

Competition pays off

Leno says he thinks there are many efforts by the Tribe that are now paying dividends, including the bypass contribution, casino amenities such as the buffet and free valet parking, and the recent investments into the property. Even small things, such as free soft drinks on the casino floor, make an impression on guests, Dillon says.

But, Leno said, for the serious gambler, the big difference is the kind of gaming allowed in Washington state and Oregon.

“To a real gamer, it’s about where the odds are best for me to win money, and that’s out here at Class III,” Leno says.

Dillon concurs. He said he also thinks Oregonians have a strong allegiance to their state and that gamers who are loyal to Spirit Mountain Casino may have visited Ilani, but they have returned to Grand Ronde for a variety of reasons, include Las Vegas-style games.

“We are a glorified locals casino,” Dillon says. “Our main market is Salem and when people come out here they know us and it feels more like home. That has an appeal of its own.”

And then there is the issue of traffic. Portland was recently ranked as the 12th most congested city in the United States and the drive through the city on Interstate 5 both north and south bound usually bottlenecks as multiple lanes merge near the Columbia River bridge crossing. Dillon says that the other option, Interstate 205, also is becoming more congested as the Portland area increases in population.

Although Ilani might be closer as the crow flies, the drive time for Portland residents can be equal or even longer than the drive to Grand Ronde.

The positive side of traffic, Leno



“The casinos I’ve seen that are facing new competition that don’t re-invest don’t do well.”

~ Spirit Mountain Casino General Manager Stan Dillon

says, is having the busiest highway to the Oregon coast running right by Spirit Mountain Casino.

“Nothing is going to take that away 365 days a year,” Leno says. “On a beautiful, sunny afternoon, we still have that traffic going to the Oregon coast.”

Dillon adds that when the Siletz Tribe’s Chinook Winds Casino in Lincoln City books big-name entertainment that Spirit Mountain Casino sees increased business from people who stop off on their way home to the Portland area.

Leno says that the years and money spent fighting competition – both Tribal and private – were worth it because it gave the Grand Ronde Tribe time to prepare.

“It helped us build our endowments, it helped us plan and be successful in what we’ve done at the casino as far as re-doing the whole floor and all of that stuff,” he says.

The new normal?

Dillon, however, does not think the Grand Ronde Tribe and Spirit Mountain Casino have reached the “new normal” after only one year of competition.

“The new normal, I don’t think we know what that is yet,” he says. “For us to identify what the new norm will be is to look at now. They did open in April, but they really didn’t get going until May. So, May through September, that first five months is where we saw the larger amount of the impact and then it

dwindled from there. Going into this next five months will be what really says what the long-term impact will be.”

Dillon says Spirit Mountain Casino naturally saw an effect on its customers who live in Vancouver and northern Portland because of the proximity issue, but that the casino has held its own with clientele who live in the southern Portland area and its suburbs.

Dillon cautions that there might never be a new normal.

The Cowlitz Tribe and its majority investor, the Mohegan Tribe of Connecticut, will continue to invest in Ilani. A new events center that can seat 2,500 concertgoers is scheduled to open soon.

“The new norm isn’t over,” Dillon says. “They’ve opened and they’re not hitting their numbers. ... They are not as successful because they haven’t been able to pull from us as hard, nor from the (Oregon) lottery. The lottery is getting stronger and stronger with their new machines. The lottery is truly the biggest competitor that we have.

“I hate to say anything is ‘normal.’ If you are a company that opened a casino. You invested \$500 million. You’re a very progressive gaming company and you’re not hitting your numbers, are you just going to call that your normal? No. You’re going to get very aggressive and say, ‘What is it we’re doing? What is it we have to do to make this work?’ They are going to analyze

and strategize to figure out how to get those numbers up. They’ve already started their campaign of reinvestment ... They are going to become more aggressive with big-name entertainment, much bigger than we can afford.”

Dillon says Ilani can leverage being business partners with the Mohegan Tribe and that big-name performers can be booked at the Mohegan Sun in Connecticut and in southwestern Washington.

“The new norm is we’re going to be competing for a while and then as it gets older it will start to stabilize,” Dillon says. “I do believe over the next five months that I don’t know that the impact will be worse than we’ve seen. ... We have a smart competitor with a huge amount of money and a lot of resources. ... For Round One, we’re doing pretty good, but there are other rounds to come and I think it will get tougher.”

Dillon compliments Spirit Mountain Casino staff members who have worked hard on providing good customer service, which has helped retain many loyal customers.

“We are actually a much tougher competitor than they estimated and that probably surprised them,” Dillon says.

As part of the “new normal,” Leno says Spirit Mountain Casino has identified Salem, with its approximately 170,000 residents, as more of a main market. Spirit Mountain Casino remains the closest gaming facility to the second largest city in Oregon.

“We were planning worst-case scenario,” Leno says. “I think instead of talking so much about Cowlitz, it should have just been talking about competition. We’re going to have competition and we need to get better at what we do. And I think we have.” ■



ing Interstate 5 near La Center, Wash., while it was under construction in July 2016.