

Executive Summary

Market Feasibility Study - Proposed Destination Casino Development

Steuben County, Indiana

Prepared for:

Steuben County Economic Development Corporation (SCEDC), Steuben County Tourism Bureau and Steuben County Officials and Community Stakeholders

Source: A.M. Steinberg Advisors Gaming Market Feasibility Study (March 2026)

1. Purpose of the Study

The Steuben County Economic Development Corporation (SCEDC) with the participation of the Steuben County Tourism Bureau commissioned an independent **Gaming Market Feasibility Study prepared by A.M. Steinberg Advisors** to evaluate whether market conditions could support a destination-scale casino development in Steuben County under the policy framework established by Indiana House Bill 1038.

The legislation contemplates a project with a **minimum private capital investment of \$500 million**, intended to function as a regional tourism and economic development catalyst.

The purpose of the study was to evaluate:

- regional gaming demand
- competitive market dynamics
- tourism and seasonal visitation patterns
- long-term revenue projections
- potential fiscal impacts for the State of Indiana and local governments.

The analysis evaluates **stabilized operating conditions**, meaning projections reflect long-term market performance rather than short-term opening surges.

2. Regional Market Demand

Although Steuben County's permanent population is relatively small (approximately **34,600 residents**), the feasibility of a casino development depends primarily on **regional demand rather than local residents alone**.

Within a **120-minute drive time**, the potential market includes approximately:

4.85 million adults age 21 and older.

The demand model evaluates three regional market areas:

| Market Area | Drive Time | Demand Characteristics |
|--------------------|-------------------|------------------------------------------|
| Primary Market | 0–30 minutes | Highest visitation frequency |
| Secondary Market | 30–60 minutes | Moderate capture and competition |
| Tertiary Market | 60–120 minutes | Large population but episodic visitation |

Under the study’s modeling assumptions, the majority of gaming demand would originate from **outside Steuben County**, consistent with other Midwest regional casino markets.

3. Projected Gaming Revenue

Using a gravity-based demand model calibrated to population, income levels, travel distance, and existing casino competition, the study estimates stabilized annual **Gross Gaming Revenue (GGR)** in the following range:

| Scenario | Estimated Annual Gaming Revenue |
|-----------------|----------------------------------------|
|-----------------|----------------------------------------|

| | |
|----------|-----------------|
| Low Case | \$188.6 million |
|----------|-----------------|

| | |
|-----------|-----------------|
| Base Case | \$203.1 million |
|-----------|-----------------|

| | |
|-----------|-----------------|
| High Case | \$214.0 million |
|-----------|-----------------|

The base case projection centers around approximately:

\$200 million in annual gaming revenue once operations stabilize.

These projections are based on conservative gaming participation assumptions and are consistent with performance levels observed at comparable regional casinos.

4. Geographic Source of Visitors

The study indicates that a majority of gaming revenue would originate from outside Indiana due to the county’s location near Michigan and Ohio.

Projected revenue sources include:

State of Origin Estimated Share of Gaming Revenue

| | |
|----------|-----|
| Michigan | 48% |
| Indiana | 38% |
| Ohio | 14% |

Overall, approximately:

62% of gaming revenue would originate outside Indiana.

This suggests the proposed development would primarily attract **regional visitors rather than relying solely on local residents.**

5. Strategic Location Advantage

The analysis assumes a potential site near the **I-69 and I-80/I-90 interchange**, one of the most strategically positioned interstate junctions in northeast Indiana.

This location provides:

- direct interstate accessibility
- proximity to multiple state markets
- strong regional visibility
- convenient access for drive-in visitors.

Many successful Midwest casino developments are located near major interstate corridors, where accessibility supports frequent visitation and regional draw.

6. Tourism Implications for Steuben County

Steuben County currently has an established tourism economy centered around its lakes and outdoor recreation.

Tourism indicators include:

- approximately **2.6 million annual visitors**
- **4,304 seasonal homes**
- about **38% of visitors traveling more than 100 miles** to reach the county.

However, tourism activity is highly **seasonal**, with peak visitation during summer months.

The study finds that a year-round casino and hospitality development could potentially help **reduce seasonal fluctuations** by:

- increasing off-season visitation
- attracting indoor entertainment and event travel
- encouraging overnight stays
- supporting more stable year-round employment.

7. Fiscal Impact for the State and Local Governments

- State Revenue

Under Indiana's graduated wagering tax structure and supplemental wagering tax, the study estimates the development could generate:

\$56 million to \$66 million annually in state gaming tax revenue.

This represents an effective gaming tax rate of approximately **30% of gross gaming revenue.**

- Estimated Local Revenue for Steuben County

Indiana law also distributes a portion of gaming taxes to the host county or municipality.

Specifically:

- **25% of the wagering tax (after statewide revenue sharing allocations)** is distributed to the host county or city.
- **33⅓% of the Supplemental Wagering Tax** is distributed to the host county.

Based on the projected revenue range in the study, these formulas indicate that a Steuben County casino development could generate approximately:

\$15 million to \$18 million per year in direct gaming-tax distributions to the host county or local government.

This estimate reflects the projected gaming revenue scenarios modeled in the feasibility study.

In addition to gaming tax distributions, local fiscal impacts could also include:

- property tax revenues from the development
- local income tax revenue generated from employee payroll
- increased tourism-related spending in local businesses.

8. Employment and Economic Activity

A development meeting the **\$500 million statutory investment requirement** would likely support significant employment and payroll activity.

Based on comparable Midwest casino properties, the study estimates the project could support:

approximately 800 to 1,200 direct full-time equivalent jobs.

These positions could include:

- gaming operations
- hotel and hospitality services
- food and beverage
- entertainment and events
- administration and security.

Estimated annual payroll is projected between:

\$36 million and \$72 million, depending on staffing levels and compensation.

9. Alignment with Legislative Framework

Indiana House Bill 1038 establishes the statutory framework under which a casino development in Steuben County could be considered.

Key provisions include:

- minimum **\$500 million private investment**
- phased development requirements
- state regulatory oversight by the Indiana Gaming Commission
- evaluation of economic and fiscal impacts.

The legislation **does not guarantee that a casino will be developed**, and additional steps would be required before a project could proceed.

These include:

- voter approval through a county referendum
- submission of development proposals by operators
- evaluation and licensing by the Indiana Gaming Commission.

10. Key Considerations for Local Stakeholders

While the feasibility study indicates market conditions could support a casino development, several broader considerations remain important for public discussion and planning.

These include:

Infrastructure:

Transportation, utilities, and public safety capacity may need evaluation to support a large-scale development.

Workforce:

A project employing hundreds of workers would require coordination with workforce development and training programs.

Housing:

Increased employment demand could create additional housing needs in the region.

Community Considerations:

Public discussions may include responsible gaming policies, community impacts, and long-term sustainability.

11. Overall Conclusion

Based on regional demand modeling, demographic analysis, and competitive market evaluation, the feasibility study concludes that **market conditions appear sufficient to support a destination-scale casino development in Steuben County** under stabilized operating conditions.

Key factors supporting feasibility include:

- a regional market of nearly **5 million adults within a two-hour drive**
- significant cross-border visitation potential
- strategic interstate accessibility
- an existing tourism base that could be expanded year-round
- meaningful state and local fiscal contributions.

If developed at the scale contemplated by state legislation, the project could generate:

- **approximately \$200 million annually in gaming revenue**
- **\$56–\$66 million in annual state gaming tax revenue**
- **approximately \$15–\$18 million annually in local gaming tax distributions.**

The study provides a **data-driven framework for evaluating the potential economic implications of the project**, while recognizing that future policy decisions, regulatory review, and potential operator proposals will ultimately determine whether such a development moves forward.