

Trading post and grocery store honors customers’ roots

FARMINGTON (AP) — A colorful replica of decades long-passed grocery stores caters uniquely to the 200 neighbors lucky enough to share its neighborhood.

Valencia Trading Post, in business since 1951, is more than a grocery store.

Owner Anna Montano-Salas chooses many of the items she sells because they mirror the twin cultural roots from which her customers come. Mutton and lamb arrive fresh daily from Monticello, Utah. Tubes of whole bologna and wheels of cheese that can be sliced to spec are available along with the Navajo delicacy ache — tubes of fat wrapped in intestine and ready to cook.

“It’s hard to keep it in stock,” Montano-Salas said. “The Navajos really like it a lot.”

Also hard to keep stocked are small tubs of steamed, dried corn called nshjishii, the basis of ground corn and cedar ash, which Navajo cooks mix with their ground blue corn to enhance its color when they make blue corn mush and other dishes.

Montano-Salas also caters to native medical practitioners, keeping chee dirt and corn pollen available. Her aunt brings the store homemade burritos she markets under the name L & G.

“We sell about 100 burritos a day,” Montano-Salas said.

Green chile stew, posole and tamales also are on hand, along with full grown zucchini-sized dill pickles in glass barrels.

Paski Montano — short for Pasquale, Anna’s brother — ran the store for about seven years before she joined. The Montanos bought the business from original owner, Fedelina Valencia, when she and her son decided to sell. The Valencia family still owns the property, however.

“I started this store with \$400, by myself, with my refrigerator,” Valencia said. “It’s a wonderful little store and I hope it never closes.”

The cultural foods date from Valencia’s time. She grew up in Canon Blanco, where her Grandpa Martin owned a store that catered to a mainly Hispanic and Navajo clientele.

Paski Montano’s collection of Tonka trucks and other heavy equipment line a shelf along one side of the store. They’re for sale, about \$60 each.

He still comes in and has lunch.

“The customers think he’s still the big idol,” said Anna. “They call me Paski’s sister. I think I’ll get a T-shirt that says Paski’s sister.”

Beyond edible goods, Valencia has a collection of jewelry and knives in a corner case. Most are goods people needing money had to sell, and for which they received a fair price.

Cradleboards are available, made by local artisans. Wool carding brushes and needlepoint items also are displayed for sale.

“We buy from the source,” Anna said as she gestured toward the spurs, braided leather lanyards and crosses.

The store is a neighborhood hub, a place where at least 60 families receive their mail and hobnob with their neighbors. A corner table inside and picnic table in front give patrons a place to eat their food or spend their lunch hour.

Baby Boomer-aged residents would remember the corner stores that once dotted neighborhoods. If you’ve never seen one, stop in and take a peak at Southwestern Americana — and buy a burrito while you’re there.

Credit snag at casino to pay off debt

By Steve Hart
The Press Democrat

SANTA ROSA, Calif. — The Dry Creek Pomo tribe in Alexander Valley announced plans in January to seek up to \$600 million from investors to build a resort beside River Rock Casino and pay off existing debt.

What exists: The 62,000-square-foot facility, which attracts between 2,000 and 3,000 guests a day, has 1,600 slot and video poker machines, 22 table games and a restaurant.

What’s planned: The Tuscan-themed project includes a permanent casino and 255-room hotel with a spa, meeting rooms, restaurants, shops, gardens and terrace plaza.

Shrinking U.S. credit markets and slipping casino revenues are putting a crimp in River Rock Casino’s plans to build a \$300 million Tuscan-themed resort in Alexander Valley. River Rock, owned by the Dry Creek Pomo tribe, has shelved plans to raise \$600 million for the expansion, saying it’s “not practicable” to finance the entire project now.

River Rock hopes to raise money in smaller amounts and build the project in stages. Earlier this month, casino officials told investors they will seek \$126 million for the first phase of the resort near Geyserville.

But even that plan is coming under scrutiny on Wall Street. Two influential credit rating agencies recently raised questions about the riskiness of the project, citing the massive debt already incurred to build River Rock’s temporary casino amid a decline in gaming revenue.

The casino’s credit problems could make it harder to raise money and force it to pay higher interest rates to attract investors.

Tribal and River Rock officials did not return calls last week seeking comment. In January, the tribe expressed confidence the project would be built.

The tribe’s gaming authority already owes investors \$200 million for its temporary River Rock Casino,

parking structures and other improvements on the 75-acre reservation.

River Rock’s revenues and profits are down from 2007, and the slump could continue well into next year, according to the rating agencies.

On Sept. 16, Moody’s Investors Service lowered the casino’s rating outlook from “stable” to “negative,” saying analysts expect “some deterioration of River Rock’s financial profile in the near term.”

A second rating service, Standard & Poor’s, placed River Rock on its credit watch “with negative implications” on Sept. 10, saying it may downgrade the casino operator’s debt. “We expect that weak operating conditions in the gaming industry will continue into the first half of 2009 as economic weakness leads to lower consumer discretionary spending,” according to Standard & Poor’s report.

River Rock’s leverage -- or reliance on borrowed money -- will rise with its proposed financing, increasing the risk of default, Moody’s said.

U.S. casino operators’ shares dropped in recent weeks after investors questioned whether credit and liquidity problems could hamper their growth plans.

Funding limits for gaming companies could lead to a significant increase in their near-term costs, Oppenheimer & Co. gaming analyst David Katz wrote in a note to clients.

Earlier this month, Standard & Poor’s cut its corporate credit and issue-level ratings for Las Vegas Sands Corp. due to liquidity worries. MGM Mirage also may have trouble raising bank financing for a planned expansion, Katz said.

In January, the Dry Creek tribe announced plans to seek up to \$600 million from investors to build the resort and pay off its existing debt. The Tuscan-themed project includes a permanent casino and 255-room hotel with a spa, meeting rooms, restaurants, shops, gardens and terrace plaza.

Now, the tribe is scaling back its plans to borrow money for the project.

“In light of prevailing credit market conditions, pursuing the financing for the full resort expansion project at present is not practicable,” River Rock said in a Sept. 5 filing with U.S. securities regulators.

The tribe’s scaled-down financing plan would raise nearly \$126 million for the first phase of the project, including new roads and a land purchase. In a complex series of transactions, River Rock also is arranging a \$25 million term loan and buying down its existing debt by \$30 million.

River Rock, which opened in 2002, generated \$139 million in net sales in 2007. The 62,000-square-foot facility, which attracts between 2,000 and 3,000 guests a day, has 1,600 slot and video poker machines, 22 table games and a restaurant.

Revenue and profits have fallen in 2008 as the gaming industry felt the impact of high gas prices and the economic slump. River Rock’s net sales dipped by more than \$1 million in the quarter ending June 30, with the casino’s win-per-slot dropping by \$20 per machine per day.

The impact was even greater on River Rock’s profits, according to Standard & Poor’s. The casino’s adjusted earnings have declined 14 percent in the first half of 2008, it said.

Under the proposed River Rock financing plan, the casino’s cash stream will be “permanently impaired” by payments required to service \$126 million in new debt, according to Moody’s. Those payments are expected to be \$11.5 million in 2009.

“We see that as moderately negative,” said Jacques Ouazana, a corporate finance analyst at Moody’s in New York. “This is something that affects the cash flows of River Rock.”

River Rock had a cash balance of \$44.3 million on June 30, but the balance will drop with increased capital spending, Moody’s report said. A rating downgrade is likely if River Rock’s performance continues to slide and earn-

ings fail to cover all debt payments, according to Moody’s.

With River Rock’s proposed financing, the ratio of debt to earnings is a concern, said Craig Parmelee, a managing director at Standard & Poor’s in New York. The casino’s credit rating could drop by one notch as a result of the review, according to the debt monitoring service.

Standard & Poor’s current credit rating for River Rock is “B+”, which is considered non-investment grade or “junk bond” status. To compensate investors for the higher risk, the casino’s senior notes pay 9.75 percent interest.

Moody’s cited several other factors that raise questions about the riskiness of the project.

River Rock is vulnerable to competition from a rival casino resort project proposed in Rohnert Park by the Federated Indians of Graton Rancheria and Station Casinos, Moody’s said.

The Alexander Valley casino has a history of management turnover, with three chief financial officers and two chief executive officers in three years, the rating agency said.

Still, River Rock should benefit from a state liquor license, which allowed the casino to start selling alcohol in June, Moody’s said.

Growth of Indian gaming was starting to slow even before the current economic slump, said Alan Meister, a Los Angeles economist who studies tribal casinos. In California, tribes have a limited number of slot machines, he said.

With the economy in a tailspin, tribes may be thinking twice about big capital projects, Meister said.

“It’s not the best time to be expanding,” he said. “You expect tribes to be cautious.”

While tribes have partnered with Las Vegas gaming companies in the past, they’re increasingly turning to the capital markets, Meister said.

“It’s only in the past few years that tribes have been taking on debt of this sort,” he said.

‘Talking Circle’



Suzanne DeChillo/New York Times

Darrel Rides at the Door, a drug and alcohol counselor, leads a "talking circle," which is used as a traditional healing therapy, in Browning, Mont., in February 2005. Methamphetamine addiction is rampant among the 10,000 members of the Blackfeet Nation, unemployment reaches 85 percent in the winter and drug-related violence is widespread.

Grand Forks arena to display tribal flags

GRAND FORKS, N.D. (AP) — Ralph Engelstad Arena on the University of North Dakota campus plans to permanently display the flags of two American Indian tribes whose consent is needed for the university to retain its “Fighting Sioux” nickname and Indian head logo.

Leaders of the Standing Rock and Spirit Lake tribes are not endorsing the move.

The flags of the two tribes are to be unveiled Oct. 5 before a UND men’s hockey game. The on-ice ceremony is to feature Indian singers and drummers.

Arena general manager Jody Hodgson declined to comment on the reasoning behind the flags. “It would be premature for me to comment on it at this point,” he said.

Hodgson said he respects the opin-

ions of nickname opponents but that the arena remains “unequivocally” committed to using the nickname.

A settlement with the NCAA reached last October requires UND to gain approval from the Spirit Lake and Standing Rock tribal councils to retain the Fighting Sioux nickname and logo, or they will have to be retired. The deadline is Nov. 30, 2010.

A flier for the flag event says the ceremony will include a history of the Fighting Sioux logo given by a Standing Rock member and a “position of support” of the nickname presented by a Spirit Lake representative.

The leaders of the two tribes oppose the nickname.

“They’re trying to make it appear they’re honoring us, and they’re trying to make it appear they support us,

and that’s just not the case,” Standing Rock Chairman Ron His Horse Is Thunder said of the flags.

His Horse Is Thunder said that as part of a protest last year, he took down his tribe’s flag at the Little Bighorn Battlefield National Monument in Montana. He said the fact that Ralph Engelstad Arena is on private land would prevent him from doing the same in Grand Forks.

“I wish I could go there and take the flag down and say, ‘No, you’re not going to fly our flag here,’” he said.

Spirit Lake Chairwoman Myra Pearson said she had not been told about the flag ceremony.

“They walk on our logos at the Ralph,” she said of the thousands of Fighting Sioux logos in the facility. “Who cares what else they do?”

Oklahoma tribes hail bingo rules’ demise

By Tony Thornton
Oklahoman

OKLAHOMA CITY — Oklahoma tribal casino officials on Thursday cheered a federal agency’s withdrawal of proposed regulations that some said would have crippled the state’s \$2.4 billion-a-year industry.

“This was a serious threat to the economy, not just for Indian country, but for Oklahoma as a whole,” said David Qualls, chairman of the Oklahoma Indian Gaming Association.

Wednesday afternoon, the National Indian Gaming Commission formally withdrew a plan to redefine Class II gambling machines, which by law must be based on bingo.

The regulatory agency said technological advances over the last decade had erased the line between Class II machines and Class III slot machines like those found in Las Vegas.

The distinction is critical, because Class III games require compacts between states and tribes. In Oklahoma, tribes pay the state 4 to 6 percent of their revenue from Class III machines. No such payments are required for Class II machines.

The state received \$71.6 million in compact fees from tribes in 2007 and is on pace for \$87.2 million this year. That money goes to public education.

Casinos feared changes

Although Oklahoma’s tribes have migrated toward the compacted games, Qualls said many gamblers still prefer to play the Class II machines.

Many casino officials feared the new definitions would have been so restrictive as to outlaw virtually every Class II machine currently in play. That would have left tribes with slot machines as their only option, which Qualls said would have alienated some loyal customers.

“You can’t fry up corn and tell ‘em it’s hominy,” Qualls said.

The National Indian Gaming Commission’s announcement wasn’t a surprise.