

Maryland Lottery and Gaming Control Agency

Martin O'Malley, Governor • Stephen Martino, Director



Montgomery Park Business Center
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STAFF AGENDA MEMORANDUM

DATE OF MEETING: December 18, 2013

AGENDA ITEM: Maryland Live VLT Reduction Request

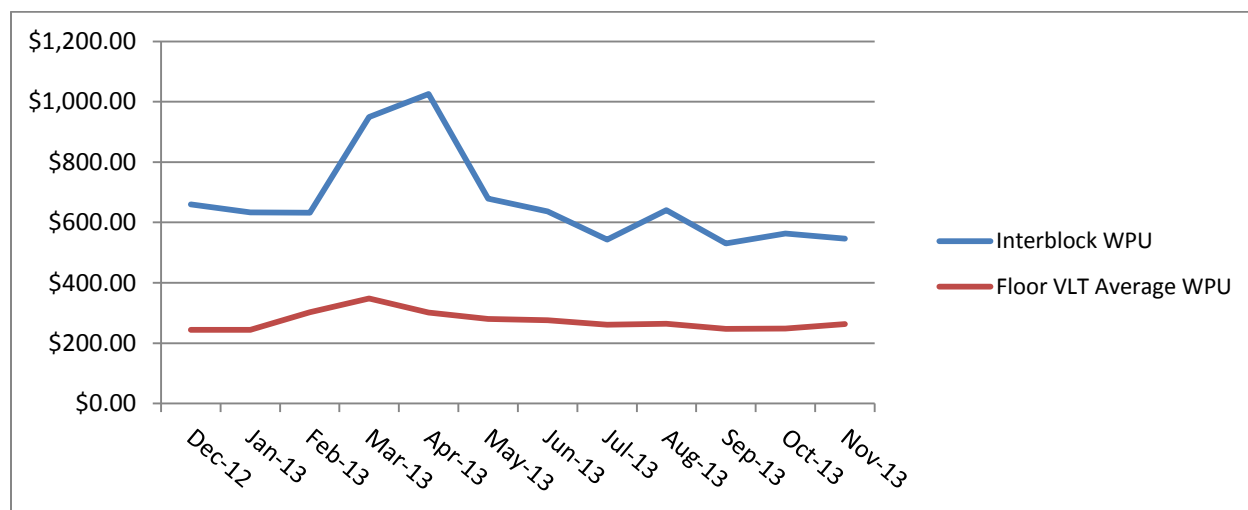
PRESENTER: Charles LaBoy, Assistant Director for Gaming

ISSUE SUMMARY:

This agenda item is a carryover from the last commission meeting where we discussed the Maryland Live! (Facility) request for a permanent slot reduction of 57 Interblock devices (electronic table games) located at and around their "R Bar." The Facility is seeking to covert these slots to table games in accordance with the regulations adopted by the commission at the September 2013 commission meeting. COMAR 36.04.02.02, Request for Reduction, allows the commission to approve of a reduction request if it is determined to be in the best interest of the State.

The Graph 1 displays the actual performance on a win per unit (WPU) basis of the Interblock slot units and the floor average for all slots during the past year updated to include November numbers.

Graph 1



In November 2013, the Interblock slots saw a 6.1% decline from October and a 11.5% decline from November 2012 they still are performing at 2 times the floor slot average.

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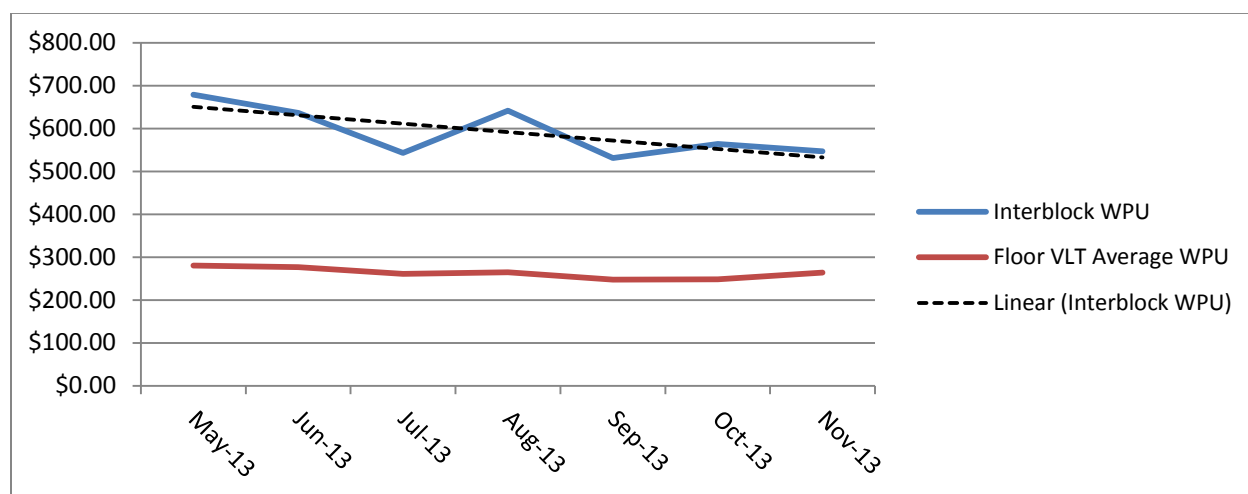


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Graph 2 focuses on the performance post-opening of live table games as these are the primary competitors of the Interblock product and are likely to have a direct effect on their performance. During this period, you can see that the Interblock units continue to exhibit a downward trend.

Graph 2



Projecting out the current trend line it would be December 2014 before the Interblock average would be at or near the slot floor average, but this does not take into consideration the impact of the Caesars Horseshoe facility opening in the third quarter of 2014.

The following chart lists information from surrounding casinos on the number of electronic table games at each property.

Chart 1

	Slots	Table Games	Electronic Tables
Delaware Park DE	2290	88	8
Dover Downs DE	2440	59	6
Harrington Raceway DE	1815	42	0
Harrahs Philadelphia PA	2803	117	4
Penn National Grantville PA	2456	69	0
Charles Town WV	3081	124	0

COMMISSION ACTION REQUIRED/REQUESTED:

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Consideration of the permanent slot reduction of 57 machines as noted in Maryland Live!'s request.

STAFF RECOMMENDATIONS:

Staff recommends continued monitoring of the Interblock machine performance.