



STAFF AGENDA MEMORANDUM

DATE OF MEETING: January 26, 2023

AGENDA ITEM: **Live! Casino Requests: VLT Reallocation; and Temporary VLT Reduction**

PRESENTER: Jim Logue, Managing Director, Gaming

ISSUE SUMMARY: Live! Casino has submitted two requests for Commission approval. The first request is for a reallocation of the number of VLTs permitted on their gaming floor, and the second is – if the reallocation request is approved – for the temporary reduction of the number of VLTs on their gaming floor. The requests are being made in an effort to pair the increase in VLTs with the new additions to the Live! facility, such as the hotel, event center and sportsbook, for an expanded gaming experience to continue to grow market revenue and to achieve the highest potential revenues.

State Government Article (“SG”), § 9-1A-36(i)(1)(i), Annotated Code of Maryland, authorizes Live! Casino to be awarded a license to operate no more than 4,750 VLTs. Live Casino was initially awarded a license for 4,750 VLTs. In its years of operation, Live! has requested, and this Commission has approved, numerous VLT reductions, resulting in their current VLT allocation of 3,752. Requests for changes in a casino’s VLT count are approved with the Commission’s consideration of whether the change would be likely to support the casino’s capacity to achieve the highest potential gaming revenues, including market performance of the casino’s existing VLTs. Currently, VLTs at Live! Casino consistently perform above the market average. With its request today, Live! Casino is requesting an increase of 248 VLTs, which would raise its authorized VLT count to 4,000.

The second request is for Commission’s approval of a temporary reduction of its authorized VLT count. Live! Casino states that a temporary reduction will provide it with the opportunity and flexibility to modify and approve its configuration and selection of VLTs on the gaming floor. The configuration of Live! Casino’s new floorplan is not yet complete, but a draft of its most recent floorplan has been provided to you for your information. With Commission approval, this project is scheduled to begin on or about February 1, 2023, with anticipated completion on or about January 31, 2024.

This is an alternative request. If the Commission has not approved its above request to raise its authorized VLT count to 4,000, then the request is to temporarily decrease its VLT count by up to 52 VLTs - from 3,752 to 3,700. If the Commission has approved the increase of its authorized VLT count to 4,000, then the request is to temporarily decrease its authorized VLT count - from 4,000 by up to 300 VLTs, which could result in a minimum of 3,700 VLTs on the gaming floor at any one time.

Either approved temporary reduction would be in place until January 31, 2024.

COMMISSION ACTION REQUIRED/REQUESTED: Discussion, consideration and action on the following motions:

- Motion to approve Live! Casino's request for an increase in the number of authorized VLTs from the current maximum limit of 3,752, to a new maximum limit of 4,000.
- **IF THE FIRST MOTION IS APPROVED:**
Motion to approve a temporary reduction in Live!'s authorized VLT count from 4,000 to 3,700.

IF THE FIRST MOTION IS NOT APPROVED:

Motion to approve a temporary reduction in Live!'s authorized VLT count from 3,752 to 3,700.

- Motion to approve the temporary reduction only until January 31, 2024.

STAFF RECOMMENDATION: Staff recommends approval of all three motions.