought here," DeConcini said. "You people made it happen."

The crowd then lined up in the noon-day sun for an unexpected lunch of barbecued buffalo.

The 60-bed facility should be finished in two to two and a half years, said Dr. Gregory Alexander, Chinle service unit director for IHS.

With a staff of about 400, the facility will provide services comparable to hospitals in Fort Defiance, Tuba City and Shiprock, including an intensive care unit.

Dr. Alexander said the facility should "take some of the load off" other health care facilities serving the reservation, especially Keams Canyon's hospital.

With the exception of complicated surgery cases, such as those involving head trauma and premature babies, the Chinle hospital will meet the health care needs of the 20,000 to 25,000 persons in the area, according to Dr. Alexander.

Those who donated for the hospital site were: Irene Nez; Alice McCabe; Roseta Davis; Hosteen and Barbara Tso; Charley and Bah Davis; Sarah Davis; Mary Bitsui; Guy and Juanita Gorman; David and Iris Garcia.

Members of the Chinle Hospital Steering Committee include: Nelson Gorman, Jr.; Jon D. Colvin; Jo Puckett; Eric Dahlstrom; Evangeline Harstock; Theodore Evans; Emmet Bia; Guy Gorman, Sr.; Elizabeth E. Mumm; William F. Smith, Sr.; Richard Lupke; Dr. Gregory P. Alexander; Doris R. James; Shirley Atson; and Allan Begay.

Master of Ceremonies for the groundbreaking was Nelson Gorman, Jr.

DEDICATION



Chinle Comprehensive Health Care Facility

**August 28, 1982
Chinle, Navajo Nation**

In Beauty (happily) I walk
With Beauty before me I walk
With Beauty behind me I walk
With Beauty above me I walk
With Beauty all around me I walk
It is finished in Beauty.

Navajo Blessingway Ceremony













Program

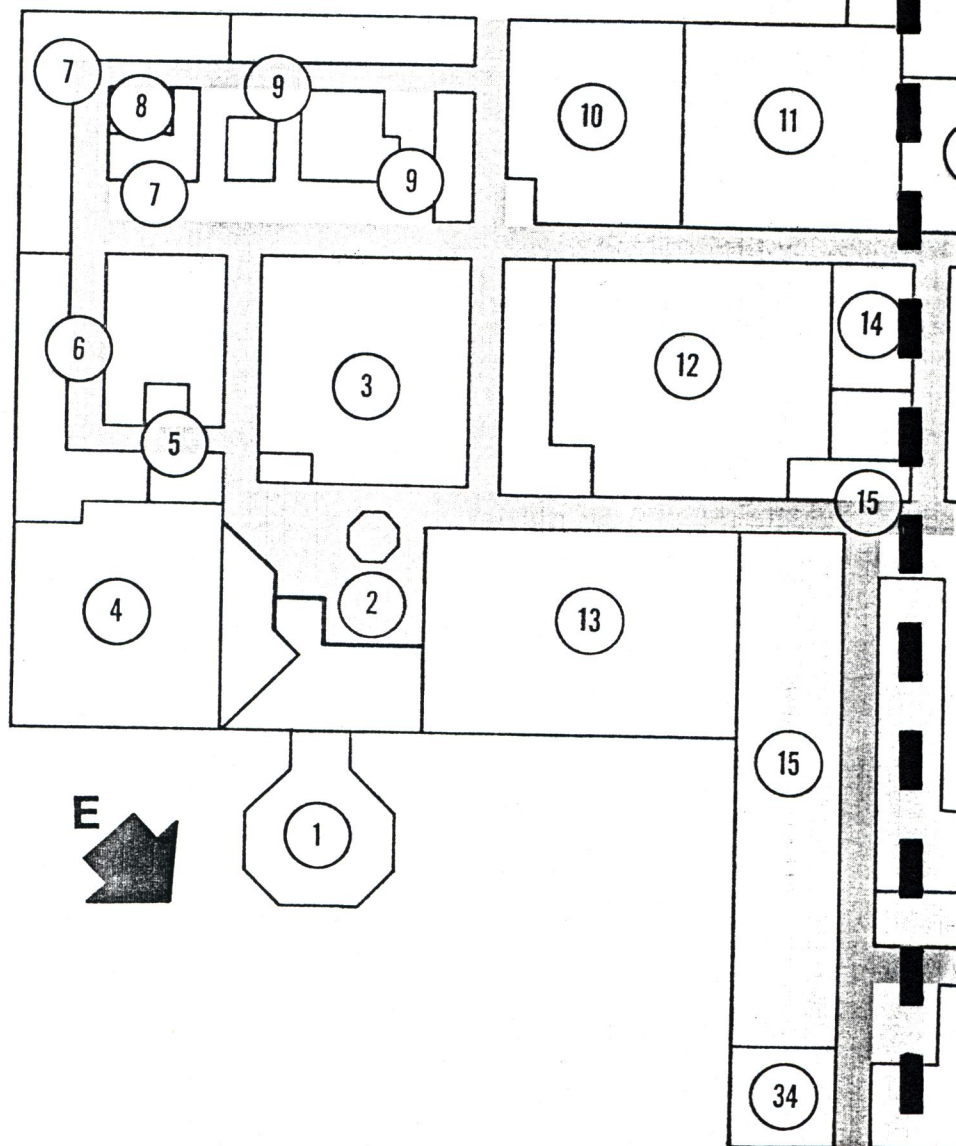
Frank Begay, Medicineman, according to Navajo tradition has performed a ceremony to bless the facility this morning during the early hours of the day. Attendance was limited.

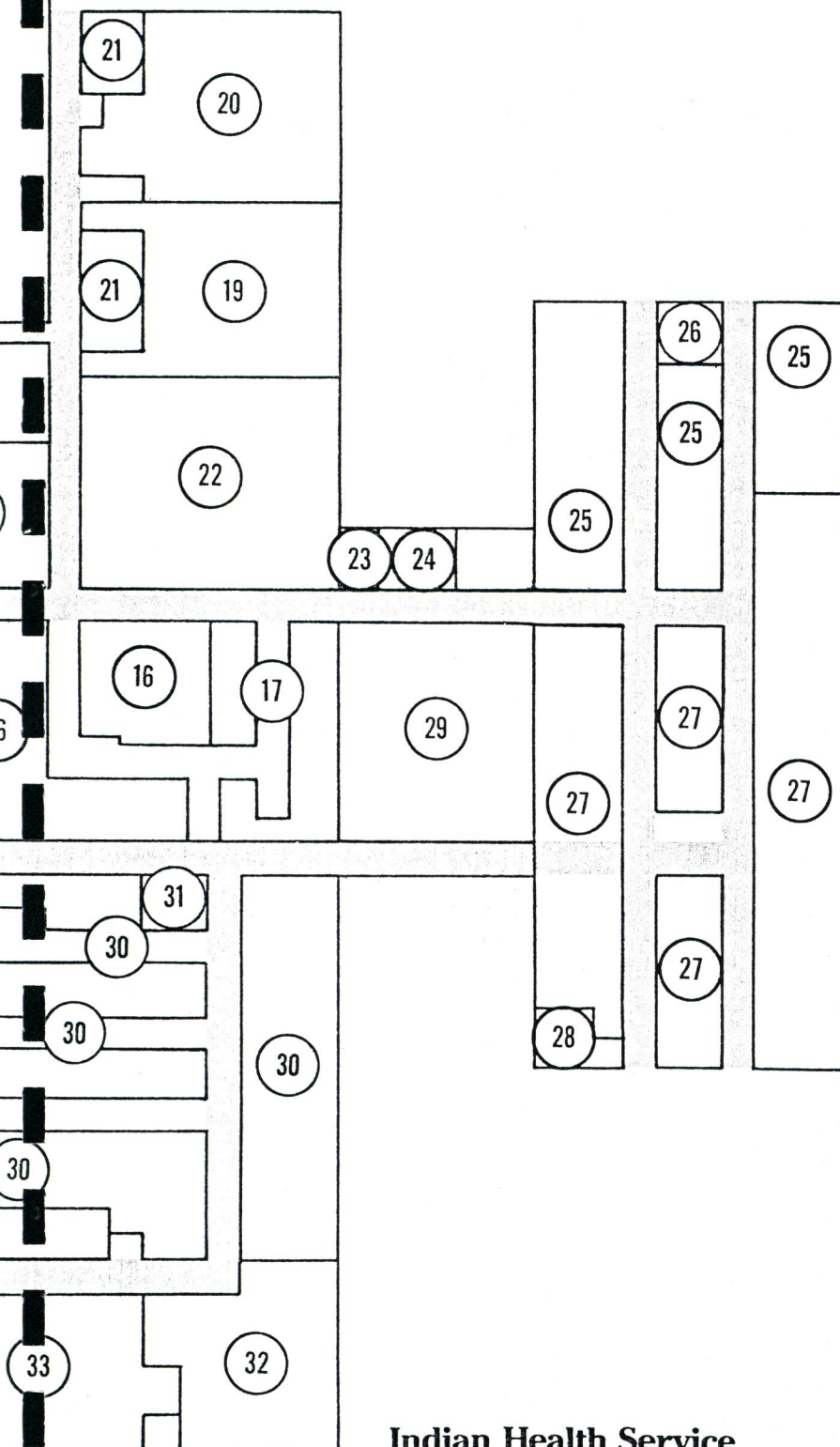
| | |
|--|--|
| Master of Ceremonies | Nelson Gorman, Jr., Chairman Chinle Hospital Steering Committee |
| Invocation | Fr. Blane Grein, O.F.M. |
| Presentation of the Colors | Chinle High School Junior ROTC |
| National Anthem | Navajo Tribal Band |
| Welcome | Gregory P. Alexander, M.D., Director Chinle Service Unit |
| Remarks | John Porvaznik, M.D., Acting Director Navajo Area Indian Health Service Marlene E. Haffner, M.D., Associate Director of Health Affairs, Bureau of Medical Devices, Food and Drug Administration Andy Ayze, Chairman Chinle Service Unit Health Board |
| Music | Rock Point Community Singers |
| Recognition of Honored Guests | Nelson Gorman, Jr., Guy Gorman, Sr. Council Delegate, Chinle Chapter |
| Music | Navajo Tribal Band |
| Principal Speakers | The Honorable Peter MacDonald Chairman, Navajo Tribal Council The Honorable Dennis DeConcini Senator from Arizona |
| Dedication of the Hospital to serve Indian people | Everett R. Rhoades, M.D., Director Indian Health Service, and Assistant Surgeon General |
| Announcements | Nelson Gorman, Jr. |
| Benediction | Theodore Evans, Vice President Chinle Chapter |

**Lunch will be served immediately following the ceremony.
Tours will begin immediately after lunch.**

Chinle Comprehensive Health Care Facility

-  Administration 15
-  Adult-Inpatient Rooms 27
-  Adult-Outpatient 9
- Central-Sterile Supply 19
-  Community Health 33
-  Dental 13
-  Dietary & Dining Room 22
-  Emergency Room 10
- Hogan Entry 1
-  Hearing 13
- Inner Court Yard 29
-  Intensive Care 17
-  Laboratory 11
- Learning Center 8
-  Lobby 2
- Maintenance & Housekeeping 21
-  Maternal & Child Health 6
-  Medical Records 3





Mental Health 34



Native Healing 28



Nursery 31



Obstetrics 30



Pediatrics-Inpatient Rooms 25



Pediatrics-Outpatient 7



Pharmacy 4



Physical Therapy 18

Playroom 26

Quiet Room 23



Renal Dialysis 32



Respiratory Therapy 24



Social Service 14

Specialty Clinic 5

Supply 20



Surgical Suite 16



Vision 13



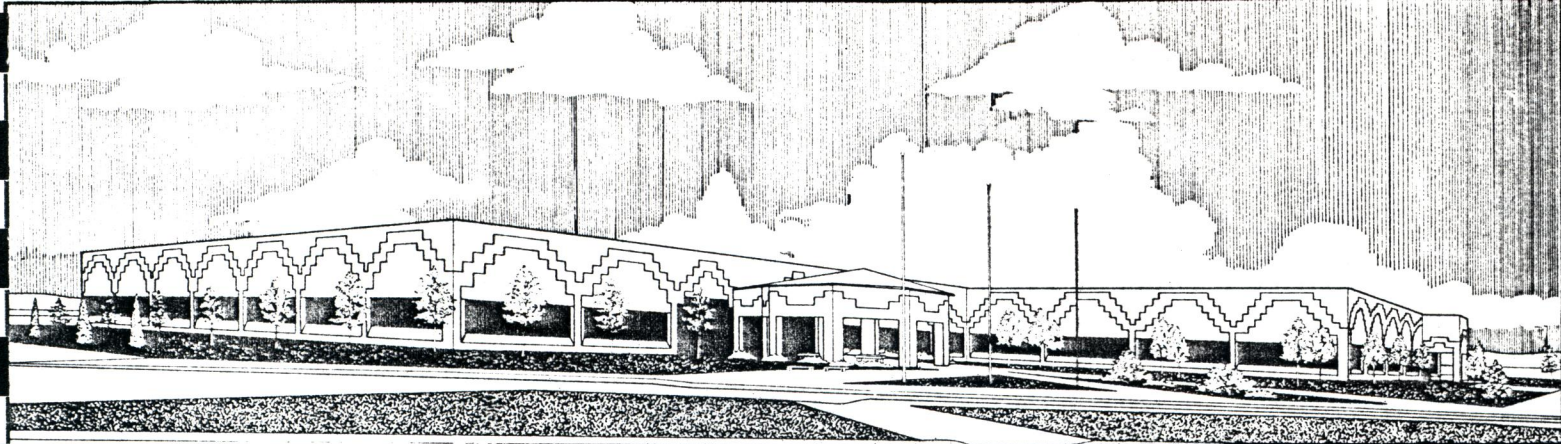
X-Ray 12

Land Donors

Mary Bitsui
Charley and Bah Davis
Rosita Davis
Sarah Davis
Iris Garcia
Guy and Juanita Gorman
Joseph and Lillie Klade
Roy and Esther Tso Klade
Alice McCabe
Irene Nez
Hosteen and Barbara Tso

Chinle Hospital Steering Committee

Nelson Gorman, Jr., Chairman
Jon D. Colvin, Vice Chairman
Gregory P. Alexander, M.D.
Allan S. Begay
Richard Begay
Emmett Bia, Sr.
Nan Boucher
Steven Chickering
Julia Claw
Eric Dahlstrom
Margaret DiClemente
Tavita Dorow
Theodore Evans
Jerome S. Gettleson
Guy Gorman, Sr.
Evangeline Hartsock
Doris R. James
Stephen LeCuyer
Richard D. Lupke
Elizabeth E. Mumm
Ora Jo Puckett
William F. Smith, Sr.
Shirley A. Stoner
Ernest K. Tsosie
Ava J. Wolfe
Patti Zelenak



How It Came To Be

In 1977 through the planning of Jerome S. Gettleson, then Service Unit Director, Evangeline Hartsock and other community leaders, a public meeting of the people of the Chinle Service Unit was held to determine what could be done to build a hospital at Chinle. Out of this meeting the Chinle Hospital Steering Committee was formed. Committee members, supported by resolutions from the Chinle Service Unit Health Board and other community organizations, convinced the Navajo Tribal Council, Indian Health Service and Congress that Chinle Hospital be moved to the top of the Tribal and Indian Health Service priority lists within a very few months. The first monies were appropriated in 1978.

Another significant problem was solved when area residents donated over 100 acres of their traditional grazing land for the hospital and staff housing.

The Committee has supported the concept that the hospital meet and reflect the needs of the people, and because of this the Committee and the Service Unit staff have taken and continue to take an active part in the planning and development of the hospital—all working together for better health care delivery.

Endless hours extending late into the night and sometimes all night have been spent by committee members and a core group of Service Unit staff to assure that the finest facility and equipment were secured to provide comprehensive health care for the 27,000 people living in the heart of the Navajo Nation.

The job is not yet done. While outpatient services will be moved to the new facility this fall, expanded services and inpatient care may not be available for another year or two. Currently lacking are 219 homes to accommodate the 324 additional staff members necessary to adequately staff and operate the facility. Attempts thus far to obtain housing have not been successful.

There is still much work to do. Any person who would like to join the Committee to pursue these unmet goals is most welcome.

Gregory P. Alexander, M.D.
Director, Chinle Service Unit

Nelson Gorman, Jr., Chairman
Chinle Hospital Steering Committee

It is appropriate to acknowledge in particular the efforts of the Congress, Navajo Area Indian Health Service, Regional Operations for Facilities, Engineering and Construction and the Navajo Tribal Council.

The Chinle Service Unit Health Board represents the fifteen chapters in the Service Unit area. They have consistently supported the establishment of a hospital at Chinle through work with the chapters and resolutions.

| | |
|----------------------------|---|
| Andy Ayze, Chairman—Chinle | Leonard Elthie—Forest Lake |
| Phillip Bedonie—Hard Rock | Lucy Gray—Lukachukai |
| Dorothy Begay—Rough Rock | Susie Lee—Cottonwood |
| James Begay—Rock Point | Joe Martinez—Low Mountain |
| Nellie Begay—Nazlini | Ramona Nalwood—Pinon |
| James Burbank—Blue Gap | Mildred Silversmith—Tsaille/Wheatfields |
| Irene Tsosie—Many Farms | |

The Rough Rock Demonstration School for Medicinemen through its Coordinator, Linda Hadley, has had significant input into the Native Healing Arts Program for the hospital which includes a hogan within the hospital, traditionally designed for use by the patients and the medicinemen.

The new hospital logo was designed by Eddie Tsosie.

Since the establishment of the Chinle Hospital Steering Committee in March 1977, a core group of people have continuously and diligently worked to bring the reality of a hospital to Chinle. On numerous occasions committee members have called on businesses, chapters, individuals, governmental agencies, and other organizations for financial support, labor, and services to further this endeavor. Since the committee has never been able to avoid the luxury of a historian, it is too great a risk to try and name all of those who have made contributions during the past five and one half years for fear of leaving some out. However, every contribution, regardless of size, has helped to bring to the people of the Chinle Service Unit this Comprehensive Health Care Facility.

| | |
|----------------------|---|
| Architects | Bennie M. Gonzales and Associates, Inc. and Stone, Marracini and Patterson, a joint venture |
| Consulting Engineers | Sullivan and Mason |
| Construction Manager | Kitchell Contractors |

THE TRUTH WELL TOLD

Independent

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**A Visit to the
Indian Country**

*The magic and mystique of customs
past and culture present*

Monday through Friday 8 p.m.
Gallup Chamber of Commerce
103 W. 66 Ave. 722-2228 Hostess: Sherry Stockpot

PHONE 863-6811 OUTSIDE STATE (800) 545-3817 20'

GALLUP, NEW MEXICO 87301 MONDAY, AUGUST 30, 1982

NUMBER 204 VOLUME 94

New

Chinle hospital dedicated

The new \$20 million facility stands on the hills overlooking the community of Chinle. It was built with a hogan-shaped entrance, and the simple lines of a traditional Navajo rug design.

Inside, there is a native healing room shaped like a hogan to incorporate traditional Navajo healing ceremonies.

Services to be housed in the new facility include dental services, maternal and child health, mental health, nursery, obstetrics, pediatrics, inpatient and outpatient care, pharmacy, physical therapy, renal dialysis, respiratory therapy, social service, surgical suite, vision and x-ray.

By Katie Saltzstein

CHINLE — Praise was given to the Chinle community, to Navajo and health service officials here Saturday as the newest Indian Health Service facility was formally dedicated.

Dr. John Porvaznik, acting director of the Navajo Area Indian Health Service, recalled the times he had driven two hours to Chinle for an emergency, and then, had to travel with the patients two hours back to Fort Defiance, Gallup or Tuba City where there are IHS facilities.

Now, he said, patients in Chinle can receive the care they need at home.

Navajo Tribal Chairman Peter MacDonald called the health care facility "another milestone in the continuing progress of the Navajo Nation."

Planning for the facility has been in process for 30 years, he said, "which should remind everyone of us that life is a constant struggle, nothing comes easy without dedication, and leadership."

MacDonald reminded the crowd that the facility was not yet complete. Still needed are housing for employees. Therefore, this year, the facility will only be open to outpatients.

MacDonald praised Arizona Sen. Dennis DeConcini, who helped the tribe obtain the funds from Congress for the facility.

DeConcini, traveled to Chinle past signs leading to the hospital that read "Thank you Dennis DeConcini, you have our votes."

The senator told the crowd the reservation "would continue to grow and blossom."

DeConcini was presented with a plaque that said "without your help Chinle would not have a hospital."

Dr. Everett Rhoades, the director of the Indian Health Service, told the crowd of several hundred that this was a critical time for the IHS. With Reagan's veto of the Supplemental Appropriations Bill last week, the future of the IHS is bleak, he said.

He said he had asked MacDonald to serve on a steering committee to work with federal officials to "address the question of whether we can have any more cuts" in the IHS budget. He praised the community, MacDonald and the tribal council for their dedication and leadership in providing the hospital.

Dr. Marlene Hafner, former director of the Navajo Area IHS came to the dedication from Washington, D.C. She also praised the community residents for their perseverance in planning the hospital.

Much praise was also given to Dr. Gregory Alexander, director of the Chinle Service Unit, who received a sandpainting from Nelson Gorman, master of ceremonies and chairman of the Chinle Hospital Steering Committee.

Planning for the hospital began in 1977 when a hospital steering committee was formed under the direction of Evangeline Hartstock, a resident of Chinle. She and others convinced the Navajo Tribal Council, the Indian Health Service, and Congress of the need for a hospital in Chinle.

Area residents donated more than 100 acres of their grazing land for the facility.

Steven Chickering, director of nursing for the facility, said in an interview after the dedication that additional funding is needed for housing. After that, he said, the hospital can open its 60 beds for the public.

A small clinic has served the Chinle community since the 1950s, he said.

PROJECT NAME: PRECISION TOOL AND DIE MANUFACTURING PLANT
ELECTRONIC MODULE ASSEMBLY PLANT

LOCATION: Leupp, Navaho Nation

DESCRIPTION: These are the first two of several related businesses planned for the Leupp area to be owned and operated by Tooh Dineh Industries, Incorporated, a wholly-owned subsidiary of DCI. Future phases include template stamping and wire harness assembly. All are being developed in conjunction with Packard Electric Division of General Motors Corporation.

STATUS: The tool and die plant has received a commitment from Packard Electric for technical assistance and sufficient orders to successfully operate the business for at least three years; has received full funding of \$326,000; has employed two tool and die makers, nine machinist trainees and a secretary/bookkeeper; has received \$150,000 of manufacturing equipment; began production of first precision tool items in May 1983.

The electronic module assembly plant was funded with a \$500,000 BIA Special Economic Development Grant. Packard Electric has purchased the equipment and components and has assigned 6 engineers on-site with an initial investment of over \$2,600,000. The plant will initially employ 16 employees and gradually expand to about 200 within an 18 month period. Production is scheduled to begin in May 1984.

Future phases have proceeded beyond the preliminary discussion stage and are targeted as follows:

| <u>Phase</u> | <u>Production Startup</u> | <u>Projected Employment</u> |
|-----------------------|-------------------------------|---------------------------------|
| Template stamping | 1/85 | 5 |
| Wire harness assembly | 8/84 | 2+ |

BENEFITS: + will be the first self-sustaining manufacturing businesses in the Western Navaho Agency.

+ will develop nearly 300 jobs in this and future phases.

+ will attract other industries to Leupp and the Navaho Nation, reducing dependence on government employment and programs.

+ will create a significant private sector job base and attract private sector capital to Navaho Nation communities.

PROJECT NAME: MANY FARMS FARM

LOCATION: Many Farms, Navaho Nation

DESCRIPTION: A 120-acre demonstration farm being developed as a for-profit business; a joint venture of DCI and the Many Farms Chapter.

STATUS: Received \$74,170 in developmental funding from the Four Corners Regional Commission in February 1981.

60 acres under cultivation in 1982 produced 550 quality bales of alfalfa hay and sudan grass grossing \$1,572.

Has a net operating loss of \$72,270 since startup in April 1981.

BENEFITS: + provides training and employment on a seasonal basis.

+ productively utilizes idle farm lands and water resources.

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Farming at Many Farms. DCI President Allan Begay with the first year's crop of hay from the community fields at Many Farms.



DCI employees Jonah Woody and Mike Crosby build a community hay barn in Many Farms. (Marguerite Swift photos)

Many Farms Takes Initiative

There has always been farming in the mid-reservation community of Da'aK ehalani'.

The rich alluvial soil, good drainage and the waters of the Chinle Wash all contributed to productive land use.

Corn, beans and squash were cultivated by our people in the Chinle Valley for many centuries.

The 1930's and 1940's brought the development of agricultural and livestock cooperatives, livestock improvement programs, and irrigation projects to the Many Farms area. However, as the Navajo Nation went through the socio-economic changes involved with entering a wage-economy, the concept of large scale agricultural cooperatives and farming enterprises diminished.

Today this concept is returning--not only in Many Farms but throughout the Navajo Nation, as outside economic pressures force our people to return to the old ways of self-reliance and self-sufficiency.

This week I want to spotlight Many Farms as a community that took the initiative to establish long-range economic development goals to work toward the future.

Today Many Farms community is a part of an agricultural development concept. Through the Chinle-based Community Development Corporation, Dineh Cooperatives, Inc., (DCI) they have initiated the first step toward establishing a community-run meat processing and packing plant for the central reservation.

The meat processing and packing plant is a part of the broad overall economic development plan for the DCI impact area. This plan is reviewed yearly, keeping up with social and economic change, by the 21-member board of DCI.

Today, DCI is one of the most cost-effective programs on the reservation. Its philosophy, as is the 32 community development corporations throughout America, is based on the concept of alleviating poverty through the development of local business.

There is no need for the Navajo people to travel hundreds of miles to border towns to purchase hay, feed, or veterinary supplies. There is no need for us to market our livestock off-reservation, and then to turn around with our money and purchase beef raised in Texas or Colorado.

The greatest gift we can leave for future generations is the means with which to be self-sufficient. Livestock is an integral part of our tradition and culture, essential to our physical and spiritual well-being. It seems natural, in this period of change, that we incorporate our traditional occupation into a community-based profit-making enterprise.

The first step in these long-range goals for the Many Farms area was to establish a quality source of feed for livestock.

Many Farms Chapter allocated 120 acres of good farming land, and DCI borrowed \$10,000 and received a grant from the Four Corners Regional Commission for start-up costs. 1981 was a developmental year for the Many Farms project; DCI community workers planted 120 acres of alfalfa, mixed with oats and barley as a nurse crop to shade the sensitive alfalfa from sun and wind, break up the soil and retain water.

DCI hopes, once the fields are established, to harvest 7,000 bales of high quality alfalfa per cutting, with two cuttings per summer. The proceeds of the farm will accrue to the Many Farms Chapter and DCI on a shared basis.

The realization of success is based on moving slowly and with deliberation. The agricultural development program at Many Farms, because of considered deliberation, shows signs of being earmarked for success. Next summer's alfalfa fields will be the first step in a three-part project.

The livestock improvement program, to be initiated through DCI this coming spring, in cooperation with Project Heifer, is to be the second step toward the final phase of a meat packing and processing plant for the central reservation.

The Many Farms project has revitalized community interest in farming and self-sufficiency. Once again the community is utilizing its own resources to farm the Chinle Valley.

PROJECT NAME: WIRE HARNESS ASSEMBLY PLANT

LOCATION: Shiprock, Navaho Nation

DESCRIPTION: This will be the third business activity developed by DCI under the corporate ownership of Tooh Dineh Industries, Incorporated. The plant, to be located in the building formerly occupied by Fairchild, will be a dedicated supplier to Packard Electric Division of General Motors Corporation

STATUS: Received bid request from Packard Electric on February 23, 1984. A \$500,000 funding proposal has been submitted to the Bureau of Indian Affairs. Production start-up is scheduled for the fourth quarter 1985.

BENEFITS: + it could provide nearly 200 jobs within a three year period.

+ will utilize a long vacant tribally-owned manufacturing facility.

PROJECT NAME: CHINLE COMMUNITY FIRE DEPARTMENT

LOCATION: Chinle, Navaho Nation

DESCRIPTION: A locally planned, developed and controlled volunteer fire department that has operated under authority of the Chinle Planning Board and Chinle Chapter since it was started with DCI assistance in 1977.

STATUS: 21 persons are volunteer firefighters and officers.

In lieu of an appropriate taxing mechanism, the Chinle Chapter provides revenue sharing funds on an annual basis to cover training, operating expenses and equipment purchases. Local organizations and businesses also provide support.

Operates \$280,000 worth of buildings and equipment, including six vehicles.

Personnel have received over 1,500 hours of training.

BENEFITS: + provides faster response time to an average of 100 fire and rescue calls a year.

+ results in reduced insurance rates for homes and businesses.

+ obtained from the Federal Communications Commission a fire radio frequency for reservation-wide use to improve emergency communications.

+ develops community pride through volunteerism and cooperation.

+ provides fire prevention and education services to schools, groups and individuals.

+ reviews building plans prior to construction for conformance to life safety requirements; inspects buildings upon request.

+ is developing fire and building codes for chapter adoption.

PROJECT NAME: LIVESTOCK IMPROVEMENT PROGRAM

LOCATION: Districts 4 and 10 of the Navaho Nation

DESCRIPTION: A program to improve the quality of livestock for the Navaho People through the provision of better cattle and sheep, training, veterinarian services and breeding services to selected herds in Districts 4 and 10. Livestock are distributed to Navaho families, who return the first and second year offspring to DCI and retain future offspring. Some of the animals returned to DCI are sold to cover program costs, the remainder are distributed to additional families.

STATUS: A \$57,600 grant from the Heifer Project International was received in January 1982.

100 heifers and calves, 7 registered bulls, 140 ewes and lambs, and 10 registered rams have been placed with 21 families from the Nazlini, Tselani/Cottonwood and Blue Gap/Tachee Chapters.

Approximately \$2,500 worth of veterinary supplies and services were provided through June 1983.

136 hours of training have been given to participating families.

\$6,841 has been realized by sale of livestock.

BENEFITS: + increased quality and quantity of livestock.

+ improved economic conditions for families dependent on livestock.

+ increased knowledge of animal husbandry.

+ increased awareness of and skill in livestock business management.





PROJECT NAME: LOCAL HOUSING DEVELOPMENT CORPORATION

LOCATION: Chinle, Navaho Nation and many other locations

DESCRIPTION: DCI received a grant from the Department of Housing and Urban Development's Community Development Block Grant program, via a subgrant from The Navaho Tribe, to research and establish a mechanism through which increased housing opportunities can be provided within the Navaho Nation. We will focus on (1) unused or underused government programs, (2) conventional mechanisms which provide financing for the great majority of homes built elsewhere in the United States and (3) alternative programmatic designs and financing methods.

STATUS: A Housing Specialist was hired on December 30, 1982.

Research and implementation will continue through June 1984.

BENEFITS: + increased quality and quantity of housing available to Reservation residents.

+ equity buildup through home ownership.

+ reduction of housing shortages.

+ enhanced attraction and retention of personnel.

+ greater community integration.

+ expanded Navaho business opportunities and jobs.

+ importation of outside capital to finance on-reservation housing.

PROJECT NAME: TSEYI' OFFICE COMPLEX

LOCATION: Chinle, Navaho Nation

DESCRIPTION: An office building to provide centralized services to Chinle Agency residents. Potential tenants include the Navaho Tribe, Bureau of Indian Affairs, Indian Health Service, Apache County, doctors, lawyers, accountants, etc.

STATUS: This project is in the preliminary study stage.

BENEFITS: + promotes decentralization of tribal and federal government functions.

+ centralized access to programs and resources for area citizens.

+ increased interagency communications and effectiveness.

+ improved working environment.

+ expanded private sector; this will be a self-sustaining business enterprise.

PROJECT NAME: CHAPTER PLANNING

LOCATION: Various Navaho communities

DESCRIPTION: In order to promote organized local development, DCI works with chapters, planning boards and similar organizations so they can plan their own futures. In many cases, planning documents including chapter profiles, goals and objectives have been prepared with DCI assistance.

STATUS: First phase planning documents have been completed for Pinon, Hardrock, Whippoorwill, Leupp, Birdsprings and Tolani Lake.

A second phase document has been completed for Hardrock.

DCI has worked actively with the Chinle Planning Board for over 7 years and has provided advice upon request to Teec Nos Pos, Alamo, Ramah, and Tsaile/Wheatfields on chapter planning.

BENEFITS: + upgrades local planning and development capabilities.

- + allows local communities to decide on local issues.
- + involves community members in the planning and decision-making process.
- + forms a base for future regional planning.
- + provides the basic data needed for proposal writing and project development.
- + provides a continuing guide for planned, orderly development.
- + provides centralized, easy access to chapter demographics and similar information.
- + provides a model to other chapters, which have used the DCI example to develop similar planning methodologies and results.

