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June 2005 »

S	M	T	W	T	F	S
29	30	31	1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	1	2

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## Parkway hits the jackpot

Highway from I-70 paved with profit for Central City casinos

By Joanne Kelley, Rocky Mountain News  
 June 21, 2005

Central City's gamble to build a new road to win back casino fanatics seems to be paying off.

The tiny old mining town still has the smallest piece of the state's limited-stakes gaming market. But the town already has lured more than half a million cars up the four-lane highway that feeds directly to its Main Street establishments from Interstate 70. The extra traffic has meant big gains in casino revenues.



Dennis Schroeder © News

John Haigler, of Denver, takes out cash to feed a dollar-slot machine Monday afternoon at Scarlet's in Central City. The casino, which reopened in February in a new location, "would have never, ever opened without the parkway," said Mayor Buddy Schmalz. The 10-minute drive from Interstate 70, east of Idaho Springs, has found favor with casino patrons, who are staying longer and later in the old mining town because of the road improvements.

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In May, the town's casinos reported a 75 percent jump in revenues, the biggest year-over-year jump since the parkway opened in November.

"It's made a huge difference," said Buddy Schmalz, mayor of Central



Dennis Schroeder © News

Cindy Glassman, of Aurora, left, and Patrice Balwin, of Denver, relax on a bench in Central City on Monday afternoon. Central City casinos reported a 75 percent boost in May revenues, compared with May 2004.

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City. "A lot of people are coming up the parkway. We get a first shot at 'em now."

Before the highway opened, casino-goers had to drive a two-lane road through Black Hawk, and over the course of the past decade fewer people have opted to drive the extra mile past Black Hawk to Central City.

Now, it's about a 10-minute drive from I-70 on the 8-mile stretch of Central City's highway, which begins at Exit 243 east of Idaho Springs.

"We've seen new faces and more traffic during the week," said Joe - Behm, marketing director at Fortune Valley, Central City's biggest and most modern casino, and the one closest to Black Hawk. "People are staying longer. They're staying through midnight because the (road) access is so much better and so much easier."

Behm, who also is president of the Central City Business Improvement District, said the overall increase in the town's gaming revenues can be attributed directly to the road, which cost \$45 million to build.

Traffic on the parkway rose to more than 4,000 cars a day in April, from about 2,300 a day when it opened. On some days, the highway drew more than 6,000 cars a day.

Central City's sales tax revenues rose 64 percent during the first five months since the parkway opened, compared with the same period a year earlier.

The highway opening prompted the reopening of two casinos that had closed in recent years when many gamblers abandoned the town in favor of the more accessible Vegas-style casinos built in neighboring Black Hawk.

Scarlet's, in the former Bullwhacker's Casino building, and a casino in the historic Teller House each opened in February.

"There's no doubt they would have never, ever opened without the parkway," Schmalz said.

Construction is under way on a new 500-space parking structure that will sit on a lot that had space for only about 40 to 50 cars. It will offer free parking, which has been in short supply in the historic town of narrow streets.

Despite the gains in Central City, Black Hawk still draws 10 times as much business as its neighbor.

In May, for instance, Central City had adjusted gross proceeds of \$6.6 million. Establishments in the next biggest market, Cripple Creek, reported revenues of \$12.9 million, down 1.6 percent from May 2004.

Black Hawk's were \$46.6 million, down slightly from the same period a year before.

"They're coming off such a small base, it's great for Central City," said Steve Roark, president and chief financial officer of Jacobs Entertainment, which owns The Lodge and Gilpin Casinos in Black Hawk.

Roark said he views the two towns as the "one market," explaining that he competes with casinos in Black Hawk as much or more as those in Central City. As potential customers arrive in Black Hawk, they often stop at the first casinos they see. And those gaming venues happen to be operated by other companies.

"I've always had a problem with the properties on Highway 119 in front of me. Now I've got competition on the back end," Roark said. "My life really hasn't changed. We just have to knuckle down and compete."

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