

**REPORT ON RACETRACK CASINO LICENSEE
COMPLIANCE WITH STATUTORY EMPLOYMENT AND
PROCUREMENT CONDITIONS
1st QUARTER 2003**

Prepared for May 19, 2003 Board Meeting

This report illustrates racetrack gaming licensees' compliance with statutory employment and procurement conditions.

Applicants who were awarded 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.*

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 facility 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 facility 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.

The Pari-mutuel Live Racing Facility Economic Redevelopment and Gaming Control Act provides for gaming at three live horseracing facilities in Louisiana: Delta Downs, Evangeline Downs and Louisiana Downs. Currently, one racetrack casino, Delta Downs in Calcasieu Parish, is operating in the state.

This report is taken from figures reported by one operating racetrack casino to the Louisiana Gaming Control Board for the first calendar quarter of 2003. Approximately 1018 people were employed by the industry for the first calendar quarter of 2003. Of that number 795 were Louisiana residents, 309 were minorities and 584 were women.

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

| | |
|-----------------------------|-------------------|
| Date of Application: | June 19, 2001 |
| License Granted: | October 30, 2001 |
| Commencement of Operations: | February 12, 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.:

i. Employment Results:

| | |
|-----------|-------------|
| Total | 1,018 |
| Louisiana | 78.1% (795) |
| Minority | 30.4% (309) |
| Women | 57.4% (584) |

| Employment | Statutory Conditions | Q 2 (2002) | Q 3 (2002) | Q 4 (2002) | Q 1 (2003) |
|----------------------------|-----------------------------|-------------------|-------------------|-------------------|----------------------|
| Total | | 1,018 | 918 | 983 | 1,018 |
| Louisiana Residents | 80% | 72.2% 735 | 75.0% 684 | 78.3% 770 | 78.1% 795 |
| Minority | None | 26.8% 273 | 27.4% 250 | 27.9% 274 | 30.4% 309 |
| Women | None | 57.6% 587 | 59.3% 541 | 57.6% 566 | 57.4% 584 |

ii. Procurement Results:

| | |
|-----------------|-------|
| Total Louisiana | 58.4% |
| Minority | 4.0% |
| Women | 18.2% |

| Procurement | Statutory Conditions | Q 2 (2002) | Q 3 (2002) | Q 4 (2002) | Q 1 (2003) |
|----------------------------------|-----------------------------|-------------------|-------------------|-------------------|-------------------|
| Louisiana Businesses | Louisiana Preference | 69.9% | 56.3% | 63.2% | 58.4% |
| Minority Owned Businesses | None | 1.0% | 4.8% | 7.8% | 4.0% |
| Women Owned Businesses | None | 6.6% | 11.3% | 11.3% | 18.2% |