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New casino pact gives state a record share

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The Shingle Springs Band of Miwok Indians, owners of the new Red Hawk Casino in El Dorado County, has agreed to pay the state the largest share of slot machine winnings of any tribe in California.

Gov. Arnold Schwarzenegger announced Tuesday the signing of an amended compact with the tribe that will run through 2029 and allow a maximum of 5,000 slot machines, though the casino will open later this year with about 2,000.

Under terms of the compact, the tribe will share revenues with the state based on a sliding percentage of net winnings from slot machine operations, ranging from 20 percent to 25 percent.

Those percentages exceed any other Indian compact in the state, according to Aaron McLear, a spokesman for the governor.

In addition, the tribe agreed to pay \$4.6 million annually to the Revenue Sharing Trust Fund. Each of the 71 California tribes that has no casinos or very small casinos gets \$1.1 million a year from the fund fed by the large casino-owning tribes.

"This compact is a good deal for the state, the local community and the tribe," Schwarzenegger said in a press release.

"The agreement will provide significant revenues to the state, protections for both workers and patrons, and for mitigation for the off-reservation impacts of gaming."

Tribal representatives didn't return calls from The Bee on Tuesday.

But El Dorado County leaders expressed concern about the possibility that the casino might someday reach its maximum allotment of 5,000 slot machines.

Rusty Dupray, chairman of the county Board of Supervisors, said he hadn't had time to study details of the compact but called the slot machines "a mixed bag."

"On one hand it will help us financially. The downside is it means more traffic and its impact on South Lake Tahoe," Dupray said.

Under a 2006 settlement with the county, the tribe agreed to pay \$100,000 per additional 100 slot machines over the 2,000 the casino will have when it opens.

Red Hawk casino is under construction in Shingle Springs and is expected to open in the last quarter of this year.

The 270,000-square-foot casino just north of Highway 50 is anticipating hiring 1,750 employees and will operate 75 table games in addition to its approximately 2,000 slot machines and gambling devices.

That compares to Thunder Valley Casino in Placer County, which has more than 2,700 slot machines, and Cache Creek Casino in Yolo County, with more than 2,900 machines.

The number of slot machines allowed in California Indian casinos varies by compact. Some are permitted an unlimited number, some a maximum of 7,500, others less, said Camille Anderson, a spokeswoman with the Governor's Office.

Non-monetary provisions of the revised compact are similar to recent compacts signed by the governor.

They include:

- Requiring the tribe to prepare an environmental impact report to assess the potential effects of new and expanded gaming facilities and detail how environmental impacts will be mitigated.
- Providing that all disputes with employees, patrons and the county may be resolved through binding arbitration.
- Requiring that any new construction meets or exceeds the building and safety codes of the county and the state.

An important aspect of the compact from the tribe's standpoint has to do with an interchange the tribe agreed to build connecting Highway 50 to the casino site. The tribe will also construct diamond lanes on Highway 50 to handle the anticipated increase in traffic.

Under the compact, the tribe may deduct payments it makes for the construction of the lanes from its payments to the state.

Judy Mathat, a real estate agent and long time advocate of the casino, said provisions in the compact demonstrate the tribe's willingness to cooperate with the county.

"I believe totally in their ability to work with the community," she said Tuesday.

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