

**TESTIMONY OF GARY SHERWOOD  
COUNCILMAN, CITY OF GLENDALE, ARIZONA  
BEFORE THE SENATE COMMITTEE ON INDIAN AFFAIRS  
ON S. 2670  
Accompanied by Councilman Sammy Chavira**

**September 17, 2014**

Good afternoon Chairman Tester and Members of the Senate Indian Affairs Committee. My name is Gary Sherwood, and I am a member of the City Council for the City of Glendale, Arizona. On behalf of the City of Glendale I am here today with my fellow City Councilmember and colleague Sammy Chavira. We are pleased to present the City of Glendale's official position on S. 2670, the companion bill to H.R. 1410. Let me be clear: despite what you have heard from our mayor, the City twice has adopted resolutions which unequivocally state our opposition to H.R. 1410, and now S. 2670.

This dangerous and wrongheaded legislation would prevent the City of Glendale from benefitting from the economic development and desperately needed employment opportunities which already have begun to be generated by the Tohono O'odham Nation's planned development for its West Valley reservation. Make no mistake, enactment of S. 2670 will have a unmistakably negative impact on the people of the West Valley, people who were disproportionately hit by the economic downturn that began with the home mortgage crisis in the late 2000s. For this reason, Glendale joins the other major municipal governments of the West Valley -- the cities of Peoria, Tolleson and Surprise -- in opposition to this legislation. Together,

our cities make up the overwhelming majority of the population of the area west of Phoenix known as the "West Valley".

To put our views in perspective, I want to share with you that the West Valley's ability to provide employment opportunities to our own people lags badly behind the need. At a recent WESTMARC economic development forum it was noted that the West Valley is home to 39% of the region's population (and our population is still growing) -- but that only 24% of the jobs in our region are located West Valley. A recent study finds that "51 percent of people who live in the region — Surprise, Peoria, Glendale and other cities — work outside of it. ... Of the total, only about 35,000 of the 109,000 people surveyed both live and work in the Northwest Valley." *West Valley jobs lag population growth*, Arizona Republic (April 23, 2014). This dynamic is particularly severe in Glendale. We can see from recent census reports that of the 88,699 workers living in Glendale, *78,122 travel outside Glendale for their employment*. "On the Map," 2011 Census. These numbers are staggering, and underscore the West Valley's desperate need for additional economic development opportunities.

The City of Glendale is the proud home of the Arizona Cardinals football franchise, the Phoenix Coyotes hockey team, and the spring training facilities for the Los Angeles Dodgers and Chicago White Sox. The Tohono O'odham Nation's project is located near this area, and in our view will directly compliment the commercial development that will surround it. When the Nation announced its plans for the West Valley Resort in 2009, it immediately reached out to the City, even though its land was outside Glendale's city limits. The Nation also early reached out to other West Valley municipalities, and began a dialogue aimed at forging mutually beneficial working relationships with all of us in the local community.

Our partnerships with the Tohono O'odham Nation are a shining example of what is possible when an Indian tribe and local communities work together, hand in hand, to bring positive economic development to fruition. The last thing our communities need is federal legislation which would intrude on our local decision-making, throw our citizens out of work, and deprive our economies of hundreds of millions of dollars in economic impacts. The specter of such legislation is all the more disheartening to Glendale and our counterparts in other West Valley cities because it is so clear that its main purpose is to legislate a monopoly for two other tribes who operate gaming facilities in the East Valley way over on the other side of Phoenix. As I have heard Peoria Mayor Barrett say over and over again, we are tired of seeing the buses that come every day to the West Valley to pick up gaming patrons and take them back over to the other side of the Valley to spend their entertainment dollars outside of their own local community. In the next twenty years, 65% of the growth in the Phoenix metropolitan area will occur in the West Valley. For these reasons, like the City of Glendale, the West Valley cities of Peoria, Surprise, and Tolleson, each have taken formal action to oppose H.R. 1410/S. 2670, and have expressed that opposition in writing to the Congress. *See, Testimony of Hon. Robert Barrett on Behalf of the City of Peoria, Arizona, Before the Subcommittee on Indian and Alaska Native Affairs, Committee on Natural Resources, U.S. House of Representatives (May 16, 2013); Letter of Bob Barrett, Mayor, on Behalf of the City of Peoria, Arizona, to the Senate Committee on Indian Affairs; July 21, 2014 Letter of Sharon Wolcott, Mayor, on Behalf of the City of Surprise, Arizona to the Senate Committee on Indian Affairs; July 17, 2014 Letter of Adolfo Gamez, Mayor, on Behalf of the City of Tolleson, Arizona, to the Senate Committee on Indian Affairs.*

Because the City of Glendale has taken longer than most of its sister cities to recognize the tremendous value of the West Valley Resort, it is important to provide a bit of background on how we got here. I was elected to the Glendale City Council in late 2012. At the time I must admit I was skeptical about the Tohono O'odham Nation's West Valley Resort and Casino proposal. The City had previously entered into several hundred-million-dollar development deals that resulted in the City paying substantial subsidies to private interests. As a direct consequence, Glendale was facing a huge budget crisis, and it seemed as if this project might be a drain on the City's already scarce resources.

Given this history, and my experience serving for decades on numerous boards, commissions, and task forces in my community prior to my election to the City Council, I knew we had to do our homework when considering massive economic development projects like this one. So when I received my first briefings on this project as a member of the City Council, I was stunned to learn that the prior Glendale administration, which opposed the West Valley Resort, had engaged in no fact-finding on the project and had refused to engage in any dialogue with the Nation at all. This despite the fact that the Nation had made significant attempts to meet City officials and despite the fact that over a dozen administrative and court decisions had confirmed the Nation's right to acquire the West Valley Resort land in trust under its land claim settlement act and conduct gaming on the site.

Meanwhile, the other major cities in the West Valley had long ago accepted the Nation's invitation for dialogue, and as noted above these cities have since expressed formal support for the project. So in 2013, the City opened a formal dialogue with the Nation on this project, and engaged on a nearly-six-month fact finding mission to carefully explore the pros and cons of this development. After receiving regular, detailed updates from staff over several months, the City

Council formally voted in March 2014 to begin formal negotiations with the Tohono O'odham Nation in order to see whether we could reach agreement on the project. At that time, we also formally voted as a Council to oppose H.R. 1410, a position that a majority of our councilmembers already had expressed individually on numerous occasions.

While a few individual members of the Glendale City council, including Mayor Weiers, have continued their misguided opposition to this project, they are in the distinct minority, both in terms of the City Council and the West Valley. They remain out of step with the more than two-thirds of Glendale residents who have consistently supported this project for the last five years. To put it simply, they are entitled to their views, but these views are their own personal views, and do not represent the official position of the City of Glendale. I fear that these individuals have turned a deaf ear to the facts and instead have fallen prey to the misinformation being peddled by East Valley casino interests seeking to protect their market share. This misinformation was on display this past July, when Mayor Weiers testified before this Committee in an oversight hearing on Indian gaming. Unfortunately, Mayor Weiers used the opportunity to vigorously present his personal views, which were in direct opposition to the actual and official position of the City of Glendale.

But as former President Ronald Reagan once said, "facts are stubborn things." When the majority of my colleagues on Council and I were presented with the facts about the West Valley resort and casino it became clear that this project was right for our community. Through this process, we learned a great deal, not only about jobs and positive economic impact, but also about the history of the Nation's plans and gaming in Arizona. We examined, with open minds, the claims made by the Nation's opponents -- claims that the Nation had hid its intentions from other tribes or that the tribes had promised that there would be "no new casinos in Phoenix."

When we looked at the facts, presented in administrative and court proceedings, we found these claims totally lacking. Evidence presented in federal court showed that East Valley casino interests and State legislators knew about the Nation's rights under its settlement act and in fact sought prohibitions on gaming similar to H.R. 1410/S. 2670 during negotiations over the gaming compacts. However, these market protection prohibitions were rejected and were never incorporated into the compact that the State of Arizona and all the tribes (including the East Valley tribes) signed.

In other words, East Valley interests are now seeking to obtain from Congress through H.R. 1410/S. 2670 the prohibitions that they were unsuccessful in negotiating back in 2002 -- at the expense of my community in the West Valley and in violation of the promises made to the Tohono O'odham Nation. These opponents have spent lots of money and thrown every conceivable form of mud against the wall, but none of it has stuck. H.R. 1410/S. 2670 is just the latest attempt to protect East Valley casino market share. As a longtime Glendale business owner recently said to me, this legislation is more properly titled the 'Keeping the *Profits* Act of 2014.'

After careful examination of these facts, the City formally voted in July and August to support the use of the Nation's West Valley Resort property for gaming and to enter into a formal agreement that provides significant mutual benefits to the City for years to come. Under the uniform Arizona tribal-state gaming compacts, Indian tribes are required to share a portion of their gaming revenues with the State of Arizona. However, unlike some gaming compacts in other states, there is no requirement that this revenue go to particular communities. Instead, in Arizona, while tribes must devote a portion of this revenue sharing to local communities, it is up to each to tribe to determine which communities receive these grants. To my knowledge, the

agreement that the City has struck with the Tohono O'odham Nation goes well beyond any other tribal gaming revenue grant or casino impact agreement in Arizona in terms of direct benefits to a municipality. Under the agreement:

- The City will receive funding in excess of \$26 million during the 20-year term of the agreement;
- The City has already received an initial good faith payment of \$500,000;
- Unlike development deals that the City has entered into in prior decades, the City will not pay one dime to the Nation for construction costs, infrastructure costs in and around the site, and municipal services such as water and wastewater. Instead, the Nation will pay for all of these costs;
- The Nation will pay Glendale's monthly standard fees and service charge rates for commercial customers on the site.

More important to the City than these specified benefits, however, are the jobs, economic impacts, and revenue sharing that the project is beginning to generate for the West Valley and the State of Arizona.

I am sorry to report that despite these benefits and the views of Glendale residents (who in poll after poll express overwhelming support for the West Valley Resort), East Valley casino interests are now paying signature gatherers to mislead Glendale residents into signing a petition to challenge the City's agreement with the Nation. As has been widely reported in the press, these paid signature gatherers have been caught on tape lying to Glendale voters, suggesting that the petition is *in favor* of the West Valley Resort. Thankfully, even Mayor Weiers has acknowledged that this dishonest publicity stunt will not in any way affect the City's agreement.

I recently had the honor of participating in an historic groundbreaking ceremony on the project site with Tohono O'odham Nation Chairman Ned Norris, construction and building development representatives, and more than 200 other tribal and municipal leaders. I have not seen such a demonstration of regional cooperation since we collaborated on building the Arizona Cardinals Stadium in Glendale more than a decade ago. Construction on the West Valley Resort site is now underway.

I have met personally with representatives of the other major sports, entertainment and retail industries in Glendale, including the Phoenix Coyotes, Arizona Cardinals, Tanger Outlet Mall, the Renaissance Hotel, and many other restaurants and businesses, all of whom have expressed support for the Nation's project and the secondary benefits that it will bring to their franchises. We also have heard from other developers who are excited about the West Valley Resort and who are now interested in investing in our community. In short, this project is already beginning to pay dividends.

For all these reasons I respectfully urge Congress not to reach back from Washington, D.C. to interfere in our efforts to improve the lives of our citizens. Do not crush the dreams of my constituents and those of my sister cities, who have waited patiently for the jobs, investment in our community, and economic development which this project already has begun to bring to the West Valley. We urge the Senate Indian Affairs Committee to see past the misinformation campaign waged by East Valley casino interests which are pushing a false narrative in order to change federal law and break a promise made by President Reagan and the U.S. Congress to the Tohono O'odham Nation more than twenty-five years ago. Congress should be doing everything it can to foster economic development and positive working relationships between tribal and local governments, not moving forward special interest, market-protection legislation. The City



of Glendale is asking you not to destroy this valuable partnership between the Tohono O'odham Nation and my community. We are emphatically urging this Committee to prevent H.R. 1410/S. 2670 from moving forward out of this Committee, and urging the Committee to do everything in its power to ensure that it does not become law.

On behalf of the City of Glendale, I want to thank you for this opportunity to testify on this matter, which is of such great importance to the City of Glendale. I and Councilman Chavira would be pleased to answer any questions that the Committee may have.