

**REPORT ON RACETRACK CASINO LICENSEE
COMPLIANCE WITH STATUTORY EMPLOYMENT AND
PROCUREMENT CONDITIONS
2nd QUARTER 2005**

Prepared for August 16, 2005 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 Fairgrounds and Louisiana Downs. Currently three racetrack casinos, Delta Downs in Calcasieu Parish, Harrah's Louisiana Downs in Caddo Parish, and The Old Evangeline Downs in St. Landry 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 Control 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 three operating racetrack casinos to the Louisiana Gaming Control Board for the 2nd calender quarter of 2005. Approximately 2,076 people were employed by the industry. Of that number, 1,771 were Louisiana residents, 935 were minorities, and 1,249 were women.

1. **BOYD RACING, LLC**
(d/b/a Delta Downs Racetrack and Casino)

Date of Application: June 19, 2001
License Granted: January 13, 2002
Commencement of Operations: February 13, 2002

A. Statutory Conditions:

i. Employment Conditions:

a. Hire 80% Louisiana residents

ii. Procurement Conditions:

Louisiana Preference

Actual Results Per Quarterly Reports Supplied By Boyd Racing, L.L.C.
(d/b/a Delta Downs Racetrack and Casino)

i. Voluntary Employment Goals

Minority	25%
Women	51%

ii. Employment Results:

Total	1103
Louisiana	73.3% (808)
Minority	30.6% (337)
Women	61.9% (683)

Employment	Statutory Conditions	Q 3 (2004)	Q4 (2004)	Q1 (2005)	Q2 2005
Total		927	950	1071	1103
Louisiana Residents	80%	80.7% 748	79.4% 754	77.3% 828	73.3% 808
Minority	None	29.8% 276	29.0% 275	31% 335	30.6% 337
Women	None	60.6% 562	60.3% 573	62% 662	61.9% 683

Management Report	Total	Caucasians	Minorities	Women
2 nd Quarter 2005	46	78% 36	22% 10	56% 26

i. Voluntary Procurement Goals:

Minority	5 %
Women	10%

ii. Procurement Results:

Louisiana	63.7%
Minority	4.6%
Women	17.4%

Procurement	Statutory Conditions	Q 3 (2004)	Q4 (2004)	Q1 (2005)	Q2 (2005)
Louisiana Businesses	Louisiana Preference	65.0%	57.1%	51.1%	63.7%
Minority Owned Businesses	None	3.0%	2.1%	4.2%	4.6%
Women Owned Businesses	None	17.6%	12.6%	13.1%	17.4%

**2. HARRAH'S BOSSIER CITY INVESTMENT COMPANY, L.L.C.
(d/b/a Harrah's Louisiana Downs)**

Date of Application: December 23, 2002
License Granted: February 18, 2003
Commencement of Operations: May 21, 2003

A. Statutory Conditions:

i. Employment Conditions:

a. Hire 80% Louisiana residents

ii. Procurement Conditions:

Louisiana Preference

**Actual Results Per Quarterly Reports Supplied By
Harrah's Bossier City Investment Company, L.L.C.
d/b/a Harrah's Louisiana Downs**

i. Voluntary Employment Goals:

Minority	40%
Women	60%

ii. Employment Results:

Total	279
Louisiana	96% (269)
Minority	50% (139)
Women	54% (150)

Employment	Statutory Conditions	Q 3 (2004)	Q4 (2004)	Q1 (2005)	Q2 (2005)
Total		320	316	282	279
Louisiana Residents	80%	97.2% 311	96.8% 306	97% 274	96% 269
Minority	None	47.2% 151	46.8% 148	47% 133	50% 139
Women	None	56.0% 178	55.4% 175	54% 152	54% 150

Management Report	Total	Caucasians	Minorities	Women
2 nd Quarter 2005	33	70% 23	30% 10	54% 18

i. Voluntary Procurement Goals:

Minority	6.0%
Women	6.0%

ii. Procurement Results:

Louisiana	35%
Minority	14%
Women	6%

Procurement	Statutory Conditions	Q 3 (2004)	Q4 (2004)	Q1 (2005)	Q2 (2005)
Louisiana Businesses	Louisiana Preference	42.1%	47.5%	35%	35%
Minority Owned Businesses	None	9.0%	15.8%	13%	14%
Women Owned Businesses	None	6.6%	6.3%	7%	6%

3. THE OLD EVANGELINE DOWNS, LLC

Date of Application: July 12, 2002
License Granted: January 21, 2003
Commencement of Operations: December 19, 2003

A. Statutory Conditions:

i. Employment Conditions:

a. Hire 80% Louisiana residents

ii. Procurement Conditions:

Louisiana Preference

**Actual Results Per Quarterly Reports Supplied By
The Old Evangeline Downs, LLC**

i. Voluntary Employment Goals:

Minority	35%
Women	35%

ii. Employment Results:

Total	694
Louisiana	100% (694)
Minority	66% (459)
Women	59.9% (416)

Employment	Statutory Conditions	Q 3 (2004)	Q4 (2004)	Q1 (2005)	Q2 (2005)
Total		507	612	789	694
Louisiana Residents	80%	100% 507	100% 612	100% 789	100% 694
Minority	None	64.7% 328	62.9% 385	63% 499	66% 459
Women	None	60.0% 305	60.1% 368	61% 480	59.9% 416

Management Report	Total	Caucasians	Minorities	Women
2 nd Quarter 2005	96	52% 50	48% 46	45% 43

i. Voluntary Procurement Goals:

Minority 5.0%
 Women 5.0%

ii. Procurement Results:

Louisiana 63.41%
 Minority 3.44%
 Women 6.44%

Procurement	Statutory Conditions	Q 3 (2004)	Q4 (2004)	Q1 (2005)	Q2 (2005)
Louisiana Businesses	Louisiana Preference	54%	48.8%	54.6%	63.41%
Minority Owned Businesses	None	.11%	.58%	1.95%	3.44%
Women Owned Businesses	None	4.7%	23.5%	15%	6.44%