

## Slots are sweetening the pot for horse races

By: Christian Moises, News Editor | May 11, 2009 | 0



Friesan Fire crosses the finish line to win the 2009 Louisiana Derby at the Fair Grounds. (Photo courtesy Fair Grounds/Skip Dickstein)

The permanent slots facility at the Fair Grounds racetrack seems to have served its purpose of increasing purse amounts during the 2008-09 season.

"We were impressed with the increase," said Laverne Perry, director of the Louisiana Quarter Horse Breeders Association.

"I wish they could get more slots because they would be able to generate much more money for the horse industry and the state."

Perry, one of the key players in the passage of the law allowing slots at racetracks, said the whole point was to enhance a dying industry.

"It's encouraged people to breed, raise and sell horses in the state," Perry said. "This is somewhat of an agricultural industry, as well."

The Fair Grounds have had slots only since a temporary 250-machine facility opened in February 2007. In November, the slots moved to a permanent home with more than 600 machines.

"It helps everybody," Perry said. "It helps the breeding industry, the veterinarians, the people who farm and raise hay, all the way down to the tractor dealers."

Warren Harang, board president of the Louisiana Thoroughbred Breeders Association, agrees that the slots have helped boost purses.

"Even after two years, it's been a big increase," Harang said. "And we see it increasing every year. All the money goes back into the horse industry, into the state's economy."

Adjusted gross revenue from slots is parceled out with 15 percent to purses, 2 percent to the Louisiana Thoroughbred Breeders' Association Executive Committee and 1 percent to the Louisiana Quarter Horse Breeding Association Executive Committee. Those associations provide money to breeders and maintain registries of Louisiana-born horses.

The remainder of the revenue is taxed at 18.5 percent, and what is left goes to the track.

The Fair Grounds had a 100 percent average increase in attendance at the racing complex during any day that featured live racing and simulcasts from other tracks, from 298,356 during the 2007-08 season to 596,543 this season, according to the Louisiana Racing Commission.

But more people didn't necessarily translate to more spending. Between the 2007-08 and 2008-09 seasons, there was a 6.1 percent decrease in wagering on races at the track and at off-track-betting sites showing Fair Grounds races.

"I believe generally that what we will find is that on the parimutuel (off-track) side, it's down," said Charlie Gardiner, executive director of the Louisiana Racing Commission, adding that the decline is a national trend and not specific to New Orleans. "There's so much that's not live in today's racing with simulcast racing. You can gamble from the comfort of your easy chair at home."

Gardiner also pointed out the competition from riverboat and land-based casinos can hurt racetrack spending. But the Fair Grounds' slots facility has proved a big draw for the track.

The temporary facility attracted 175,806 people during the 2007-08 racing season with gamblers losing \$10.4 million, according to Louisiana State Police figures. During the 2008-09 season, 396,222 people lost \$59.5 million at the permanent facility.

And while the permanent facility attracted 220,416 more season-over-season, a 125.4 percent increase, Austin Miller, track president, was reluctant to say the slots increased attendance at the races.

"I'm sure it did, but it's difficult to quantify," Miller said. "What it does, though, is change and widen the experience for someone who wants to come out."

The 2008-09 racing season had 86 live racing days from Nov. 14 through March 29, while the slots figures for the racing season account for winnings and attendance for all days between Nov. 1 and March 31, regardless of whether there was live racing.

Gardiner said national studies show parimutuel bettors easily transfer to slots, but not as many go the other way.

As for changing this year's start date to Nov. 6, the earliest ever, Miller said the Fair Grounds is "really trying to find the sweet spot."

The Breeders' Cup World Championships were the main reason for pushing up the start date for the 2009-10 season, Miller said.

"We'll broadcast the Breeders' Cup during our races so they can have both experiences at the same time."

The 2008-09 racing season was the Fair Grounds' first to start before Thanksgiving in nearly 30 years — the earliest start to date at the time — and expanded the season by two weeks.

"But even that's a little deceiving," Miller said, "because although the season was spread out, the number of race days isn't significantly different."

There were 81 days in the 2007-08 racing season.

The Fair Grounds cannot extend its season into April because of preparations for the New Orleans Jazz and Heritage Festival, and starting any earlier would put its schedule up against racing at Churchill Downs in Kentucky, Miller said.