

**REPORT ON RACETRACK CASINO LICENSEE
COMPLIANCE WITH STATUTORY EMPLOYMENT AND
PROCUREMENT CONDITIONS
3RD QUARTER of 2008**

Prepared for the December 17, 2008, Board Meeting

Applicants who were granted licenses to operate racetrack casinos in the state are required by statute to meet specific economic development provisions under the Louisiana Pari-Mutuel Live Racing Facility Economic Redevelopment and Gaming Control Act, La. R.S. 27:351 *et seq.*

This report illustrates racetrack gaming licensee compliance with statutory employment and procurement conditions and voluntary employment and procurement goals as detailed in each licensee's Good Faith Plan on file with the Louisiana Gaming Control Board.

La. R.S. 27:352 provides:

The legislature hereby finds and declares it to be the public policy of this state that:

- (1) Pari-mutuel wagering facilities which offer live horse racing have historically made great contributions to the economic development of the state at large and particularly the agricultural and horse breeding industries.
- (2) Recent legalization of additional forms of wagering other than pari-mutuel wagering on horse racing such as lottery, riverboat gaming, and land based casino gaming have, and will continue to have, a substantial negative and detrimental effect upon live horse racing as well as the thoroughbred and quarter horse industries in general.
- (3) Authorization of certain specified gaming activities, such as the competitive offering of slot machine gaming at specifically defined eligible live racing facilities, will revitalize and rehabilitate those facilities within strategically located geographic areas of the state, and will further result in overall economic development and additional revenues to the state and parishes where those facilities are located.

La. R.S. 33:9551 (F), La. R.S. 33:9561 (F) and La. R.S. 33:9571 provide in pertinent part:

Louisiana preference. In purchasing or contracting for goods and services, the licensed eligible facilities shall give preference and priority to Louisiana residents, laborers, vendors, and suppliers except where not reasonably possible to do so without added expense, substantial inconvenience, or sacrifice in operational efficiency. In considering applicants for employment, the licensed eligible facilities shall give preference and priority to Louisiana residents, and no less than eighty percent of the persons employed by the licensed eligible facility must have been residents of the state for at least one year immediately prior to employment.

Act 352 of the 2003 Regular Session of the Louisiana Legislature amended La. R.S. 27:353(4) to provide for gaming at four live horseracing facilities in Louisiana: Delta Downs, Evangeline Downs, the Fair Grounds and Louisiana Downs. Currently four racetrack casinos, Delta Downs in Calcasieu Parish, Harrah's Louisiana Downs in Bossier Parish, The Old Evangeline Downs in St. Landry Parish and the Fair Grounds Race Course in Orleans Parish, are in operation. The Act, by creating new statutory authority in La. R.S. 27:363(C), further provided that each licensee must have in place a Good Faith Plan for minority hiring and procurement.

LAC 42:III.110 C provides:

Each licensee authorized to conduct slot machine gaming at an eligible facility pursuant to the provisions of Chapter 7 of the Louisiana Gaming Law shall submit to the board on a quarterly basis a statement of compliance with the provisions of R.S. 27:363(C) and shall certify under oath that a good faith effort to comply with the provisions of R.S. 27:363(C) is being made. The quarterly statement shall be forwarded to the board no later than 20 days after the end of each quarter.

This report is taken from figures reported by the four operating racetrack casinos to the Louisiana Gaming Control Board for 3rd calendar quarter of 2008.

For the 3rd quarter of 2008, approximately 1, 719 people were employed by the industry. Of that number, 1, 485 were Louisiana residents, 835 were minorities, and 1, 011 were women.

1 BOYD RACING, LLC (Delta Downs Racetrack and Casino)

Date of Application: June 19, 2001
 License Approval: October 30, 2001
 Operations Commenced: February 13, 2002

Statutory Conditions:

Employment Conditions:

- Hire 80% Louisiana residents

Procurement Conditions:

- Louisiana Preference

Voluntary Conditions:

Employment Goals:

- Hire 25% minorities
- Hire 51% women

Procurement Goals:

- Hire 5% minorities
- Hire 10% women

Actual Results:

Employment	Statutory Conditions	Q1 2008	Q2 2008	Q3 2008	Q4 2008
Total		818	810	759	777
Louisiana	80%	571 (69.8%)	566 (69.6%)	532 (70.1%)	542 (69.8%)
Minority	None	213 (26%)	215 (26.5%)	202 (26.6%)	209 (26.9%)
Women	None	502 (61.4%)	484 (59.8%)	463 (61.0%)	461 (59.3%)

Procurement	Statutory Conditions	Q1 2008	Q2 2008	Q3 2008	Q4 2008
Louisiana	Louisiana Preference	70.7%	76.2%	74.5%	70.9%
Minority	None	3.8%	4.2%	3.4%	4.0%
Women	None	31.1%	24.7	24.3%	32.2%

**2 HARRAH'S BOSSIER CITY INVESTMENT COMPANY, LLC
(Harrah's Louisiana Downs)**

Date of Application: December 23, 2002
 License Approval: February 18, 2003
 Operations Commenced: May 21, 2003

Statutory Conditions:

Employment Conditions:

- Hire 80% Louisiana residents

Procurement Conditions:

- Louisiana Preference

Voluntary Conditions:

Employment Goals:

- Hire 40% minorities
- Hire 60% women

Procurement Goals:

- Hire 6% minorities
- Hire 6% women

Actual Results:

Employment	Statutory Conditions	Q1 2008	Q2 2008	Q3 2008	Q4 2008
Total		207	206	206	215
Louisiana	80%	202 (98%)	199 (97%)	200 (97%)	210 (98%)
Minority	None	103 (50%)	116 (56%)	114 (55%)	98 (46%)
Women	None	111 (54%)	112 (54%)	114 (55%)	109 (51%)

Procurement	Statutory Conditions	Q1 2008	Q3 2008	Q3 2008	Q4 2008
Louisiana	Louisiana Preference	51%	47%	52%	44%
Minority	None	12%	13%	15%	10%
Women	None	17%	17%	20%	12%

3 THE OLD EVANGELINE DOWNS, LLC (Evangeline Downs Race Track and Casino)

Date of Application: July 12, 2002
 License Approval: January 21, 2003
 Operations Commenced: December 19, 2003

Statutory Conditions:

Employment Conditions:

- Hire 80% Louisiana residents

Procurement Conditions:

- Louisiana Preference

Voluntary Conditions:

Employment Goals:

- Hire 35% minorities
- Hire 35% women

Procurement Goals:

- Hire 5% minorities
- Hire 5% women

Actual Results:

Employment	Statutory Conditions	Q1 2008	Q2 2008	Q3 2008	Q4 2008
Total		585	635	642	660
Louisiana	80%	583 (99.66%)	634 (99.84%)	642 (99.69%)	658 (99.70%)
Minority	None	388 (66.32%)	486 (58.36%)	435 (67.76%)	451 (57.58%)
Women	None	373 (63.76%)	373 (58.74%)	373 (58.10%)	377 (57%)

Procurement	Statutory Conditions	Q1 2008	Q2 2008	Q3 2008	Q4 2008
Louisiana	Louisiana Preference	70.71%	79.57%	74.90%	78.54%
Minority	None	2.98%	6.94%	2.05%	1.22%
Women	None	16.54%	17.33%	16.82 %	20.24%

4 CHURCHILL DOWNS LOUISIANA HORSERACING COMPANY, LLC (Fair Grounds Race Course)

Date of Application: October 8, 2004
 License Approval: April 18, 2005
 Operations Commenced: September 19, 2007

Statutory Conditions:

Employment Conditions:

- Hire 80% Louisiana residents

Procurement Conditions:

- Louisiana Preference

Voluntary Conditions:

Employment Goals:

- Hire 60% minorities
- Hire 50% women

Procurement Goals:

- Hire 5% minorities
- Hire 5% women

Actual Results:

Employment	Statutory Conditions	Q1 2008	Q2 2008	Q3 2008	Q4 2008
Total		113	117	112	112
Louisiana	80%	112 (99.1%)	116 (99.1%)	111 99.1%	110 (99%)
Minority	None	82 (72.5%)	87 (74.3%)	84 75.0%	82 (74%)
Women	None	62 (54.87%)	63 (53.85%)	61 54.46%	62 (56%)

Procurement	Statutory Conditions	Q1 2008	Q2 2008	Q3 2008	Q4 2008
Louisiana	Louisiana Preference	89.3%	95.9%	88.5%	79%
Minority	None	0.38%	1.22%	.76%	1.13%
Women	None	0.68%	6.32%	2.23%	2.20%