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Red Hawk Casino draws 10,000 on first day

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The Red Hawk Casino drew a full house Wednesday night as thousands braved the cold, fought traffic and opened tight pocketbooks to check out the state's newest Indian gambling site.

Casino officials estimated that 10,000 people arrived by 6 p.m. The Shingle Springs facility allowed guests in hours earlier than its scheduled 7 p.m. opening in hopes of avoiding traffic backing up on Highway 50 near the casino's offramp. But by 8:30 p.m., eastbound traffic on Highway 50 was backed up about one mile.

Inside, guests queued up at the 2,000 slot machines, squeezed into seats at 75 gambling tables and sampled fare at the casino's six restaurants.

"I think it's marvelous, absolutely gorgeous," said Sue Ball of Shingle Springs as she watched gamblers put coins into the slots. "It's a shorter trip than Tahoe or Jackson."

From the looks of the opening, the decision by the Shingle Springs Band of Miwok Indians to spend \$530 million to build a casino on 160 acres of tribal land just east of Placerville could pay off.

Red Hawk officials said 80 percent of the first-night guests signed up for the casino's "rewards club," an incentive program for return customers.

"We think this market is very resilient and very buoyant," said Red Hawk's general manager, Peter Fordham. "We've been well-received by Sacramento."

The opening was also good news for Indian casinos, which have seen big revenue gains since they began offering Nevada-style gaming nearly a decade ago.

In Region 2 of the National Indian Gaming Commission, which is dominated by California's Indian casinos, gross revenues jumped to \$7.8 billion in 2007, up from \$1.2 billion in 2000, said Shawn Pensoneau, a spokesman for the independent gaming commission.

The question is: Will the ailing economy threaten that trend?

The nation's unemployment in November reached its highest level in 15 years as 533,000 people lost jobs. Experts fear the foreclosure crisis is widening. And many businesses that aren't closing their doors are seeing big losses.

Just last month, Thunder Valley Casino in Lincoln put work on hold for a hotel and performing arts center while evaluating whether to scale back the project. The United Auburn Indian Community, owners of the casino, broke ground on the project in July.

Cheryl Schmidt, director of Stand Up for California, a gambling watchdog group, said she believes the Red Hawk Casino is taking a risk.

She questioned whether it can live up to its promise to pay the state 25 percent of its net win, which she said is more than any other California tribe pays.

"I've heard in recent days that some Southern California tribes may not be able to make their state payments," Schmidt said.

"Red Hawk truly is taking a gamble at this time," she said.

Nevada casinos have been hit by the harsh economy, too, according to data from the Nevada State Gaming Control Board.

In Washoe County, which includes Reno, gambling revenues fell 9 percent in October compared with a year earlier. Douglas County, which includes the large casinos at Lake Tahoe, saw gambling revenues decline 24 percent.

Statewide, the Nevada picture was just as grim. Gambling revenues fell 22.3 percent in the October-to-October survey.

It's a one-two punch for the Nevada gambling industry, which also copes with the effects of California's growing number of Indian casinos.

"Definitely, (there is an effect) on the northern part of the state and especially this new (Indian) casino," Frank Streshley, a senior financial analyst for the board, said of the Red Hawk Casino.

"A vast majority of the visitors into Reno and Tahoe are from Northern California. They are drive-in customers from Sacramento and the Bay Area.

"And when they have the convenience of driving closer, especially for the day-trippers, that has a big impact on gaming both in Tahoe and in Reno."

The effects were immediate when the Thunder Valley Casino opened in Placer County in 2003 and when the Cache Creek Casino Resort expanded in Yolo County the next year, he said.

The penchant of gamblers to keep their money closer to home helps drive California tribes to the casino bandwagon.

Locally, the Ione Band of Miwok Indians and the Buena Vista Rancheria of Me-Wuk Indians each wants to build casinos in Amador County, which already is home to Jackson Rancheria Casino and Hotel.

Stand Up for California's Schmidt says she hopes the proximity of Red Hawk Casino will deter the two Amador County tribes from pursuing casinos. "It's a little county of 38,000 – it doesn't make sense," Schmidt said.

Still, even in a recession, plenty of people are eager to gamble.

Gambling appeals to a certain economic sector, she said, noting that casinos tend to market to senior citizens with time and money and to ethnic groups with a "propensity toward gambling."

There are various motivations for gambling, she said.

Some people are addicted to the action.

"They have to be a part of it," she said.

Others think they will win and, when they lose, return to the casinos to recoup.

Then there are the folks seeking easy money, Schmidt said. "Everyone is looking for that golden ring."

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