



# Gaming Market Feasibility Study:

Proposed Casino Development in Steuben County, Indiana

---

March 5, 2026

Prepared for: Steuben County Economic Development Corporation





## Executive Summary

A.M. Steinberg Advisors, LLC (“AMS”) was retained by the Steuben County Economic Development Corporation (“SCEDC”) to evaluate the market feasibility and economic implications of a proposed destination-scale casino development in Steuben County, Indiana, pursuant to Indiana House Bill 1038. The legislation authorizes consideration of a development meeting a minimum \$500 million capital investment threshold and contemplates a project capable of functioning as a regional economic catalyst.

This study evaluates whether sufficient market demand exists to support such a development under stabilized, normalized operating conditions. The analysis focuses on:

- Regional gaming demand and competitive dynamics
- Trade area population and income characteristics
- Cross-border visitation patterns
- Seasonality and tourism effects
- Stabilized gross gaming revenue (“GGR”) projections
- Fiscal implications for the State of Indiana

The analysis does not assume opening-year novelty effects or speculative destination positioning. Instead, projections reflect competitive equilibrium conditions within a mature Midwest gaming environment.

## Market Position and Location Context

The likely project location near the I-69 and I-80 / I-90 interchange provides a structurally advantageous interstate-to-interstate position within a tri-state region (Indiana, Michigan, Ohio). This location:

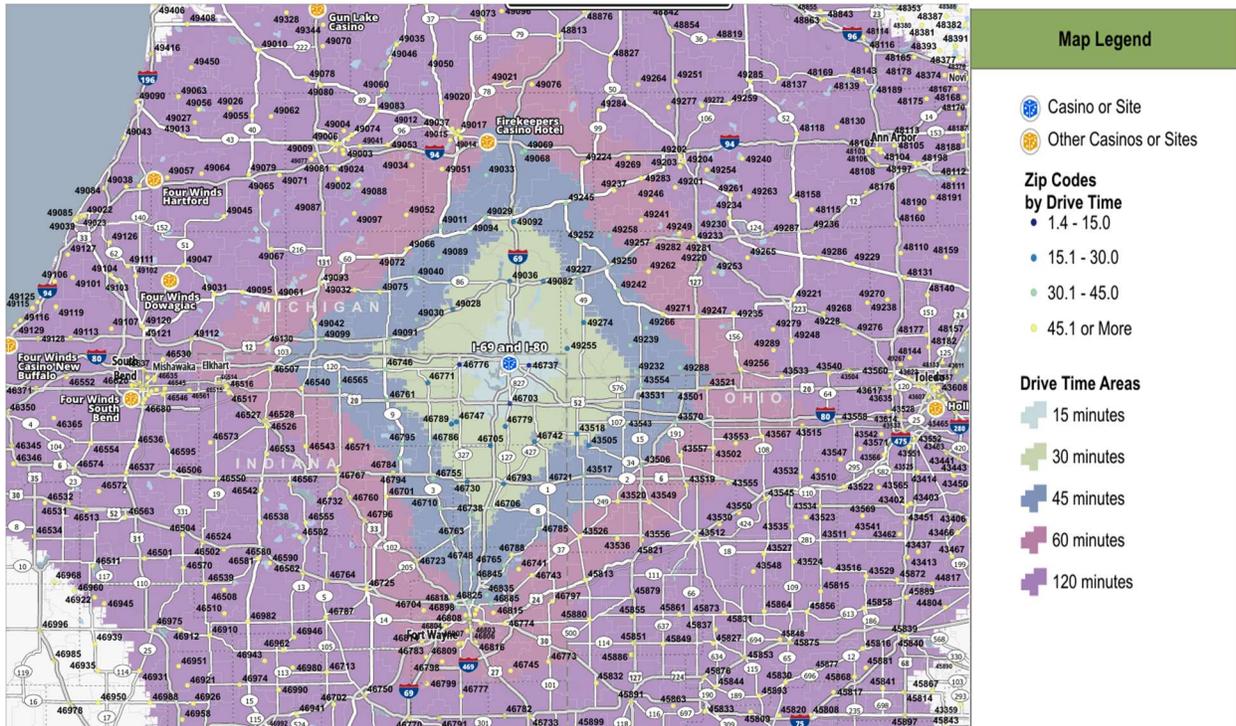
- Enhances regional drive-time accessibility
- Supports repeat frequency-driven visitation
- Enables cross-border capture
- Reduces frictional travel cost relative to many competing properties

While Steuben County itself has a modest permanent population (approximately 35,000 residents), the broader 120-minute drive shed includes approximately 4.85 million adults (age 21+). The feasibility of the proposed development is therefore grounded in regional demand rather than reliance on the local resident base alone.



# AM STEINBERG ADVISORS

Figure 1: Drive-Time Map of Proposed Steuben County, IN Location With Competition



Source: A.M. Steinberg Advisors, ESRI

## Analytical Framework

Revenue projections are derived from a mass-weighted gravity model calibrated to:

- 2030 projected adult population
- Income-adjusted per-capita gaming expenditure
- Travel time and distance decay ( $\beta = 1.5$ )
- Observed competitive scale (based on 2024 GGR of incumbent properties)
- Full competitive inclusion within 120 minutes

Three resident trade areas are evaluated:

- **Primary Market (0–30 minutes)** – Core convenience market with highest capture rates and repeat frequency.
- **Secondary Market (30–60 minutes)** – Extended day-trip market with moderate competitive overlap.
- **Tertiary Market (60–120 minutes)** – Larger regional population subject to heavier competitive dilution and episodic visitation.

Lake-driven tourism demand is modeled separately and conservatively treated as incremental seasonal inducement rather than embedded within resident population capture.





## Stabilized Revenue Projections (2030E)

Under conservative per-capita expenditure assumptions (\$350–\$390 per adult), stabilized 2030 projections are as follows:

Figure 2: Summary GGR Estimates (Low, Base, High Scenarios)

Submarket	2030E 21+ population	Low GGR	% Ttl	Base GGR	% Ttl	High GGR	% Ttl
Primary	87,994	\$13.7	7%	\$14.7	7%	\$15.3	7%
Secondary	680,702	\$45.4	24%	\$48.7	24%	\$50.6	24%
Tertiary	4,078,369	\$122.4	65%	\$131.1	65%	\$136.3	64%
Subtotal, resident	4,847,065	\$181.5	96%	\$194.5	96%	\$202.2	94%
Induced Lake tourism		\$7.1	4%	\$8.6	4%	\$11.8	6%
<b>Total GGR</b>		<b>\$188.6</b>		<b>\$203.1</b>		<b>\$214.0</b>	

Source: A.M. Steinberg Advisors.

### Key observations:

- Stabilized performance centers just over \$200 million annually.
- Regional capture approximates 11% of total gaming expenditure generated within 120 minutes.
- Revenue mix remains structurally stable across scenarios.
- Projections do not rely on aggressive outer-market assumptions.

### Revenue Composition

Across scenarios:

- **Primary Market (0–30 minutes):** 7% of total GGR
- **Secondary Market (30–60 minutes):** 24%
- **Tertiary Market (60–120 minutes):** 64–65%
- **Induced Lake Tourism:** 4–6%

Although the Tertiary Market contributes the largest share due to population scale, capture rates are structurally lower (approximately 8–10%) due to competitive density. The Primary Market provides the highest capture efficiency and most stable repeat visitation.

### Cross-Border Dynamics

Projected resident GGR is distributed approximately as follows:

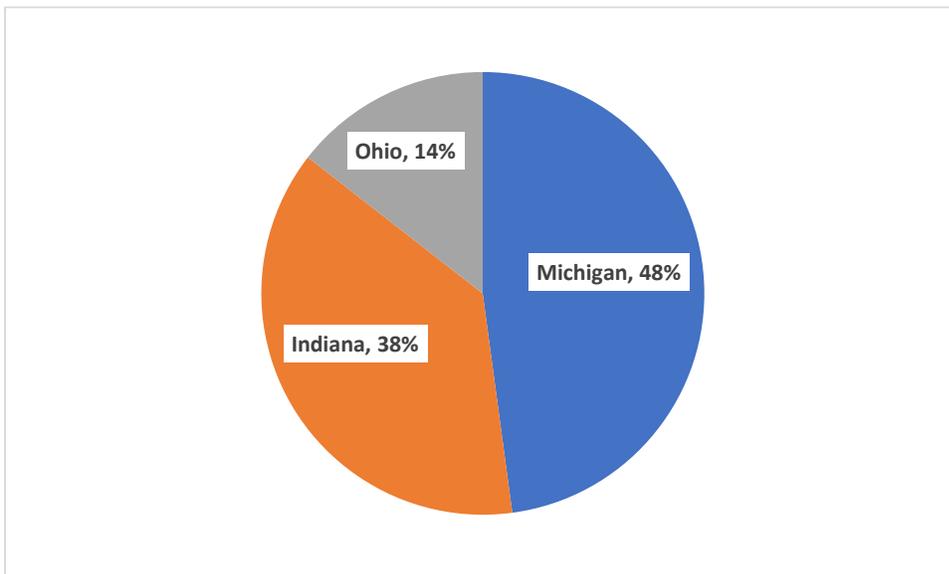
- **Michigan:** 48%



- **Indiana:** 38%
- **Ohio:** 14%

Fully 62% of projected gaming revenue originates outside Indiana, reflecting the site's tri-state accessibility. At the same time, a meaningful portion of Indiana-derived revenue represents repatriation of gaming spend currently flowing to out-of-state properties due to the relative lack of casinos in northeast Indiana. In the figure below, we present the geographic breakdown of GGR:

*Figure 3: Geographic Breakdown of GGR by State of Residence*



Source: A.M. Steinberg Advisors.

### Seasonality and Tourism Smoothing

Steuben County's existing tourism economy is highly seasonal and lake-dependent. The introduction of a year-round casino and integrated hospitality component materially moderates peak-to-trough volatility by:

- Elevating winter and shoulder-season visitation
- Providing indoor entertainment and gaming demand independent of weather
- Leveraging stable interstate traffic flows
- Supporting off-season programming and events

While seasonality is not eliminated, amplitude is meaningfully reduced, contributing to steadier employment and economic activity.



## Fiscal Impact

Based on the graduated Indiana wagering tax structure and supplemental wagering tax<sup>1</sup>:

- Annual state gaming tax revenue is projected between \$56 million and \$66 million.
- Effective blended GGR tax rate ranges from approximately 29.9% to 30.9%.
- Revenue scales proportionally under higher performance scenarios.

Even under conservative assumptions, the project generates recurring and material state-level fiscal contribution.

Figure 4: Summary of GGR Taxes Paid Under all Scenarios

Tax structure	Rate	Low Case	Base Case	High Case
Up to \$25m	10%	2.5	2.5	2.5
Between \$25 and \$50m	20%	5.0	5.0	5.0
Between \$50 and \$75m	25%	6.3	6.3	6.3
Between \$75 and \$150m	30%	22.5	22.5	22.5
Between \$150 and \$600m	35%	13.5	18.6	22.4
<u>Over \$600m</u>	<u>40%</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
<u>Supplemental wagering tax</u>	<u>3.5%</u>	<u>6.6</u>	<u>7.1</u>	<u>7.5</u>
Total, GGR tax		56.3	61.9	66.1
Effective GGR rate		29.9%	30.5%	30.9%

Source: A.M. Steinberg Advisors.

Of the gaming tax collected, it should be noted that, according to Indiana law, the first \$33 million collected from the gaming taxes applied to all of Indiana’s gaming properties is set aside for revenue sharing to counties that do not have a riverboat and 25% of the remaining tax paid by each licensed riverboat is paid to the city or county where the casino is located.<sup>2</sup> The above description relates to the progressive gaming tax on gross gaming revenue. As it relates to the supplemental wagering tax, which replaced the \$3 admissions tax, the money is collected in the State’s General Fund with 33-13% disbursed to the County in which the casino property is located.<sup>3</sup>

A destination-scale casino development meeting the \$500 million threshold contemplated under HB 1038 would generate meaningful employment and payroll impacts in addition to direct gaming tax revenues. While a full economic impact analysis is beyond the scope of this study, experience with comparable Midwest regional casino properties suggests that a development of this scale would support approximately 800–1,200 direct full-time equivalent

<sup>1</sup> GGR tax rates are sourced from 2025 Indiana Code Title 4, Article 33, Chapter 13

<sup>2</sup> The distribution of the GGR tax is from 2025 Indiana Code Title 4, Article 33, Chapter 13

<sup>3</sup> The distribution of the supplemental GGR tax is from 2025 Indiana Code Title 4, Article 33, Chapter 12





positions across gaming operations, hotel and hospitality services, food and beverage, entertainment and security, and administrative functions. For context, the U.S. gaming industry directly and indirectly supports nearly 1.8 million jobs nationwide, including more than 700,000 positions at casinos and associated hospitality businesses.<sup>4</sup> Assuming blended average annual compensation (wages plus benefits) in the range of \$45,000 to \$60,000, annual payroll at the proposed facility could reasonably range between approximately \$36 million and \$72 million. This level of payroll would generate recurring state and local income tax revenues and support additional indirect and induced economic activity through employee spending within the regional economy.

### Alignment with Legislative Intent

Indiana House Bill 1038 contemplates a minimum \$500 million development intended to function as a regional economic catalyst. The modeled revenue range:

- Supports a regional destination framework
- Aligns with frequency-driven Midwest gaming performance
- Does not assume metropolitan integrated resort positioning
- Is consistent with competitive equilibrium conditions

The analysis suggests that a right-sized, disciplined development calibrated to regional demand can support the statutory investment threshold.

### Overall Conclusion

Based on the gravity-based demand modeling, competitive analysis, demographic evaluation, and scenario testing presented in this report, market conditions within the defined 120-minute trade area appear sufficient to support a destination-scale casino development in Steuben County capable of generating stabilized annual GGR centered near \$200 million.

The project's feasibility is grounded in:

- Proximity-driven capture
- Multi-state regional reach
- Conservative expenditure assumptions
- Explicit competitive mass weighting
- Incremental but realistic tourism uplift

From a market and fiscal perspective, the proposed development demonstrates structural viability under normalized economic conditions. Final policy determinations will incorporate broader considerations; however, from a demand and revenue standpoint, the project appears supportable with disciplined execution and appropriately calibrated non-gaming amenities.

---

<sup>4</sup> "National Economic Impact of the U.S. Gaming Industry 2023," American Gaming Association, October 9, 2023.



Contents

**Executive Summary** ..... - 1 -

**Market Position and Location Context** ..... - 1 -

**Analytical Framework** ..... - 2 -

**Stabilized Revenue Projections (2030E)** ..... - 3 -

**Revenue Composition** ..... - 3 -

**Cross-Border Dynamics** ..... - 3 -

**Seasonality and Tourism Smoothing** ..... - 4 -

**Fiscal Impact** ..... - 5 -

**Alignment with Legislative Intent** ..... - 6 -

**Overall Conclusion** ..... - 6 -

**Introduction** ..... - 12 -

**Purpose and Objectives of the Study** ..... - 12 -

**Description of the Proposed Project** ..... - 12 -

**Intended Use of the Report** ..... - 13 -

**Organization of the Report** ..... - 13 -

**Establishing the Policy and Economic Development Context** ..... - 13 -

**House Bill 1038; Statutory Context** ..... - 14 -

        Legislative Intent ..... - 14 -

        Minimum Development Threshold ..... - 14 -

        Regulatory Oversight and Governance ..... - 15 -

        Policy Considerations Relevant to Feasibility ..... - 15 -

        What Indiana House Bill 1038 Does Not Do ..... - 15 -

**Role of This Study** ..... - 16 -

**Role of the Proposed Development in Local and Regional Economic Development** ..... - 16 -

**Alignment with County and State Policy Objectives** ..... - 17 -

**Interaction with Existing Economic Development and Tourism Initiatives** ..... - 17 -

**Public-Sector Considerations and Constraints** ..... - 17 -

**Recognizing Common Concerns** ..... - 18 -

**Regional and Local Market Overview** ..... - 18 -

**Regional Context** ..... - 18 -

**Local Demographic and Socioeconomic Profile** ..... - 18 -



Economic Base and Employment Characteristics ..... - 19 -

Tourism and Visitor Economy ..... - 19 -

Transportation Access and Market Reach ..... - 20 -

Implications for Market Feasibility ..... - 20 -

***Proposed Site Location and Accessibility*** ..... - 20 -

    Key Observations ..... - 22 -

    Cross-Border Dynamics ..... - 22 -

    Location Strengths and Constraints ..... - 22 -

    Concluding Thoughts on Location ..... - 23 -

***Competitive Market Assessment***..... - 23 -

    Relevance of the Competitive Set ..... - 24 -

***Market Demand Analysis***..... - 26 -

**Definition of Target Catchment Area** ..... - 26 -

        Market Demographics and Income Context ..... - 27 -

        Primary Market ..... - 27 -

        Secondary Market ..... - 28 -

        Tertiary Market ..... - 28 -

        Induced Lake Tourism and Seasonal Demand..... - 29 -

**Visitation Behavior and Frequency Assumptions**..... - 30 -

        Income and Gaming Expenditure Calibration ..... - 30 -

**Seasonality Considerations**..... - 31 -

***Demand by Customer Segment***..... - 31 -

**Competitive Capture and Market Share**..... - 32 -

**Stabilized-Year Demand Outlook**..... - 32 -

        Limitations and Sensitivities..... - 32 -

***Evaluation of Potential Non-Gaming Amenities*** ..... - 32 -

**Key Budget Observations** ..... - 34 -

**Hotel Component**..... - 35 -

**Spa and Wellness**..... - 35 -

**Food and Beverage** ..... - 36 -

**Entertainment and Event Space**..... - 36 -

**Retail and Ancillary Uses** ..... - 37 -

***Modeling Assumptions, Gravity Model Methodology, and Additional Considerations***..... - 37 -

**Analytical Framework** ..... - 37 -





Local Market Demand: Gravity Model (Primary, Secondary, and Tertiary Catchment Areas) ..... - 38 -  
 Projected Monthly Revenue Distribution with Casino Development ..... - 42 -  
**Key Assumptions and Inputs ..... - 44 -**  
   Trade Area Definition..... - 44 -  
     Notes on Distance Decay ..... - 45 -  
   Population Base..... - 46 -  
   Per-Capita Gaming Expenditure..... - 46 -  
   Distance Decay ..... - 46 -  
   Competitive Mass Weighting..... - 47 -  
   Market Share Allocation..... - 47 -  
   Participation and Frequency Calibration ..... - 47 -  
   Lake Tourism and Seasonal Inducement ..... - 47 -  
**Scenario and Sensitivity Analysis ..... - 48 -**  
   Per Capita Scenario Framework..... - 48 -  
   Induced Lake Tourism Sensitivity..... - 49 -  
   Interpretation and Policy Implications ..... - 50 -  
**Steuben County Revenue and Activity Projections ..... - 50 -**  
   Low Case Scenario ..... - 53 -  
   Base Case Scenario..... - 53 -  
   High Case Scenario..... - 54 -  
   Revenue Composition and Structural Interpretation ..... - 54 -  
   Activity Implications ..... - 55 -  
**State-Level Distribution of Resident Gross Gaming Revenue..... - 55 -**  
   Assessing Geographic Distribution..... - 55 -  
     Cross-Border Revenue Inflow Is Material ..... - 55 -  
     Indiana Provides Structural Stability ..... - 56 -  
     Michigan Represents the Largest Demand Pool ..... - 56 -  
     Ohio Provides Incremental Scale ..... - 56 -  
     Summary and Policy and Strategic Implications ..... - 56 -  
   Indiana Revenue as Repatriation of Existing Out-of-State Leakage ..... - 57 -  
**Fiscal Impacts..... - 58 -**  
   Indiana Graduated Wagering Tax Structure ..... - 58 -  
   Low Case (Total GGR: \$188.6 million) ..... - 59 -  
   Base Case (Total GGR: \$203.1 million)..... - 59 -  
 - 9 -





<b>High Case (Total GGR: \$214.0 million)</b> .....	- 60 -
<b>Significant Revenue to the State</b> .....	- 60 -
<b>Fiscal Implications</b> .....	- 60 -
Distribution of Gaming Taxes.....	- 60 -
Potential Employment, Payroll, and Income Tax Effects .....	- 62 -
Combined Fiscal and Economic Effect .....	- 63 -
<b><i>Concluding Thoughts</i></b> .....	- 64 -
<b>Market Support Is Centered on a Regional Model, Not a Destination-Only Model</b> .....	- 64 -
<b>Revenue Structure Is Stable Across Scenarios</b> .....	- 64 -
<b>Cross-Border Dynamics Are Structurally Significant</b> .....	- 65 -
<b>Seasonality Smoothing Is Achievable but Not Eliminated</b> .....	- 65 -
<b>Fiscal Impact Is Material and Recurring</b> .....	- 65 -
<b>Scale Is Appropriate to Legislative Intent</b> .....	- 65 -
<b>Risk Factors Remain Manageable and Identifiable</b> .....	- 66 -
<b><i>Disclaimer and Limiting Conditions</i></b> .....	- 66 -
<b><i>Author of this Report</i></b> .....	- 68 -
Adam Steinberg, CFA.....	- 68 -



Figures

Figure 1: Drive-Time Map of Proposed Steuben County, IN Location With Competition..... - 2 -

Figure 2: Summary GGR Estimates (Low, Base, High Scenarios) ..... - 3 -

Figure 3: Geographic Breakdown of GGR by State of Residence ..... - 4 -

Figure 4: Summary of GGR Taxes Paid Under all Scenarios..... - 5 -

Figure 5: Regional Competitive Casino Overview..... - 25 -

Figure 6: Population and Income Profile of Target Market..... - 26 -

Figure 7: Population and Per Capita Income For Each Drive Time Segment..... - 29 -

Figure 8: 2025 Economic and Income For Each Drive Time Segment ..... - 29 -

Figure 9: Illustrative Example of Construction Budget for a Proposed \$500 casino development - 34 -

Figure 10: Seasonal Visitation Distribution (Current vs Expected Casino Development) ..... - 43 -

Figure 11: Drive-Time Map of Proposed Steuben County, IN Location With Competition..... - 45 -

Figure 12: Description of the Baseline Per Capita Gaming Expenditure ..... - 49 -

Figure 13: Range of Resident and Lake Induced Tourism GGR (\$ in millions)..... - 50 -

Figure 14: Resident and Lake Induced Tourism GGR Potential (Low case) ..... - 51 -

Figure 15: Resident and Lake Induced Tourism GGR Potential (Base case) ..... - 51 -

Figure 16: Resident and Lake Induced Tourism GGR Potential (High case) ..... - 52 -

Figure 17: Calculation of Projected GGR Tax from a Steuben County Casino Development... - 59 -



## Introduction

This Market Feasibility Study has been prepared for the Steuben County Economic Development Corporation to evaluate the market support, sustainability, and economic development implications of a proposed large-scale destination development in Steuben County, Indiana. The location of the casino resort is not finalized and will be determined after careful analysis and in consultation with a casino operator. For purposes of this study, AM Steinberg Advisors is centering the analysis near the I-69/I-80/90 interchange. The analysis is intended to inform public-sector decision-making by assessing whether underlying market demand is sufficient to support a development of the scale and complexity contemplated under enabling legislation, and whether such a project can be sustained over the long term under normal market conditions.

The study focuses on market feasibility and the analysis evaluates demand characteristics, competitive dynamics, visitation potential, and revenue-generating capacity under stabilized operating conditions, while also considering broader economic, fiscal, and tourism impacts relevant to county and regional economic development objectives. The findings are intended to support planning, policy evaluation, and stakeholder review.

## Purpose and Objectives of the Study

The primary objectives of this study are to:

- Assess the size, composition, and sustainability of market demand capable of supporting a destination-oriented development in Steuben County (population nearly 35,000).
- Evaluate competitive market dynamics and the project's potential positioning relative to existing and planned facilities within the broader regional market.
- Estimate stabilized levels of visitation and activity that could reasonably be supported by the market under normal operating conditions.
- Evaluate the appropriateness of development scale in light of statutory requirements, including the legislatively established minimum development investment of \$500 million.
- Identify key opportunities, constraints, and risk factors relevant to long-term market performance and public-sector outcomes.
- Provide an independent, data-driven framework to assist SCEDC and other stakeholders in evaluating the proposed project's economic development merits.

The analysis is structured to reflect a conservative and sustainable view of market performance, emphasizing long-term viability and downside protection rather than peak or short-term outcomes.

## Description of the Proposed Project

The proposed project is contemplated as a large-scale destination development intended to serve both regional residents and visitors to Steuben County and the surrounding region.





Pursuant to enabling legislation, the development is required to meet a minimum total investment threshold of \$500 million, which implies a project of significant scale, complexity, and market reach.

While final design, configuration, and phasing may continue to evolve, the conceptual development program may include a combination of destination-oriented and complementary uses such as gaming, lodging, entertainment, food and beverage, retail, meeting and event space, and other ancillary components, as applicable. This study evaluates the proposed development at a conceptual level, with emphasis on overall scale, mix, and market role, rather than on specific architectural, operational, or financing details.

The analysis assumes development consistent with applicable regulatory, zoning, and licensing requirements and does not evaluate construction feasibility, development costs, or project financing.

### Intended Use of the Report

This report is intended for use by SCEDC and other public-sector stakeholders to:

- Evaluate the proposed development's alignment with Steuben County's economic development, tourism, and fiscal objectives.
- Assess whether market conditions are sufficient to support a project of the magnitude contemplated by statute.
- Identify potential market risks, opportunities, and policy considerations associated with the proposed development.
- Support transparent, objective, and defensible public-sector decision-making.

The report may also be utilized by elected officials, regulatory agencies, and other stakeholders involved in the review or approval process, subject to the assumptions and limiting conditions described throughout this report.

### Organization of the Report

Following this introduction, the report presents an overview of the regional and local economic context, an assessment of site characteristics and accessibility, and an evaluation of the competitive environment. Subsequent sections analyze market demand, describe the analytical methodology and modeling framework, and present projected levels of visitation and activity under stabilized conditions. The report also evaluates fiscal and economic impacts relevant to Steuben County and concludes with findings regarding overall market feasibility and considerations for policy and planning purposes.

### Establishing the Policy and Economic Development Context

The proposed development is being evaluated within a policy framework that emphasizes long-term economic growth, diversification of the local economy, expansion of the visitor base, and the smoothing of seasonal volatility in Steuben County's tourism economy. The Steuben County



Economic Development Corporation and the Steuben County Commission play a central role in assessing whether the proposed project aligns with these objectives and whether market conditions support development at the scale contemplated by statute.

This section provides context for the market feasibility analysis by summarizing relevant economic development goals, policy considerations, and public-sector constraints that inform evaluation of the proposed project.

### House Bill 1038; Statutory Context

Indiana House Bill 1038 (HB 1038) establishes the statutory framework under which a destination-scale development may be authorized in Steuben County, Indiana, subject to defined eligibility criteria, investment thresholds, and regulatory oversight.<sup>5</sup> The legislation reflects a policy determination that a project of sufficient scale can serve as a catalyst for long-term economic development, tourism growth, and public revenue generation.

#### Legislative Intent

HB 1038 is intended to enable a development that functions as a regional destination, rather than a local or convenience-oriented facility. The bill emphasizes:

- Economic development and job creation<sup>6</sup>
- Expansion and diversification of the tourism economy
- Attraction of out-of-region visitation and spending
- Long-term sustainability and public benefit

The statute implicitly recognizes that developments of this nature require both significant private investment and careful public-sector evaluation.

#### Minimum Development Threshold

A central requirement of HB 1038 is a minimum total development investment of \$500 million<sup>7</sup>. This statutory threshold:

- Establishes a minimum scale for any authorized project
- Implies a multi-component, destination-oriented development
- Sets expectations for regional market reach and economic impact
- Can be invested in multiple phases with at least 60% (\$300 million) in Phase 1 and the remaining amount invested within 5 years after commencement of operations<sup>8</sup>

For purposes of this Market Feasibility Study, the \$500 million threshold serves as a key framing assumption influencing project scale, demand requirements, and competitive positioning.

---

<sup>5</sup> The following information in this section of the report is derived from Indiana General Assembly, HB 1038 (Enrolled Act), 2025 Session.

<sup>6</sup> House Bill 1038, page 1

<sup>7</sup> House Bill 1038, page 26

<sup>8</sup> House Bill 1038, page 6

## Regulatory Oversight and Governance

HB 1038 assigns oversight and implementation responsibilities across state and local entities, including:

- State regulatory authorities responsible for licensing, compliance, and ongoing oversight
- Local and county-level entities, including the Steuben County Economic Development Corporation (SCEDC), which play a role in evaluation, coordination, and policy alignment

This structure underscores the public-sector nature of the authorization process and the importance of objective, third-party analysis in informing decisions.

## Policy Considerations Relevant to Feasibility

The statutory framework established by HB 1038 implies several considerations that are directly relevant to market feasibility analysis:

- Whether market demand is sufficient to support a destination development of the required scale
- Whether projected visitation represents net new demand, rather than displacement of existing activity
- The ability of the project to contribute to year-round economic activity and reduce seasonal volatility
- Long-term sustainability under competitive, regulatory, and economic cycles

## What Indiana House Bill 1038 Does Not Do

While Indiana House Bill 1038 establishes a statutory framework under which a destination-scale development may be considered in Steuben County, the legislation does not, by itself, authorize or guarantee a specific project or outcome. In particular, HB 1038 does not do the following:

- **It does not approve a specific development proposal.** The bill enables a process under which a project may be evaluated and authorized, but it does not select a developer, approve a site plan, or endorse a particular development concept.
- **It does not guarantee that a project will proceed.** Authorization remains subject to regulatory approvals, market feasibility, and compliance with statutory and administrative requirements.
- **It does not ensure economic or financial success.** The legislation does not guarantee visitation levels, revenues, job creation, or public-sector fiscal outcomes. Market performance remains subject to competitive, economic, and operational factors.
- **It does not require public subsidy or public financing.** HB 1038 establishes a minimum private development investment threshold but does not mandate the use of public funds, incentives, or guarantees.



- **It does not eliminate regulatory oversight.** Any authorized development remains subject to state and local regulatory review, licensing, and ongoing compliance requirements.
- **It does not override local planning or land-use authority.** Zoning, permitting, infrastructure capacity, and other local approvals must still be satisfied.
- **It does not insulate a project from market or economic risk.** Changes in competitive supply, tourism trends, consumer behavior, or economic conditions may affect long-term performance.
- **It does not substitute for independent analysis or due diligence.** The statute anticipates, rather than replaces, objective evaluation of market feasibility, economic impacts, and public-policy considerations.

### Role of This Study

This Market Feasibility Study is intended to support the evaluation of HB 1038 by:

- Assessing whether market conditions can reasonably support a development meeting statutory requirements
- Providing an objective, data-driven foundation for public-sector decision-making
- Informing policy discussions without advocating for a specific outcome
- The study does not interpret statute, provide legal opinions, or evaluate compliance; rather, it assesses market realities relative to the policy framework established by the legislature.

### Role of the Proposed Development in Local and Regional Economic Development

Steuben County's tourism economy is characterized by strong peak-season visitation driven by recreational and leisure demand, alongside significantly lower levels of activity during off-peak periods. While this pattern reflects the county's natural amenities and seasonal attractions, it also creates volatility in employment, business revenues, and public-sector receipts.

A large-scale destination development has the potential to address this challenge by:

- Attracting visitation that is less dependent on weather and seasonal conditions.
- Supporting year-round or shoulder-season demand through indoor, programmed, and destination-oriented uses.
- Increasing overnight stays and length of visit outside traditional peak periods.
- Providing more stable employment opportunities across the calendar year.

Accordingly, one of the central policy considerations evaluated in this study is whether the proposed development can contribute to greater balance and stability in visitation throughout the year, rather than simply amplifying existing peak-season demand.



### Alignment with County and State Policy Objectives

The enabling legislation establishing the framework for this project reflects a policy determination that a development meeting a minimum \$500 million investment threshold is intended to function as a destination-scale economic driver with regional reach. In addition to generating economic activity, such a project is implicitly expected to advance broader public objectives, including:

- Reducing reliance on a narrow seasonal tourism window.
- Diversifying the county's visitor base by attracting new market segments.
- Enhancing resilience of the local economy to weather variability and economic cycles.
- Supporting consistent public revenues over the course of the year.

This study evaluates whether market demand is sufficient not only to support a project of this magnitude, but also to achieve these policy objectives in a sustainable manner.

### Interaction with Existing Economic Development and Tourism Initiatives

Steuben County's existing tourism and economic development initiatives have focused on leveraging natural, recreational, and lifestyle assets that are most active during defined seasons. A destination development of the scale contemplated by statute would be expected to complement these initiatives by:

- Introducing uses that are not seasonally constrained.
- Encouraging off-peak visitation that supports existing businesses year-round.
- Extending the effective tourism season without over-reliance on peak periods.
- Generating spillover benefits during shoulder and off-season months.

At the same time, this study considers whether new demand is incremental or whether it primarily redistributes existing visitation within the county. Particular attention is given to the timing of demand, as the public benefit of the project is closely linked to its ability to smooth seasonal fluctuations rather than concentrate activity in already-strong periods.

### Public-Sector Considerations and Constraints

From a public-sector perspective, the evaluation of a large-scale destination development must account for both benefits and constraints associated with changing visitation patterns, including:

- Infrastructure utilization across peak and off-peak periods.
- Workforce stability and year-round employment opportunities.
- Fiscal impacts resulting from more consistent versus highly seasonal activity.
- Market risks related to overbuilding capacity that is only viable during peak seasons.

The market feasibility analysis presented in this report is structured to assess these considerations objectively and to provide SCEDC with a clear understanding of whether the





proposed development can realistically contribute to a more balanced, resilient, and sustainable tourism economy for Steuben County.

### Recognizing Common Concerns

Public discussion of destination-scale gaming developments often includes concerns related to social impacts, community character, displacement of existing spending, and long-term sustainability. This Market Feasibility Study does not evaluate social policy outcomes or make normative judgments regarding gaming; rather, it focuses on market conditions relevant to public-sector decision-making. However, several commonly cited concerns intersect indirectly with market feasibility, including whether projected visitation represents net new demand, the extent to which the development relies on out-of-region visitors, and whether the project can contribute to more balanced, year-round economic activity rather than amplifying existing seasonal peaks. By addressing these factors, the analysis provides context for assessing long-term sustainability and public-sector risk while recognizing that broader policy considerations remain outside the scope of this study.

### Regional and Local Market Overview

This section provides an overview of the regional and local market conditions that frame the feasibility of a destination casino development in Steuben County. The analysis focuses on demographic, economic, and tourism fundamentals that influence visitation potential, spending capacity, and long-term sustainability. Together, these factors establish the baseline context against which competitive dynamics and demand projections are evaluated in subsequent sections.

#### Regional Context

Steuben County is located in northeastern Indiana, within driving distance of several mid-sized metropolitan areas in Indiana, Michigan, and Ohio. The county's regional accessibility positions it within a broader multi-state market that includes both local residents and potential visitor segments seeking leisure, recreation, and entertainment experiences.

The surrounding region is characterized by a mix of urban population centers, smaller cities, and rural communities, with varying income levels and travel behaviors. While Steuben County itself has a relatively modest resident population, its effective market reach is expanded by proximity to regional population clusters that support discretionary travel, overnight stays, and repeat visitation. This regional orientation is a key consideration for any development intended to function as a destination rather than a local-serving facility.

#### Local Demographic and Socioeconomic Profile

Steuben County's permanent population is comparatively small and exhibits demographic characteristics consistent with many recreational and lifestyle-oriented counties, including a higher concentration of seasonal residents and visitors during peak periods. Household incomes



and spending capacity within the county are sufficient to support a baseline level of local demand; however, the scale of development contemplated by statute necessarily implies reliance on demand from outside the county.

Accordingly, the local population is best understood as a foundational demand base rather than the primary driver of visitation and revenue. The feasibility of a large-scale destination development therefore depends on the county's ability to attract incremental regional and out-of-region demand.

### Economic Base and Employment Characteristics

The county's economic base includes a mix of tourism-related activity, services, small businesses, and regional employment tied to manufacturing and distribution in surrounding counties. Tourism plays a meaningful role in the local economy, particularly during peak seasonal periods, supporting lodging, food and beverage, retail, and recreational services.

Employment patterns reflect this seasonality, with higher levels of activity during summer and peak leisure months and reduced demand during off-season periods. One of the central economic development considerations for Steuben County is whether additional destination-oriented development can support more stable, year-round employment and reduce volatility associated with seasonal demand.

### Tourism and Visitor Economy

Steuben County's visitor economy is anchored by natural and recreational assets that drive strong seasonal visitation. Peak demand is concentrated during favorable weather months, with visitation patterns heavily influenced by outdoor recreation, second-home usage, and leisure travel tied to specific seasons and events.

From the Steuben County Tourism Bureau<sup>9</sup>, AMS understands the following:

- There are 4,304 seasonal homes in Steuben County
  - This is over 9% of the total seasonal homes for the State of Indiana
- The resident population is approximately 34,600
- Annual visitors to Steuben County are approximately 2.6 million
- Approximately 38% of visitors travel over 100 miles to Steuben County

While this seasonal tourism base represents a significant asset, it also creates constraints on year-round utilization of lodging, services, and infrastructure. The county's ability to support a large-scale destination development depends in part on whether new demand can be generated during shoulder and off-peak periods, thereby extending the effective tourism season rather than simply intensifying peak-period activity.

---

<sup>9</sup> Data from Daily Average Population, Steuben County Indiana Infographic supplied by the Steuben County Tourism Bureau.

### Transportation Access and Market Reach

Steuben County benefits from regional highway access that supports drive-in visitation from multiple states. While the county is not directly served by a major commercial airport, its drive-time accessibility to regional population centers is a defining characteristic of its market position. As a result, the county's visitor economy is primarily oriented toward short- to medium-length trips rather than air-dependent tourism.

This accessibility profile is consistent with destination developments that rely on repeat visitation, regional draw, and weekend or short-stay travel, and it informs assumptions related to visitation frequency, length of stay, and seasonality.

That is not to say that Steuben County isn't accessible from air travel. The region is served by the Tri-State Steuben County Airport, a small airport that can be utilized by small charter planes. Likewise, the market is accessible to:

- Fort Wayne International Airport (FWA): 45 miles distance
- South Bend International Airport (SBN): 70 miles distance
- Detroit Metropolitan Airport (DTW): 100 miles distance

### Implications for Market Feasibility

The regional and local market characteristics described above highlight several considerations that are central to evaluating feasibility:

- The proposed development must attract a substantial share of demand from outside Steuben County to achieve destination scale.
- Market sustainability depends on expanding visitation beyond peak seasonal periods.
- Regional accessibility supports repeat and drive-in visitation but places limits on reliance on long-haul tourism.
- Long-term economic development benefits are closely tied to the project's ability to stabilize visitation, employment, and spending across the calendar year.

### Proposed Site Location and Accessibility

While not one location has been determined to be the location for the proposed project, it is understood by AMS that it will likely be located proximate to the Interchange of I-69 and Indiana Toll Road (I-80 / I-90). This location, in our opinion, represents one of the most strategically positioned highway junctions in northeast Indiana. The convergence of a north-south interstate corridor (I-69) with a major east-west interstate corridor (I-80 / I-90) provides direct vehicular connectivity across multiple states and metropolitan areas with I-69 serving as a principal north-south artery connecting Indianapolis, Fort Wayne, Lansing, and ultimately the Canadian border. Meanwhile I-80 / I-90 is part of the national east-west freight and passenger corridor extending from Chicago through northern Indiana and Ohio toward Cleveland and the East Coast. This intersection provides:



- Direct interstate access without local roadway dependency
- Visibility to high daily traffic volumes
- Seamless cross-border access to Michigan and Ohio
- Efficient travel times from multiple secondary population centers

From a gaming demand perspective, interstate adjacency reduces frictional travel cost and supports both frequency-driven local visitation and opportunistic “pass-through” visitation from longer-distance travelers. The location benefits from direct interstate travel with limited congestion relative to urban casino markets. This supports convenience-based visitation and may enhance capture within the Primary Market.

Unlike many regional casinos that require diversion from primary highways onto secondary roads, the subject site would be immediately adjacent to a full interstate interchange. This creates several advantages:

- **Reduced Wayfinding Friction:** Direct exit access improves convenience for infrequent visitors.
- **Impulse / Trip-Extension Potential:** Travelers using the Indiana Toll Road may incorporate short-duration casino visitation.
- **Logistics Efficiency:** Interstate adjacency facilitates event programming, group transportation, and regional bus access.

Interstate co-location is a common characteristic of successful Midwest regional casinos, particularly those designed as drive-in convenience markets rather than destination-integrated resorts.<sup>10</sup> Examples include:

- **Indiana/Chicago properties**
  1. *Horseshoe Hammond*
    1. Interstate Access: I-90 (Indiana Toll Road) / I-80/94
    2. Rationale: Positioned immediately off the toll road at the Illinois border, capturing high-frequency Chicago patronage without requiring downtown access.
  2. *Ameristar Casino East Chicago*
    1. Interstate Access: I-90 / I-80/94
    2. Rationale: Highway-visible and minutes from major roadways feeding South Chicago suburbs.
  3. *Hard Rock Casino Northern Indiana*
    1. Interstate Access: I-80/94 (Borman Expressway)
    2. Rationale: Direct interstate visibility and ingress/egress were central to replacing the former Majestic Star riverboats.

---

<sup>10</sup> Interstate adjacency has been identified as a performance driver in multiple Midwest gaming market studies, including Illinois Gaming Board expansion analyses (2019) and Indiana Gaming Commission market reviews.



4. *Blue Chip Casino Hotel Spa*
  1. Interstate Access: I-94
  2. Rationale: Draws from both metro Chicago and Southwest Michigan via direct highway approach.
- **Illinois River / Central Illinois**
  1. *Par-A-Dice Hotel Casino*
    1. Interstate Access: I-74
    2. Rationale: Immediate interstate bridge access supports short-duration, repeat visitation.
  2. *Grand Victoria Casino*
    1. Interstate Access: I-90
    2. Rationale: Expressway access enables same-day trips and high trip frequency.

#### Key Observations

- High-frequency trip behavior (monthly or biweekly) favors sites within 5 minutes of interstate ramps.
- Interstate sites reduce reliance on destination amenities (large convention space, luxury retail, etc.).
- Parking ease and highway signage visibility materially affect revenue capture.
- Several markets (Gary, Davenport) relocated or modernized facilities specifically to improve interstate positioning.

#### Cross-Border Dynamics

The site's proximity to the Michigan and Ohio borders is material. Steuben County is positioned in a tri-state region where consumers already demonstrate cross-border retail and entertainment behavior. Key considerations include:

- Michigan residents currently patronize casinos in Detroit and South Bend.
- Ohio residents have access to casinos in Toledo, Columbus, and Cleveland.
- Northwest Indiana and Chicago-area casinos capture significant volume from Illinois.

The proposed site would compete primarily within a two-hour radius but may benefit from incremental visitation driven by convenience and proximity, particularly in counties where alternative casino access requires longer or more congested travel.

#### Location Strengths and Constraints

From a location standpoint, the I-69 and I-80 / I-90 interchange represents a strategically advantageous regional access point rather than a dense urban core site. The location is particularly well suited for a frequency-driven regional casino model supplemented by tourism and event visitation.

The success of the site will depend less on immediate local population density and more on:



- Effective capture of the 60–120 minute drive shed
- Competitive differentiation versus established operators
- Programming that mitigates seasonal tourism volatility

Overall, the interstate interchange provides a strong logistical and accessibility foundation consistent with the scale of development contemplated under enabling legislation.

### **Strengths**

- Interstate-to-interstate junction (regional draw)
- Minimal urban congestion
- Central positioning relative to tri-state markets
- Supports both local and pass-through visitation
- Infrastructure capacity consistent with large-scale development

### **Constraints**

- Limited immediate urban density within one mile of the site
- Seasonal tourism concentration in the broader county economy
- Established competitive supply within two-hour markets

### **Concluding Thoughts on Location**

From a location standpoint, the I-69 and I-80 / I-90 interchange represents a strategically advantageous regional access point rather than a dense urban core site. The location is particularly well suited for a frequency-driven regional casino model supplemented by tourism and event visitation.

The success of the site will depend less on immediate local population density and more on:

- Effective capture of the 60–120 minute drive shed
- Competitive differentiation versus established operators
- Programming that mitigates seasonal tourism volatility

Overall, the interstate interchange provides a strong logistical and accessibility foundation consistent with the scale of development contemplated under enabling legislation.

### **Competitive Market Assessment**

This section evaluates the competitive gaming and destination landscape relevant to a proposed Steuben County development. Competitors are assessed based on drive-time proximity, property type, scale of operations, and customer orientation, with particular



emphasis on the degree to which existing facilities currently capture gaming and leisure demand that could otherwise be retained or attracted by a Steuben County project.

For analytical purposes, the competitive market is divided into three tiers:

- Primary Market: Properties within approximately 30 minutes drive time
- Secondary Market: Properties located 30-60 minutes from the site
- Tertiary Market: Properties located one to two hours from the site

This structure reflects observed gaming behavior in the Midwest, where frequency, trip purpose, and competitive overlap vary materially by distance and travel time.

### Relevance of the Competitive Set

In this section, we review properties within one hour of the possible location in Steuben County.

**FireKeepers Casino Hotel** in Battle Creek, Michigan is the dominant competitor in this tier and functions as a regional gaming anchor. With over \$300 million in estimated 2024 gross gaming revenue, FireKeepers attracts a broad customer base including high-frequency local players, mid- to upper-tier slot customers, and weekend overnight visitors. Its scale, amenities, and brand recognition make it the primary existing alternative for Steuben County residents seeking a full-service gaming experience.

**The Four Winds Hartford and Four Winds Dowagiac** properties further reinforce competitive pressure in the primary market. These smaller, satellite tribal casinos primarily serve local and repeat slot players and benefit from convenience and routine visitation patterns. While their scale is more limited, they function defensively by capturing frequent, short-duration trips that might otherwise occur within Steuben County.

Collectively, the primary market competitors limit near-term local capture potential but also demonstrate the presence of established gaming demand within close proximity to Steuben County.

A little further away from the proposed location, the competitive market includes larger regional destinations that influence planned leisure trips, overnight visitation, and higher-value gaming play. While less oriented toward routine visitation, these properties compete for discretionary trips and weekend stays.

**Four Winds South Bend** represents the strongest regional benchmark within this tier. As a full-scale tribal resort with a diverse customer mix, it attracts overnight guests and higher-value slot and table players. Its performance provides a relevant reference point for evaluating the scale and amenities required to function as a regional destination.

**Gun Lake Casino (Wayland, MI)** has evolved materially following its recent expansion and hotel addition. Historically a high-frequency West Michigan locals property, Gun Lake is transitioning toward a hybrid locals/destination model. The property's growth trajectory and amenity



enhancement increase its ability to retain premium slot players and entertainment-driven visitation, particularly from the Grand Rapids MSA.

**Blue Chip Hotel and Casino in Michigan City** competes directly for leisure-oriented trips, particularly those combining gaming with hotel, spa, and entertainment offerings. Although its 2025 GGR reflects a normalization from prior years, the property remains a meaningful competitor for planned weekend visitation.

**Hollywood Casino Toledo** operates primarily as an urban, day-trip facility with a strong local customer base and high slot volumes. While its resort pull is limited, its scale and proximity allow it to compete for cross-border gaming trips, particularly from Ohio-based patrons.

The tertiary competitive market includes larger urban and Chicago-area casinos that operate beyond typical day-trip range but remain relevant for contextual benchmarking and episodic visitation. These include Hollywood Casino Columbus, JACK Cleveland Casino, and Hard Rock Casino Cincinnati in Ohio, as well as the major northwest Indiana and Chicagoland properties: Horseshoe Hammond, Ameristar East Chicago, Hard Rock Casino Northern Indiana, and Rivers Casino Des Plaines. Collectively, these properties generate substantially higher volumes of gross gaming revenue and primarily serve dense metropolitan populations. While their geographic distance limits regular crossover with a potential Steuben County facility, they influence regional competitive positioning through brand presence, marketing scale, loyalty databases, and occasional destination-driven trips. As such, they function more as regional reference markets than as direct day-to-day competitors.

Figure 5: Regional Competitive Casino Overview

Mkt Tier	Name	Location	Est drive time (min)	Property type	2024 GGR	2025 GGR	Primary customer segment	Competitive dynamic
Primary	Four Winds New Buffalo	New Buffalo, MI	45	Tribal resort	\$232	NA	Chicago feeder market and SW Michigan weekend overnights; mid- to upper-tier slot players; strong database marketing	Primary competitive benchmark; captures Chicago drive-in and I-94 corridor traffic; strongest direct resort competitor in SW Michigan
Primary	Four Winds Hartford	Hartford, MI	50	Tribal satellite	iv	NA	Local repeat slot players, short-duration visits	Routine, impulsive customer due to convenience
Primary	Four Winds Dowagiac	Dowagiac, MI	55	Tribal satellite	iv	NA	Older slot players	Defensive local competitor
Primary	Firekeepers Casino Hotel	Battle Creek, MI	60	Tribal resort	\$304	NA	High frequency locals, mid- to upper-tier slot players, weekend overnights	Dominant regional player; primary source of SC gaming leakage
Secondary	Gun Lake Casino	Wayland, MI	75	Tribal resort	\$225	NA	Grand Rapids and West Michigan locals; high-frequency slot play with growing destination visitation post-expansion	Strong regional competitor; expanding resort amenities increasing overnight and entertainment-driven trips; moderate overlap in premium slot segment
Secondary	Four Winds South Bend	South Bend, IN	90	Tribal resort	iv	NA	Overnight guests, higher value slot and table players	Regional destination benchmark
Secondary	Hollywood Casino Toledo	Toledo, OH	100	Commercial urban	\$228	\$238	Local urban slot player from cross-border day trips	High volume slot competitor, but limited resort pull
Secondary	Blue Chip Hotel and Casino	Michigan City, IN	105	Commercial resort	\$182	\$113	Leisure gamers, spa and weekend visitors	Competitor for planned leisure trips
Tertiary	Ameristar Casino East Chicago	East Chicago, IN	165	Commercial riverboat	\$163	\$144	Chicago metro and NW Indiana locals; mid- to high-frequency slot and table play	Immaterial overlap
Tertiary	Horseshoe Casino Hammond	Hammond, IN	165	Commercial urban	\$236	\$234	South Chicago and NW Indiana locals; table game players	Immaterial overlap
Tertiary	Hard Rock Casino Northern Indiana	Gary, IN	180	Commercial urban	\$430	\$411	Chicago metro lifestyle visitors; entertainment-driven trips	Immaterial overlap
Tertiary	Hollywood Casino Columbus	Columbus, OH	180	Commercial urban	\$279	\$295	Urban resident base	Immaterial overlap
Tertiary	JACK Cleveland Casino	Cleveland, OH	200	Commercial urban	\$259	\$258	Downtown locals, table games, some tourism spillover	Reference property
Tertiary	Rivers Casino Des Plaines	Des Plaines, IL	225	Commercial urban	\$516	\$503	Chicago-area locals, high frequency slot play	Immaterial overlap
Tertiary	Hard Rock Casino Cincinnati	Cincinnati, OH	240	Commercial urban	\$243	\$244	Brand-driven customer	Negligible crossover, Hard Rock brand

Source: Michigan Gaming Control Board; Ohio Casino Control Commission; Illinois Gaming Control Board and Indiana Gaming Commission

Notes: i) Drive time is in minutes; ii) GGR in \$ millions; iii) GGR for the Tribal properties is a calculation based on the payment to local governments (2% of GGR); and iv) For the Four Winds properties is reported as one entity

Source: Michigan Gaming Control Board; Ohio Casino Control Commission; Illinois Gaming Control Board and Indiana Gaming Commission

Notes: i) Drive time is in minutes; ii) GGR in \$ millions; iii) GGR for the Tribal properties is a calculation based on the payment to local governments (2% of GGR); and iv) For the Four Winds properties is reported as one entity



## Market Demand Analysis

This section evaluates the level and characteristics of gaming demand capable of supporting a casino development in Steuben County under the parameters authorized by state legislation, including the statutory minimum \$500 million capital investment.

The analysis estimates demand across defined drive-time bands, evaluates competitive capture dynamics, considers demographic and income characteristics, and incorporates seasonal tourism effects unique to the Steuben County lake economy. Projections reflect stabilized-year performance under normalized economic conditions rather than opening-year novelty or promotional surge effects.

Demand is modeled using a mass-weighted gravity framework calibrated to 2030 adult (21+) population projections and competitive supply within a 120-minute drive time.

### Definition of Target Catchment Area

For analytical purposes, demand is evaluated across three concentric trade areas based on estimated drive time from the I-69 / I-80 / I-90 interchange:

- **Primary Market (0–30 minutes):** Core convenience market generating the highest visitation frequency and strongest competitive advantage.
- **Secondary Market (30–60 minutes):** Extended day-trip market with moderate competitive overlap.
- **Tertiary Market (60–120 minutes):** Broader regional population subject to substantial competitive dilution.
- **Induced Lake Tourism and Seasonal Demand:** Distinct from resident demand, this segment represents tourists benefiting from the local tourism infrastructure to participate in event-driven or amenity-driven visits.

Drive-time segmentation reflects observed Midwest gaming behavior, where visitation frequency declines materially beyond 30 minutes and transitions from routine convenience trips to planned leisure visits.

Because casino gaming participation is limited to individuals age 21 and older, total population is adjusted using age distributions from U.S. Census Bureau American Community Survey. Across the relevant counties, the proportion of residents age 21+ generally ranges from 72% to 78% of total population.<sup>11</sup> The demand model applies per-capita gaming expenditure to the adult population base.

Figure 6: Population and Income Profile of Target Market

County/Market area	State	2023 population	Median HHI	Biggest city	Relevant Market context
Steuben County	IN	34,917	\$74,911	Angola	Proposed site

<sup>11</sup> U.S. Census Bureau, ACS 2019-2023, 5-year Estimates



LaGrange County	IN	40,907	\$84,487	LaGrange	Primary
DeKalb County	IN	44,198	\$74,331	Auburn	Primary
Branch County	MI	45,215	\$63,724	Coldwater	Primary
Hillsdale County	MI	45,587	\$64,242	Hillsdale	Primary
				South	
St Joseph County	IN	272,848	\$63,504	Bend	Secondary
Elkhart County	IN	206,409	\$69,872	Elkhart	Secondary
Allen County	IN	394,545	\$70,568	Ft Wayne	Secondary
Lucas County	OH	425,484	\$62,224	Toledo	Secondary
Lake County	IN	500,598	\$73,250	Hammond	Tertiary
Cook County	IL	5,087,072	\$83,498	Chicago	Tertiary
Franklin County	OH	1,326,063	\$75,176	Columbus	Tertiary
Cuyahoga County	OH	1,233,088	\$64,468	Cleveland	Tertiary
<b>Median</b>		<b>272,848</b>	<b>\$70,568</b>		

Source: U.S. Census Bureau, American Community Survey, 2019-2023 5-Year Estimate

### Market Demographics and Income Context

Within the 120-minute resident catchment area, the projected 2030 adult (21+) population totals approximately 4.85 million.

Steuben County’s median household income (approximately \$74,900 per ACS 5-year estimates) is modestly above the statewide Indiana median and comparable to the broader regional income profile. Surrounding primary and secondary counties generally fall within the \$60,000–\$75,000 median household income range.

These income levels are consistent with:

- Moderate but stable gaming participation rates
- Frequency-driven regional visitation patterns
- Per-capita gaming expenditure consistent with Midwest commercial casino markets

Income metrics are used as boundary conditions to ensure participation and spend assumptions remain proportionate to the economic capacity of the resident base.

### Primary Market

The Primary Market represents the most defensible demand source. It includes Steuben County and adjacent portions of northeast Indiana and southwest Michigan within a 30-minute drive.

Key characteristics:

- Highest capture rates under gravity modeling (~50%+ share)
- Frequency-driven visitation (monthly or biweekly)
- Predominantly slot-oriented play



- Recapture of existing gaming leakage to Battle Creek and Southwest Michigan

Although absolute population density is modest (approximately 88,000 projected adults 21+), capture efficiency is highest in this band due to proximity advantage. The median household income (“HHI”) for Steuben County is approximately \$74,911<sup>12</sup>, above the State of Indiana (\$71,957)<sup>13</sup>; less than the median HHI for the United States (\$80,734)<sup>14</sup>.

This market is characterized by:

- Modest but stable population density
- A meaningful base of middle-income households
- An established tourism orientation driven by lake recreation and seasonal visitation

Secondary Market

The Secondary Market includes larger population centers such as portions of Fort Wayne, Auburn, Coldwater, and surrounding counties within a 60-minute drive. Projected 2030 adult population in this band exceeds 680,000.

Characteristics include:

- Moderate capture rates (~20–25%)
- Monthly to quarterly visitation frequency
- Higher sensitivity to competitive positioning
- Increased importance of amenity differentiation

This band is more competitively penetrated, with established facilities in Wayland (Gun Lake), South Bend, Michigan City, and Toledo exerting measurable influence. Secondary demand is meaningful but more elastic than primary demand.

Tertiary Market

The Tertiary Resident Market includes major metropolitan regions such as portions of Chicago, Toledo, Columbus, Cleveland, and Northwest Indiana within a 120-minute drive. Projected 2030 adult population in this band exceeds 4.0 million. However, competitive supply density is also highest in this geography, including:

- Rivers Casino Des Plaines
- Hard Rock Northern Indiana
- Horseshoe Hammond
- Ameristar East Chicago
- JACK Cleveland
- Hollywood Columbus

---

<sup>12</sup> Ibid.

<sup>13</sup> Ibid.

<sup>14</sup> Ibid.

- Hard Rock Cincinnati

As a result:

- Capture rates are structurally lower (~8–10%)
- Visitation frequency is episodic (1–3 visits annually)
- Demand is influenced by event programming and differentiation and limited to occasional overnight visitation.

The tertiary resident band contributes incremental revenue but does not represent the project’s primary demand driver.

In the table below, AMS provides certain demographic and income data for each of the submarkets in the gravity model:

Figure 7: Population and Per Capita Income For Each Drive Time Segment

Mkt Tier	2025 21+ Pop	2030 21+ Pop	Change	2025 Per Capita Income	2030 Per Capita Income	Change	2025 Median Age
Primary	86,530	87,994	1,464	\$34,401	\$38,076	\$3,675	41.3
Secondary	664,480	680,702	16,222	\$36,152	\$40,558	\$4,406	38.8
Tertiary	4,031,294	4,078,369	47,075	\$41,034	\$45,996	\$4,962	40.3
<b>Market totals</b>	<b>4,782,304</b>	<b>4,847,065</b>	<b>64,761</b>	<b>\$40,236</b>	<b>\$45,089</b>	<b>\$4,853</b>	<b>40.1</b>

Source: A.M. Steinberg Advisors, ESRI.

Figure 8: 2025 Economic and Income For Each Drive Time Segment

Mkt Tier	2025 Wealth Index	2025 Socioeconomic Status Index	2025 Median Disposable Income	2025 Median Disposable Income : Index
Primary	76.2	49.8	\$55,994	84.6
Secondary	76.4	51.0	\$58,132	87.7
Tertiary	87.6	52.3	\$62,924	95.0
<b>Market totals</b>	<b>85.8</b>	<b>52.1</b>	<b>\$62,132</b>	<b>93.8</b>

Source: A.M. Steinberg Advisors, ESRI.

#### Induced Lake Tourism and Seasonal Demand

Separate from resident demand, Steuben County benefits from a significant seasonal tourism economy driven by lake recreation and second-home ownership. Average daily population data indicate substantial summer population expansion relative to the permanent resident base of approximately 34,600 persons. Seasonal visitation generates millions of incremental person-days annually.

Rather than fully capitalizing all seasonal presence as incremental gaming demand, this analysis conservatively treats lake tourism as:



- Off-season visitation smoothing
- Winter and shoulder-month inducement
- Incremental weekend and entertainment-driven visitation

Under stabilized assumptions, modest incremental gaming uplift of approximately \$7–12 million annually is considered reasonable and defensible by AMS. This approach avoids double-counting resident ZIP populations while recognizing the economic contribution of seasonal activity.

### Visitation Behavior and Frequency Assumptions

Gaming visitation in Midwest regional markets typically follows the following patterns:

- **Primary market:** High frequency (monthly to biweekly)
- **Secondary market:** Moderate frequency (quarterly to monthly)
- **Tertiary market:** Low frequency (1–3 visits annually)
- **Seasonal visitors:** Event-driven and episodic

Demand modeling incorporates:

- Adult participation rates
- Income-adjusted per-capita gaming expenditure
- Distance decay effects
- Competitive mass weighting
- Stabilized operating assumptions

These inputs are calibrated against observed performance of comparable regional casinos in Michigan, Indiana, and Ohio.

### Income and Gaming Expenditure Calibration

Per-capita gaming expenditure scenarios (\$350–\$390 per adult) are calibrated against observed performance of Indiana, Michigan, and Ohio regional casinos operating in comparable income environments.

Under the mass-weighted gravity model:

- Regional capture approximates 11% of total gaming expenditure generated within 120 minutes.
- Implied per-adult capture across the full region is approximately \$38–\$42.
- Primary market per-adult capture exceeds \$170, reflecting proximity advantage.

These levels are consistent with frequency-driven Midwest casino markets and do not assume destination luxury positioning.



### Seasonality Considerations

Steuben County's tourism economy is strongly influenced by:

- Lake-season visitation (late spring through early fall)
- Weekend concentration
- Weather-dependent recreation

A key policy objective is smoothing seasonal economic activity. The demand model therefore evaluates:

- Baseline resident demand (year-round)
- Seasonal lift attributable to tourism traffic
- Off-season stabilization potential from indoor entertainment and hospitality components

While gaming demand itself tends to be less volatile than pure leisure tourism, visitation volumes in destination-oriented markets often peak in summer months. The project's programming, marketing strategy, and amenity mix will influence the degree to which off-season visitation can be enhanced.

### Demand by Customer Segment

Demand is segmented into the following primary customer groups:

- Local Repeat Slot Patrons
  - Core revenue drivers in regional markets
  - Highly frequency-driven
  - Sensitive to convenience and loyalty programs
- Table Game Patrons
  - Moderate frequency
  - Higher theoretical win per visit
  - More competitive overlap across markets
- Leisure and Overnight Guests
  - Influenced by hotel, dining, and entertainment offerings
  - More seasonal
  - Higher per-trip spend including non-gaming revenue
- Tourism-Driven Visitors
  - Summer lake visitors
  - Second-home owners
  - Short-term rental guests

The relative mix of these segments will influence revenue stability, seasonality, and overall economic impact.



### Competitive Capture and Market Share

Projected demand incorporates competitive interaction through:

- Distance decay modeling
- Comparative amenity analysis
- Brand strength of incumbent operators
- Historical revenue trends in proximate markets

AMS highlights that primary market capture assumptions are materially higher than secondary or tertiary capture rates due to convenience advantages.

Importantly, the model does not assume full recapture of leakage, recognizing established customer loyalty and competitive entrenchment.

### Stabilized-Year Demand Outlook

In our experience, a new casino resort usually requires between 18 to 24 months to achieve stabilized results. This is due to growing the loyalty rewards customers and analyzing data on visitation, rate of play, length of play, and risk characteristics to estimate the theoretical annual win and refine marketing programs for the local customer base. From an expense perspective, refining marketing initiatives typically yields higher ROI marketing spend, while labor expenses typically becomes more efficient. At opening, a casino will typically overhire in expectation of some personnel attrition and the learning curve for gaming and non-gaming employees.

Under conservative participation and capture assumptions, the majority of projected gaming demand is expected to originate within the one-hour drive shed, with incremental support from the secondary band. Tertiary demand is modeled as additive rather than essential.

### Limitations and Sensitivities

The demand analysis is subject to several variables, including:

- Future competitive expansion
- Economic cycles
- Regulatory changes
- Marketing execution
- Facility programming and brand positioning

Sensitivity testing evaluates the impact of lower participation rates, reduced capture assumptions, and slower ramp-up.

### Evaluation of Potential Non-Gaming Amenities

Recall from earlier in this report, that HB 1038 requires a minimum \$500 million investment. An investment of that order of magnitude will yield the development of incremental amenities. When developing the program for the non-gaming component, each option should be evaluated against the objective to increase per-capita spend, smooth seasonality of the local





tourism economy, recapture economics of Indiana residents visiting cross-border properties, and increase the catchment area to attract patrons from neighboring states. Given the rural-interstate location at the I-69 and I-80 / I-90 interchange, non-gaming elements must be evaluated not as standalone destination assets, but as complementary components that reinforce the core regional casino model.

One of the policy objectives identified by the Steuben County Economic Development Corporation is smoothing the seasonality of the current tourism economy, which is heavily lake- and weather-dependent.

Non-gaming components can contribute to this objective through:

- Indoor entertainment and event programming
- Winter promotions and bundled hotel packages
- Regional concert scheduling in shoulder seasons
- Conference and meeting attraction during off-peak months

Because gaming demand is generally less weather-sensitive than lake tourism, integrated non-gaming programming can help stabilize employment and local spending during slower seasonal periods.

Non-gaming components contribute to economic development through:

- Direct employment (hotel, F&B, entertainment staff)
- Indirect supply chain spending
- Increased visitor spending in surrounding businesses
- Property tax generation (where applicable)
- Incremental lodging and food tax revenues

While gaming revenue typically represents the majority of gross revenue, non-gaming amenities often account for a meaningful share of total employment and community engagement.

In the figure below, AMS provides an illustrative example of capital costs for a \$500 million casino development.



Figure 9: Illustrative Example of Construction Budget for a Proposed \$500 casino development

Component	Estimated cost	% of total
Gaming facilities	\$200	40%
Hotel	110	22%
Spa and Wellness	15	3%
Food and beverage	40	8%
Entertainment/event space	35	7%
Parking/Site infrastructure	50	10%
<u>Soft costs/Preopening/Contingency</u>	<u>50</u>	<u>10%</u>
<b>Total</b>	<b>\$500</b>	

Source: A.M. Steinberg Advisors, LLC

### Key Budget Observations

The \$500M statutory minimum could be achieved through disciplined scope calibration or phased development.

- Gaming should represent roughly 40–45% of capital but 60–70% of revenue.
  1. Gaming remains the primary revenue generator.
  2. Investment focuses on efficiency and flexibility rather than oversized luxury finishes.
  3. Equipment mix should support a frequency-driven regional model.
- Hotel is a revenue enhancer and supports seasonality mitigation.
  1. A 200–250 room hotel is appropriate for a regional market.
  2. Estimated all-in cost per key should be somewhere between \$400,000–\$500,000 to be commensurate with existing hotel supply and the economic profile of the catchment area
  3. Phasing potential should be retained.
- Spa will drive mid-week occupancy and mitigate seasonality.
  1. Moderate-scale spa to enhance midweek occupancy and mitigate seasonality. Designed as complementary amenity, not a destination resort spa.
- Entertainment investment must be right-sized to avoid underutilization.
  1. Should be multi-use and scalable
- Infrastructure costs are material at an interstate interchange and should not be underestimated.
  1. The parking ratio is critical for peak events.



### Hotel Component

Steuben County's lodging market is primarily composed of limited-service highway hotels, lake-season vacation rentals, and smaller independent accommodations. There is limited existing full-service lodging inventory directly positioned at a major interstate-to-interstate junction within the county.

A hotel component would serve several functions:

- Capture overnight gaming patrons from the 90–120 minute drive shed
- Support event and entertainment programming
- Accommodate seasonal lake tourism overflow
- Increase midweek occupancy through packaged promotions

AMS advises a hotel with multiple towers to open in phases. This will minimize the risk of overbuilding hotel inventory in a seasonal market like Steuben County.

### Spa and Wellness

A spa and wellness facility represents a potential non-gaming amenity that can:

- Broaden the demographic appeal beyond core gaming patrons
- Increase midweek occupancy
- Support bundled hotel packages
- Enhance positioning as a year-round leisure destination

In a market such as Steuben County—where tourism is currently lake- and weather-dependent—an indoor wellness offering provides an all-season attraction independent of outdoor recreation cycles.

A spa component would primarily target:

- Hotel guests from the 90–120 minute drive shed
- Couples and weekend leisure visitors
- Event and wedding guests
- Lake-area second-home owners seeking local amenities
- Corporate retreat and small conference attendees

Unlike urban luxury spas that rely on dense metropolitan clientele, a regional spa in this context would function as a complementary amenity rather than a primary trip driver.

In a regional casino environment, a spa is typically:

- 8,000–20,000 square feet
- Treatment-room focused rather than large hydrothermal complexes



- Integrated with fitness and wellness facilities

Oversizing spa facilities in a rural market introduces utilization risk. A right-sized wellness program integrated into the hotel footprint is more consistent with realistic demand capture.

A spa component directly supports the County's goal of smoothing tourism seasonality by:

- Attracting winter weekend visitation
- Supporting holiday and shoulder-season promotions
- Providing non-weather-dependent leisure programming

Wellness-oriented amenities can also diversify the project's brand identity beyond gaming, which may support broader community acceptance and policy objectives.

### Food and Beverage

Food and beverage outlets in regional casino markets serve primarily to:

- Increase time on property;
- Improve customer experience
- Capture incremental wallet share
- Support local employment

Standalone restaurant demand at an interstate site may be moderate; however, integrated F&B tied to gaming visitation typically performs consistently.

- A balanced F&B program may include:
- Casual dining / buffet concept
- Sports bar or entertainment bar
- Quick-service options
- Limited higher-end signature concept

The F&B mix should reflect the moderate income profile of the Primary and Secondary Markets and avoid over-positioning toward luxury dining models.

### Entertainment and Event Space

AMS suggest a small, flexible event venue with configurable capacity up to 2,500 seats. This type of facility can:

- Drive off-peak visitation
- Support regional concerts and touring acts
- Provide meeting and banquet capacity
- Attract group business from within a two-hour radius

In markets seeking to smooth tourism seasonality, event programming is particularly important during fall and winter months. Event facilities should be scalable and designed for multi-use functionality to mitigate underutilization risk.

### Retail and Ancillary Uses

Retail in local and regional casinos is typically limited and convenience-oriented, designed to support drive-in gaming patrons rather than function as a standalone destination draw. Common formats include branded gift shops, logo merchandise outlets, quick-service food and beverage concepts, and small sundries markets. The rationale is to enhance length of stay and capture incremental on-property spend from an existing gaming customer base, rather than to generate material foot traffic or serve as a primary revenue driver independent of the casino.

However, traditional enclosed retail or outlet-style development would likely face demand constraints in a Steuben County property due to:

- Proximity to established retail centers in Fort Wayne and South Bend
- Increasing e-commerce penetration
- Seasonal tourism variability

Retail components should therefore remain ancillary rather than core development drivers.

### Modeling Assumptions, Gravity Model Methodology, and Additional Considerations

#### Analytical Framework

The financial evaluation of a potential casino development in Steuben County is grounded in a structured market-based framework that integrates competitive positioning, localized gravity modeling, and incremental tourism-driven demand. The analysis reflects the competitive realities of the Primary and Secondary Markets, the behavior of resident consumers within defined drive-time catchments, and the role of non-local visitation supported by the County's existing tourism infrastructure.

The proposed development would operate within an established regional gaming landscape. Within approximately one hour of the I-69 and I-80 / I-90 interchange, existing facilities, including FireKeepers Casino Hotel and the Four Winds satellite properties in southwest Michigan, already serve frequency-driven local patrons. Within the broader 60–120 minute Secondary Market, larger destination-oriented properties such as Four Winds South Bend, Blue Chip (Michigan City), and Hollywood Casino Toledo compete for planned day-trip and overnight visitation.

Accordingly, the analytical framework does not assume creation of new gaming demand in isolation. Instead, it evaluates the project's potential performance within a mature and competitive environment characterized by:

- Established loyalty databases
- Existing cross-border visitation patterns
- Comparable income demographics
- Interstate-accessible competitors





Revenue projections are therefore derived from share-of-market capture assumptions rather than unconstrained demand estimates. This does not suggest relocating the property to Steuben County won't grow the competitive market. In fact, the local residential base, will generate a higher gross gaming revenue due to the convenience factor of the nearby property. Competitive gravity effects, distance, property scale, and brand presence, are explicitly incorporated into the modeling structure.

Local Market Demand: Gravity Model (Primary, Secondary, and Tertiary Catchment Areas)

The core of the financial analysis is a gravity-based demand model applied to the Primary (0–30 minutes), Secondary (30–60 minutes), and Tertiary (60-120 minutes) trade areas.

The gravity model estimates market share allocation as a function of:

- Adult population mass (age 21+ base)
- Income-adjusted per-capita gaming expenditure
- Travel time and distance friction (distance decay parameter)
- Relative competitive scale of existing facilities (mass weighting based on observed GGR)

Under this framework, visitation probability declines as travel time increases and as competitive alternatives become more proximate or more dominant in scale.

#### *Primary Market*

The Primary Market represents the project's structural demand base. Within this 30-minute radius, the proposed site benefits from a clear proximity advantage. Capture rates in this band are materially higher than in outer rings, reflecting:

- Convenience-driven visitation
- Repeat local frequency
- Reduced trip cost (time and fuel)
- Limited immediate in-county competition

Visitation patterns in this geography are consistent with monthly or biweekly play typical of regional "locals-oriented" casino markets. Although absolute population density within 30 minutes is modest relative to larger metropolitan regions, capture efficiency is highest in this band. The gravity model reflects this through materially stronger market share allocation relative to more distant competitors.

#### *Secondary Market*

The Secondary Market encompasses a substantially larger adult population base but also reflects materially greater competitive overlap.

Within this 30–60 minute band:



- Travel friction increases
- Competitive alternatives become more proximate
- Visitation frequency declines relative to the Primary Market

Key competitive influences within this geography include established facilities in South Bend, Wayland (Gun Lake), and Toledo, as well as entrenched visitation patterns toward Northwest Indiana and Southwest Michigan properties.

Accordingly, capture rates in the Secondary Market are moderated to reflect:

- Increased competitive density
- Established loyalty databases at incumbent properties
- More selective visitation behavior

While absolute population is significantly larger than the Primary Market, effective capture rates are lower, producing balanced and defensible demand allocation.

#### *Tertiary Market*

The Tertiary Resident Market includes major metropolitan population centers within a two-hour drive. This geography contains the largest absolute population base but also the highest concentration of existing casino supply, including major commercial and tribal properties across Indiana, Michigan, Ohio, and Illinois.

Within this band:

- Visitation becomes episodic rather than routine
- Competitive dilution is strongest
- Capture rates decline materially relative to inner rings

The gravity model accounts for both travel time and competitive mass, resulting in modest but meaningful allocation from this broad regional population. Importantly, the Tertiary Market is not modeled as a high-frequency driver. Instead, it contributes incremental visitation tied to event programming, differentiated amenities, and selective overnight trips.

#### *Stabilized Resident Revenue Framework*

Across all three resident catchment areas (0–120 minutes), the gravity model produces a stabilized estimate of Gross Gaming Revenue (GGR) attributable to resident demand under normalized economic conditions.

This estimate reflects:

- Full competitive field inclusion
- Mass-weighted allocation based on actual competitor scale
- Income-adjusted per-capita expenditure assumptions

- Distance decay calibrated to Midwest regional behavior

The resulting revenue represents equilibrium performance rather than opening-year novelty or promotional surge effects.

#### *Induced Lake Tourism and Seasonal Demand*

Separate from resident demand, Steuben County benefits from an established lake-driven tourism economy characterized by:

- Seasonal second-home ownership
- Summer population expansion
- Concentrated weekend visitation
- Established recreation infrastructure

Unlike metropolitan tertiary markets, this demand source is structurally tied to the county itself.

Rather than treating all seasonal presence as incremental gaming demand, this analysis conservatively models lake tourism as:

- Off-season inducement
- Shoulder-season visitation support
- Incremental entertainment-driven trips
- Revenue smoothing during winter trough months

This distinction is important:

- **Tertiary Market (60–120 minutes)** reflects broad regional population subject to heavy competitive dilution.
- **Induced Lake Tourism** reflects geographically anchored visitation already drawn to Steuben County for recreation purposes.

Accordingly, tourism-related revenue is modeled as incremental uplift to stabilized resident demand rather than as a standalone metropolitan capture assumption.

#### *Existing Seasonality Profile*

The County's tourism activity is heavily concentrated in late spring and summer months, when lake recreation, boating, and seasonal residential occupancy peak. Lodging utilization, restaurant traffic, and retail activity correspondingly experience pronounced seasonal variation. During fall and winter months, visitation declines materially, reflecting weather-driven constraints and the outdoor orientation of much of the local tourism product. In simplified terms, the County's current tourism economy exhibits a "high-amplitude" seasonal curve, or strong summer peaks followed by extended off-peak softness.



This seasonality produces:

- Fluctuating employment levels
- Volatility in hospitality revenues
- Underutilization of infrastructure during non-peak months

From an economic development perspective, reducing this volatility is a stated policy objective.

#### *Role of the Casino in Smoothing Seasonality*

Unlike lake-dependent recreation, casino gaming is largely weather-agnostic and operates year-round. As such, it has the potential to introduce a stabilizing demand component during historically slower tourism periods.

Within the analytical framework, Induced Lake Tourism and non-local visitation is modeled with particular attention to off-peak demand generation. The casino, hotel, spa, and entertainment programming can support incremental visitation during fall and winter through:

- Indoor entertainment and concert programming
- Event and conference bookings during shoulder seasons
- Spa and wellness packages targeted at weekend leisure travelers
- Gaming-driven promotional calendars independent of weather conditions

Importantly, Induced Lake demand is not assumed to replicate peak summer volumes. Rather, it is structured to generate incremental new trips during non-peak months—particularly from within a 90–180 minute radius—where consumers may seek short-duration leisure experiences that do not depend on seasonal outdoor amenities.

#### *Interstate Pass-Through and Off-Season Capture*

The site's location at the I-69 and I-80 / I-90 interchange enhances its ability to capture year-round pass-through traffic. Interstate travel volumes are materially more stable across seasons than lake tourism visitation. This provides an additional mechanism for smoothing demand, particularly during winter months when traditional tourism drivers soften.

#### *Modeling Implications*

In financial modeling, this seasonality smoothing effect is incorporated through:

- A more balanced monthly revenue distribution relative to existing tourism patterns
- Higher proportional tertiary visitation during shoulder and winter periods
- Incremental hotel occupancy in historically lower-demand months

The result is not the elimination of seasonality, but a moderation of amplitude, thus reducing peak-to-trough variability in hospitality and employment activity.

## Projected Monthly Revenue Distribution with Casino Development

Casino gaming demand historically demonstrates significantly lower seasonal volatility than outdoor recreation tourism. Regional Midwest casino markets typically show:

- Modest uplift in summer months
- Stable winter performance
- Promotional/event-driven spikes rather than weather-driven variability

Under the proposed development scenario, the projected monthly revenue distribution moderates existing seasonality through three mechanisms:

1. **Baseline Year-Round Gaming Demand:** Resident visitation within the Primary and Secondary Markets is relatively stable across months, with only modest seasonal fluctuation. This creates a steady base level of revenue independent of tourism peaks.
2. **Winter and Shoulder-Season Programming:** Indoor entertainment, spa packages, conferences, and promotional calendars are structured to drive incremental visitation during historically lower-demand months (November–March).
3. **Interstate Pass-Through Capture:** Traffic along I-80 / I-90 and I-69 is materially more stable across the year than lake-based visitation. The interchange location supports consistent accessibility in all seasons.

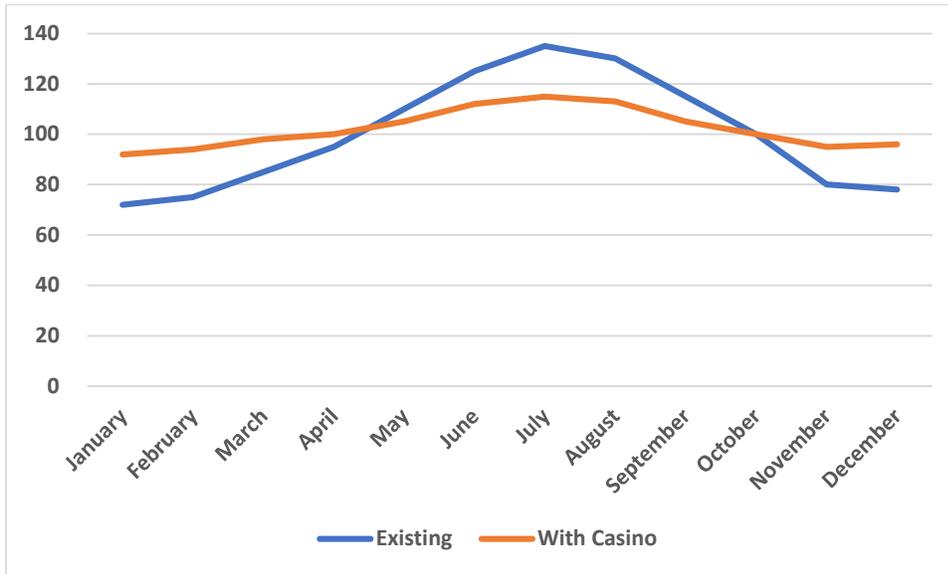
As a result, projected monthly revenue distribution under the casino scenario is expected to exhibit:

- Reduced percentage concentration of annual revenue in summer months
- Higher proportional contribution during fall and winter
- Narrower peak-to-trough variance

While summer months would likely remain above average due to lake-season synergy, the off-season trough would be materially elevated relative to current tourism-only conditions.

Below we present a seasonal curve comparison showing two lines: i) current tourism seasonality and ii) projected seasonality after casino development. The two lines are derived using the estimated annual visitation as the benchmark and set to 100. The monthly data points are presented as a percentage above or below the benchmark. The current tourism shows a much more pronounced summer spike and a deeper winter dip.

Figure 10: Seasonal Visitation Distribution (Current vs Expected Casino Development)



Source: A.M. Steinberg Advisors.

As illustrated, the introduction of a year-round casino and integrated hospitality amenities moderates the County’s existing seasonal revenue concentration. While summer months remain the strongest period due to continued lake tourism synergy, winter and shoulder-season performance improves materially. The resulting distribution reduces peak-to-trough volatility and supports a more balanced, resilient tourism economy with steadier employment and revenue generation throughout the year.

**Current Tourism Model**

- Summer (June–August) runs **25–35% above average**
- Winter months fall **20–30% below average**
- High volatility and sharp peak-to-trough swings

**With Casino Development**

- Summer remains strongest but moderated (12–15% above average)
- Winter months improve materially (only 5–8% below average)
- Shoulder months stabilize near the annual mean
- Peak-to-trough spread narrows significantly

*Summary of the Monthly Visitation Methodology*

The “Current Tourism Model” reflects a high-amplitude seasonal distribution typical of recreation-driven counties, with summer months materially exceeding the annual average and winter months falling significantly below average.



The “With Casino Development” model incorporates:

- A stable year-round gaming demand base from the Primary and Secondary Markets
- Reduced weather sensitivity of casino visitation relative to outdoor recreation
- Incremental winter and shoulder-season demand driven by indoor amenities, entertainment programming, and promotional activity
- More stable interstate traffic flows at the I-69 and I-80 / I-90 interchange

Index values are normalized such that the annual monthly average equals 100. The adjusted distribution reflects moderated peak concentration and elevated off-season performance consistent with stabilized regional casino operations.

### Key Assumptions and Inputs

The revenue projections presented in this report are derived from a mass-weighted gravity model calibrated to 2030 demographic projections, observed competitive performance, and regional gaming behavior patterns.<sup>15</sup> All estimates reflect stabilized-year performance under normalized economic conditions.

### Trade Area Definition

Resident demand is evaluated across three concentric drive-time bands from the I-69 / I-80 / I-90 interchange:

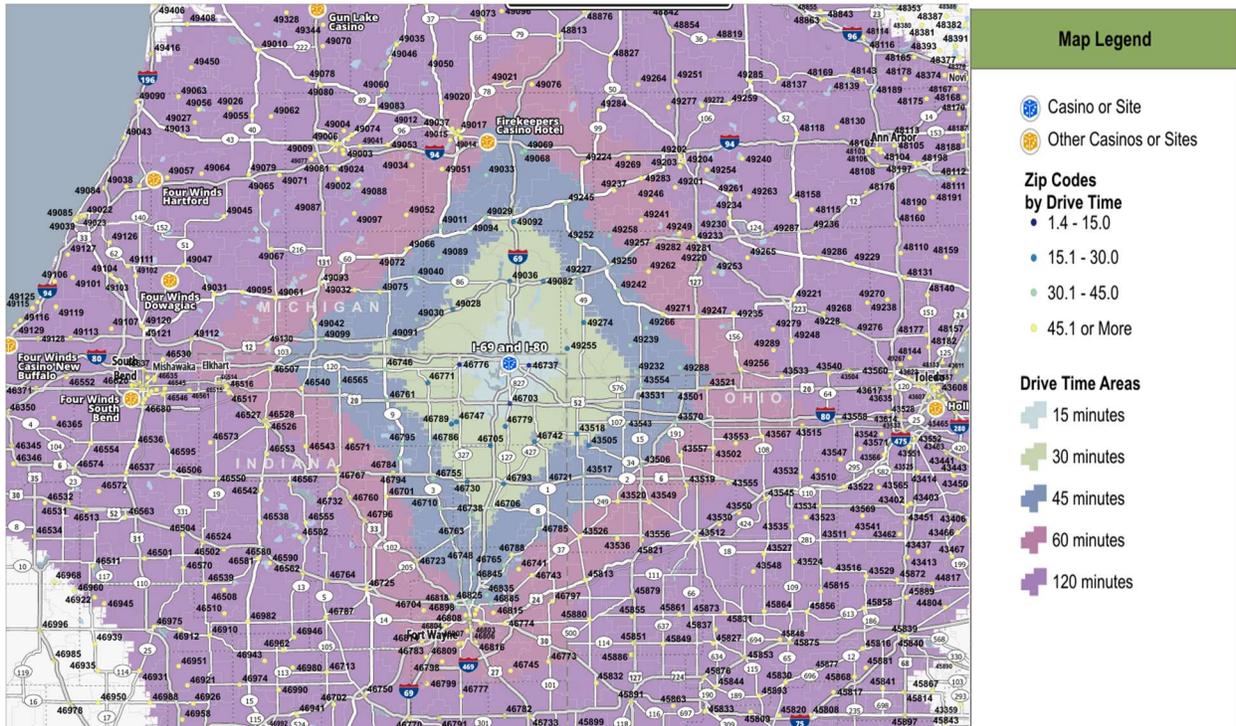
- **Primary Market:** 0–30 minutes
- **Secondary Market:** 30–60 minutes
- **Tertiary Resident Market:** 60–120 minutes

Drive-time segmentation reflects observed Midwest gaming behavior, where visitation frequency declines materially beyond 30 minutes and transitions from routine convenience trips to planned leisure visits. Lake-driven tourism demand is treated separately as incremental inducement rather than embedded within resident catchment capture.

---

<sup>15</sup> Gravity modeling is widely applied in retail, hospitality, and gaming feasibility studies to allocate consumer demand across competing destinations.

Figure 11: Drive-Time Map of Proposed Steuben County, IN Location With Competition



Source: A.M. Steinberg Advisors, ESRI

## Notes on Distance Decay

Empirical analysis of regional casino markets demonstrates a clear inflection in visitation behavior as travel time increases, with convenience-driven repeat play concentrated within short drive times and markedly lower frequency beyond one hour. Studies and applied feasibility analyses indicate that<sup>16</sup>:

- Frequency and participation decline the further a patron is required to travel to visit a casino<sup>17</sup>;
- between roughly 30 and 60 minutes travel time, trip planning increases and visit frequency generally shifts from impulse/regular trips to planned visits (monthly to quarterly), producing materially lower per-capita revenue contribution per ZIP than in the immediate catchment<sup>18</sup>;

<sup>16</sup> Distance decay parameters are consistent with applied Midwest regional gaming feasibility studies and academic gravity modeling literature.

<sup>17</sup> Barrow, Clyde W. and Borges, David R., "Gravity models and casino gaming: A review, critique, and modification Gravity models and casino gaming: A review, critique, and modification," May 2014, UNLV Gaming Research and Review Journal

<sup>18</sup> Ibid.

- beyond 60 minutes, visitation becomes episodic (often 1–3 visits annually) and increasingly sensitive to competitive alternatives and amenity differentiation, so revenue contributions are smaller and concentrated around event- or destination-driven trips rather than routine play<sup>19</sup>; and

### Population Base

Demand modeling is based on projected 2030 population age 21 and older (casino-eligible population). Age distributions are derived from the U.S. Census Bureau American Community Survey (ACS) 5-Year Estimates.<sup>20</sup> The total projected adult population (age 21+) within a 2-hour drive time to the location used in this study is approximately 4.85 million .

Submarket distribution:

- Primary (0–30): ~88,000 adults
- Secondary (30–60): ~681,000 adults
- Tertiary Resident (60–120): ~4.08 million adults

Adult population serves as the base for applying per-capita gaming expenditure.

### Per-Capita Gaming Expenditure

Per-capita gaming expenditure reflects total annual gaming spend per adult within the resident catchment area across all casinos. These values are calibrated against observed per-adult GGR levels in Indiana, Michigan, and Ohio commercial markets.<sup>21</sup> Per-capita expenditure is applied uniformly across the resident catchment, with income-adjustment factors applied at the ZIP level to reflect relative economic capacity.<sup>22</sup>

### Distance Decay

The gravity model applies a distance decay parameter ( $\beta$ ) of 1.5. Distance decay ensures:

- Higher visitation probability within 30 minutes
- Moderated visitation within 30–60 minutes
- Episodic visitation beyond 60 minutes

Sensitivity testing indicates that  $\beta$  values between 1.4 and 1.6 produce results consistent with observed regional gaming markets.

---

<sup>19</sup> Ibid.

<sup>20</sup> U.S. Census Bureau, American Community Survey 2019–2023 5-Year Estimates.

<sup>21</sup> Indiana Gaming Commission (2024); Michigan Gaming Control Board (2024); Ohio Casino Control Commission (2024).

<sup>22</sup> Income indices are derived from ACS median household income and disposable income metrics applied at ZIP level.

### Competitive Mass Weighting

In standard gravity models, attraction is purely a function of distance. Because there is a variety of casinos within the catchment area, we applied an additional layer to the attractiveness weighting by adjusting for additional attractiveness factors, such as quality of non-gaming amenities and types of games offered. This structure ensures that:

- Larger, higher-performing casinos exert proportionally stronger pull
- Smaller satellite properties exert proportionally weaker influence
- Market share allocation reflects actual competitive scale rather than proximity alone

Mass weighting improves allocation realism in overlapping competitive zones and avoids artificial dilution caused by treating all facilities as equal.

### Market Share Allocation

For each ZIP code within the 120-minute catchment, projected share is calculated as:

$$\text{Proposed Attraction} \div (\text{Proposed Attraction} + \text{Sum of Competitive Attractions})$$

Under Base Case assumptions, regional capture approximates 11% of total gaming expenditure generated within 120 minutes. This capture level is consistent with competitive equilibrium conditions in mature Midwest regional gaming markets.<sup>23</sup>

### Participation and Frequency Calibration

Participation and visitation behavior are embedded within the per-capita framework and distance decay structure.

Behavioral characteristics by trade area are assumed to be:

- **Primary:** Monthly or biweekly visitation
- **Secondary:** Monthly to quarterly visitation
- **Tertiary Resident:** 1–3 annual visits

### Lake Tourism and Seasonal Inducement

Steuben County's lake economy produces measurable seasonal population expansion. Rather than fully capitalizing seasonal person-days as incremental gaming demand, the model conservatively treats tourism impact as:

- Winter and shoulder-season inducement
- Incremental entertainment-driven visitation
- Seasonal smoothing of revenue volatility

---

<sup>23</sup> Mature regional casino markets typically capture between 8% and 15% of gaming expenditure generated within overlapping 120-minute catchments.





Under stabilized assumptions, induced lake tourism is estimated to contribute approximately \$5–10 million annually. This approach avoids double-counting resident population while recognizing incremental demand potential unique to Steuben County.<sup>24</sup>

## Scenario and Sensitivity Analysis

To evaluate the stability and defensibility of projected revenue, a three-case scenario framework was applied within the mass-weighted gravity model. The analysis isolates the impact of per-capita gaming expenditure while maintaining constant competitive structure, distance decay, and trade area segmentation. All scenarios reflect stabilized 2030 performance under normalized economic conditions.

### Structural Model Constants

Across all scenarios, the following inputs remain unchanged:

- Trade area segmentation:
  - Primary (0–30 minutes)
  - Secondary (30–60 minutes)
  - Tertiary Resident (60–120 minutes)
- Distance decay parameter ( $\beta = 1.5$ )
- Competitive mass weighting based on 2024 GGR
- ZIP-level income adjustments
- Full competitive field inclusion within 120 minutes

This ensures that sensitivity results reflect realistic shifts in consumer spending rather than structural changes in market capture assumptions.

Per-capita gaming expenditure represents total annual gaming spend per adult (21+) generated within the resident catchment area across all competing casinos.

### Per Capita Scenario Framework

Three scenario levels were evaluated<sup>25</sup>:

---

<sup>24</sup> Seasonal population estimates derived from county-level daily average population study and lake-home ownership analysis provided to AMS by Steuben County Economic Development Corporation.

<sup>25</sup> The per capita expenditure is the baseline per capita spend. For all zip codes, the per capita expenditure for that particular zip code were adjusted by the income index derived from ESRI data.



Figure 12: Description of the Baseline Per Capita Gaming Expenditure

Scenario	Per Capita (21+)	Interpretation
Conservative	\$350	Moderated discretionary environment
Base	\$375	Upper-tier regional equilibrium
High	\$390	Income-strengthened regional outcome

Source: A.M. Steinberg Advisors.

These values bracket a reasonable range for Midwest regional markets with income characteristics similar to Steuben County and its surrounding counties.

Across all scenarios:

- Regional capture remains approximately 11% of total gaming expenditure generated within 120 minutes.
- Implied per-adult capture ranges from approximately \$38 to \$42.
- Primary Market capture remains strongest (approximately 50%+ within 30 minutes).
- Secondary Market capture moderates (approximately 20–25% range).
- Tertiary capture remains structurally lower (approximately 8–10%) due to competitive density.

Importantly, revenue stability across scenarios reflects the structural strength of the Primary Market rather than reliance on distant population capture.

### Induced Lake Tourism Sensitivity

Lake-driven seasonal visitation is modeled separately from resident demand. AMS could have calculated incremental population due to occupancy of hotels and second homes and then applied a capture rate and per capita income spend to arrive at a Lake Tourism GGR figure. However, officials from the Steuben County Tourism Bureau provided us with information that approximately 38% of visitors arrive from a distance greater than 100 miles. The corollary is that 62% live within 100 miles of Steuben County. As such, we decided the above described methodology risked double counting some of the zip codes from the gravity model. Therefore, rather than capitalizing full seasonal person-day expansion, tourism impact is conservatively treated as:

- Winter and shoulder-season inducement
- Incremental weekend entertainment demand
- Revenue smoothing during non-peak months

Incremental uplift under stabilized assumptions is estimated at approximately \$7–12 million annually. Incorporating tourism inducement produces the following stabilized range:



Figure 13: Range of Resident and Lake Induced Tourism GGR (\$ in millions)

Scenario	Resident GGR	Lake Induced Tourism	Total
Conservative	\$181.5	\$7.1	\$188.6
Base	\$194.5	\$8.6	\$203.1
High	\$202.2	\$11.8	\$214

Source: A.M. Steinberg Advisors.

This structure ensures that tourism effects enhance seasonal balance without materially distorting resident-driven demand fundamentals.

### Interpretation and Policy Implications

The scenario analysis demonstrates that:

- Resident-driven demand alone supports stabilized GGR broadly centered between \$180 million and \$200+ million.
- Primary Market proximity provides structural revenue stability.
- Secondary and Tertiary Resident markets contribute scale without dominating projections.
- Modest seasonal tourism inducement supports winter smoothing and incremental uplift.

Under reasonable and defensible assumptions, the project demonstrates a stabilized revenue profile centered near \$200 million annually without reliance on aggressive capture, truncated trade areas, or speculative destination positioning.

### Steuben County Revenue and Activity Projections

This section summarizes stabilized 2030 Gross Gaming Revenue (GGR) projections derived from the mass-weighted gravity model and induced lake tourism analysis. Figures 8 through 10 present Low, Base, and High case projections across the Primary (0–30 minutes), Secondary (30–60 minutes), and Tertiary Resident (60–120 minutes) trade areas, with incremental lake-driven inducement shown separately. All projections reflect stabilized operating performance under normalized economic conditions. The figures below reflect the three scenarios, which we discuss after presenting the information.

Figure 14: Resident and Lake Induced Tourism GGR Potential (Low case)

Submarket	Definition	2030E 21+ population	GGR potential	Est Share	2030E GGR	% Ttl
Primary	Drive time < 30 minutes	87,994	\$26,640,869	51%	\$13,689,849	7%
Secondary	30 minutes < drive time < 60 minutes	680,702	\$207,298,464	22%	\$45,447,747	24%
Tertiary	<u>60 minutes &lt; drive time &lt; 120 minutes</u>	<u>4,078,369</u>	<u>\$1,420,771,896</u>	<u>9%</u>	<u>\$122,356,405</u>	<u>65%</u>
Subtotal, resident		4,847,065	\$1,654,711,229	11%	\$181,494,002	96%
<u>Induced Lake tourism demand</u>					<u>\$7,071,195</u>	<u>4%</u>
<b>Total GGR</b>					<b>\$188,565,197</b>	

Source: A.M. Steinberg Advisors.

Figure 15: Resident and Lake Induced Tourism GGR Potential (Base case)

Submarket	Definition	2030E 21+ population	GGR potential	Est Share	2030E GGR	% Ttl
Primary	Drive time < 30 minutes	87,994	\$28,543,788	51%	\$14,667,696	7%
Secondary	30 minutes < drive time < 60 minutes	680,702	\$222,105,497	22%	\$48,694,015	24%
Tertiary	<u>60 minutes &lt; drive time &lt; 120 minutes</u>	<u>4,078,369</u>	<u>\$1,522,255,603</u>	<u>9%</u>	<u>\$131,096,149</u>	<u>65%</u>
Subtotal, resident		4,847,065	\$1,772,904,889	11%	\$194,457,859	96%
<u>Induced Lake tourism demand</u>					<u>\$8,631,289</u>	<u>4%</u>
<b>Total GGR</b>					<b>\$203,089,148</b>	

Source: A.M. Steinberg Advisors.



Figure 16: Resident and Lake Induced Tourism GGR Potential (High case)

Submarket	Definition	2030E 21+ population	GGR potential	Est Share	2030E GGR	% Ttl
Primary	Drive time < 30 minutes	87,994	\$29,685,540	51%	\$15,254,404	7%
Secondary	30 minutes < drive time < 60 minutes	680,702	\$230,989,717	22%	\$50,641,775	24%
Tertiary	<u>60 minutes &lt; drive time &lt; 120 minutes</u>	<u>4,078,369</u>	<u>\$1,583,145,827</u>	<u>9%</u>	<u>\$136,339,995</u>	<u>64%</u>
Subtotal, resident		4,847,065	\$1,843,821,084	11%	\$202,236,174	95%
<u>Induced Lake tourism demand</u>					<u>\$11,770,359</u>	<u>6%</u>
<b>Total GGR</b>					<b>\$214,006,533</b>	

Source: A.M. Steinberg Advisors.



### Low Case Scenario

Under the Conservative Case (per-capita gaming expenditure of \$350), projected 2030 resident GGR totals approximately **\$181.5 million**, with an additional **\$7.1 million** attributable to induced lake tourism, resulting in total stabilized GGR of approximately **\$188.6 million**.

Resident revenue distribution:

- **Primary (0–30 minutes):** \$13.7 million (7% of total)
- **Secondary (30–60 minutes):** \$45.4 million (24%)
- **Tertiary Resident (60–120 minutes):** \$122.4 million (65%)

Key observations:

- The Primary Market provides high capture efficiency but limited scale due to modest population density.
- The Secondary Market contributes balanced, frequency-driven revenue.
- The Tertiary Resident Market contributes the largest absolute revenue share due to population scale, despite lower capture rates (~9%).

Induced lake tourism represents approximately 4% of total GGR in this scenario and primarily supports seasonal smoothing rather than structural expansion.

### Base Case Scenario

Under the Base Case (per-capita gaming expenditure of \$375), resident GGR increases to approximately **\$194.5 million**, with **\$8.6 million** from induced lake tourism, producing total stabilized GGR of approximately **\$203.1 million**.

Resident revenue distribution:

- **Primary (0–30 minutes):** \$14.7 million (7%)
- **Secondary (30–60 minutes):** \$48.7 million (24%)
- **Tertiary Resident (60–120 minutes):** \$131.1 million (65%)

Under this scenario:

- Regional capture remains approximately 11% of total gaming expenditure generated within 120 minutes.
- Implied per-adult regional capture approximates \$40.
- The Tertiary Resident Market continues to provide scale but remains structurally moderated by competitive mass weighting.

Induced lake tourism contributes approximately 4% of total GGR and reflects conservative off-season inducement assumptions.





The Base Case supports stabilized annual performance centered near **\$200 million**, representing competitive equilibrium conditions rather than promotional surge performance.

### High Case Scenario

Under the High Case (per-capita gaming expenditure of \$390), resident GGR increases to approximately **\$202.2 million**, with induced lake tourism estimated at **\$11.8 million**, resulting in total stabilized GGR of approximately **\$214.0 million**.

Resident revenue distribution:

- **Primary (0–30 minutes):** \$15.3 million (7%)
- **Secondary (30–60 minutes):** \$50.6 million (24%)
- **Tertiary Resident (60–120 minutes):** \$136.3 million (64%)

In this scenario:

- Regional capture remains stable near 11%.
- Tourism uplift increases proportionally due to higher per-visit spend assumptions.
- Total GGR modestly exceeds \$210 million but does not rely on expanded trade areas or aggressive share assumptions.

Induced lake tourism represents approximately 6% of total GGR under this scenario, reflecting enhanced off-season visitation elasticity.

### Revenue Composition and Structural Interpretation

Across all scenarios:

- **Primary Market (0–30 minutes)** consistently accounts for approximately 7% of total GGR. While small in absolute population, this band provides the highest capture efficiency and most stable repeat visitation.
- **Secondary Market (30–60 minutes)** contributes approximately 24% of total GGR and represents the most balanced blend of scale and capture.
- **Tertiary Resident Market (60–120 minutes)** accounts for approximately 64–65% of total GGR due to its large population base, despite structurally lower capture rates.
- **Induced Lake Tourism** contributes between 4% and 6% of total GGR and functions primarily as seasonal smoothing and incremental uplift rather than a core structural driver.

Importantly, the revenue mix remains consistent across scenarios, indicating structural stability in the model rather than volatility driven by outer-band assumptions.



### Activity Implications

Based on projected stabilized GGR levels ranging from approximately \$189 million to \$214 million:

- The project supports a frequency-driven regional gaming model.
- Activity levels are consistent with upper-tier Midwest regional casinos rather than metropolitan integrated resorts.
- Revenue composition indicates a strong resident base supplemented by incremental tourism rather than reliance on destination-only demand.

Projected revenue levels support the statutory capital investment threshold while maintaining alignment with competitive equilibrium conditions.

### State-Level Distribution of Resident Gross Gaming Revenue

The gravity model allocates projected 2030 resident Gross Gaming Revenue (GGR) across Indiana, Michigan, and Ohio based on ZIP-level population, travel time, and competitive mass weighting. The resulting state-level distribution is consistent across Low, Base, and High scenarios, indicating structural stability in the model.

Under the Base Case scenario (approximately \$194.5 million resident GGR):

- Michigan residents contribute approximately \$93.1 million (48%)
- Indiana residents contribute approximately \$73.2 million (38%)
- Ohio residents contribute approximately \$28.1 million (14%)

The relative proportions remain materially consistent across scenarios, demonstrating that changes in per-capita expenditure assumptions scale revenue proportionally without altering the geographic composition of demand.

### Assessing Geographic Distribution

Cross-Border Revenue Inflow Is Material

A majority of projected resident gaming revenue (approximately 62%) originates from outside Indiana. Michigan alone accounts for nearly half of total resident GGR across all scenarios.

This outcome reflects:

- The site's proximity to the Indiana–Michigan border
- Established cross-border travel patterns
- Meaningful population density within southwest Michigan
- Competitive positioning relative to Battle Creek and Four Winds properties



From a fiscal perspective, this suggests the proposed development would capture substantial out-of-state discretionary spending.

#### Indiana Provides Structural Stability

Indiana contributes approximately 38% of total resident GGR under all scenarios. While not the largest contributor in absolute terms, Indiana demand is structurally concentrated within the Primary and Secondary (0–60 minute) trade areas.

This portion of revenue is:

- Proximity-driven
- Frequency-oriented
- Less sensitive to competitive displacement in outer bands

As a result, Indiana-origin revenue provides the most stable and repeatable component of projected performance.

#### Michigan Represents the Largest Demand Pool

Michigan's 48% contribution reflects the scale of adult population within 60–120 minutes in southwest Michigan and portions of lower Michigan. While competitive overlap exists with FireKeepers and Four Winds properties, the gravity model indicates measurable cross-border recapture potential, particularly in ZIP codes where travel times to the proposed site are competitive.

Importantly, Michigan-origin revenue does not depend on metropolitan Detroit demand but rather on regional population distribution across southern Michigan counties.

#### Ohio Provides Incremental Scale

Ohio contributes approximately 14% of total resident GGR, primarily from tertiary (60–120 minute) ZIP codes. Although capture rates are lower in this band due to strong competitive supply in Toledo, Columbus, and Cleveland, the large adult population base results in meaningful absolute revenue contribution.

Ohio demand is characterized as:

Episodic rather than frequency-driven

Event- or differentiation-sensitive

Supplemental rather than structural

#### Summary and Policy and Strategic Implications

Across all modeled scenarios, projected resident GGR is geographically diversified but structurally anchored in proximity-driven demand:

- Michigan (48%) provides scale and cross-border inflow.
- Indiana (38%) provides stable, repeat visitation.



- Ohio (14%) provides incremental regional depth.

This distribution supports revenue stability, cross-border economic capture, and alignment with the project's regional positioning.

The projected state-level mix suggests:

- The project captures meaningful out-of-state discretionary spending.
- Revenue generation is diversified across three states.
- The development does not rely disproportionately on a single metropolitan feeder market.
- Economic impact extends beyond Steuben County's immediate population base.

The cross-border component strengthens the argument that the project would generate incremental regional economic inflow rather than solely redistribute in-county spending.

#### Indiana Revenue as Repatriation of Existing Out-of-State Leakage

The approximately 38% share of projected resident GGR attributable to Indiana residents warrants additional context. Northeast Indiana currently has limited in-state casino supply relative to adjacent regions. As a result, a meaningful portion of gaming expenditure generated by Indiana residents in this geography is presently captured by out-of-state facilities, including:

- Tribal casinos in southwest Michigan
- Commercial properties in northwest Indiana
- Facilities in Ohio

The gravity model indicates that approximately \$73–76 million annually (Base to High case) could be generated from Indiana residents under stabilized conditions. A substantial portion of this demand likely represents recapture, or repatriation, of discretionary gaming spending that is currently exported to neighboring states.

This dynamic reflects structural geography:

- Proximity advantage shifts once a facility is introduced within 30–60 minutes.
- Travel friction reduces out-of-state visitation frequency.
- Convenience-driven play reallocates toward the nearest viable facility.

Accordingly, Indiana-origin revenue should not be viewed solely as new demand, or even redistribution of existing Indiana GGR, but rather as a combination of:

1. Recaptured spending currently flowing to Michigan and Ohio casinos, and
2. Incremental local visitation enabled by reduced travel distance.



From a fiscal perspective, this recapture effect is significant. To the extent that Indiana residents are presently patronizing out-of-state casinos, a Steuben County facility would redirect a portion of that spending back into Indiana's tax base.

This repatriation argument is particularly relevant given:

- The absence of major commercial casinos in northeast Indiana
- The competitive pull of southwest Michigan tribal properties
- Established cross-border visitation patterns

In this context, Indiana's 38% contribution represents not only structural resident demand but also potential recovery of gaming expenditure that is currently exported across state lines.

## Fiscal Impacts

This section estimates projected state gaming tax revenue generated under the Low, Base, and High revenue scenarios presented below. Calculations reflect Indiana's graduated wagering tax on adjusted gross gaming receipts (GGR), together with the statutory supplemental wagering tax of 3.5%. All projections reflect stabilized 2030 performance.

### Indiana Graduated Wagering Tax Structure

Indiana applies a progressive tax structure to casino gross gaming revenue, with marginal rates increasing as annual GGR rises. Under current law, the schedule is:<sup>26</sup>

- 10% on the first \$25 million
- 20% on \$25–50 million
- 25% on \$50–75 million
- 30% on \$75–150 million
- 35% on \$150–600 million
- 40% above \$600 million

In addition, a supplemental wagering tax equal to 3.5% of GGR applies. Because projected revenues fall within the \$150–600 million bracket, the effective tax rate reflects blended marginal rates up to 35%, plus the supplemental 3.5% tax.

---

<sup>26</sup> Indiana Code Title 4, Article 33



Figure 17: Calculation of Projected GGR Tax from a Steuben County Casino Development

Tax structure	Rate	Low Case	Base Case	High Case
Up to \$25m	10%	2,500,000	2,500,000	2,500,000
Between \$25 and \$50m	20%	5,000,000	5,000,000	5,000,000
Between \$50 and \$75m	25%	6,250,000	6,250,000	6,250,000
Between \$75 and \$150m	30%	22,500,000	22,500,000	22,500,000
Between \$150 and \$600m	35%	13,497,819	18,581,202	22,402,287
<u>Over \$600m</u>	<u>40%</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Supplemental wagering tax</u>	<u>3.5%</u>	<u>\$6,599,782</u>	<u>\$7,108,120</u>	<u>\$7,490,229</u>
Total, GGR tax		56,347,601	61,939,322	66,142,515
Effective GGR rate		29.9%	30.5%	30.9%
Steuben County pro-rata share		6.2%	6.7%	7.1%
Less: Revenue share (pro rata x \$33 million)		(\$2,051,176)	(\$2,209,164)	(\$2,327,922)
Distribution of GGR tax		\$11,924,161	\$13,155,509	\$14,081,091
Distribution of supplemental tax		\$2,199,927	\$2,369,373	\$2,496,743
Estimated annual County Revenue		\$14,124,088	\$15,524,883	\$16,577,834

Source: Indiana Gaming Commission; A.M. Steinberg Advisors

### Low Case (Total GGR: \$188.6 million)

Under the Conservative scenario:

- Base wagering tax: \$49.75 million
- Supplemental wagering tax (3.5%): \$6.60 million
- Total state GGR tax: \$6.3 million
- Effective tax rate: 29.9%
- Potential distribution to Steuben County: \$14.1 million

Even under conservative revenue assumptions, annual state gaming tax collections exceed \$56 million.

### Base Case (Total GGR: \$203.1 million)

Under the Base scenario:

- Base wagering tax: \$54.83 million
- Supplemental wagering tax (3.5%): \$7.11 million
- Total state GGR tax: \$61.9 million
- Effective tax rate: 30.5%
- Potential distribution to Steuben County: \$15.5 million



At stabilized Base Case performance near \$200 million in annual GGR, projected state gaming tax collections come to \$62 million annually.

### High Case (Total GGR: \$214.0 million)

Under the High scenario:

- Base wagering tax: \$58.65 million
- Supplemental wagering tax (3.5%): \$7.49 million
- Total state GGR tax: \$67.4 million
- Effective tax rate: 30.9%
- Potential distribution to Steuben County: \$16.6 million

At the upper bound of modeled revenue, annual state tax collections exceed \$66 million.

### Significant Revenue to the State

Because the tax structure is progressive:

- State revenue grows proportionally with GGR.
- Incremental revenue above \$150 million is taxed at 35% (plus supplemental).
- The state captures meaningful fiscal upside under higher performance scenarios.

Under all modeled cases, the project generates:

- Approximately \$56–66 million in annual state gaming tax revenue.
- A recurring revenue stream tied directly to stabilized operating performance.
- No reliance on one-time novelty effects or speculative destination assumptions.

### Fiscal Implications

From a state-level fiscal perspective, the proposed development:

- Generates substantial recurring tax revenue under conservative assumptions.
- Captures cross-border gaming expenditure from Michigan and Ohio residents.
- Repatriates a portion of Indiana-origin gaming spend currently flowing out of state.
- Produces a diversified tax base supported by multi-state demand.

Even under the Low Case scenario, projected annual state tax receipts exceed \$57 million, providing meaningful long-term fiscal contribution.

### Distribution of Gaming Taxes

Of the total gaming tax collected under Indiana's graduated wagering tax structure, statutory allocation provisions materially affect how revenues are distributed across state and local



governments. Pursuant to Indiana law, the first \$33 million collected annually from the progressive wagering tax (applied collectively across all licensed casino properties statewide) is set aside for revenue sharing to counties that do not host a riverboat casino.<sup>27</sup> This mechanism functions as a statewide equalization framework, ensuring that non-host counties receive fiscal benefit from gaming activity occurring elsewhere in the state.

After this initial allocation, 25% of the remaining progressive wagering tax paid by each licensed casino is distributed to the city and/or county in which the casino is located.<sup>28</sup> In the case of a Steuben County facility, this statutory distribution would provide a direct and recurring local fiscal benefit tied proportionally to the project's stabilized gross gaming revenue (GGR). These local distributions are distinct from property taxes, local option income taxes, or other ancillary revenues that may also accrue from development.

The above description pertains specifically to the graduated tax applied to Gross Gaming Revenue. Separately, Indiana imposes a Supplemental Wagering Tax (SWT), which replaced the former \$3 per-admission tax. Unlike the progressive GGR tax, the Supplemental Wagering Tax is deposited into the State General Fund. Of the revenues collected under this provision, 33 1/3% is distributed to the county in which the casino property is located.<sup>29</sup> As a result, a Steuben County facility would generate two distinct recurring local revenue streams:

- A 25% share of the progressive GGR tax paid by the property (after statewide revenue-sharing allocations), and
- One-third of the Supplemental Wagering Tax generated by the property.

Together, these statutory distributions create a meaningful and recurring fiscal contribution at both the state and county levels under all modeled revenue scenarios.

In the case of Steuben County, AMS has also provided an illustrative example of the potential distributions to the County. From the American Gaming Association revenue tracker<sup>30</sup>, we know the Indiana commercial casinos generated over \$3 billion in GGR during 2025. Using the low, base, high case estimated GGR for the Steuben County casino and dividing by the \$3 billion GGR for Indiana casinos, we calculated the pro-rata share of statewide GGR is between 6.2% and 7.1%.<sup>31</sup> We then multiply the \$33 million revenue share portion of the GGR tax by the pro rata share and subtract that from the estimated GGR taxes paid. Under Indiana law, 25% of the remaining GGR taxes is distributed to the host county. In addition, 33-1/3% of the supplemental wagering tax is distributed to the county. In total, AMS calculates the direct fiscal benefit to Steuben County is \$14 million to almost \$17 million. The calculations can be seen in Figure 17

---

<sup>27</sup> The distribution of the GGR tax is from 2025 Indiana Code Title 4, Article 33, Chapter 13

<sup>28</sup> Ibid.

<sup>29</sup> The distribution of the SWT is from 2025 Indiana Code Title 4, Article 33, Chapter 12

<sup>30</sup> Sourced to the Indiana Gaming Commission

<sup>31</sup> This methodology is probably conservative as it does not reflect potential new demand for Indiana GGR, thus overstating the pro rata share of the Steuben County casino.





above. We highlight that this calculation is direct benefits to the County from the taxes paid to the State and does not include other potential benefits, such as:

- Property tax from the facility
- Local income tax from employees
- Local hotel tax increases
- Sales tax spillover
- Negotiated payments from operators.

Potential Employment, Payroll, and Income Tax Effects

Beyond direct gaming tax revenues, a casino resort development of the scale contemplated under HB 1038 would generate substantial payroll and employment-related fiscal effects.

A \$500 million destination-scale casino development would typically support:

- Direct employment in gaming operations (dealers, slot technicians, surveillance, cage operations)
- Hotel and hospitality employment (front desk, housekeeping, maintenance)
- Food and beverage staff
- Entertainment, event, and security personnel
- Administrative, marketing, and managerial staff

Calculating the economic impact of the proposed casino is beyond the scope of this market study. However, we are comfortable providing a broad discussion of potential economic drivers based on our years of experience as an investment analyst, consultant, and operator in the casino environment.

From our experience, properties of the size and scope of the proposed property support approximately 800–1,200 direct full-time equivalent (FTE) positions, depending on amenity mix and operational model. As a point of reference, the U.S. casino industry directly and indirectly supports nearly 1.8 million jobs nationwide, including more than 700,000 positions at casinos and associated businesses such as hotels, food and beverage operations, and entertainment services.<sup>32</sup>

Assuming this 800–1,200 direct employees with blended average annual compensation (wages plus benefits) in the range of \$45,000–\$60,000, annual payroll could reasonably fall between \$36 million and \$72 million. This payroll base produces several additional fiscal and economic effects:

- **Federal and State Income Tax plus employment taxes:** Employer payroll generates federal and state withholding flows, unemployment insurance contributions, and other statutory employment-related payments. While some of these accrue federally, they

---

<sup>32</sup> “National Economic Impact of the U.S. Gaming Industry 2023,” American Gaming Association.



nonetheless represent formalization of economic activity and stabilized labor participation within the county.

- **Local Spending and Multiplier Effects:** Casino wages are largely recirculated within a regional economy through:
  - Housing
  - Retail purchases
  - Food and beverage spending
  - Vehicle purchases and fuel
  - Local services
- A review of academic literature does not specifically cite the multiplier effect for casinos, but suggests that hospitality-sector payroll commonly exhibits a multiplier between 1.3x and 1.6x, reflecting indirect and induced spending effects. While this report does not present a full input-output economic impact model, it is reasonable to conclude that sustained annual payroll in the \$36–\$72 million range would support additional indirect employment and local business revenue.
- **Property and Housing Effects:** Stable year-round employment may support incremental housing demand, particularly if workforce relocation occurs. Increased housing occupancy can, in turn, support property tax stabilization and local real estate activity.

#### Combined Fiscal and Economic Effect

When evaluating fiscal impact holistically, it is important to distinguish between:

- Direct gaming taxes (progressive GGR tax and supplemental wagering tax)
- Income taxes generated from payroll
- Local income tax distributions
- Indirect local spending effects
- Property tax implications
- Ancillary tourism-related tax revenues (lodging tax, food and beverage tax, etc.)

Under the modeled Base Case scenario (approximately \$203 million in annual GGR), total direct gaming tax payments are projected at approximately \$63 million annually. A meaningful portion of that total would flow directly to Steuben County under statutory allocation formulas.

When combined with employment-related income tax contributions and induced local spending effects, the total fiscal footprint of the development extends beyond the gaming tax alone. While gaming taxes represent the most visible and quantifiable fiscal stream, payroll-driven income tax and local economic circulation effects provide additional recurring benefits that enhance the project's long-term public finance profile.

## Concluding Thoughts

This Market Feasibility Study evaluates whether a destination-scale casino development meeting the statutory \$500 million minimum investment threshold can be sustainably supported in Steuben County under normalized market conditions. The analysis applies a structured, mass-weighted gravity model calibrated to 2030 adult population projections, competitive supply, and observed Midwest gaming behavior. It also incorporates seasonal lake tourism dynamics unique to the County.

### Market Support Is Centered on a Regional Model, Not a Destination-Only Model

The projected stabilized revenue range of approximately \$189 million to \$214 million reflects a frequency-driven regional gaming framework anchored by:

- Strong proximity capture within 30 minutes
- Balanced contribution from the 30–60 minute Secondary Market
- Incremental scale from the 60–120 minute Tertiary Resident Market
- Modest but meaningful uplift from induced lake tourism

Importantly, the model does not rely on long-haul destination demand, truncated trade areas, or aggressive market share assumptions. Revenue projections reflect competitive equilibrium conditions in a mature Midwest gaming environment.

The project's economic viability is therefore grounded in regional repeat visitation rather than speculative metropolitan destination positioning.

### Revenue Structure Is Stable Across Scenarios

Across Conservative, Base, and High per-capita expenditure assumptions, the structural composition of revenue remains consistent:

- Primary Market provides highest capture efficiency and repeat frequency.
- Secondary Market contributes balanced scale and competitive stability.
- Tertiary Market adds incremental volume but does not dominate projections.
- Induced lake tourism functions primarily as seasonal smoothing rather than structural dependency.

The stability of revenue mix across scenarios indicates that the model's performance is not overly sensitive to outer-ring capture assumptions. This enhances defensibility and reduces downside volatility.





### Cross-Border Dynamics Are Structurally Significant

A majority of projected resident gaming revenue originates from Michigan and Ohio. This reflects the County's tri-state positioning and interstate accessibility. At the same time, Indiana residents account for approximately 38% of projected resident GGR.

We believe a meaningful portion of Indiana-derived revenue represents repatriation of existing gaming leakage currently flowing to out-of-state facilities, particularly in southwest Michigan. The proposed development therefore captures both cross-border inflow and in-state recapture.

### Seasonality Smoothing Is Achievable but Not Eliminated

Steuben County's tourism economy currently exhibits pronounced seasonal volatility tied to lake recreation. The addition of a year-round gaming and hospitality component materially moderates peak-to-trough variability by:

- Introducing stable resident-driven gaming demand
- Elevating winter and shoulder-season visitation
- Leveraging interstate pass-through traffic
- Supporting indoor event and hospitality programming

While summer months remain strongest due to continued lake synergy, winter trough performance improves meaningfully. The project does not eliminate seasonality but reduces amplitude, contributing to employment and revenue stability.

### Fiscal Impact Is Material and Recurring

Under stabilized performance:

- Total GGR is projected between approximately \$189 million and \$214 million.
- Annual state gaming tax revenue ranges from approximately \$56 million to \$66 million.
- Effective blended GGR tax rates approximate 30–31%.

This recurring fiscal contribution is meaningful at the state level and does not depend on speculative growth assumptions.

### Scale Is Appropriate to Legislative Intent

Indiana House Bill 1038 contemplates a minimum \$500 million development intended to function as a regional destination catalyst. The modeled revenue range supports a project of that magnitude provided:

- Non-gaming components are appropriately right-sized
- Phasing flexibility is maintained
- Amenity mix supports frequency and off-season programming



- Capital allocation remains disciplined

The feasibility analysis does not assume metropolitan integrated resort performance. Instead, it supports a well-calibrated regional destination model aligned with location realities.

### Risk Factors Remain Manageable and Identifiable

As with any long-term hospitality and gaming development, performance remains subject to:

- Competitive expansion
- Economic cycles
- Marketing execution
- Regulatory changes

However, the project's structural reliance on regional repeat visitation rather than high-end tourism reduces exposure to volatility associated with air-dependent or luxury destination models.

### Disclaimer and Limiting Conditions

This Market Feasibility Study has been prepared exclusively for the Steuben County Economic Development Corporation for the purpose of evaluating the potential economic and market feasibility of a casino and integrated entertainment development under the statutory framework established by House Bill 1038. The analysis is based on publicly available data, published regulatory reporting, demographic information, and reasonable professional assumptions regarding competitive behavior, consumer demand, development scale, and operating characteristics.

The projections contained herein are estimates of potential future performance and are not guarantees of actual results. Actual operating performance may vary materially from projected outcomes due to factors including, but not limited to:

- Changes in macroeconomic conditions, including inflation, employment levels, fuel prices, consumer confidence, and discretionary income;
- Changes in interest rates affecting capital markets or development timing;
- Competitive responses from existing or future gaming operators;
- Regulatory or tax policy changes;
- Development scope modifications;
- Construction timing or cost overruns;
- Management execution and marketing effectiveness.



The revenue projections incorporate sensitivity testing under alternative competitive and economic scenarios; however, no model can fully account for unforeseen economic disruptions or structural shifts in consumer behavior.

The analysis also assumes a reasonable operational ramp-up period following opening, during which performance may be below stabilized levels. Delays in construction, licensing, staffing, or marketing activation may extend the ramp-up period and affect near-term financial outcomes. Long-term stabilization assumptions reflect typical regional gaming property maturation patterns but are subject to market acceptance and competitive positioning.

This report is intended solely as a policy, planning, and feasibility assessment tool. It should not be construed as:

- An investment offering memorandum;
- A financing prospectus;
- A guarantee of profitability;
- A formal appraisal of real estate value;
- Legal, tax, or accounting advice.

The report may be used by the Steuben County Economic Development Corporation for internal planning, policy evaluation, and public discussion purposes. Any reliance by third parties for financing, investment decisions, or securities offerings should be undertaken only in conjunction with independent due diligence, legal counsel, and financial advisory review.

No representation is made that the development will achieve projected revenues or economic impacts, and the preparer assumes no obligation to update this report for events or circumstances occurring after the date of issuance.



## Author of this Report

Adam Steinberg, CFA



Adam Steinberg is a seasoned financial expert specializing in the casino gaming and lottery industries, with more than 25 years of experience spanning equity analysis, high-yield analysis, investment banking, and corporate development. Since 2020, he is the Founder and Managing Member of AM Steinberg Advisors, LLC where he is responsible for leading financial and economic analyses for AMS clients, such as state lottery commissions and casino operators and regulators. He has facilitated key financial analyses and strategic assessments for several gaming and lottery clients, such as the Rhode Island Lottery and Tennessee Sports Wagering Council.

In his previous roles, he was Advisor to the CEO of NagaWorld Limited where Steinberg led all international development efforts, including market assessments, partner identification, and sourced opportunities for casino development in the ASEAN region. From 2014 to 2018, he was Senior Vice President and Director of Research at Spectrum Gaming Capital. At GTECH Holdings, the largest lottery company in the world at the time of his employment, Steinberg was Director of Business Evaluation, and provided objective and consistent business case evaluation for all international lottery projects. In this role, Steinberg led cross-functional teams and performed all financial analyses for RFP submissions for lotteries in the Eurasia region, including contracts awarded in Sri Lanka, the Czech Republic, Denmark, and Portugal.

For nearly 20 years, Steinberg was an investment professional at boutique and bulge bracket investment banks, including Bear Stearns, CIBC World Markets, Morgan Joseph & Co. and FBR Capital Markets. Notable client transactions include advising the consortium that won the RFP to develop the €555 million integrated casino resort in Cyprus, including creating the forecast model with three financial statements for the casino, as well as the financial advisor to the first-lien lenders of Tropicana Entertainment and to the senior secured noteholders of Black Gaming LLC. At Morgan Joseph, Steinberg was also the research analyst covering the gaming and leisure industries. He is a widely quoted industry source, recognized for industry knowledge and stock-picking skills with multiple television appearances on CNBC and Bloomberg Television, and has been a featured speaker at industry conferences and tradeshow.

Steinberg is a Chartered Financial Analyst with an MBA in Finance from Cornell University and a BS in Accounting from Florida State University. Steinberg previously served on the Board of Directors of ADHD Aware, a 501c3 nonprofit organization.