



SALT RIVER

PIMA~MARICOPA INDIAN COMMUNITY

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February 23, 2011

Chairman Ned Norris, Jr.
Tohono O'odham Nation
P.O. Box 837
Sells, Arizona 85634

Re: New Casino Proposed for the Phoenix Metro Area

Dear Chairman Norris:

The Salt River Pima-Maricopa Indian Community ("Community" or "SRPMIC") writes to provide its views on the plan to build a new casino in the Phoenix area. For over two years the Community has remained publicly silent and neutral regarding the proposed new casino, while maintaining communication with other tribes. However, due to the historical circumstances surrounding compact renegotiations from 1999 to 2002, and the apparent secrecy in which this particular casino was planned, the Community believes that the project creates a serious threat to the continuing viability of all Tribal gaming compacts in Arizona. Further, the planned casino has ruptured relationships among Arizona Tribes, particularly two members of the Four Tribes, when earlier compact renegotiations built unity among Tribes and the State of Arizona. Finally, the planned casino will significantly harm Phoenix metro Tribes, including the Community. For these reasons, the Community can remain neutral no longer.

As we advised you, we have consistently monitored this issue. We are known for our leadership in Indian country and feel that we must speak up because the future of gaming on Indian lands in Arizona is at stake.

Seven Arizona Tribes have acted to officially oppose this planned casino. The Community becomes the eighth.

If the proposed new casino is allowed to operate, the Community is gravely alarmed that out-of-state companies will use this expansion of gaming as an opportunity to have unlimited commercial gaming throughout Arizona. This development would have enormous adverse consequences on gaming Tribes, on non-gaming Tribes who receive payments from gaming Tribes, and on the State of Arizona. Thus, the Community believes that the planned casino creates a very real and significant threat to the continued viability of all Tribal compacts in Arizona.

In addition, the Community considers it important to remember the historical context from which the current casino proposal was hatched.

In 1999 Arizona Tribes and the State of Arizona began compact renegotiations in earnest. SRPMIC, the Gila River Indian Community ("GRIC"), Tohono O'odham Nation ("TON"), Fort McDowell Yavapai Nation, Ak Chin Indian Community, Pascua Yaqui Tribe and 10 other Tribes joined forces and signed an *Agreement in Principle*:

*“The undersigned Tribal Leaders and their successors will make a **good-faith** effort to share among themselves the details of their discussions regarding compact renegotiations with the State of Arizona....*

*“The Tribal Leaders will make a **good-faith** effort to develop and maintain consistent positions regarding the terms and issues at issue with the State of Arizona in compact renegotiations....*

*“Tribal Leaders will make a **good-faith** effort to notify other Tribal Leaders if they believe that they cannot abide by this Agreement or that they must take positions or actions inconsistent with those of the other Tribal Leaders.” (emphasis added).*

In exchange for allowing Tribes to operate additional gaming devices (i.e., slot machines), to offer blackjack and to increase bet limits, the State of Arizona demanded that the total number of casinos authorized in the Phoenix and Tucson metro areas be reduced. The State of Arizona demanded that the four Phoenix-metro Tribes each reduce their authorized casinos and the four Tribes agreed: SRPMIC went from three authorized casinos to two, GRIC went from four casinos to three, and Ft. McDowell and Ak Chin both went from two casinos to one each. Thus, the number of casinos in the Phoenix metro area was reduced *from a possible eleven casinos to a total maximum of seven.*

While the State of Arizona was agreeable to increasing the total number of gaming devices authorized in the Phoenix-metro area in exchange for reducing authorized casinos, it was necessary for the four Phoenix-metro Tribes to negotiate among themselves on the number of gaming devices each Tribe would be authorized to operate under the new compacts. There were many negotiation meetings involving only representatives of the four Phoenix-metro Tribes. Eventually, all four Tribes reached agreement on their respective number of gaming devices.

At the same time, it was necessary for the two Tucson-metro Tribes, TON and the Pascua Yaqui Tribe, to reach a similar agreement regarding the Tucson metro area. After a number of meetings the two Tribes reached agreement, but TON was the only Tribe in the Phoenix and Tucson metro areas that refused to reduce the number of its authorized casinos. At the time of the renegotiations, TON was allowed four casinos but had never operated more than three. Nevertheless, TON refused to give up its opportunity to operate a fourth casino. The Pascua Yaqui Tribe, on the other hand, agreed to reduce its authorized casinos from three to two.

As negotiated among the 17 Arizona Tribes and the State of Arizona, the new compacts, if approved, would limit the number of gaming devices and casinos that each of the six metro Tribes could initially operate, as follows:

Ak Chin	998 machines	2 casinos reduced to 1
Ft. McDowell	998 machines	2 casinos reduced to 1
Pascua Yaqui	1,570 machines	3 casinos reduced to 2
SRPMIC	1,530 machines	3 casinos reduced to 2
GRIC	2,420 machines	4 casinos reduced to 3
TON	2,420 machines	4 casinos not reduced

Proposition 202 (“Prop 202”) was the vehicle used to adopt the renegotiated compacts. More than 200,000 Arizona voters signed the petition to put Prop 202 on the November 5, 2002 ballot. Among other things, Prop 202 would adopt the renegotiated compact into State statutes. The 17 Arizona Tribes,

including TON, formed a Committee to run the political campaign for approval of Prop 202. The metro Tribes, including TON, contributed a significant majority of the funding to the 17 Tribes' Committee.

Arizona voters were told that Prop 202 would prevent a new casino from ever being built in the Phoenix-metro area. In advance of the election, the Arizona Secretary of State distributed a ballot pamphlet on Prop 202 that contained statements explaining why voters should vote "for" or "against" the measure. The 17 Tribes' Committee worked to secure meaningful statements in support of Prop 202. The first statement urging voters to vote "for" Prop 202 was signed by the 17 Tribes' Committee, which included TON. It began,

"We, tribal leaders representing 90% of Indians living on Arizona reservations, ask for your help in passing Proposition 202, to preserve Indian gaming.

"Since 1992, we have worked cooperatively with the State to build gaming facilities on our tribal lands. (Emphasis added).

Governor Jane Dee Hull signed the second statement published in the Secretary's voter pamphlet. She wrote:

"I strongly urge you to vote "YES" on Proposition 202, the '17 Tribe' Initiative. Proposition 202 keeps casinos limited to Indian reservations and limits the number of casinos on reservations. It also provides for strong regulation of Indian casinos by both the State and tribes.

"Voting "yes" on Proposition 202 ensures that no new casinos will be built in the Phoenix metropolitan area and only one in the Tucson area for at least 23 years. Proposition 202 keeps gaming on Indian Reservations and does not allow it to move into our neighborhoods." (Emphasis added).

Attorney General Janet Napolitano signed the next statement urging Arizona voters to approve Proposition 202.

"Most Arizonans believe casino gaming should be limited to reservations. I agree....[Prop 202] also prevents the introduction of casino gaming, such as slot machines, by private operators into our neighborhoods and helps ensure that gaming continues to be closely and effectively regulated." (Emphasis added).

Proposition 202 was approved by a slim majority of Arizona's voters on November 5, 2002. On December 4, 2002, TON signed its Prop 202 compact. Three months later, on March 12, 2003, TON organized a private corporation under the laws of Delaware and named it Ranier Resources, Inc. The mailing address of Ranier Resources Inc. was in Seattle, Washington. Five months later, on August 21, 2003, TON bought the 134 acre parcel in Glendale, but did not take title under its name. The buyer of the parcel was identified as the private corporation, Ranier Resources, Inc.

Following approval of the renegotiated compacts by Arizona voters, TON kept its plans for operating a Phoenix metro-area casino secret for the next six years. None of the Arizona tribes who participated with TON for several years in compact renegotiations and who financed and actively worked

on the political campaign for adoption of Prop 202 were informed that TON planned to operate a Phoenix-area casino until January 27, 2009, the day before TON filed its application with the Secretary to acquire the land in trust for casino gaming. The State of Arizona did not know. Other Tribes did not know. Arizona voters did not know.

Prop 202, as envisioned by the State of Arizona and Tribes who negotiated and drafted it, sought to impose reasonable limits on gaming that were balanced, predictable, and in the best interests of all Tribes and the State of Arizona. The Community believes it is important to keep that promise to the Arizona voters.

The planned new casino would destroy that negotiated balance and cause significant, long-term adverse consequences for Tribes and the State of Arizona.

Finally, such a casino would cause significant, direct, and unquestionable negative impacts on Phoenix metro Tribes, including the Community and its members. The proposed site at 91st Avenue and Northern Avenue, about 20 miles from the Community's reservation and its two casinos, was once the western part of the SRPMIC reservation established by Executive Order dated January 10, 1879.

If the new casino is built, SRPMIC estimates that its casino gross revenues will decrease by at least 16%. This would cause dramatic reductions in government services, including public safety, health and welfare, and much needed infrastructure.

We expect that the three other Phoenix metro Tribes would be similarly affected.

As I indicated to you last week during our conversation on this matter, the Community remains open to discussing related issues of mutual concern. Thank you for this opportunity to provide the Community's views.

Sincerely,



Diane Enos, President
on behalf of the SRPMIC Community Council

cc:

Chairman Louis Manuel, Ak-Chin Indian Community
Chairwoman Sherry Cordova, Cocopah Indian Tribe
Chairman Eldred Enas, Colorado River Indian Tribes
President Dr. Clinton Pattea, Ft McDowell Yavapai Nation
Chairman Timothy Williams, Ft Mojave Indian Tribe
President Michael Jackson, Ft Yuma-Quechan Tribe
Governor William Rhodes, Gila River Indian Community
Chairwoman Bernadine Jones, Havasupai Tribe
Chairman Leroy Shingoitewa, Hopi Tribe
Chairman Wilfred Whatoname, Hualapai Tribe

Chairman Manuel Savala, Kaibab-Paiute Tribe
President Ben Shelly, Navajo Nation
Chairman Peter Yucapicio, Pascua Yaqui Tribe
Chairman Terry Rambler, San Carlos Apache Tribe
Chairman Ivan Smith, Tonto Apache Tribe
Chairman Ronnie Lupe, White Mountain Apache Tribe
Chairman David Kwail, Yavapai Apache Tribe
Chairman Ernie Jones, Sr., Yavapai Prescott Indian Tribe
Assistant Secretary Larry Echohawk, USDO I Indian Affairs
Honorable Governor Jan Brewer