

HAND-DELIVERY

Michael J. McGraw
905 North State Street
Jackson, Mississippi 39201
May 31, 1988

The Honorable Buddy Roemer
Post Office Box 94004
Baton Rouge, Louisiana 70804

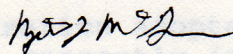
Re: Casino License

Dear Governor Roemer:

My offer dated March 22, 1988 still stands. To compute the full impact on jobs and revenues, Ike F. Williams, Jr. and I commissioned a study by William Oakland of Tulane University. We wanted you to be the first to see the results.

We would like to schedule a meeting with you to discuss this matter before our study goes public.

Respectfully yours,



Michael J. McGraw

MJM:tkb

HAND-DELIVERY

Michael J. McGraw
905 North State Street
Jackson, Mississippi 39201
March 22, 1988

The Honorable Buddy Roemer
Post Office Box 94004
Baton Rouge, Louisiana 70804

Re: Casino License

Dear Governor Roemer:

For the right to operate a casino in the city of New Orleans, I will pay to the state of Louisiana a lump sum fee of 100 million dollars within ninety days of granting this right. In addition, an estimated 107 million dollars in other taxes will be generated annually from the casino operation and related tourism.

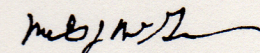
This proposal is subject to the following general conditions:

- 1) The license is for the exclusive right to operate the only casino in the state of Louisiana. All other forms of casinos and/or gambling devices will remain illegal.
- 2) This exclusive license is for a term of fifteen years.
- 3) The city of New Orleans will grant unto me a reasonable long-term lease on the Rivergate and expedite all permits.
- 4) Any gambling laws and taxation adopted by Louisiana will be similar to those currently in effect for the states of Nevada and New Jersey.

The taxes generated by the casino operation will allow time for a smooth and orderly transition to a more diversified economic and tax structure for the state. The decision to legalize casino gambling rests with you and the State Legislature; however, there is no other means that will produce jobs and tax revenue as quickly.

The impact will stem the flow of Louisiana people seeking employment out of the state. For this reason, I urge you to consider this proposal.

Respectfully yours,



Michael J. McGraw

MJM:tkb

THE NEW ORLEANS CASINO

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Governor Buddy Roemer

The State of Louisiana Legislature

Mayor Sidney Barthelemy

The New Orleans City Council

CASINO PLAN

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The New Orleans Casino, the largest and most glamorous gambling facility in the world, will be decorated with a French Quarter motif. The preliminary plan of the 150,000 square foot casino will contain the following:

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Total	292
Slot Machines:	
Nickel	240
Quarter	2287
Dollar	393
Other	1272
Total	4193
Cocktail Lounges	5
Snack Bars	5

The limited menu of the casino's snack bars and the absence

CASINO PLAN

The New Orleans Casino, the largest and most glamorous gambling facility in the world, will be decorated with a French Quarter motif. The preliminary plan of the 150,000 square foot casino will contain the following:

Gaming Tables:	Blackjack	185
	Craps	60
	Roulette	30
	Big Six	10
	Baccarat	<u>7</u>
	Total	292

Slot Machines:	Nickel	240
	Quarter	2287
	Dollar	393
	Other	<u>1273</u>
	Total	4193

Cocktail Lounges 5

Snack Bars 5

The limited menu of the casino's snack bars and the absence of retail shops are specifically designed to encourage the casino guests to tour the French Quarter, Jackson Brewery, Riverwalk, and all other New Orleans attractions.

INCREASE IN TAXES AND JOBS

Increase in Tax Revenue

Initial License Fee	<u>\$100,000,000</u>
Annual Taxes (Estimated):	
Casino Gross Win Tax	\$ 50,000,000
State Tax Receipts	41,000,000
Local Tax Receipts	<u>16,000,000</u>
Total Annual Taxes	<u>\$107,000,000</u>

Jobs Created by Casino Tourism

Number of Tourism Jobs (Estimate)	<u>17,000</u>
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The above projections are made from a study prepared for the Louisiana Office of Tourism by the U. S. Travel Data Center in December 1986. The estimates measure only the direct impact of casino traveler spending. The "multiplier" process, including indirect and induced effects, is not presented.

The economic impact of the casino industry is evidenced by the state of New Jersey which originally projected that 33,700 jobs would be created by casinos. However, a 1987 study by Touche Ross & Company put the actual number of jobs created at 64,300.

This plan would dramatically increase tourism. It would draw from the Southeastern United States, Central and South America. Las Vegas offers 55,000 hotel rooms with a 90% occupancy. New Orleans offers 25,000 hotel rooms with a 60% occupancy.

PERSONAL BACKGROUND

I, Michael J. McGraw, have been involved in the motel development and management industry for over fifteen years. I currently am President and majority stockholder of the corporations that own and operate the following properties:

Newcourt Inn - I-10 and LA 415
821 South Westport Drive
Port Allen, Louisiana 70767
(504) 381-9134

Newcourt Inn - 10020 I-10 Service Road @ Read Road
New Orleans, Louisiana 70127
(504) 244-9115

Admiral Benbow Inn - 905 North State Street
Jackson, Mississippi 39201
(601) 948-4161

The Louisiana properties employed Louisiana firms as both the general architect and general contractor. In addition, most of the furnishings and operating supplies are purchased in Louisiana. Currently I have fifty native Louisianians employed at these locations.

I would welcome a complete and thorough investigation by your Casino Control Commission of my character, financial history, and source of funding.

I may be reached at my Port Allen property (West Baton Rouge) on Tuesday, March 22, and Wednesday, March 23, to answer any questions you may have. The address and telephone number are again as follows:

Newcourt Inn
I-10 and LA 415
821 South Westport Drive
Port Allen, Louisiana 70767
(504) 381-9134