



Kaibab-Paiute *CEDS* Comprehensive Economic Development Strategy



November 2015





November 2015

Comprehensive Economic Development Strategy for the Kaibab-Paiute Tribe of Arizona

Kaibab-Paiute Tribe
1 Pipe Springs Rd
Fredonia, Arizona 86022
Phone: (928) 643-7245
Website: <http://www.kaibabpaiute-nsn.gov/>

Submitted by:
Cota Holdings, LLC
PO Box 692
Jemez Pueblo, NM 87024
Roger Fragua, Principal
720.220.7720
rogerfragua@gmail.com



ACKNOWLEDGEMENTS

Council

Chairman- Roland Maldonado
Vice Chair- Carmen Bradley
Council Member- Yolanda Rogers
Council Member- Elwin John
Council Member- Lawanda Hill
Council Member- Carlos Bulletts
Council Member- Manuel Savala

KAIBAB PAIUTE CEDS

Table of Contents

I. Executive Summary..... 1

 A. Plan Summary 1

 B. CEDS Purpose and Requirements and Prior Planning..... 4

II. Kaibab Paiute History..... 8

III. Kaibab Paiute Tribe 14

 A. Land..... 14

 B. Government..... 15

 C. Demographics 17

 D. Finance..... 19

 E. Education and Health Care..... 19

 F. Traditions, Culture and Beliefs 21

 G. Economy 23

 1. Current Enterprises 23

 2. Regional Economy..... 23

 3. SWOT..... 24

 4. Organization and Business Dynamics..... 25

 6. Financing 29

 7. Vision and Opportunity..... 32

 8. Challenges 38

IV. Economic Resiliency..... 39

V. Plan of Action and Control..... 38



I. EXECUTIVE SUMMARY

A. Plan Summary



Within ten years, the first Indian reservation was established in order to assimilate the Native population. The attempted acculturation process included sending children to Indian schools and limiting the land bases and resources of the reservations.

The Paiute people are connected culturally and linguistically, but not politically. At one time small bands and family groups roamed throughout the Western United States. The extended family was the main unit of social organization. Bands were composed of loose affiliations of families led by a headman selected for his abilities. The Southern Paiute, of which the Kaibab-Paiute are a part, entered the region they currently inhabit in the 14th Century CE. Prior to contact with Europeans, the Paiutes led a highly mobile nomadic lifestyle. The Southern Paiutes adopted farming traditional crops from the nearby Pueblo people, but lived primarily from hunting and gathering.

The first contact with Europeans came about in 1776, when a Spanish expedition entered the area. Prior to that time, the Southern Paiute suffered slave raids by the Navajo and the Ute. The Paiute settlements in the Great Basin were relatively free of non-Native settlers until the first Mormons arrived in 1847.

Within ten years, the first Indian reservation was established in order to assimilate the Native population. The attempted acculturation process included sending children to Indian schools and limiting the land bases and resources of the reservations. Mormon settlers strategically occupied Paiute water sources, which created a dependency relationship. The introduction of European settlers and agricultural practices (most especially large herds of cattle) made it difficult for the Southern Paiute to continue their traditional lifestyle, as it drove away the game and reduced their ability to hunt, as well as to gather natural foods.



New hotel rooms are being built in Kanab and St. George as existing hotels are running at 90% occupancy. Employers cannot find enough workers and housing is at a premium. Unemployment in the area is virtually nil – at close to 3%.

The Kaibab remain culturally distinctive despite three hundred years of European impact which brought epidemic disease, enslavement and captivity in the 17th and 18th centuries, baptism and massacres in the 19th century, and neglect and broken treaties in the 20th Century. Despite the fact that a Reservation area was set aside for the Kaibab-Paiute in 1913, during the early part of the 20th Century, the Tribe was largely ignored by the US Government. Paiute women worked as maids, cleaning houses and washing clothes in neighboring towns. Paiute men worked as section hands for the railroad, did intermittent labor on farms, and sometimes worked small plots on reservation land.

Federal recognition was terminated for four of the Southern Paiute bands in 1954, including the Kaibab. Although BIA documents clearly recognized that the Paiutes were not ready to survive without the benefits of a trust relationship, without federal tax protection, health and education benefits, or agricultural assistance, the Paiutes were reduced to a marginal existence during the late 1950s and 1960s. The Southern Paiute also were subject to the collective loss of over 43,000 acres from their land base. Federal recognition status, as well as government services were restored in 1980. Passage of the Indian Self-Determination and Education Act in 1974 stimulated economic development in Indian Country from the late 1970s into the 1990s. By the latter twentieth century, most Paiute communities had successfully installed electrical and telephone services, plumbing, paved streets and built better housing. The Kaibab reservation currently consists of 120,840 acres straddling Coconino and Mohave counties in northern Arizona next to the Utah border. There are 360 registered Kaibab Tribal members.

The region is extremely rural and isolated, with the closest large communities of Las Vegas, Nevada and Flagstaff Arizona close to 240 miles away. The small neighboring towns in southern Utah, however, are going through an economic boom, based primarily on tourism. There are striking geological features, national parks and proximity to the Grand Canyon that has been drawing tourists. Tourists recently seemed to have “discovered” this area. New hotel rooms are being built in Kanab and St. George as existing hotels are running at 90% occupancy. Employers cannot find enough workers and housing is at a premium. Unemployment in the area is virtually nil – at close to 3%.

Unemployment on the Kaibab Reservation is relatively low for an Indian reservation at about 6%, while the rate of poverty remains high, as Tribal members mostly work at low-paying regional hospitality jobs. Almost all Tribal members have completed high school, but very few have received any additional training or higher degrees. Despite some minimal assistance offered by the Kaibab Education Department, higher education remains unaffordable, both because of tuition and distance. This has resulted in a general lack of Tribal capacity.

The Tribe has a chairperson and a six person elected Council. The Tribe operates a number of departments with a total budget of close to \$12 million. The Tribe is financially stable, with primary income coming from gaming allotments from other Arizona Tribes and government grants. The Tribe operates a convenience store/ gas

station, a cattle ranch and a small hunting operation. The Tribe receives minimal profits from its business activities.

The Tribe's long-term vision is - *To promote cultural preservation, while improving the quality of life by offering new secure housing and improved healthcare, higher education and suitable economic development opportunities leading to financial security for our Tribal Government and community members.*

The only revenue sector that can be increased to facilitate the realization of that vision is the commercial sector. The Tribe can both strive to put existing businesses on a more profitable footing and develop new businesses. In order for this to happen, the Tribe needs to carefully bring in outside capacity that is sensitive to cultural values, is ethical, and will prioritize Tribal goals by establishing a business oversight board. This can be done, but it must be done carefully with the realization that there has been a history based upon exploitation and mistrust.

If the Kaibab Tribe can develop business capacity, there is tremendous potential. Budgets, goals, and business oversight need to be put in place. The convenience store could bring in additional profit. There is no reason for the ranch not to be making money, as cattle prices are at an all-time high. Over the long-term, the ranch can be structured to provide ranch direct, branded pasture raised beef. The Kaibab region offers some of the best hunting experiences in the West, with a vast herd of mule deer. Kaibab is working with university programs to help manage deer populations. The Kaibab hunting program is not marketed, and always has a waiting list of several years for a minimal number of guided hunts. The Kaibab hunting program could easily be marketed and expanded and bring in substantial revenue. Kaibab can also substantially increase tax collection by the Tribe.

Partly due to the booming regional economy and a growing tourism sector there are also substantial opportunities for new Tribal businesses. Tribes have substantial financing and marketing advantages that can be used to attract joint-venture partners. There is major potential for this type of development, but it must be done carefully, with the right contacts and appropriate due diligence. The Inter-Tribal Council of Arizona (ITCA) is developing an economic program for its member Tribes and may be able to assist in that regard.

Due to the Affordable Care Act and through what is known as 638 contracting, along with new trends in "medical tourism", Tribes can earn substantial revenue from Indian Health Service funded health clinics. Rather than wait for IHS to build a clinic, it may be possible to work with a joint-venture business that will finance, build and help manage a Tribal clinic as a Tribal revenue source. There are no close by medical facilities for Tribal members or surrounding communities.

The Tribe owns property and residences in neighboring Fredonia. Again, working with joint venture partners, the Tribe can construct and manage hospitality venues such as B&B's, and can develop multi-family housing to help benefit from current strong demand. The Tribe can look at operating eco-tourism programs. Tribal eco-tourism along with hunting and the current high demand for lodging can help to sustain a high-end resort. There are none in the area. Fredonia, the closest community to Kaibab is the gateway to the Northern Rim of the Grand Canyon. Kaibab can even look at the possibility of establishing a resort with gaming.

These suggestions are by no means exhaustive. Increased business development involves planning, vetting and the capacity to evaluate decisions and properly manage and monitor enterprises – all factors that are eminently achievable by the Kaibab Tribe.



Developing capacity, developing diverse business sectors, and spending resources on developing internal capacity by encouraging education and training of Tribal members all lead to less dependence on outside gaming revenue and government

Developing capacity, developing diverse business sectors, and spending resources on developing internal capacity by encouraging education and training of Tribal members all lead to less dependence on outside gaming revenue and government – helping to promote Tribal sovereignty, independence, cultural integrity and economic resiliency - all factors that will go a long way towards increasing the quality of life for Tribal members and the realization of the Kaibab long-term vision.

B. CEDS Purpose and Requirements and Prior Planning

A Comprehensive Economic Development Strategy (CEDS) is the outcome of a regional planning process that is encouraged by the federal economic Development Administration (EDA) designed to assess current conditions and guide the responsible economic growth of an area. It includes an analysis of factors that account for a community's current economic state, identification of critical issues and economic opportunities, a clear vision statement, specific strategies to achieve community goals, and an implementation plan which ensures community and stakeholder participation.

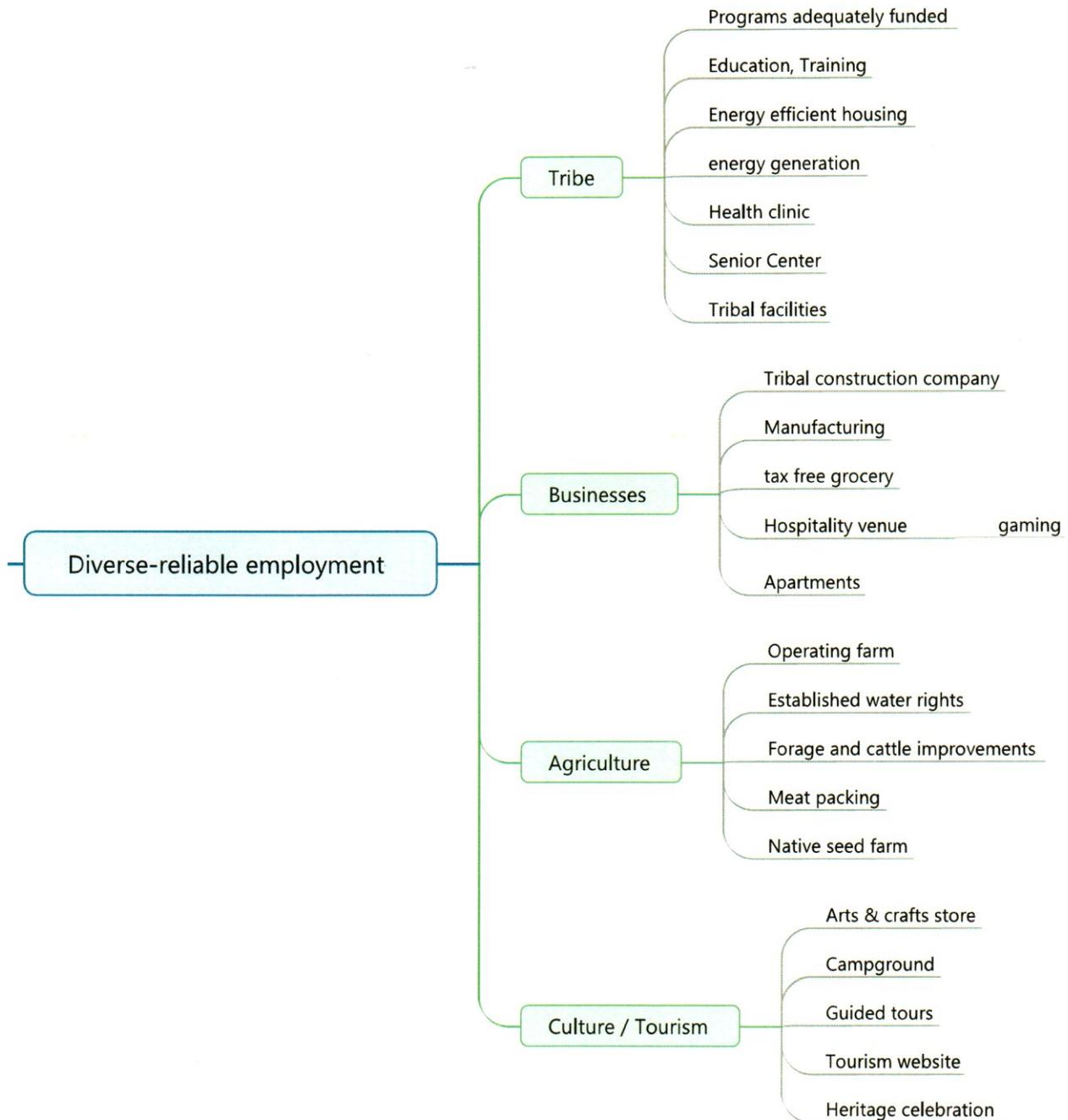
The successful implementation of a CEDS is designed to result in economic growth through capitalization on current strengths, utilization of community resources, and improvements to labor, infrastructure, health, education, and housing. This is achieved while protecting natural resources and the environment, resulting in a higher quality of life for community members. The CEDS process, is designed to be repeated every five years as a manageable means to achieve enduring economic health. It maintains, strengthens, and revises long-term economic goals over decades by apportioning them into practical and attainable projects which create real and visible solutions to immediate problems.

The Public Works and Economic Development Act of 1965, as amended, requires a CEDS in order to apply for investment assistance under the U.S. Department of Commerce Economic Development Authority's (EDA) Public Works or Economic Adjustment Assistance Programs. This plan outlines a positive vision for economic growth based on an understanding of the tribe's values and goals as well as their current economic state, challenges, assets, resources, and opportunities.

REQUIRED CEDS PROCEDURE:

- Appoint a Strategy Committee
- CEDS draft must be available for review and comment by the public for a period of at least thirty days prior to submission
- Annual submission to the EDA of an updated CEDS performance report
- Submission of a new CEDS at least every five years, unless the EDA or the Cocopah Tribe determines that a new CEDS is required earlier due to changed circumstances.

This CEDS Plan is another plan among several that have been completed on behalf of the Kaibab Tribe. Three earlier strategic plans were prepared by the Tribe, including: the 1980 Overall Community Development Plan (OCDP), funded by a HUD 701 Comprehensive Planning Assistance Grant; the 2002 Strategic Plan, funded by the Council of Energy Resources Tribes (CERT) and facilitated by the Alire Group Facilitation Services; and the 2005 Integrated Resources Management Plan (IRMP). These were used to establish the foundation for preparation of a Strategic Plan in 2010, which was funded by ANA (Administration for Native Americans). The earlier plans were used to establish the foundation for preparation of the 2010 strategic plan. A summary of some of the major goals from the 2002 plan, which are also cited in the 2010 plan, are on the following chart.





Tribal planning, however, can be viewed as a strategy which Tribal communities use to insure the continuity of their cultural traditions within the framework of developmental change, and to enhance the quality of life for themselves and for the coming generations.

It is interesting to compare the goals developed in 2002 with the goals and objectives brought out now in 2015. A few goals were accomplished in that time period. One of the issues may be that the planning process used in 2002 produced a very long list of potential specific projects, that taken as a whole, was overwhelming. At the same time, the overall goals may have been too generalized. The 2010 ANA Plan did a better job of categorizing goals and objectives and developing an Action Plan with responsibilities, priorities and a timeline.

Planning is much easier than implementing. Planning is often a consultant function, while implementation is pursued by the Tribe. This is one reason why many Tribes have a plethora of plans with little to show for it. One way around this is to prioritize just a few projects that meet significant Tribal goals, and identify Tribal member, department heads or viable committees that are committed to pursuing implementation. Then very specific and targeted business plans can be built around individual projects and be geared towards implementation.

Tribal planning, however, can be viewed as a strategy which Tribal communities use to insure the continuity of their cultural traditions within the framework of developmental change, and to enhance the quality of life for themselves and for the coming generations. Planning which takes place at the community level can be used to counteract the often overwhelming impact of plans conceived outside the community by persons who know little about the people for whom they design developmental projects. The planning process can also be useful in reducing the problems that confront Tribal administrators who want to encourage the participation of community members in the difficult process of change.

Successful implementation requires strong and consistent leadership. This can sometimes be a problem in Tribal environment due to changing governments. One way to deal with this is through the development of a Tribally owned Section 17 Corporation dedicated to business development. This is dealt with in the section on Organization. Another Tribal dynamic that can create implementation issues is the fact that Tribal businesses operate within a very tight knit and small community environment. It is a universal fact that the majority of small business enterprises fail. Failure of a small private business within a large community or city impacts the people involved, but not much else. Mounting a business within a Tribal environment— whether Tribal or individual – happens within a fish bowl. Everyone knows the people or person involved. If a business or enterprise fails – people are blamed. This can cause extreme risk aversion within a Tribal environment. People learn by trying and failing, and by trying again. This process is more difficult within a Tribal situation.

A tool that can encourage implementation is a business plan. A business plan should be built with the participation of the people or organization that will implement it. A good business plan states clearly why a particular venture will make money and summarizes the opportunity along with how it can be implemented within the Executive Summary. The Executive Summary should also address risk and feasibility. Feasibility

elements include market feasibility, managerial feasibility, financial feasibility, and technical feasibility. After the executive Summary, the second most important part of a business plan is the financial projections. The projections normally provide a conservative budget/ profit and loss statement with cash flow for at least a five-year period and indicates whether a business venture is viable or not. The remainder of the plan narrative basically serves to back up the numbers. The financial section should also present a viable capitalization strategy.

Tribal capitalization usually involves an amount of grant funding. Grant writing resources need to be available to the Tribe. A good plan can usually assist with the grant production process. Tribes, however, are the only entities within the US that can act as both a business and government. This can open up distinct advantages as far as Tribes are concerned, and are addressed in the section on Organization.

The overarching highest priority areas identified by the Kaibab-Paiute Tribe in the ANA Strategic 2010 Plan have not changed much, and are reproduced as follows:

Economic Development — *The goal is to create new and better paying jobs for tribal members and generate long-term sustainable revenues for the tribal government and tribal families. Achievement of this goal can be attained by developing new profitable and sustainable businesses on or near the reservation. These businesses can be chartered by the tribe or developed as private businesses, owned and managed by tribal members. A key to being successful in meeting this goal, is identifying sources of funding for entrepreneurial initiatives and economic expansion of projects such as RV Park campground, convenience store renovations and expansion, construction enterprise development, and through ongoing reviews and expansion of commercial leases and rights-of-way.*

Cultural Preservation— *The Tribe desires to preserve the Kaibab Paiute language and culture through the development of Kaibab Paiute history books and published language dictionaries. We want to assure that our heritage and traditions are woven throughout our community and incorporated into all of our programs, projects and activities. Cultural concerns should be considered in all development options and activities.*

Improved Housing for Tribal Members — *The Tribe proposes to educate housing staff on available housing finance programs and provide tribal members with the necessary tools to develop life skills in support of budgeting and taking pride in home ownership. We hope to be able to provide clean affordable housing to all our members without overcrowding and excessive rent and mortgage obligations.*

Health — *The Tribe believes that all of our residents should have access to quality health care and that we should encourage healthy lifestyles. We desire to provide access to the support structures needed without traveling long distances for routine and regular treatments and diagnosis. We want to take aggressive action to prevent the onset of new cases of diabetes by conducting monthly diabetic clinics and promoting the benefits of daily exercise and proper diet.*

Education — *The Tribe recognizes the value of education to our future generations and the strength of our tribal government and the viability of our community. We desire to strengthen educational programs by encouraging greater parental involvement in student early development and K-12 education and by emphasizing the importance of higher education to tribal youth. We have adopted a lifelong learning goal from early childhood through the elder programs.*

II. KAIBAB-PAIUTE HISTORY

The Kaibab Paiute can trace their ancestry back over 10,000 years to the Desert Culture or people of the Great Basin. The “Great Basin” is a cultural classification of indigenous peoples of the Americas and a cultural region located between the Rocky Mountains and the Sierra Nevada, in what is now Nevada, and parts of Oregon, California, Idaho, Wyoming, and Utah. This is an area with relatively little precipitation. The original inhabitants of the region may have arrived by 12,000 BCE. 9,000 BCE.

Ancestors of today’s Western Shoshone and both Northern and Southern Paiute peoples entered the region around the 14th century CE. The terms Paiute, Northern Paiute and Southern Paiute apply when referring to groups of people with similar language and culture. It does not imply a political connection or even an especially close genetic relationship. The Northern Paiute speak the Northern Paiute language, while the Southern Paiute speak the Colorado River Numic language. These languages are not as closely related to each other as they are to other Numic languages. Numic is a branch of the Uto-Aztecan language family. It includes seven languages spoken by Native American peoples traditionally living in the Great Basin, Colorado River basin, Snake River basin, and southern Great Plains. The word Numic comes from the cognate word in all Numic languages for “person.” About 1150 C.E. the Kaibab Paiute, who are Southern Paiute people, extended their geographic range further into the Colorado Plateau. At one point, a group of Southern Paiute people were attracted to the area near present day Pipe Spring, which provided them with reliable water in the arid climate of the region.

Prior to contact with Europeans, the Paiutes led a highly mobile nomadic lifestyle. They ranged from the forested highlands of the Rocky Mountains westward to the Sierra Nevada Range, including the desert lowlands in between. The lifestyles of the various bands across this expansive region were largely determined by the particular foods available in the area where they predominantly lived. Most subsisted by hunting small game and gathering roots, seeds, and berries. Men hunted deer, mountain sheep, and antelope. Smaller mammals, particularly jackrabbits, were captured in communal activities using large nets. Waterfowl, such as American coots, at the various large lakes were also hunted. Fish were netted or speared. Women performed extensive plant gathering, including a wide variety of roots (tubers), berries, and seeds. Southern Paiutes lived for many years near the ancient Pueblo peoples who were already settled in the area, and adopted their techniques for raising corn and other traditional crops. The extended family was the main unit of social organization. Bands were composed of loose affiliations of families led by a headman selected for his abilities.

The various natural food sources were gathered through the year in an annual cycle necessitating a good deal of mobility. Groups would break apart into families then rejoin again seasonally. Consequently, Paiute society consisted of economically self-sufficient and politically independent families who seasonally occupied “home” tracts. The fam-

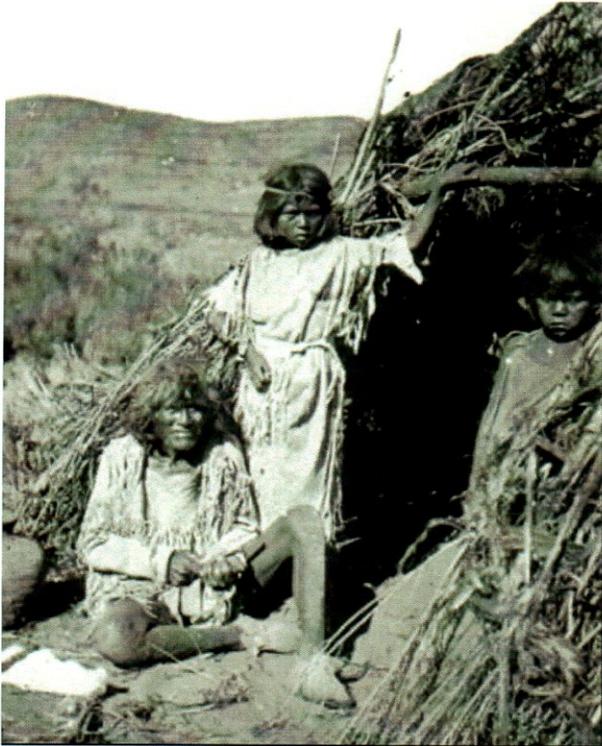


The introduction of European settlers and agricultural practices (most especially large herds of cattle) made it difficult for the Southern Paiute to continue their traditional lifestyle, as it drove away the game and reduced their ability to hunt, as well as to gather natural foods. Paiute lands were overgrazed and former sources of food as well as water were increasingly taken over by the settlers.

NOVEMBER 2015

ilies would unite semi-annually with other families forming a camp group of 2 or 3 families. The core family unit would continually expand or contract and the camp group also changed size and composition seasonally and through the years, often foraging together and pooling resources.¹ Due to their nomadic existence, most traditional Paiute homes were small, temporary huts and were made of willow poles and covered with brush and reeds. These abodes were frequently constructed near streams, where the Paiutes could fish or draw water for sustenance and irrigation.

The first European contact with the Southern Paiute occurred in 1776, when fathers Silvestre Vélez de Escalante and Francisco Atanasio Domínguez encountered them during an attempt to find an overland route to the missions of California. Before that date, the Southern Paiute suffered slave raids by the Navajo and



the Ute. The arrival of Spanish and later Euro-American explorers into their territory increased slave raiding by other Tribes. The Paiute settlements in the Great Basin were relatively free of non-Native settlers until the first Mormons arrived in 1847. Within ten years, the first Indian reservation was established in order to assimilate the Native population. The attempted acculturation process included sending children to Indian schools and limiting the land bases and resources of the reservations.

Though the earliest contact with European hunters and trappers in the 1820s was friendly, hostilities between the Paiutes and non-Indian intruders grew over time. Epidemics of smallpox, cholera, and other diseases swept through Paiute communities in the 1830s and 1840s. The limited contact with Euro-American explorers, fur trappers, and settlers changed abruptly when large-scale migration over the Oregon Trail began in the mid-1840s. Conflicts increased as more and more of the Paiute territory was claimed by whites. The Mormons arriving from northern Utah began settling the best lands of the

Southern Paiutes. By the 1840s the Paiutes to the north and south had acquired horses and guns and began raiding white settlements. The majority of conflicts with whites took place after 1848, when the discovery of gold in California brought a flood of settlers through the center of the Tribe's territory

A Paiute legend describes the creation of the Colorado River through the Grand Canyon, and says that it will swallow those who try to follow it west. In 1869, the Paiute people living close to the Grand Canyon witnessed the boats of the Powell Expedition coming down the River

In 1851, Mormon settlers strategically occupied Paiute water sources, which created a dependency relationship. As the Mormons built their forts and villages around Paiute springs, the Indians became dependent on the "good will" of the invaders and on the "chiefs" that were appointed to serve as spokesmen for the decimated and destitute Paiutes. The introduction of European settlers and agricultural practices (most especially large herds of cattle) made it difficult for the Southern Paiute to continue their traditional lifestyle, as it drove away the game and reduced their ability to hunt, as well as to gather natural foods. Paiute lands were overgrazed and former sources of food as well as water were increasingly taken over by the settlers.

1 <http://www.everyculture.com/multi/Le-Pa/Paiutes.html#>

The Kaibab Paiute began to starve and were forced to move to small camps near the Mormon settlements and take small jobs for food. This was a very big change for the Kaibab Paiute, and over the next 20 years the tribe lost about 90 percent of their population.

The Book of Mormon promulgated by the faith's founder, Joseph Smith, related that American Indians were descendants of the tribes of Israel. At least two immigrations of these tribes had been divinely directed to sail west to the New World with seeds, oxen, horses, and elephants to build an urban civilization based on grain agriculture. After his death, Christ had preached to these migrants as he had to the Palestinians and established a flourishing church. *But the people quarreled and divided; the Nephites held to traditional ways, but others, the Lamanites, abandoned farming and turned to hunting and war. Angered, God cursed them and "did cause a skin of blackness to come upon them" in punishment for their rejection of his teachings. The Book of Mormon described these Lamanites "as led by their evil nature that they became wild, and ferocious, and a blood-thirsty people full of idolatry and filthiness; feeding upon beasts of prey; dwelling in tents, and wandering about in the wilderness with a short skin girdle about their loins and their heads shaven; and their skill was in the bow, and in the scimitar, and the ax. And many of them did eat nothing save it was raw meat; and they were continually seeking to destroy us:" The Lamanites completely wiped out the faithful and progressive Nephites, the Book of Mormon related.' Therefore, the Indians that Mormons met in the nineteenth century were the descendants of these Lamanites, cursed by God, heathens, and heretics to the true faith.*²

This conception of history was not merely abstract theology but, rather, it shaped and permeated relationships between Mormons and Paiutes as Mormons were entering and seizing Paiute country. Young, then head of the Mormon Church, thundered this very doctrine in the Salt Lake City Tabernacle: the aborigines of this country are dark, loathsome, ignorant, and sunken into the depths of degradation. The church saw native title to land and water as neither a substantial nor a moral barrier to such occupation. Settlers argued unashamedly that Mormon occupation would bring both material and spiritual benefits to the displaced natives.³ Some Mormons would either steal or barter for Paiute children from destitute people and keep them as slaves.

The United States and Southern Paiutes signed the 1865 Treaty of Spanish Forks, which was never ratified by Congress. The Treaty was designed to place six Southern Paiute bands on the Uintah Reservation in northern Utah. The first reservation for Southern Paiutes, the Moapa Reservation, was created in 1872. Though several large reservations (Moapa, Pyramid Lake, Walker River, Duck Valley, and Malheur) were established for the Paiutes in Nevada, Oregon, and Idaho between 1859 and 1891, by the turn of the century Tribal lands had been reduced to less than 5% of their original territory. The government between 1910 and 1930 extended formal federal recognition and set aside modest acreage, usually 10 to 40 acres, for many of the non-reservation Paiute bands. Typical of many reservations throughout the nation, the General Allotment Act of 1887 carved up Tribal lands on the larger Paiute reservations into small allotments

² Knack, Martha, *Boundaries Between the Southern Paiutes*, University of Nebraska Press, 2001

³ Ibid



Angered, God cursed them and "did cause a skin of blackness to come upon them" in punishment for their rejection of his teachings.



The Paiutes were impoverished through the loss of traditional economies, suffered population loss from disease and violent conflicts, and were removed from the emerging market economies of non-Indian communities. They were also largely ignored by the U.S. government through the first three dec

allocated to individual Tribal members and then sold the “excess” to non-Indians. The federal Indian allotment policies from the 1890s through 1910 hit some Paiutes particularly hard, carving up reservations and placing the more economically productive lands within reservation boundaries into non-Indian ownership.

In 1907, a 12 by 18-mile reservation was set aside for the use of the Kaibab Paiute people. Yet within that remnant of their former territory there remained two non-Indian enclaves - Pipe Springs National Monument and Moccasin Village. Pipe Springs commemorates the Mormon settlers and the Village of Moccasin is the settlement of the descendants of the early Mormon community that was established there. Control of the water at these locations is still primarily out of the hands of the Kaibab people although the Tribe does retain rights to a portion of the flow of both Pipe and Moccasin Springs. Litigation over water rights persisted throughout much of the twentieth century with frequently unsuccessful results for the Paiutes. Currently the Tribe has no water rights.

There are three natural springs in Moccasin. The area was settled by white farmers in the 1860's. The water from the Sand Spring was piped to a community tank by the schoolhouse, and then to the homes that had been built at the settlement starting 1909. This project made Moccasin “first” in the Kanab Stake to have running water in every home. It was used for lawns, flowers, shrubbery and sprinklers and berry crops. The small town was also among the first communities in Utah to be electrified and obtain telephone service. None of these amenities were provided to the surrounding Kaibab Reservation.

The Paiutes were impoverished through the loss of traditional economies, suffered population loss from disease and violent conflicts, and were removed from the emerging market economies of non-Indian communities. They were also largely ignored by the U.S. government through the first three decades of the twentieth century. A Paiute agency was established in Cedar City in 1927 by the Bureau of Indian Affairs. Nevertheless, very little federal help was available for the Paiutes. Paiute women worked as maids, cleaning houses and washing clothes. Paiute men worked as section hands for the railroad, did intermittent labor on farms, and sometimes worked small plots on reservation land.

In the 1930s U.S. Indian policy dramatically changed when Congress passed the Indian Reorganization Act of 1934. Native groups began to form federally recognized Tribes and gain access to grants and federal services. However, inter-governmental relations declined after World War II. Federal recognition was terminated for four of the Southern Paiute bands in 1954, including the Kaibab. Although BIA documents clearly recognized that the Paiutes were not ready to survive without the benefits of a trust relationship with the federal government, Utah Senator Arthur Watkins included them on the list of Tribes to be terminated. Without federal tax protection, health and education benefits, or agricultural assistance, the Paiutes were reduced to a marginal existence during the late 1950s and 1960s. The Southern Paiute also were subject to the collective loss of over 43,000 acres from their land base. In yet another swing in U.S. policy, however, federal recognition status, as well as services were restored in



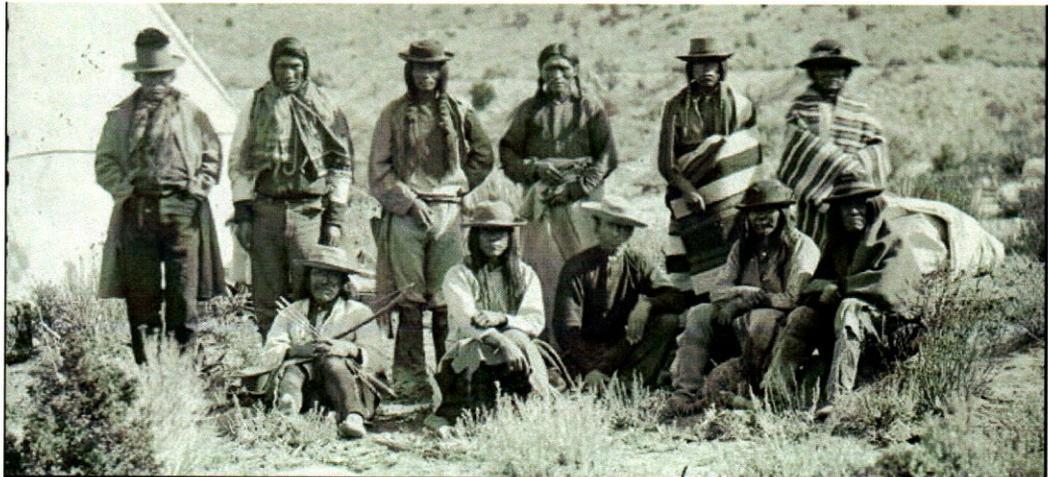
Kaibab remains culturally distinctive despite three hundred years of European impact which brought epidemic disease, enslavement and captivity in the 17th and 18th centuries, baptism and massacres in the 19th century and now, in the late 20th century, the problems of energy, food, water, shelter and political self-determination in an increasingly urbanized American society.

1980. Economic and cultural recovery for the Paiutes was difficult under such vacillating federal Indian policies.

Passage of the Indian Self-Determination and Education Act in 1974 stimulated economic development in Indian Country from the late 1970s into the 1990s. The Act promoted Indian economic self-sufficiency through loan and grant programs. Monies from land claim settlements and federal loans led to various forms of development. Pyramid Lake, Walker River, Reno-Sparks, Las Vegas, and Fallon communities opened smoke-shops and mini-marts. At smoke-shops on Tribal lands, Tribes could sell cigarettes to the public without federal taxes added, making them lucrative when located near well-used routes. The Pyramid Lake Paiutes also built two commercial fish hatcheries and received revenue from issuing recreational fishing permits for the lake. Attempts at developments such as business parks, as at Big Pine, had limited success due to the isolation of Tribal lands. Traditional crafts continued. A few Kaibab artisans became commercially successful. Some Paiute bands began to rely on grazing livestock or issuing grazing leases, including the Kaibab.

By the latter twentieth century, most Paiute communities had successfully installed electrical and telephone services, plumbing, paved streets and built better housing. Economic plight led two Paiute bands to consider controversial projects in the 1990s. The Northern Paiute of the Fort McDermitt Reservation in Nevada discussed the possibility of building a storage facility for high-level nuclear waste on their lands, while the Southern Paiute of the Kaibab Reservation in Arizona debated whether to construct a hazardous waste incinerator. The financial rewards these projects offered the bands made them appealing, but both projects were ultimately defeated due to environmental concerns.⁴

Kaibab remains culturally distinctive despite three hundred years of European impact which brought epidemic disease, enslavement and captivity in the 17th and 18th centuries, baptism and massacres in the 19th century and now, in the late 20th century, the problems of energy, food, water, shelter and political self-determination in an increasingly urbanized American society.⁵



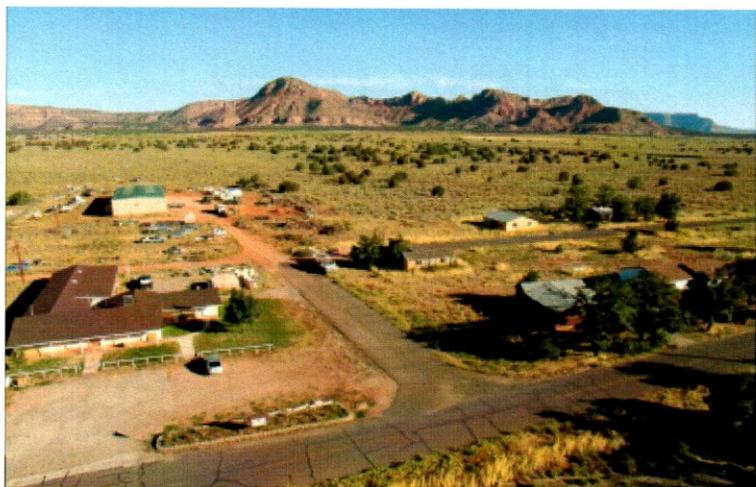
⁴ <http://www.everyculture.com/multi/Le-Pa/Paiutes.html#ixzz3rE5ESi6i>

⁵ Alan Turner, Kaibab-Paiute Community Planning Process, Kaibab-Paiute Tribe, 1979.

III. KAIBAB-PAIUTE TRIBE

A. Land

The Kaibab Paiute Tribe is a federally recognized Tribe of Southern Paiutes. The Tribe is relatively small, with about 360 enrolled members and close to 100 residences. The Southern Paiute once roamed over a vast swath of traditional lands, bounded on the south by about 600 miles of the Colorado River. The Grand Canyon and Colorado River lay within the sacred land of Puxant Tuvip, where the Southern Paiute people believe they were created. Despite the close relationship of the Kaibab Paiute people with the Grand Canyon, the boundaries of the present Kaibab Paiute Reservation do not border Grand Canyon National Park. Instead it rests along the Arizona-Utah border in a high valley on the Arizona Strip, about 50 miles to the north of the park. The Reservation contains five Tribal villages, as well as the non-Indian community of Moccasin and Pipe Springs National Monument. The Tribal villages are Kaibab, Juniper Estates, Steamboat, Six-Mile, and Redhills. A vast majority of the reservation land is undeveloped and spans semi-arid to alpine lands, dominated by pinyon pine and juniper, with many natural springs and several ephemeral washes that feed into the Colorado River. The Reservation is surrounded by small communities including the Arizona



na towns of Fredonia and Colorado City as well as Kanab, Utah. The Reservation is not close to any major metropolitan centers. The nearest is Las Vegas, Nevada some 190 miles to the west. Other close by communities are the small towns of St. George, Cedar City and Kanab, Utah and Fredonia, Arizona.

The Kaibab Paiute reservation was established in 1913. The reservation lands total 120,840 acres and straddle Coconino and Mohave counties. Elevations range from 4400 feet to over 7000 feet above sea level, spanning semi-arid to alpine environments

adjacent to the southern Utah border. Kaibab land contains valuable minerals resources, and the tribe has struggled to get fair compensation for mineral resources during much of its modern history.

The formal removal of Southern Paiutes from their lands began in 1865 when federal Indian agents first attempted to move the Paiutes onto reservations. Southern Paiute use of their traditional lands was also restricted when the plateau on either side of the Colorado River, including the Grand Canyon, was set aside first, in 1893, as the Grand Canyon Forest Reserve, then, in 1908, as the Grand Canyon National Monument. It was not until the 1970s that Southern Paiutes were offered the opportunity to use the natural and cultural resources on the north rim of the Grand Canyon.

On September 1, 1954, the U.S. Congress passed termination legislation (68 Stat. 1099, 25 USC 741 et seq.) that included four Southern Paiute Tribes in Utah, including the Kaibab. This decision contradicted all studies and recommendations made earlier by U.S. federal agents, and it left the Southern Paiutes with little other than the marginal lands in their possession.



the Paiutes, however, were awarded \$8,250,000 for 29,935,000 acres of land.

Kaibab is situated centrally within a wider Southern Paiute “nation” of related bands. Neighboring bands to the west include the Shivwits at St. George, Moapa, and Las Vegas in Nevada, the Chemehuevi at Parker and the probable descendants of the Moqua at Death Valley, California. Northwest of the Kaibab are the Indian Peaks and Cedar Bands and in the Richfield vicinity, the Kanosh and Koosharem. To the east and across the Colorado on what is now the Navajo Reservation are the “San Juan” at Willow Springs and at Navajo Mountain-Paiute Canyon. The communities of the Shivwits, Indian Peaks, Cedar, Koosharem, Kanosh, Kaibab, Moapa, Las Vegas, and San Juan are all Southern Paiute people. Their memberships are also small and ranged from 71 at Las Vegas to almost 300 at Moapa (1992).

Together these bands comprise a social network joined by partnerships established through marriage and friendship. At Kaibab most marriage partners come from other bands resulting in about half the population of the Reservation being non-Kaibab and about half the Tribal membership, having married out, living in the locales of neighboring bands.

In 1951, the Southern Paiutes filed a claims suit with the Indian Claims Commission seeking compensation for their lands which had been taken. The Commission made its final judgment on January 18, 1965. In this settlement, the precise value of the land was not determined; the Paiutes, however, were awarded \$8,250,000 for 29,935,000 acres of land. The land claims settlement did not extinguish other rights, such as those associated with water and cultural resources. Many bands, including the Kaibab, used the money to improve living conditions and develop educational and employment opportunities. In 1980 by an act of Congress five southern Utah Paiute Bands - Cedar, Indian Peaks, Kanosh, Koosharem, and Shivwits – formed the Paiute Indian Tribe of Utah Reservation. Also during the 1970s, five bands of Utah Paiutes formed a legal corporation, the Paiute Indian Tribe of Utah, and received a government grant to build an industrial complex.

B. Government

Traditional Paiute leadership roles recognized leaders as spokespersons, not as autonomous decision-makers and figures of authority. Decisions were frequently made in a consensus-seeking manner among all adult band members. However, the loss of traditional economies and displacement to remote reservations and colonies led to concerns in the early twentieth century regarding health care, schools, law enforcement, sanitation, housing, and utilities. In order to qualify for federal assistance and establish intergovernmental relations with the U.S. government, most Paiute bands, including the Kaibab, formally organized under the 1934 Indian Reorganization Act (IRA). The IRA encouraged the formation of governments based on Western social models rather than traditional Tribal arrangements.⁶

The model included Tribal councils composed of elected individuals headed by a chairperson and written constitutions with by-laws. Though the IRA-formed govern-

⁶ <http://www.everyculture.com/multi/Le-Pa/Paiutes.html>

ments became the focal point of intergovernmental relations with the United States and state governments and other non-Indian organizations, traditional leaders frequently influenced policy directions internally. In some cases, the IRA stimulated factionalism within Tribal politics by aligning traditional versus “progressive” elements of the membership. The contemporary councils commonly serve as business corporations, overseeing use of Tribal funds and promoting economic self-sufficiency. ⁷

A seven-member Tribal Council and a Tribal Chairperson govern the Kaibab Band of Paiute Indians. The Council and the chairperson are elected by the Tribal members and serve staggered terms. A Tribal court and judge preside over tribal legal matters. Tribal government has a full-time staff of 40 people who manage a wide range of social, cultural, and business programs. The energy efficient Tribal government building demonstrates the Tribe’s commitment to sustainability.

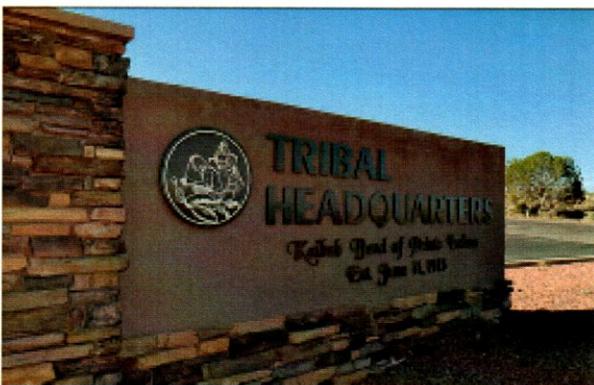
The membership of the current Council is as follows:

- Roland Maldonado - Chair
- Carmen Bradley – Vice Chair
- Yolanda Rogers
- Ila Bullets
- Elwin John
- Glendora Homer
- Laura Savala

The Council is dominated by women, which is unusual within most Tribal governments. The most enduring Paiute tradition through all the dramatic changes of the past two centuries has been maintenance of independent and extended families as the basic social unit. Consequently, as in most Native societies in North America, women play a crucial role. For instance, besides child rearing and managing home life, women are the principal gatherers of traditional plant foods. These foods continue to provide a spiritual focal point in traditional ceremonies and feasts.

The document that authorizes the Tribal Council as the officially recognized entity is the Tribal constitution. At present, only the chairperson is an employee of the Tribe. The primary purpose for the Tribal government

is to provide services to its Tribal membership. The Tribe has computerized its accounting system and has constructed a new Tribal affairs/community services building. Now, the Kaibab Band of Paiute Indians is at a point where one of the primary goals is to create economic development on Tribal lands while protecting natural resources.



Most Federal and State services and programs used by the Tribe are administered through offices well outside the region. Housing programs are administered in San Francisco and Phoenix by the Department of Housing and Urban Development (HUD) or through the Keams Canyon and Phoenix offices of the Bureau of Indian Affairs (BIA). Health care, administered through the Indian Health Service is available at Keams Canyon or at the Phoenix Indian Medical Center. The National Park Service supervising the Tribal camper-trailer park is located in Santa Fe, and the Economic Development Administration which is a major source of developmental funding is

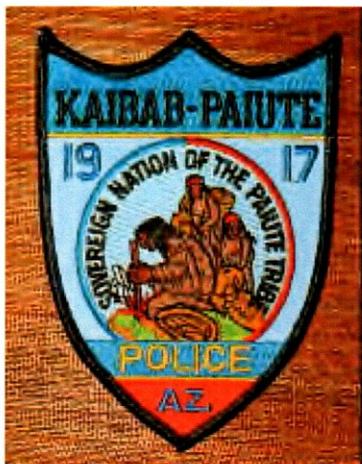
⁷ <http://www.everyculture.com/multi/Le-Pa/Paiutes.html>

located in Seattle. Compounding the jurisdictional and administrative tangle is the fact that the reservation is divided by the Mohave-Coconino County line. State roads are maintained through the Mohave County seat at Kingman. Other services are administered through the Coconino County seat in Flagstaff. These two county seats are about 250 miles from Kaibab in opposite directions.⁸

A variety of social services are provided for Tribal members by the Tribal government. Modern housing development has taken place on the reservation continually since the 1960s. Senior citizen assistance includes nursing care, transportation and meals. Family and personal counseling services are available. Tribal children attend public schools in Moccasin and Fredonia, Arizona. The Tribe operates the following departments:

- Childcare
- CHR (health care)
- Education
- Environmental
- Finance
- Gymnasium
- Housing
- Human Resources
- Human Services
- Information Technology
- Wildlife Department

Tribal enterprises are diverse and growing. Tribal businesses include a gasoline station and convenience store, cattle ranching, sport hunting licensing and guiding, and a public R.V. park and campground. The Tribe also leases administrative office space to the National Park Service for Pipe Spring National Monument.



Cultural programs encompass a broad array of efforts. A primary goal is the preservation of Kaibab Paiute culture, history, language, and crafts to pass to future generations of tribal members. Since the 1990s the Tribe has been increasingly involved in consultations with Federal agencies regarding activities on national parks, forests, and public lands throughout the range of traditional Kaibab lands.

Natural resource programs blend modern techniques with traditional knowledge in managing and sustaining reservation resources. Natural resource inventories complement traditional knowledge about the reservation's plants, animals, geology and water. Special water studies on reservation groundwater resources have been conducted in partnership with the National

Park Service, the United States Geological Survey, University of Arizona, and Northern Arizona University. Pinyon-juniper forest management and fire restoration are project areas receiving more attention with the assistance of Northern Arizona University. An active environmental program educates youth on ecological sustainability.

⁸ Alan Turner, Kaibab-Paiute Community Planning Process, Kaibab-Paiute Tribe, 1979.

C. Demographics

Demographic information is based upon the 2010 Census along with 2010 American Community Survey (5-year estimates) data compiled for the Kaibab Paiute Tribe by the Arizona Rural Policy Institute (ARPI) in the W.A. Franke College of Business at Northern Arizona University. The analysis of demographics for the Kaibab Paiute Tribe first examines the 2010 Census and then the ACS data where available.

The Kaibab Paiute Tribe grew by about a fourth (22.4%) between the last census in 2000 and 2010, not quite as fast as the State (24.6%) or the County (29.1%). This rate may be an underestimate, however, since it reflects growth by birthrate alone and not growth through in-migration. The official Census population of the Tribe in 2010 was 240, comprising 79 households with an average household size of 3 persons and an average family size of 4 persons. There are significantly more females (57.1%) than males (42.9%) within the Kaibab Paiute Tribe. Females (57.1%) comprise a larger proportion of the population among the Kaibab Paiute than either the State (50.3%) or the County (50.4%).

Tribal enrollment has taken on new significance since the advent of Indian gaming. Many Tribes allocate a portion of gaming profits to Tribal members based upon enrollment. In Arizona, non-gaming Tribes share a portion of gaming Tribe revenue. The Tribe receives about \$5M from shared gaming revenue. Tribal members receive from \$1200 to \$1500 annually from shared gaming revenue.

Family households (63.3%) predominate on the Kaibab Paiute Reservation; traditional married couple families are, however, in the minority (26.6%), at rates about half that of the State. (48.1%) or the County (49.5%). Unmarried partner households (15.2%) occur at about twice the rate of the State (7.8%) or the County (8.6%). The largest percentage of households, although not a plurality (31.6%), are female head of households or single moms. Children under age 18 are three times more likely to live with grandparents on the Kaibab Paiute Tribe (6.3%) than they are at the State (2.3%) or in the County (2.1%). Households on the Kaibab Paiute Tribe are almost twice as likely to be multi-generational (7.6%), as in the State (4.9%) or the County (3.7%). The Census defines multi-generational families as family households consisting of more than two generations, such as a householder living with his/her children and grandchildren.

The Kaibab Paiute Tribe is dominated by those under 18 years of age. The under-18 population accounts for 40.8% of all Tribal members, representing a far larger portion of Tribal members than the same age group does for the State (25.5%) or Mohave County (20.6%).

The fact that two out of five Tribal members are younger than 18 years of age carries with it some fairly important policy implications. The large portion of younger Tribal



The fact that two out of five Tribal members are younger than 18 years of age carries with it some fairly important policy implications.



Only about 15% of the population speaks Paiute.

members influences the provision of health and educational services as well as poverty and workforce issues as well. At the other extreme, the Tribe has fewer members who are 65 years or older. This age group, consisting of those who have retired and are out of the workforce, accounts for only 6.3% of tribal members which is half that at the State (13.8%) and one-fourth that at the County (23.3%) levels, indicating again the overall youthful profile of the Tribe.

About 15% of the people living on the Kaibab Reservation are no Native, meaning the rest are of Native American descent.

The median household income for the Kaibab Paiute Tribe is \$28,750, far less than both the County (\$49,510) and the State (\$50,448). Households are twice as likely to have incomes of less the \$20,000 (37%) than are the State (17%) or the County (19%). Households on the Kaibab Paiute Tribe are three times as likely (29%) to receive Food Stamps than are residents of the State (10%) and the County (12%). Per capita Income on the Kaibab Paiute Tribe (\$10,866) is about half of the per capita income of the County (\$21,523) and the State (\$25,680). Correspondingly, median earnings for workers (\$7,159) fall far below the County (\$22,472) and the State (\$29,754), although median earnings for female full-time workers (\$26,667) is much closer to that of the State and County. Poverty rates on the Kaibab Paiute Tribe (24%) are substantially higher than the State (15%) and the County (16%) rates, although no children under 18 years of age (0%) are considered to be living in poverty, which is significant. Almost one-fifth of all households (24%) on the Kaibab Paiute Tribe have a poverty ratio of between 0.5 and .99 or "severely poor". Despite the fact that there is widespread poverty, the unemployment rate at Kaibab was only 6%.

The birth rate for women between the ages of 15 and 50 years is considerably higher for the Kaibab Paiute Tribe (15%) than for the State (6%) or the County (5%). Native Americans are considered the fastest growing minority group in the country.

Of the total population 21 and over, 97% have a high school diploma, but only 3% have a higher degree, with 3 Tribal members enrolled in a higher degree program as of 2010. Only about 15% of the population speaks Paiute.

D. Finance

The Tribal budget is roughly \$12M (2014), representing a slight decrease from 2013. Both government and business revenue showed a decrease. The Tribe receives roughly \$5M in gaming transfer revenues and distributes just over \$2M to Tribal members. The remainder of Tribal income goes towards Tribal programs. The Tribe's finances reflect a net surplus of about 20%, which is added to the General Fund. Business activities in 2014 had operating revenues of \$5.170M compared with expenses of \$5.373M, reflecting a loss. Almost all business revenue came from the Convenience Mart with some minimal income from the department of Public Works and the Ranch. A major fi-

nancial goal can be to increase business revenue and profit since this is the only revenue source that allows for a measure of direct control by the Tribe. The Tribe is heavily dependent upon government revenues and gaming allotment.

E. Education and Health Care

Educational services were inconsistently available to the Paiutes on the various reservations and colonies. Schools were established at the Pyramid Lake and Walker River reservations in the late 1870s and early 1880s. In 1897 Indian schools were opened at Bishop and Big Pine Paiute communities and shortly afterwards at Independence. Not until after the turn of the century did other Paiute communities establish schools, from Lovelock Paiutes in 1907 to the Burns Paiutes in 1931 for the Northern Paiutes, and at Las Vegas, Shivwits, Moapa, and Kaibab between 1900 and 1940. When local schools were not available, children were sent away, sometimes great distances, to boarding schools. The Stewart Institute, a boarding school for Nevada Indians, was established in western Nevada in 1890 and used by Paiutes until the 1970s.

Currently the Tribe has an active Education Department. The Department encourages higher education and will provide grants to Tribal members wishing to pursue higher degrees. Despite this program, and the fact that almost all Tribal members complete high school, very few Tribal members have high degrees. The Tribal Education department provides student grants for both academic courses and vocational training. Funding for Adult Education courses comes from BIA monies for applicants within our service area and gaming tuition for applicants not in our service area. Part of the reason that this program is not making an impact is likely because it is marginal. Grants only cover up to \$500 of educational expenses per year. The closest major universities are in Las Vegas and Flagstaff, both at more than commuting distance for the Tribe. Tribal children attend public schools in Moccasin and Fredonia.

Until the 1930s, the Paiutes were healed by Native doctors known as puagants, believed to possess supernatural powers. The puagants each formed a magical relationship with one or more animal spirits, often using the fur or feathers of the animal to call upon the spirits to assist them in their work. By the late twentieth century, health care facilities were available to some Paiutes, often through the federal Indian Health Services (IHS).

A variety of social services are provided for tribal members by the tribal government. Modern housing development has taken place on the reservation continually since the 1960s. Senior citizen assistance includes nursing care, transportation and meals. Family and personal counseling services are available. Tribal community health services are overseen by a Community Health Representative Program that maintains paid staff and provides the following services to Tribal members:

- Ambulatory care
- Dental care
- Optometry
- Emergency medical transportation services
- Preventative / Health care education
- Behavioral health services

- Mental health services
- Alcohol and drug abuse prevention
- Sex education
- AIDS prevention education
- Environmental health services
- Tobacco cessation service

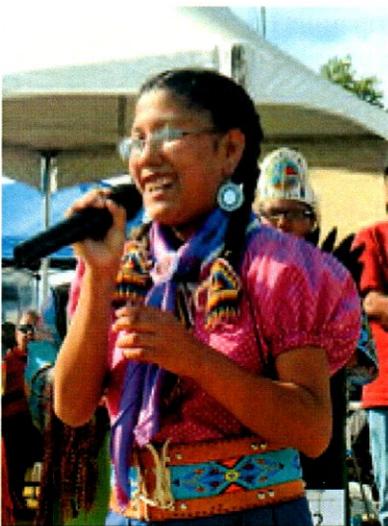
Services are partially funded by Indian Health Services (IHS). CHR Staff, the Tribal Nurse, Health Educator, and Community Health Director will work co-operatively in providing on site home visits as needed monthly. Traditional healing services may be requested and are paid for from the Tribal Gaming Budget. The Kaibab Paiute Tribe Substance Abuse Program offers outpatient addiction counseling services to its Tribal membership, spouses, children and all federally recognized Native Americans that reside in the area. The substance abuse and mental health clinics are located at the Tribal office in Fredonia.

A trip to the Phoenix Indian Medical Center, a distance of nearly 400 miles typically involves three days absence from home –one day to get there, one for services and another for the return trip. With no family there to help with lodging, meals and support, the trip is unusually expensive and difficult.

F. Tradition, Culture and Beliefs

Cultural and language preservation are main goals among the Kaibab-Paiute. The Tribe operates a Cultural Preservation Department. Contemporary life on the Kaibab Indian Reservation blends traditional cultural values with economic development. Programs are aimed at establishing local economic independence for tribal members. At the same time, the Kaibab people are working with other Southern Paiute bands to preserve their history and traditions for their own benefit, and the benefit of the entire nation. Both efforts are a source of great pride.

The Paiutes observed two life phase rituals. One was for young women at the time of their first menstrual period, and the other for young couples expecting their first child. In the Menarche ritual, the young woman was isolated for four days. During this time, she observed taboos against touching her face or hair with her hands, eating animal-based foods, and drinking cold liquids. She also ran east at sunrise and west at sunset, and sat with older women of the Tribe to learn about her responsibilities as a woman. After the four days of isolation, a series of rituals were performed to bring the Menarche Ceremony to a close. The young woman was bathed in cold water, her face was painted, the ends of her hair were singed or cut, and she had to eat animal foods and bitter herbs and to spit into a fire. The ritual for couples expecting their first child was very similar, but traditionally lasted 30 days. The pregnant woman observed the same taboos and received advice from older women, while the expectant father ran east at sunrise and west at sunset. Many traditional Paiute foods are still key elements to Tribal ceremonies, weddings, and other community events.





Members of the different Paiute subgroups have maintained their Native languages to varying degrees.



Paiute songs are performed by individuals or by groups in unison. The primary traditional instruments were Shaman's rattles and sticks beaten during hand games. At Round Dances, the oldest music style in Paiute tradition, only the singer's voice is used for music. For some curing practices, healers use a small flute made of elderberry stems. A Round Dance is commonly held three times a year, during the Spring fishing season, just before fall pine-nut harvest, and during the November rabbit drives. Such dances serve to periodically affirm social unity and focus participants on the particular subsistence tasks at hand.

Paiute men and women traditionally wore a skin breechcloth or double-apron of skin or vegetable fiber such as sagebrush bark or rushes. The cloth was suspended from a belt made from cliffrose bark or antelope skin. They also typically wore animal-skin moccasins sometimes ankle high or woven yucca or sagebrush bark sandals on their feet. In the winter, they used robes of rabbit fur strips or skin capes. Southern Paiute men and women reportedly wore twined-bark leggings. Throughout Paiute country men wore tanned hide hats. By the mid-nineteenth century men's shirts and leggings and women's full-length dresses were made from fringed hide, which was most likely adopted from the Ute.

Members of the different Paiute subgroups have maintained their Native languages to varying degrees. The San Juan Paiutes, a Southern Paiute band whose reservation is completely within the boundaries of the Navajo Reservation in Arizona, is one of the only groups that continues to teach Paiute to children as a first language. Many other Paiute groups have actively taken steps to preserve their language, including the Kaibab. Only about 15% of Tribal members are fluent speakers.

From Spring through late Fall, a series of pow wows are held around the region. These inter-tribal festivals include the Shoshoni-Paiute Annual Pow Wow held in July, the Veteran's Day Pow Wow held annually in November at Owyhee, Nevada, the Snow Mountain Pow Wow held in May in Las Vegas, Nevada, the Mother's Day Pow Wow held in May at Burns, Oregon, and pow wows at Bishop and Big Pine in California. Such festivals include arts and crafts shows, hand game tournaments, dancing, and traditional foods. The Paiutes commonly attend similar events hosted by Tribes in surrounding regions as well, largely spurred through kinship ties.

Unlike marriage which had little ceremony, funerals received considerable emphasis. A traditional funeral observance known as the Cry ceremony was introduced to the Paiutes in the 1870s. Within the next 20 years, it became pervasive in the cultures of the Owens Valley Paiutes and Southern Paiutes. The Cry took place over one or two nights after a person's death prior to the funeral, and then was repeated a year or two later as a memorial. During the Cry ceremony, two groups of singers perform song



cycles known as Salt Songs and Bird Songs. The Cry ceremony remained significant throughout the twentieth century. Between the singing, people close to the deceased offer emotional speeches and give away the person's valuables to guests.

A fundamental aspect of Paiute religion is acquisition of "power," or buha among Northern Paiutes. The Paiutes believed in many supernatural beings that manifested themselves in elements of the natural world, such as water, thunder, and animals. Buha could be acquired in dreams or at cave or grave sites. Aside from healing, buha was sought to help control

weather, sexual prowess, vulnerability in warfare, and gambling success. One powerful spirit was Thuwipu Unipugant, or "the One Who Made the Earth," who was represented by the sun. The Paiutes prayed to the spirits in order to influence them and show their respect. For example, they might pray for rain or a successful hunt.

According to Bertha Dutton in *American Indians of the Southwest*, early efforts to convert the Paiutes to Christianity were relatively successful, particularly those Paiutes who lived among the Mormons in Utah. As Catherine Fowler noted in *Native America in the Twentieth Century: An Encyclopedia*, most Paiutes attend religious services in some Christian denomination, though some also participate in Indian religious movements such as the Native American Church, the Sweat Lodge movement, and the Sun Dance.

Traditionally, the Paiutes lived on an economy of hunting, fishing, and gathering. Men hunted deer, mountain sheep, and antelope. Smaller mammals, particularly jackrabbits, were captured in communal activities using large nets. Waterfowl, such as American coots, at the various large lakes were also hunted. Fish were netted or speared. Women performed



extensive plant gathering, including a wide variety of roots (tubers), berries, and seeds. Pine nuts were particularly important toward the south. Agave was a key food source. Also, in the far south of Paiute country, irrigation was used to grow corn, squash, melons, sunflowers, gourds, and beans.

The various natural food sources were gathered through the year in an annual cycle necessitating a good deal of mobility. Groups would break apart into families then rejoin again seasonally. Consequently, Paiute society consisted of economically self-sufficient and politically independent families who seasonally occupied "home" tracts. The families would unite semi-annually with other families forming a camp group of 2 or 3 families. The core family unit would continually expand or contract and the camp group also changed size and composition seasonally and through the years, often foraging together and pooling resources.

(This section was taken in part from - <http://www.everyculture.com/multi/Le-Pa/Paiutes.html#ixzz3rDzfvW-Jo>)



The Kaibab Paiute have set goals to achieve sufficient economic growth to offer employment opportunities to any member of the Tribe who wants to live and work on the reservation.

G. Economy

1. Current Enterprises

The Kaibab Paiute have set goals to achieve sufficient economic growth to offer employment opportunities to any member of the Tribe who wants to live and work on the reservation.

Most of the businesses on the Kaibab Paiute Indian Reservation are owned and operated by the Tribe, and include a visitor's center at Pipe Spring National Monument (operated jointly with the National Park Service) and a convenience store/gas station which the Tribe operates along with an RV park and campground. The Tribe is also involved in agriculture, sport hunting licenses, and owns a 1,300 tree fruit orchard as well as operates a cattle ranch. The Kaibab-Paiute Tribe does not own or operate a casino. At this time the enterprises are close to breakeven and do not earn a profit for the Tribe.

Because of its location in scenic northern Arizona, the Kaibab Paiute economy centers largely on tourism. The only labor-intensive industry on the Reservation is the Tribal government.

2. Regional Economy

The regional economy in southwestern Utah is experiencing fast growth. The primary driver is tourism. The Director of St. George Area Tourism, Roxie Sherwin, said in the beginning of 2015 that 2014 was a good year across the board, especially at the area's national parks. Zion hit record numbers, room occupancy was high, and transient room tax collections were up about 13 percent over 2013. In addition, the Convention Center had its strongest year ever in 2014. So far in 2015, tourism has been even stronger. St. George is about 60 miles west of Kaibab. The strong numbers in tourism has been across the board in southern Utah communities. Residential real estate, commercial real estate, banking and finance, education, transportation, water and healthcare are all strong regional sectors.⁹

In Kane and Washington counties, unemployment is less than 5%. Kane County is immediately north of Fredonia, the closest off-reservation community to the Kaibab Reservation and the location of Kaibab Tribal offices. Fredonia is considered the gateway to the North Rim of the Grand Canyon and has a population of just over 1300. It is the northernmost town in Arizona. The official unemployment rate in Kane County as of April 2015 was 4%. St. George is in Washington County with an unemployment rate of 3.6%. Coconino County, the location of Kaibab, has an unemployment rate of 5.7% and encompasses the relatively larger town of Flagstaff. An unemployment rate of 4% is considered by most economics to be "full employment". Economic projec-

⁹ Rachel Madison, Economy across Southern Utah Poised for Boom in 2015, Utah Business, February 2, 2015.

tions for the region are that it will outpace state and national trends. The first-quarter 2015 showed 7 % job growth in Washington County.¹⁰

Fredonia was founded in 1865 by Mormon settlers from Utah seeking freedom from federal laws against polygamy. The name was given by Mormon Apostle Erastus Snow and is a combination of free and donia, Spanish for woman.

Fredonia is a tourism center and a very small community, with about a half dozen lodging establishments. Local scenery includes Vermillion and Shinorump Cliffs, Coral Pink Sand Dunes, Steamboat Rock, and numerous canyons and Indian ruins. The North Rim of the Grand Canyon is 75 miles south and the 741,000-acre Kaibab National Forest, with picnicking, rock hunting, camping and hunting, is located less than 20 miles southeast. Just hours away are Zion National Park, Bryce Canyon National Park, Cedar Breaks National Monument and Coral Pink Sand Dunes Utah State Park. Lake Powell, Glen Canyon and Lake Mead National Recreation Areas and Historic Pipe Springs National Monument are also nearby.

3. SWOT Analysis

The SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis - next page - is based in part upon the analysis completed in 2010 as part of the ANA strategic planning process, and updated by the CEDS committee of 2015. The SWOT can form a basis from which to draw on strengths and overcome weaknesses, while maintaining awareness of opportunities and threats.

The Kaibab-Paiute Tribe is small and isolated, with minimal enterprises and business revenue. Almost all Tribal members have completed high-school, but there is minimal educational attainment after that. The Reservation is in a high growth-low unemployment region, but an area that is overly dependent upon tourism with no industry. There is high poverty among Tribal members but minimal unemployment. Partly because of the strong economy in the region, there is considerable opportunity for business development.

4. Organization and Business Dynamics

The Harvard Project¹¹ identified a number of success factors geared to creating a political environment that promotes sustained economic growth by providing a safe environment for investors as well as laying the groundwork for successful Tribal enterprises. These recommendations are based upon a creating a favorable environment for Tribal investment from outside sources. Although outside investment can be significant as far as Tribal development is concerned, these opportunities must be balanced with other priorities, including economic and political sovereignty, maintaining ethical standards, Tribal control or influence in business operations, the protection of Tribal assets, the preservation of cultural traditions and values, among other factors. Working with outside business partners can be particularly significant for the Kaibab Tribe since the surrounding region is experiencing such fast growth.

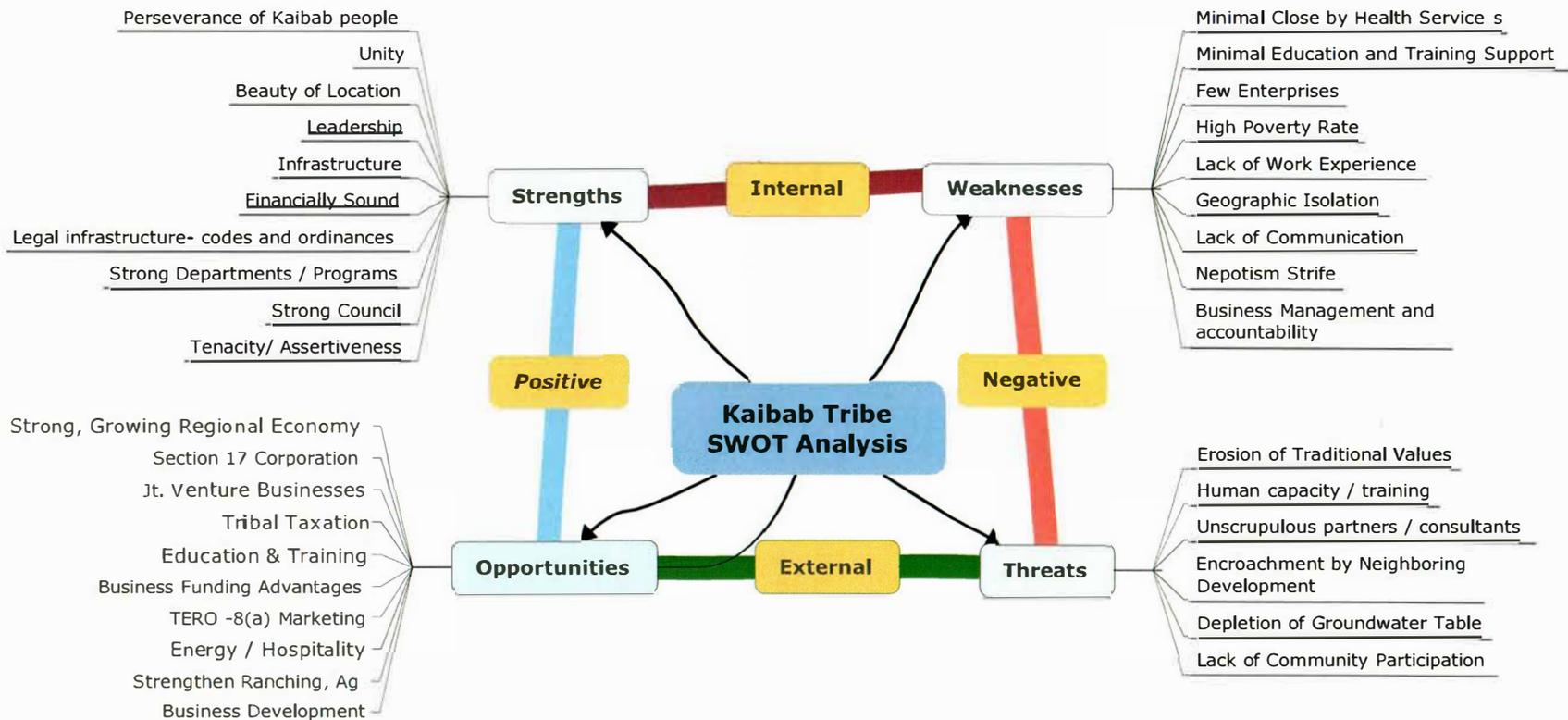
A critical factor is for Tribes to have a separation and allocation of governmental powers. Another critical factor is the separation of Tribal electoral politics from the day-to-day management of business enterprises.

¹⁰ David DeMille, Economic outlook sunny for 2015, The Spectrum, January 16, 2016, St. George, Utah.

¹¹ The Harvard Project on Indian Economic Development (<http://hpaied.org>)

SWOT Analysis

Vision Statement: To promote cultural preservation, while improving the quality of life by offering new secure housing and improved healthcare, higher education and suitable economic development opportunities leading to financial security for our Tribal Government and community members.





A Tribe, because it is a sovereign nation, can form a governmental entity to perform business functions.

Not insulating Tribal politics from Tribal businesses can create an uncertain and risky environment for investors and business partners. Political instability, the potential for opportunism on the part of Tribal officials, and the difficulties in enforcing agreements can discourage investment. This can place Tribes at a competitive disadvantage for attracting capital as well as technical and management expertise. Tribally-owned enterprises that are insulated from political interference are about four times as likely to be profitable as those that are not.¹² This can be accomplished through formal or informal governmental structures, and in the case of Kaibab, the Tribe should consider forming a Section 17 Tribal Corporation, or at least a committee with a dedicated business board.

A Tribe, because it is a sovereign nation, can form a governmental entity to perform business functions. This entity can be an instrumentality of Tribal government, a political subdivision of the Tribe, or an agency or division of the Tribe. A Tribe can also form a separate business entity formed under federal, Tribal, or state law. Even though Kaibab is a small Tribe, there may be opportunities whereby Kaibab can take advantage of a section 17 Corporation and/or obtaining SBA 8(a) status.

Many tribes conduct business through an economic development arm of the Tribe. This is often referred to as an unincorporated instrumentality of the Tribe and is the way that Kaibab conducts its business. The business operation is generally overseen by the governing body of the Tribe—such as the Council in the case of Kaibab, or sometimes by a business committee or a separate board, but they generally do not have a separate legal structure. Therefore, the same privileges and immunities of the Tribe can apply to contractual agreements entered into by the Tribe and to business instrumentalities of the Tribe. Tribes and its business instrumentalities organized as an arm of the Tribal government are not taxable entities for purposes of federal income tax.

This structure can bring up issues of the protection of Tribal assets as well as Tribal sovereignty when entering into business or financial agreements with third parties. In order to enter into joint ventures or contractual agreements with third parties it is not uncommon for Tribes to agree to settle disputes out of Tribal courts. A third party also cannot foreclose on Tribal assets; therefore, a Tribal business arm can have difficulty in pledging assets for collateral purposes in order to secure debt.

A Tribe can form a number of other business entities such as an LLC or a State chartered corporation, but a unique entity to Tribes is a Section 17 Corporation that can offer some distinct advantages. Many Tribes conduct their commercial activities through federally-chartered corporations formed under Section 17 of the Indian Reorganization Act (IRA). To form a Section 17 Corporation, a Tribe must petition the Secretary of the Interior for issuance of a corporate charter. A Section 17 Corporation provides a framework by which a Tribe can segregate Tribal business assets and liabilities from the assets and liability of Tribal governmental assets. It also preserves the integrity of the decision-making process of Tribal governmental officials by separating

¹² Taylor, Jonathan, Good Corporate Governance for Tribal Enterprises, Reservation Economic Summit 2005, Developing your Political, Legal, and Corporate Infrastructure (February 8, 2005).

business decisions. The charter defines the powers of the corporation which can include the power to buy and sell real and personal property and to conduct such further powers as may be incidental to the conduct of corporate business.

Several courts have held that Tribal sovereign immunity applies to the business activities conducted by a Section 17 Corporation; however, A Tribe may elect to grant the power of a limited waiver of sovereignty within their corporate charter so that the assets of the Section 17 Corporation can be subject to seizure or used as collateral, while not putting unrelated assets owned by the Tribe in jeopardy. Tribal corporations formed under Section 17 of the IRA have the same tax status as the Tribe and are not subject to federal income taxes for income derived from on or off reservation activities. This is the generally recommended structure under which to conduct a Tribally owned business.

A Section 17 operates under its own Corporate Charter. The Corporation is formed by the Tribal Council and remains wholly owned by the Tribe. However, the business of the Corporation is supervised by a distinct Board that is separate from the Council. Council members often serve on the Board as well as other Tribal members or Tribal officials. Often non-Tribal Board members are asked to serve on a Section 17 Board who may have specific expertise. One purpose of a Section 17 Board is to provide for continuity and to insulate business operations from Tribal politics that may be inherent within a Council environment. The Section 17 Board normally reports to the Tribal Council, but the Council acts more like stock holders or owners rather than a governing Board. Enterprise supervision, hiring, budget development, goal setting and business monitoring and control are all functions of the Section 17 Board. When forming a Section 17 Board it is important to not let politics influence board member selection or decision-making, but rather structure a board best suited to prioritize successful business operations.

It is important not to make significant business or economic development decisions in an opaque manner. Tribal members should have a general idea of how the Tribal businesses are doing, and be aware of new business ideas. Before major actions or decisions are made, there should be some consensus or buy-in from the community. This can be facilitated through a community newsletters and meetings. Kaibab Tribal members should feel an amount of ownership of Tribal businesses, not in a managerial sense, but in the sense that the businesses ultimately exist to benefit the Tribe and should conform to community values and priorities.

Kaibab should apply as a Tribe for Section 17 Corporation and should look for opportunities for SBA 8(a) joint ventures. Private funding can be attracted to Tribal projects with a potential high return when Tribal businesses have these designations. Private capital can also be attracted to projects through tax and government incentive programs that apply to Tribes as well. This is particularly true for renewable energy projects.

Indian preference, HUBZone status and 8(a) status of Tribally owned or Indian owned companies confer substantial preferential treatment for contracting with the Government. These types of preferential treatment make Indian businesses more competitive for majority controlled Indian projects. For example, the Defense Department in 2008 gave \$4.9 billion to HUBZone companies. Virtually all Indian reservations qualify for federal HUBzone status. Both businesses located within Tribal boundaries or in alliances with Tribal governments may be eligible for this preference.

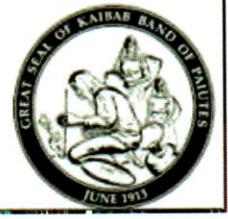
The flagship federal minority procurement program, however, is the 8(a) program administered by the Small Business Administration. To qualify, a business must be majority minority owned and must have a performance track record. Tribally owned businesses can waive the performance requirement if they present a strong business plan. The business goes through an application process. Once 8(a) status is granted, the business can compete against other 8(a) contractors for minority small business set-asides and specific sole source government contracts.

Tribes can joint venture with private sector businesses that want to take advantage of 8(a) "super" government marketing, as long as the Tribe has 51% ownership of the 8(a) business. There are various relationships that can be worked out, including mentoring 8(a) Tribal companies that can create substantial advantages for both the Tribe and a private sector business. A Tribal owned 8(a) can set up an 8(a) subsidiary for specific products.

In addition to the regular 8(a) Program, certain Tribally owned business entities qualify for what is informally called "Super 8-A" status. Under this modification, Tribally owned contractors can qualify for unlimited sole-source dollar thresholds; (2) special rights under the A-76 Program which can expedite contract awards; and (3) perpetuity within the 8(a) Program. Normally an 8(a) contractor loses their 8(a) status after a period of nine years. A business that is 51% owned directly by a Tribe can qualify for super 8(a) status. The following specific advantages apply to super 8(a) qualified vendors:

- Tribally owned 8(a) companies can receive sole source contracts of any value, and the size standard limitations do not apply.
- These companies may organize and operate multiple 8(a) companies without regard to affiliation, provided that the NAICS codes are unique to each company.
- Companies that have at least 51% ownership by a Tribe are considered to be socially and economically disadvantaged without a formal explanation required, making 8(a) status easier to obtain.
- These enterprises can waive the 2-year minimum requirement for having been in business if they can provide an acceptable business plan. This business plan must indicate that the business can meet the performance requirements for SBA 8(a) companies.
- The US government can directly outsource governmental services to a tribal 8(a) enterprise without a study or cost comparison.
- These programs have formed the basis for many successful economic ventures throughout Indian Country.
- Because Tribes can act both as sovereign governmental entities as well as a business, there are many sources of grant and loan funding available to Tribes that are not available to the non-tribal business sector.

A TERO (Tribal Employment Rights Office) ordinance makes it mandatory that private employers working on Tribal lands extend hiring preference to Tribal members, submit a Tribal members hiring plan, hire a minimum number of Tribal members in each job classification and cooperate (where feasible) with Tribal training programs to hire a certain number of trainees. All employers who have collective bargaining agreements



The flagship federal minority procurement program, however, is the 8(a) program administered by the Small Business Administration.

with one or more unions must secure a written agreement from them indicating they will comply with TERO. TERO is a federally mandated program with “teeth” to maximize Tribal member hiring and training by businesses operating on or close to reservation areas.

A TERO Ordinance mandates the Tribal requirements for Indian preference that all covered employers must comply with in order to be eligible to perform work on or proximate to the Reservation. It also empowers the Tribal TERO Commission and Staff with sufficient authority to fully enforce all provisions of the TERO Ordinance and provides principles of legal fairness to all parties involved in compliance or violation dispute issues. The primary purpose of the TERO Program is to enforce Tribal law in order to insure that Native people gain their rightful share to employment, training, contracting, subcontracting, and all other economic opportunities on or near the reservation.

All covered employers operating a business within the Tribal jurisdiction are required to provide Indian preference in employment, training, contracting, subcontracting, and all other aspects of economic development activities. Below are several specific examples employers are required to comply with:

- Submit an acceptable compliance plan detailing the steps they will take to ensure compliance with the TERO Ordinance.
- Utilize the TERO Skills Bank for all referrals and consider Indian applicants before interviewing or hiring non-Indian.
- Eliminate all extraneous job qualification criteria or personnel requirements which may act as barriers to Indian employment. EEOC guidelines on legal BFOQs are used by TERO.
- All employers who have collective bargaining agreements with one or more unions, must secure a written agreement from them indicating they will comply with TERO.
- Agree to acknowledge and respect tribal religious beliefs and cultural differences and to cooperate with TERO to provide fair and reasonable accommodations.

The Tribal TERO office hires a trained compliance officer to review and accept TERO applications from contractors. The Tribe can also charge a TERO fee. The Kaibab Tribe should consider setting up a TERO office at some point, especially if new businesses are expected to locate near to the Tribe.

5. Financing

Tribal economies have largely transformed in the 21st Century from cash economies to borrowing and investing economies. From an economic standpoint, many tribes are now run more like a corporate enterprise than a community government. This is partly as a result of economic surpluses that come from gaming revenue. The Kaibab Tribe is not a gaming Tribe, however. Alternatives methods of tribal income generation are from Tribal (non-gaming) enterprises, Tribal investments, various fees and collections, and the development of the Tribal economy and increased tax collection.

Tribal enterprise development and investment involves an amount of risk and the development of a business culture at the Tribal level. There are substantial opportunities to develop tribal business enterprises at Kaibab.

Besides pursuing Tribal business opportunity, the Tribe can also encourage private business development within the Pueblo. Tribal businesses can be developed and managed in such a way as to maximize opportunities for tribal member entrepreneurs.

A recommended business financial strategy involves careful investment in ventures that will produce revenue for the Tribe while minimizing risk. Before such investments are made, a supportive business organizational infrastructure should be developed. A business committee and board should be developed that will supervise enterprises, make investment recommendations and report to the Council. If at a later time the level of business development warrants it, the Committee can evolve into a section 17 corporation as previously discussed. One major advantage of forming a Business Committee or Board is that the Tribe can utilize outside business expertise by carefully recruiting people with specialized knowledge who will serve on the Board, while understanding and prioritizing Tribal values and interests.

The Business Committee should develop goals and annual budgets in conjunction with management, and then hold management accountable. Economic incentives for management and employees can be integrated into exceeding agreed upon goals. Each business should have a separate profit and loss statement. Financial statements and budget statements with variances should be provided either monthly or quarterly. The Business Committee can act as an enterprise board. The Committee should not get involved in micro-management, but should hold managers accountable for achieving agreed upon and achievable results. If results are not achieved, then explanations should be given and budgets adjusted accordingly. Managers that consistently miss results without a valid reason should be replaced. The goal is to put the enterprises on a profitable footing.

The Tribe should also review its taxation policy. Certain items such as cigarettes and businesses that need a competitive advantage should not be taxed, but Tribal tax collections seems too low for the level of current operations. Sales tax can be added to convenience store items and the Tribe may be able to benefit through gasoline excise taxes.

Because tribes can act both as sovereign governmental entities as well as a business, there are many sources of grant and loan funding available to tribes that are not available to the non-tribal business sector. Financing options for Tribal or Indian owned businesses include:

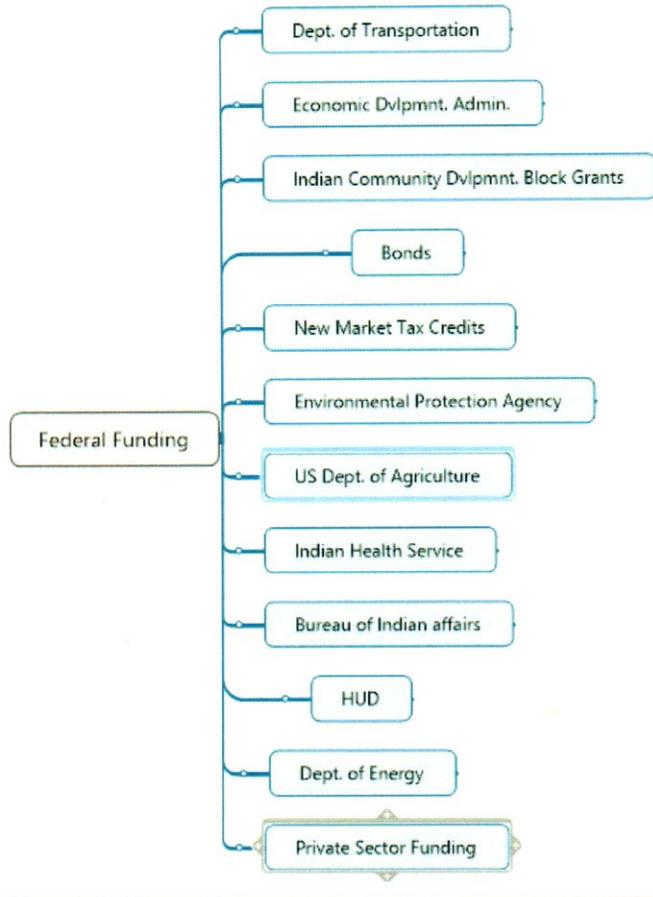
- Government guaranteed loans
- Taxable and non-taxable bond issuance
- Private placements
- Commercial bank financing
- Government grant financing
- Tax-credit financing
- Tax-incentive financing
- Government contracts

New Market Tax Credits can finance energy or economic development projects in Indian Country. This financing device permits a Tribe to own the project. Although New Market Tax Credits are complex in nature, essentially a Tribe would receive a loan and equity investment from a private entity for project development, with federal tax credits serving as the primary return to the investors. The Tribe would benefit financially from a project, and pay minimal to no dividends or returns back to an investor. A New Market



The U. S. Department of Agriculture has a substantial basket of guaranteed loan and grant programs that Tribes can qualify for.

Tax Credit is set up by a third party entity. There are substantial costs to setting it up, so that it only becomes worth doing for projects worth several millions of dollars. New Market Tax Credits almost like getting “free money” and can fund up to 30% of a project’s costs.



The U. S. Department of Agriculture has a substantial basket of guaranteed loan and grant programs that Tribes can qualify for. These are summarized on the following chart. In addition, tribes can receive grants from the federal Administration for Native Americans (ANA). These grants can be for infrastructure and training, and prioritize culturally relevant projects. ANA grants could potentially be used for eco-tourism projects.

Funds are available from HUD and from the USDA for housing construction. Programs such as Indian Housing Block Grants (ICDBG) under Title VI can fund housing and infra-

structure projects. HUD 184 loans serve to guarantee loans on Indian land, making private bank funding available to Tribal members. There is a robust secondary market for HUD guaranteed loans. Indian Health Services (IHS) and the BIA will provide grants for infrastructure development. The Hearth Act was recently passed to remove bureaucratic hurdles that limits the ability of Native Americans to purchase and lease land in their own community.

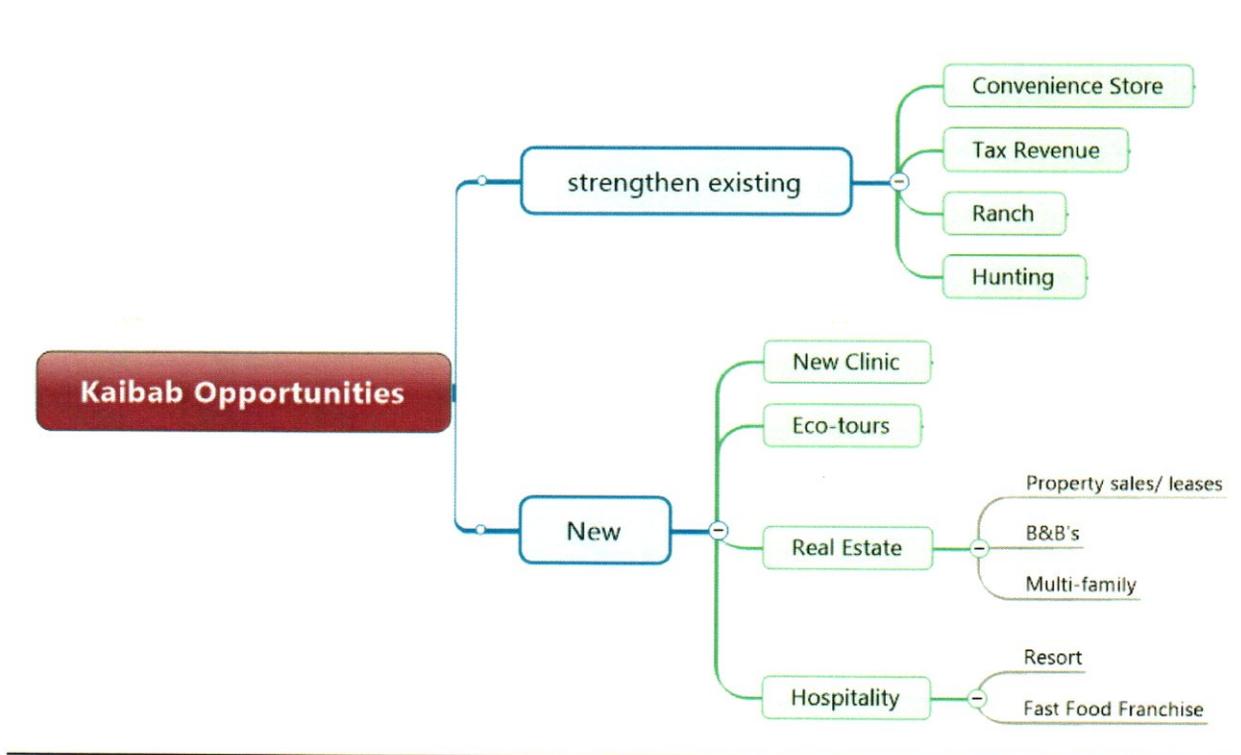
The federal Economic Development Administration (EDA) makes grants available to Tribes for infrastructure and capital expenditures that lead to job creation. EDA has prioritized making grants to Tribes in the southwest. In order to qualify for EDA funding, a project must be part of a CEDS (Comprehensive Economic Development Strategy) Plan. This is partially what this CEDS Plan is for.

The Department of the Treasury recently announced a new grant program to establish CDFI (Community Development Financial Institutions) for Native tribes. These are normally organizations that make micro-loans available to local entrepreneurs. The

BIA makes guaranteed loans available to small Indian owned businesses. There are total of 53 BIA loans and grant programs available, including grant for forest management planning. BIA grants cover areas such as education, water resources, loan fund development, energy planning, workforce training, irrigation, mineral development, housing development, and environmental issues among other areas.

There are a host of additional grants and funding opportunities from other federal and state agencies. With such a cornucopia of funding options, it's easy to get the impression that finding funding for programs is not difficult. This is not the case. Many programs exist on paper and are not funded in a given year. Grant programs can be exceedingly competitive. Effective grant writing is a skill. To be competitive a grant situation must be organized and planned over time. Grant deadlines are often published with little notice. It is difficult to anticipate grant cycles. The best way to approach a grant is to have a targeted project that meets grant guidelines and priorities. There is substantial opportunity for Kaibab to take advantage of federal and state funding for economic development purposes.

6. Vision and Opportunity



The Kaibab Tribe has substantial opportunity to grow and develop businesses. It is often best to start with a policy of retention in which the Tribe strengthens existing businesses. The largest source of revenue currently is the convenience store/gas station, generating gross revenues of over \$5 million. The convenience store profit margin for 2014 was 2 %, which is close to industry averages. A Kaibab store, however, should be able to realize higher margins through sales of non or lower taxed cigarettes, gasoline and alcohol. Plus, the Tribe should be able to collect its own sales tax on other items. There should be a concerted effort in conjunction with a business board to control and monitor the convenience store for increased profitability.

The ranch is another potential revenue source that is not being paid adequate attention to. There has been minimal financial oversight and reporting, and the property is operating at a loss. This is happening at a time when cattle prices are at an all-time high, and almost all ranches are earning a profit. The ranch books need to be audited. Budgets and operations need to be developed and reviewed. Financial goals need to be put in place with the ranch manager and realized. If there are any improprieties found, the manager needs to be replaced.

Most ranching operations are cow-calf operations. The goal of a cow-calf operation is to produce young beef cattle which are usually sold to feedlots when weaned. Cattle from a cow-calf operation may be either sold after they have been weaned to be matured elsewhere, or may be raised to near-slaughter weight and sold to be fattened at a feedlot at the age of 1–2 years. Most ranchers sell their animals early. Animals normally go to feedlots to be fattened and sold to large packing houses where they become commodity beef.

Nationally, the processing, marketing and distribution of meat have been highly centralized. Over the last several decades, the larger packinghouses have been driving smaller ones out of business, in part because of economies of scale. Pricing disparities and control are not atypical of this sector, with the rancher often losing out. This has led to a growing economic rationale within the industry for individual small growers to attempt to exercise an amount of price control through retaining product ownership or control throughout the value chain and producing and marketing specialty, branded beef, sold directly by the ranch.

The dynamics within the beef industry can be likened to the beer industry a number of years ago. Few large producers monopolized the market and produced a fairly homogeneous product of moderate and varying quality beer. Evolving consumer taste and a new emphasis on quality allowed for a market opening that was filled by the rise of micro-breweries, improved quality and a greater selection of specialty product. The large companies were not as competitive in that area due to their unwieldy structure brought about by their size. The micro-breweries that prospered were the ones that developed a unique high demand product and were managed by entrepreneurs who understood the technical and marketing aspects of the business. The beef industry is beginning to pass through an identical dynamic, creating new opportunity for small growers capable of producing and marketing specialty, differentiated beef.

This new market allows small ranchers to exercise a level of price control, deriving higher returns. Small producers can more easily control quality and consistency of product than large packing houses that must purchase large volumes of animals on commodity markets. The small rancher needs to control the supply or value chain. This implies working closely with a local slaughter/processing facility and developing marketing resources and contacts. More ranchers are going in this direction each year. Transitioning to pasture-raised production involves a good deal more work and knowledge than running a cow-calf operation. The upside is that by controlling the value chain, ranchers can sell animals at substantial premiums and at higher weights. The demand for pasture



The Kaibab Tribe has substantial opportunity to grow and develop businesses. It is often best to start with a policy of retention in which the Tribe strengthens existing businesses.

raised quality beef far outstrips supply. An Indian brand can lend even more market cachet. There is potential for Kaibab to work with people who understand this market to capitalize on growing trends and position the ranch to become profitable and less susceptible to fluctuations in the price of beef.

Hunting can be developed into a major revenue source for the Tribe as well. The Kaibab area is one of the best hunting areas in the Western US for mule deer. The Kaibab Band of Paiute Indians Wildlife, Fisheries & Parks Department was first created in the early 1990. In 1997, the Department went from the US Bureau of Indian Affairs (BIA) Wildlife, Fisheries & Parks Department management to an independent Tribally run 638 contract management, providing for general management of all big game wildlife rules and regulations. In 2008, the Kaibab Tribe, in cooperation with Michigan State University and Northern Arizona University, started developing a wildlife management plan for mule deer on the Kaibab Paiute Reservation. The Reservation has a very large seasonal population of mule deer that migrate onto the reservation from Utah. These deer are culturally and economically important to the Tribe. Kaibab Paiute Tribal members hunt these populations for subsistence hunts. The Tribe also offers guided hunting.

Non-tribal rifle hunts for Mule deer run from November to early December. These hunts are all 5-day hunts with 5 - 6 hunters per time frame. All permits are on a first-come, first-served basis. The Tribe, however, does not disclose where one stands on the waiting list. Nor will they disclose when they will begin to call those on the waiting list. They only state a hunter may be called if an opening occurs. If one does not answer the phone they go to the next name on the list. Bucks average 160- 180" with the occasional bigger buck. The cost is \$2,500 for a permit fee with a mandatory \$1,000 guide fee. These hunts are booked years in advance. A number of Tribes operate major hunting operations, and market hunts through publicity and hunting trade shows. If Kaibab helps to manage the mule deer population, the Tribe can easily expand its hunts, and derive considerable revenue. One huge advantage that a Tribe has is that it is not bound by state hunting season rules. If the Kaibab Tribe decides to promote hunting with additional guides, hunters could help to support a resort or lodge.

Kaibab could also set-up and operate eco-tours with jeeps or ATV's to the incredible geological features and National Parks in the area. Between the current high demand for rooms - occupancy has been running at 90% in Kenab and other close by areas - the potential for Kaibab to operate additional attractions such as eco-tours and hunts, combined with the very real possibility of developing gaming, it should not be difficult to attract the right kind of developer to work with the Tribe on building a major resort.

Kaibab does not have a health clinic. There is a waiting list for Tribes desiring to obtain a health clinic funded by Indian Health Services. However, it may be possible to take matters into their own hands, and joint venture with a company that will finance, build and operate an Indian health clinic that would be owned by the Tribe.

Tribes are sovereign entities with special treaty relationships with the US government. Internal rule changes within IHS, along with the affordable Care Act (ACA), have juxtaposed to create unprecedented opportunity for Tribes and Native American beneficiaries that Tribes are just beginning to grasp the full scope of. The IHS operates or funds hundreds of medical facilities that serve roughly 2.5 million Native Americans. The IHS both operates medical facilities directly, and also encourages Tribes to manage their own medical programs under Public Law 93-638. Tribes that manage their own "638 operations" hire and fire personnel, including clinic administration. The Tribe still receives the same level of funding from the IHS. If the Tribe is able to run an efficient operation, the Tribe is able to retain any excess revenue as long as it is used either for administrative purposes or to expand health care programs.



A radical initiative has been proposed for doctors and nurses to travel to Indian Reservations that are sovereign entities and perform medical procedures at a fraction of the cost closer to home.

The major opportunity from a revenue standpoint for Tribes, is that Tribes can bill third-party providers (private insurance, Medicare, and Medicaid) and still receive the same level of IHS funding, as long as excess revenues are used to increase health services and/or provide for administrative expenses. There are number of new and expanded revenue streams under the ACA and the Indian Health Care Improvement Act (IHCA), including additional Medicaid enrollees, third party billing, and dual eligible veterans.

Tribes that institute 638 contracting with the IHS need to work with health directors to prepare business processes that will ensure streamlined billing practices through competent coders and billers, along with enrollment in federal health insurance programs. Under the new law Tribal governments can pay insurance premiums for members. Although some Tribes do this now there may be greater opportunity as health insurance marketplaces launch. More beneficiaries with additional coverage results in more revenue flowing to Tribal health clinics.

In addition, many Tribal members already have third party insurance through their employer or through other federal programs. Many small Tribal clinics earn millions of dollars of annual revenue from 638 contracts and third party billing that helps to subsidize administrative expenses and allows Tribes to fund and expand services such as Early Childhood Centers, Senior Centers, Gymnasiums, Exercise Centers and so forth. It may be possible for Kaibab to implement this system in conjunction with a health development organization that could finance clinic construction and supervise operation.

Another major opportunity exists for Tribal clinics – medical tourism. Right now thousands of America who cannot afford expensive medical procedures in this country, even with the Affordable Care Act, travel to countries in Asia or travel to Mexico to get medical and dental procedures at a fraction of the cost. A radical initiative has been proposed for doctors and nurses to travel to Indian Reservations that are sovereign entities and perform medical procedures at a fraction of the cost closer to home. There would certainly be legal challenges to such a system, but if Tribes united with advocacy groups, there is a good chance they could prevail.

Kaibab owns several residential properties in Fredonia, and also owns land in the town. The southern Utah economy is booming. Hundreds of new hotels rooms are being built in the area that still will not meet demand. The Tribe can simply rent out the residences, or could consider a partnership whereby the residences are remodeled and turned into B&B's.

With its financing advantages, Kaibab could seek a joint venture with a company that would finance and build a hotel. It could be attractive to consider constructing a high-end property, as there are no higher-end properties in the area. If this looks like a possibility, the Kaibab Tribe can research the possibility of operating gaming at a high-end resort property.

Another potential is the construction of multi-family units. There is a housing shortage in the area. Many employees drive in from long distances. The Tribe could make housing available to non-Tribal and Tribal members, and in addition to securing special financing and looking for joint venture partners to build housing, could potentially extend special financing to those purchasing properties.

The Tribe financed a fast food establishment next to the gas station and convenience store with an identified lessor to put in a franchise and operate it. The lessor backed out, however. This experience can help the Tribe to understand the value of strong contracts with security for the Tribe and penalties for non-compliance. Equally important is doing due diligence on prospective business partners and ensuring that they have capacity to perform and are ethical.

These economic development goals can be accomplished within the broader Tribal vision: *To promote cultural preservation, while improving the quality of life by offering new secure housing and improved health-care, higher education and suitable economic development opportunities leading to financial security for our Tribal Government and community members.*

7. Challenges

The challenges to accomplishing these goals are many. The Kaibab Paiute Reservation is in a very rural and isolated area. Tribal members have limited business experience, capacity and connections. There is a difficult history between the Kaibab-Paiute and surrounding non-Indian communities that has been characterized by exploitation, discrimination and a lack of trust. The Tribe must depend upon outside resources in order to arrive at good business decisions and agreements. There are communication issues within the Tribe. In order to realize these goals, trusted and ethical leadership is paramount. There has been a history of a lack of managerial oversight and accountability within existing businesses enterprises.

On the other hand, there are trusted resources that can be depended upon. One resource is the Inter Tribal Council of Arizona (ITCA). ITCA is developing economic development resources and capacity to be able to assist its member Tribes. Economic Development on the Kaibab reservation can be an adventure of developing new bonds and trusted relationships as well as growing internal capacity.

IV. ECONOMIC RESILIENCY

Economic resiliency is defined as the ability of the economy of a community to withstand shocks such as natural disasters or rapid outside change such as economic cycles. Establishing economic resilience in a local or regional economy requires the ability to anticipate risk, evaluate how that risk can impact key economic assets, and build a responsive capacity. The EDA (Economic Development Administration) strongly recommends that resiliency planning be part of a CEDS process.

Usually the shocks/disruptions to the economic base of an area or region are manifested in one of three ways:



One resiliency strategy is to undertake efforts to broaden the economic base through diversification initiatives, such as targeting the development of emerging clusters or industries that build on the region's unique assets and competitive strengths and provide stability during downturns.

- Downturns or other significant events in the national or international economy which impact demand for locally produced goods and consumer spending;
- Downturns in particular industries that constitute a critical component of the region's economic activity; and/or
- Other external shocks (a natural or man-made disaster, closure of a military base, exit of a major employer, the impacts of climate change, etc.).

One resiliency strategy is to undertake efforts to broaden the economic base through diversification initiatives, such as targeting the development of emerging clusters or industries that build on the region's unique assets and competitive strengths and provide stability during downturns that disproportionately impact any single cluster or industry; Although each of the regional economic sectors may suffer from inherent cycles, the cycles exist from disparate causes and are fairly independent from one another, adding to regional economic resiliency. The economy of the Kaibab Tribe is too small, which leaves it increasingly susceptible to economic shocks. Economic diversification and growth is a prime economic resiliency strategy.

Even though the region has one of the lowest unemployment rates in the country, and the region is experiencing an economic boom, the economy is overly dependent upon tourism. Tourism is one of the sectors most susceptible to economic cycles. Kaibab is in a position to benefit from the uptrends in the local tourism industry, but it can also use its special advantages as a sovereign Tribal Government to diversify into unrelated economic sectors.

Another strategy includes adapting business retention and expansion programs (e.g., economic gardening or other enterprise supports) to assist firms by strengthening existing enterprises through planning and goal setting. Strong and profitable enterprises are more easily able to withstand economic disruptions. Furthermore, a strong business culture and strong retention program with profitable enterprises fosters additional business development by making it easier to recruit businesses, form joint venture partnerships and obtain financing.

Building a resilient workforce that can better shift between jobs or industries when core employment is threatened through job-driven skills strategies and support organizations is another important strategy. Building an educated and skilled local workforce is key. Although there is minimal unemployment on the Kaibab Reservation, most Tribal members are employed in low paying and low skilled hospitality work. The Tribe and the education department should do more to help subsidize and encourage higher level training and graduate education. This is obviously a long-term strategy, but it can start now.

Promoting business communication and education is part of a retention strategy. Tribal businesses should understand their vulnerabilities. Establishing a process for regular communication, monitoring, and updating of business community needs and issues, and reaching out to businesses to address concerns as well as potential risks and



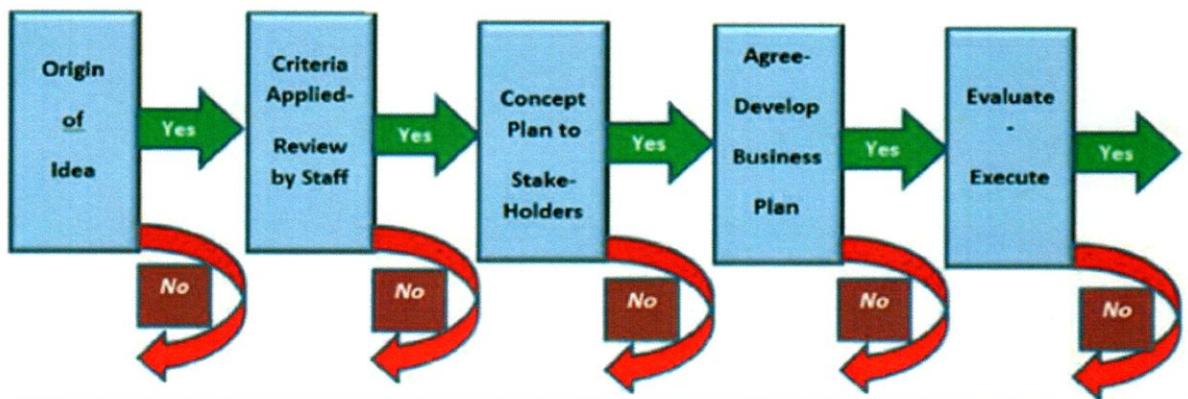
opportunities, part of a strong retention program. The Business Board should maintain relationships and the capability to rapidly contact key local, regional, state, and federal officials to communicate business sector needs and opportunities and help to coordinate impact assessments as partners in this effort.

Maintaining up-to-date and complete information on funding opportunities, land and potential business sites, strategic and growing regional economic sectors, links to the regional business community, local business strengths and weaknesses, and developing and updating business policies and regulations also helps to grow and strengthen Tribal economics and position Tribes to take pro-active actions. This can include a strong tax policy whereby the Tribe benefits from Tribal taxation.

Good infrastructure must be in place that includes redundancy in telecommunications and high-speed broadband networks along with competitive rates and effective systems for power, water, sewer and waste disposal. The Tribe can form and operate its own utility and explore options for energy generation – especially solar power. This can be coupled with employing efficiency measures and developing codes for both housing and commercial venues.

V. PLAN OF ACTION AND CONTROL

Project Flow



In order for the planning and business development to work basic economic development goals and priorities need to be set-up, as well as complimentary roles defined. It is recommended that the CEDS committee evolve into a business board that can then form the underpinnings of a Section 17 Corporation and Board, and that it include strategic and ethical outside resources.

This study is meant to suggest potential direction for viable economic development and provide some initial indication of feasibility. It will be the job of the Business Board to vet and prioritize these and other ideas and obtain general support from the Council. Projects can then be prioritized, formal feasibility studies and business plans



Maintaining up-to-date and complete information on funding opportunities, land and potential business sites, strategic and growing regional economic sectors, links to the regional business community, local business strengths and weaknesses, and developing and updating business policies and regulations also helps to grow and strengthen Tribal economics and position Tribes to take pro-active actions.

developed, and realistic goals set within an achievable timeline. Once this is done, an important task is assigning responsibility for project implementation to personnel with the appropriate know-how, and then providing institutional and Tribal project support.

It is helpful that the individuals and Tribal organizations including the Council involved in economic development understand overall goals and have an articulated purpose. Tribal administration and the Council need to recognize the importance of economic development for the Tribe. Economic development is a source of sustainability, bolsters Tribal sovereignty and impacts almost every other factor of the Tribal community, including cultural values, social well-being, education and quality of life. Anticipated steps in the implementation process will include any or all of the following steps, as applicable to the specific projects:

- Concept papers
- Feasibility studies
- Planning documents, including financing plans
- Construction and design work
- Implementation plans
- Monitoring and reporting

Project Implementation will follow the Project Flow diagram. Origin of Ideas and initial Applied Criteria will come from this CEDS study. The stakeholders will consist of a strong Business Board and Tribal Administration.

Monitoring and evaluating of the effectiveness of the CEDS Plan of Action and progress toward achieving the CEDS goals and objectives will be an ongoing process that supports internal management and Tribal Government through the monitoring of both quantitative and qualitative management metrics. We may view our CEDS as a road map leading to economic goals, improving our competitive position and business climate, and increasing the job pool.

A major economic metric will consist of the number and timing of new businesses started. The CEDS Committee will receive financial and narrative reports regarding new business progress as well as on the health and profitability of existing businesses. Financial statements from new and existing ventures will be compared to budgeted pro-forma statements from the feasibility studies and business plans that will be developed as a result of this report. It will be more important to create a few solid, well-functioning enterprises slowly as opportunities arise and build on success, than to create many businesses in a short time. The Tribal Council will act as business shareholders. The Council will not interfere in business decision making except under extraordinary conditions.

Another important quantitative measure will be the amount of profit earned by the Tribe annually from new and existing business activity. Business profit will be managed separately from Tribal Department accounts, and will be used in large measure for reinvestment purposes. Once business income is at a sufficient and growing level

and is self-sustaining, the Tribe will be able to take draws or dividends to help diversify Tribal revenue away from government sources.

At the end of the first five-years, a report will be prepared detailing the economic impact achieved, and the level of success in following the cEDS plan. At this time more comprehensive measures will be used including comparing new statistical demographic information with the current data in areas such as educational attainment and worker training, new housing, community population growth, new jobs and income levels and so forth.

There are examples of Tribes that have invested most of their profits and have built the wealth of their Tribes many fold as a result. One Tribal chairman from a financially successful Tribe observed, "We convinced our people that gaming income is seed corn that has to be invested, and that the benefits from that investment are what we use to deliver our services."

The long-term goal of Kaibab Administration should be to develop internal capacity. This will happen over time if the Tribe makes educational opportunities available to Tribal members and prioritizes filling positions with Tribal members once individual capacity is in-place. One way to accomplish this is to work with outside people who are not only competent, but who also can prioritize Tribal interests and are willing to mentor Tribal members. Skilled outside resources who have an altruistic bent should be brought on to the business board. There are certainly retired people in area with substantial expertise and experience that may enjoy volunteering on behalf of the Tribe. The Business Board composition needs to value this support.

The Business Board should prioritize and commission economic development planning and projects with as much Tribal support as possible, and then expect that the economic development director to implement those plans with regular reporting to the Board on progress, accomplishments and problems. The Board should not get involved in the micro-managing of projects or enterprises, but should establish firm criteria, measurable goals and realistic expectations, and then supervise and judge the performance of the project directors and enterprise managers accordingly. Each director or enterprise manager should develop a plan and budget for Board approval, and then provide regular positive or negative budget and variance reports with appropriate explanations. The Business Board can then provide quarterly summary reports to the Council. This type of layered accountability should help ensure that goals and priorities are accomplished. The Council needs to hold the Business Board accountable, and the Business Board needs to hold managers and directors accountable. Goals and priorities need to be set realistically with the participation and agreement of all concerned and then managed and controlled.

A substantial challenge in Tribal business enterprise development is evolving reliable criteria or screens for investment decision making. Many Tribes have developed a good deal of sophistication and capacity in this regard and engage in investing in largely successful ventures both as Tribal businesses as well as non-Tribal business developments off-reservation. Other Tribes have a history of making ineffective business decisions in which they end up losing money either from a business that is not well planned or managed, or from some type of joint-venture in which the Tribe is unfairly taken advantage of.

Tribal businesses need to be well planned. Reliable business plans should be completed and evaluated for any new contemplated enterprise. The central part of a business plan is the financial projections. Most of the rest of a business plan should back-up the numbers and include a viable financing strategy. The Tribe must have the capacity to properly evaluate plans. A business plan or comprehensive feasibility study will result in criteria for a "go" or "no-go" decision, based upon business and economic benchmarks as well as



Tribal goals and objectives.

Standard business criteria involves financial metrics such as Return on Investment (ROI), cash flow and profitability benchmarks. Additional vital considerations include management capacity, market viability, and risk assessment and tolerance. Additional criteria with direct relationship to internal Tribal goals may include employment potential and the appropriateness of jobs to the local workforce, environmental considerations and cultural values as well as overall community concerns and objectives.

Additional vital considerations include management capacity, market viability, and risk assessment and tolerance. Additional criteria with direct relationship to internal Tribal goals may include employment potential and the appropriateness of jobs to the local workforce, environmental considerations and cultural values as well as overall community concerns and objectives.

