

# Jackson Rancheria's local appeal keeps people coming back

By Dale Kasler, Sacramento Bee

JACKSON – Name another casino in America where a total stranger can walk up to the boss, pull on his mustache and ask, “Is that real?”

This is Rich Hoffman's world. The portly chief executive of Jackson Rancheria Casino Resort, instantly recognizable from the casino's comical TV ads, is routinely swamped with handshakes, hugs and autograph requests whenever he strolls through the venue.

“We're the kingdom for the common guy,” said Hoffman, wearing a fedora and faded jeans during a walkaround last week. “People feel comfortable here.”

Hoffman personifies the un-Vegas, down-home strategy of Jackson Rancheria, the smallest and least glitzy of the four Indian casinos in greater Sacramento. Its business is dwarfed by big competitors such as Thunder Valley, but after a couple of rough years, Jackson weathered the recession comparatively well. It just unveiled an \$80 million remodel of its hotel, casino and restaurants, with a new VIP room for high rollers.

Industry consultants say Jackson Rancheria has built up a strong and steadfast following. Customer loyalty helped the casino withstand a series of infrastructure problems. It could also serve as a firewall if, as expected, more Indian casinos come to Amador County.

“It's just like kind of a family affair,” said customer Dar Drittenbas, a retiree from Pioneer who gave Hoffman a hug.

The casino's owners, the Jackson Rancheria Band of Miwuk Indians, paid for the remodel with cash on hand, according to Hoffman. Not one cent was borrowed.

"The tribe has always been very conservative," Hoffman said.

Jackson's situation contrasts sharply with that of the struggling Red Hawk Casino in Shingle Springs, a relative newcomer to the market, which a year ago deferred principal payments on a \$66 million startup loan and is now trying to restructure its finances.

That doesn't mean Jackson Rancheria has been immune to problems. The remodel, which took five years, was launched in part to remedy a series of major construction defects in the old facility.

Half the casino was shut down in 2008 after the discovery of water and mold problems that forced the temporary relocation of hundreds of slot machines to another building.

A year later, inspectors uncovered potential fire hazards that temporarily closed most of the resort's hotel.

Hoffman said Jackson Rancheria collected \$50 million by suing its contractors, but the damage done to the facility was considerable. Just moving slot machines around was disruptive to customers, many of whom are loyal to a particular machine, he said.

"You couple that with the economic downturn – it was a rough couple of years," Hoffman said.

The soft economy prompted Jackson to lay off 265 workers and eliminate another 100 jobs through attrition. The remodel created 150 new jobs, and Jackson now employs 1,200 full- and part-time workers.

Other potential challenges lie ahead, in the form of new competition.

Two tribes are proposing to build major casinos within 15 miles of Jackson: the Buena Vista Rancheria of Me-Wuk Indians and the Ione Band of Miwok Indians.

While Amador County is fighting both proposals in court, Hoffman acknowledged the possibility that his corner of the casino universe could get more crowded.

“Any time you split the pie into more pieces, it’s a challenge,” he said.

Still, Hoffman said his casino could handle the newcomers but questions if their plans will be fully realized.

“With our position in the marketplace, and the good will we’ve created, it would be tough for them competitively to do a very large project,” he said.

The rancheria casino’s financials are a closely guarded secret. But Hoffman said its 1,600 slot machines take in an average of more than \$200 a day. That translates into at least \$116 million in annual revenue from slots alone.

Hoffman said he expects business to grow 8 percent next year, due to the improving economy and the effect of the remodel.

Jackson Rancheria was one of the first tribes in California to explore gambling. Under the leadership of the late Margaret Dalton, the tribe opened a bingo hall in 1984.

The remote location – several miles off Highway 49 – was and still is something of a handicap, and the bingo hall closed several times. A full-fledged casino didn’t emerge until California voters approved Vegas-style gambling in 2000.

Getting into the business early paid off for the tribe, which has 20 members. Its gambling compact with the state, signed by Gov. Gray Davis in 1999, lets Jackson Rancheria keep more of its profits than many other casino tribes – especially those like Red Hawk that signed compacts with Davis’ successor,

Arnold Schwarzenegger. Members of the tribe get profit dividends from the casino, but Hoffman wouldn't say how much.

Even as it has grown, analysts say Jackson Rancheria will never challenge high-end properties such as Thunder Valley, the dominant player in Sacramento's casino industry.

But Jackson does occupy a sweet spot in the marketplace. It has developed strong ties in the community as a "locals casino" and has resisted the temptation to overbuild or overreach, said Ken Adams, a consultant in Reno.

"They understood where (the customer) was going to come from," Adams said.

Jackson runs some charter buses from the Bay Area but relies mainly on middle-class customers living between Galt and Modesto, Hoffman said.

"We tend to see people two, three, four, five times a week," Hoffman said.

In some respects, Hoffman himself is part of the attraction. The Fresno State graduate has been working at Jackson Rancheria since 1997. Since 2004 he's been CEO of the entire tribal enterprise, not just the resort.

Thanks to the casino's goofy commercials, Hoffman has become the unlikely face of Jackson Rancheria – donning a leprechaun's hat for St. Patrick's Day, stumbling around a baseball diamond to promote the "Grand Slam of Cash," donning a ridiculous toupee to play a TV weather forecaster.

"I love your sense of humor, you're doing a great job," customer Bob Escobar told Hoffman as the CEO was touring the casino the other day.

Escobar, a retiree who lives near Arnold, got Hoffman's autograph and wished him "a prosperous December."

He said he sometimes visits Black Oak Casino in Tuolumne. But Jackson will always be his favorite.

“They know my name here,” he said.