Spectrum Gaming Group

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GAMING MARKET ANALYSIS:

Study for Relocation of Gambling Operations

Prepared for Indiana Gaming Commission

September 30, 2025

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Executive Summary

To ensure that its licensed casinos are optimally located amid a rapidly changing gaming landscape in the Midwest, the State of Indiana commissioned an independent study to identify the best two regions to which an existing casino licensee could relocate, and to assess impacts of a relocated casino on the state's horse racing industry. The Indiana Gaming Commission on May 5, 2025, selected Spectrum Gaming Group to undertake the study.

Spectrum notes that Indiana residents are currently served by 32 casinos – 14 within its borders and 18 near its borders in Illinois, Kentucky, Ohio and Michigan. Within Indiana, the April 2024 opening of Terre Haute Casino Resort helped the state's commercial casinos generate $3 billion in adjusted gross receipts ("AGR") for the 12-month period ending July 2025. We further note that the state's highest-grossing casino, Hard Rock Casino Northern Indiana in Gary, generates 11 times more AGR than its lowest-grossing casino, Rising Star Casino Resort in Rising Sun.

A. Identifying the Two Optimal Regions for Casino Relocation

Using data supplied by Indiana casinos[1] covering rated, or tracked, play (i.e., players who are either rated at a table game by a dealer or host, or players using a loyalty club card in a slot machine), Spectrum mapped visitation and revenues from each ZIP Code, including those in neighboring states. By mapping these data points, Spectrum was able to identify the source of current Indiana casino revenue and visits. Spectrum also developed an estimate of the casino market potential for each ZIP Code in the catchment area – including those in Illinois, Ohio, Michigan and Kentucky.

After mapping the gap between the estimated market potential and the provided market capture, Spectrum identified areas with the greatest untapped market potential. We removed the 16-county Pokagon Exclusivity Area from consideration because the compact between the Pokagon Band of Potawatomi Indians and the State of Indiana prohibits further casino development in that area. The Pokagon Four Winds South Bend Casino is within the Exclusivity Area.

Spectrum identified and selected the four ZIP Code areas with the highest unmet gaming-revenue potential to model the estimated revenue a casino in each area could generate. Our modeling shows that the top two locations with the greatest AGR potential are in the Downtown Indianapolis area and an area north of Fort Wayne. For modeling purposes, Spectrum chose easily identifiable points for each location, or what we call "proxy points." ***It is critical to note that the identified proxy points are not suggested potential casino sites***; ***they are proxies for development in the vicinity and are being used for Spectrum's modeling purposes.***

[1] All of the State-licensed casino operators provided proprietary player database information to the Indiana Gaming Commission, which aggregated and anonymized the casinos' data before providing the data to Spectrum for our analysis.

1. **Downtown Indianapolis Proxy Point:** The Statehouse is the proxy location, as it is close to the convention center and sports stadiums, and is intended to show the potential for a Downtown casino – and not a specific site downtown.

Figure A: Estimated market potential for Downtown Indianapolis Proxy Point

Downtown Proxy Point Drive Time	Estimated AGR Potential	Current Theoretical Capture	Unmet Demand	Retained by Existing Casinos	Downtown Proxy Point AGR Potential
0-15 minutes	$84,800,000	($48,100,000)	$36,700,000	($19,700,000)	$65,100,000
16-30 minutes	$348,300,000	($149,300,000)	$199,000,000	($72,600,000)	$275,700,000
31-60 minutes	$216,800,000	($98,900,000)	$117,900,000	($64,300,000)	$152,500,000
Total	**$649,900,000**	**($296,300,000)**	**$353,600,000**	**($156,600,000)**	**$493,300,000**

Source: Indiana Gaming Commission, Microsoft MapPoint, Spectrum Gaming Group

2. **Northeast Proxy Point:** Located at I-69 and SR 8, it was chosen for ease of access from Fort Wayne, the proximity of the Indiana Toll Road, and the potential for perhaps attracting visitors from Michigan despite the presence of tribal casinos in Dowagiac, Kalamazoo, and Battle Creek.

Figure B: Estimated market potential for Northeast Proxy Point

Northeast Proxy Point Drive Time	Estimated GGR Potential	Current Theoretical Capture	Unmet Demand	Retained by Michigan Casinos	Northeast Proxy Point AGR Potential
0-15 minutes	$11,200,000	($470,000)	$0	$0	$11,200,000
16-30 minutes	$91,100,000	($6,500,000)	$0	$0	$91,100,000
31-60 minutes	$117,600,000	($7,700,000)	$0	($15,600,000)	$102,000,000
Total	**$219,900,000**	**($14,670,000)**	**$0**	**($15,600,000)**	**$204,300,000**

Source: Indiana Gaming Commission, Microsoft MapPoint, Spectrum Gaming Group

B. Impacts of the Relocated Casinos

1. Gaming Tax Receipts

For the State of Indiana, a Downtown Indianapolis generate an estimated $170.7 million in gaming-tax receipts; a Northeast casino would generate $61.1 million in gaming-tax receipts.

2. Revenue Shift

Downtown Indianapolis: Spectrum found that Indiana's existing casinos are generating theoretical value[2] of less than 50% of potential from the Indianapolis area. We estimate that if a casino were to relocate to an area near the Downtown Indianapolis Proxy Point, the existing Indiana commercial casinos would retain $156.6 of the current $296.3 million in theoretical value. We estimate that $140

[2] Theoretical Value or "Theo": A casino operator's measure of a player's value, calculated based on house advantage, size of bet, and speed of game. The formula is: Average Bet x Hours of Play x Bets per Hour x House Advantage.

million in theoretical value currently being captured by the 13 existing Indiana commercial casinos would shift to a relocated casino near the Downtown Indianapolis Proxy Point.

Northeast: The data on the theoretical value of play provided by casino operators does not show that the existing Indiana commercial casinos generate a great amount of theoretical value in the ZIP Codes near the Northeast Proxy Point. Spectrum estimates that if a casino were to relocate to an area near the Northeast Proxy Point, the existing Indiana commercial casinos would retain none of the current $15 million in theoretical value. The proximity of a casino near the Northeast Proxy Point and the population and income in the area would shift the $15 million in current theoretical value from the existing Indiana commercial casinos to the new property.

3. Patronage and Gaming Revenues from Out-of-State Visitation

Because of their locations, Spectrum would expect that an Indiana casino relocated to either the Downtown Indianapolis Proxy Point or the Northeast Proxy Point would generate small percentages of its AGR from other states.

4. Impact on Tourism

Spectrum considers any casino patron who originates from within a 90-minute drive to be part of the casino's core market-catchment area – whether the person is from out of county or out of state – and not a tourist. Spectrum believes that unless a potentially relocated casino in Indiana were to include – or be proximate to – a regionally prominent convention center or other major attraction, it would not impact tourism beyond attracting gamblers from its core market catchment areas.

If one considers a tourist to be any patron who visits from outside the county, then Spectrum estimates that 80% of revenue at a new Downtown Indianapolis casino would be classified as being from tourists (from outside Marion County) and we estimate that 95% of revenue at a new Northeast Indiana casino would be classified as being from tourists (from outside DeKalb County).

5. Impact of a Potential Tribal Casino in the Fort Wayne Area

In 2021, the Miami Tribe of Oklahoma acquired a 45-acre site for a Cultural Resources Extension Office in Fort Wayne. Although the tribe has not publicly articulated plans for a casino there, various parties have expressed concern that one could be developed.

If there were a tribal casino at the Fort Wayne site, revenues at the Downtown Indianapolis Proxy Point casino would not be impacted at all, whereas the revenue impacts on the Northeast Proxy Point casino would be significant.

Using the same methodology, but adjusting for the ability of a tribal operator to offer higher marketing incentives, Spectrum modeled the revenue potential for a casino located on the Miami Nation trust land near the Northeast Proxy Point. Spectrum modeled the potential impact of a Miami Nation casino would have on a casino near the Northeast Proxy point. The results are shown below.

Figure C: Estimated Northeast Proxy Point casino revenue with a tribal casino in Fort Wayne

Northeast Proxy Point Drive Time	Estimated GGR Potential	Current Theoretical Capture	Retained by Indiana Casinos	Revenue Diverted to Miami Nation	Retained by Michigan Casinos	Est. Northeast Proxy Point AGR Potential
0-15 minutes	$11,200,000	($470,000)	$0	($8,870,000)	$0	$2,330,000
16-30 minutes	$91,100,000	($6,500,000)	$0	($50,200,000)	$0	$40,900,000
31-60 minutes	$117,600,000	($7,700,000)	$0	($102,000,000)	($15,600,000)	$0
Unmet Demand	**$219,900,000**	**($14,670,000)**	**$0**	**($161,070,000)**	**($15,600,000)**	**$43,230,000**

Source: Indiana Gaming Commission, Microsoft MapPoint, Spectrum Gaming Group

Were a tribal casino opened in the Fort Wayne area, the estimated AGR potential for a casino near the Northeast Proxy Point would decline from $204 million to $43 million; the anticipated gaming taxes from the commercial operator would decline to approximately $6.1 million from $61.1 million currently estimated by Spectrum.

6. Impact if Rising Star is Relocated

Spectrum understands that the primary cause for this study was an effort last year by Full House Resorts to potentially move its low-performing Rising Star Casino Resort from Rising Sun to a location in Allen County, which is the county where Fort Wayne is located. If Rising Star were to relocate, some of the revenue now being generated at the casino would shift to other Indiana properties, some would be captured by competing gaming properties in Kentucky and Ohio, and some would simply disappear as customers currently choosing Rising Star reduce or eliminate casino visits.

Based on geography and the proximity of the Indiana casinos in Lawrenceburg and Vevay, as well as the presence of competing gaming facilities in Ohio and Kentucky, Spectrum believes that the bulk of current Rising Star AGR would be retained in Indiana. We estimate the lost AGR to Ohio and Kentucky at $8.4 million, which when combined with lost AGR from players who reduce or altogether eliminate their casino visits would result in lost State gaming tax receipts of approximately $1.1 million annually.

C. Impacts on the Horse Racing Industry

Following the identification of the two proxy sites for the casino relocation, Spectrum examined the impact each site could have on the Indiana horse racing industry. The industry receives 12% of the AGR at the two racetrack casinos (racinos) of Horseshoe Indianapolis (a Thoroughbred racetrack in Shelbyville) and Harrah's Hoosier Park (a Standardbred racetrack in Anderson), so any loss in AGR by either of the two racinos would lead to a reduction in revenue to horse racing.

The first proposed site for relocation is the Downtown Indianapolis Proxy and both racinos are within the Indianapolis Metropolitan Statistical Area. The move to this location would have the greatest impact on the revenues for horse racing.

The second proposed site is the Northeast Proxy north of Fort Wayne. Because this location is further away from the two racinos, it would have much less of an estimated impact on the revenues to those racinos and thus to the horse racing industry.

Figure D: Negative impact to the racing industry of the two proxy sites

	Downtown Indianapolis Proxy	Northeast Proxy
Estimated loss in AGR	$139,700,000	$14,670,000
Loss to racing industry if 100% of decline is carried by the two racinos	$16,764,000	$1,760,400
Loss to racing industry if 60% of decline is carried by the two racinos	$10,058,400	$1,056,240

Source: Spectrum Gaming Group

Therefore, there are significant differences in impacts on the Indiana horse racing industry depending on whether the casino relocation happens at the Downtown Indianapolis Proxy Point or at the Northeast Proxy Point. The Downtown Indianapolis location has a negative impact on horse racing of $16.9 million at 100% of the decline felt by the two racinos, or $15.1 million more than the Northeast location. At the low end (if the racinos experience 60% of the decline), the negative impact of the Downtown Indianapolis location is over $10 million, or roughly $9 million more than the Northeast Proxy. Either outcome is significant to the horse racing industry.

Any decline in AGR and the respective 12% to horse racing has an impact on two key elements of competitiveness for Indiana racing. The first are purses that the horse owners race for; the second are incentives to breeding and owning Indiana-bred race horses. Indiana is currently at a competitive advantage to surrounding states (or comparable states from a horse racing perspective albeit not in the same region as Indiana) in terms of purse structures (amounts) to each breed (Thoroughbred, Quarter Horse and Standardbred) as well as competitive with breeding incentives.

Logically, following the negative impact on funding to horse racing, the Downtown Indianapolis Proxy reduces revenue enough to have extensive impacts on purses and breeding incentive funds. On the other hand, the Northeast Proxy has far less impact and would leave the three breeds just as competitive from a purse and breeders incentive standpoint.

Figure E: Impact of the two proxy sites to Indiana purses by race breed

	Northeast Proxy	Downtown Indianapolis Proxy
Thoroughbred Purses (TB)	Minimal impact (average drop of $500 per race) retains competitive advantage and maintains 10th highest ranking in US in average purse	Would drop from 10th highest ranking in average purse to 19th in the US, with about $8,000 less per race on average, creating a competitive disadvantage
Standardbred Purses (SB)	Minimal impact retains competitive advantage	Impact erases Indiana competitive advantage in purses regionally
Quarter Horse Purses (QH)	Minimal impact on QH earnings potential	Lose competitive advantage in average earnings and with fewer opportunities to run puts them at a competitive disadvantage

Source: Spectrum Gaming Group

A reduction in purses would have an impact on the breeding of race horses in Indiana. But it is not only purses that are impacted when revenues to the horse racing industry decline. Breeding incentives and awards also face a reduction. Thus, the breeders and breeding of race horses are hurt economically from several angles when the earning potential of an Indiana-bred racehorse declines and breeders themselves receive less incentivization to produce horses. The reduction in earning power gives less value to owning an Indiana-bred horse, so demand is likely to decrease. When demand decreases, supply will likely decrease and so on and so forth.

A 2022 economic impact study by Purdue University showed that the Indiana horse racing industry contributed $2 billion to the 2021 Indiana economy. Much of the economic impact from horse racing stems from the breeding, selling, owning and racing of horses produced within the state. Negatively impacting the value of Indiana-bred race horses would create an economic situation where fewer Indiana-bred race horses are produced and sold. Subsequently, this would have a negative effect on the Indiana horse racing industry and contribute to a reduction in the total economic impact of the industry.

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Introduction

To ensure that its licensed casinos are optimally located amid a rapidly changing gaming landscape in the Midwest, the State[3] of Indiana in March 2025 issued Request for Quotation 1977, seeking "a vendor to conduct a study on the potential relocation of gambling operations for the Indiana Gaming Commission ('Commission')." The Commission on May 5, 2025, selected Spectrum Gaming Group ("Spectrum," "we" or "our") after a competitive bidding process.

The study is to identify the best two regions in Indiana to which an existing casino licensee could relocate. The Request for Quotation ("RFQ") further required the selected vendor to consider the following aspects for each of the regions identified for relocation:

1. Projected annual gaming revenues and corresponding tax revenues
2. Impact on other casinos in the state and corresponding tax revenues
3. Patronage and gaming revenues from out-of-state visitors
4. Impact of a casino on the region's tourism industry
5. Impact on the horse racing industry
6. Impact assessment of a potential tribal casino in the region
7. Impact of a potential tribal casino on revenues

In completing this study, Spectrum relied on publicly reported gaming data, other public information, mapping and demographic software, casino player database information,[4] and our extensive experience studying and analyzing casino gambling throughout the Midwest, as well as our expertise in pari-mutuel horse racing.

It is helpful to understand key terms used in this report:

- **Addressable Market:** The portion of the *available market* that the new market entrants can expect to capture in the face of competition.
- **Adjusted Gross Receipts ("AGR")** or **Win** or **Spend:** AGR is the term used by the State of Indiana for gross gaming revenue ("GGR"), less win generated from free play (i.e., promotional gaming credits). AGR or GGR is the amount of money players wager minus the amount players win, before any expenses or taxes have been deducted. It is the amount the player spends (i.e., loses), or the amount the gaming operation wins.
- **Available Market:** The total estimated gaming revenue available in the market catchment area.

[3] Where "State" is capitalized in this report, it refers to the government.

[4] All of the State-licensed casino operators provided proprietary player database information to the Indiana Gaming Commission, which aggregated and anonymized the casinos' data before providing the data to Spectrum for our analysis.

- **Gaming Position:** A gaming position is defined as one slot machine or one seat at a gaming table.
- **Historical Horse Racing ("HHR"):** A pari-mutuel-based gaming system in which players wager on electronic terminals similar to casino slot machines. Winning wagers are based on previously run horse races; thousands of such horse races are stored in a library within the HHR system. The machines themselves are also called "HHRs." As found in Kentucky.
- **LTM:** The last 12 months of data; used to annualize results.
- **Theoretical Value** or **"Theo":** A casino operator's measure of a player's value, calculated based on house advantage, size of bet, and speed of game. The formula is: *Average Bet x Hours of Play x Bets per Hour x House Advantage*.
- **Video Gaming Terminal ("VGT"):** A slot-like gaming machine used in a distributed gaming system, typically authorized in non-casino retail settings – such as bars, cafes and truckstops – and in limited numbers, typically 5 to 10 per establishment. As found in Illinois.
- **Video Lottery Terminal:** A slot-like gaming machine overseen by a state's lottery. As found at racetrack casinos ("racinos") in Ohio.

This report has been updated with the latest available data. Unless indicated otherwise, revenue and state gaming data used throughout this report are through June 2025.

I. Identifying the Two Optimal Regions for Casino Relocation

Indiana residents are currently served by 32 casinos – 14 within its borders and 18 near its borders in Illinois, Kentucky, Ohio and Michigan. Propelled by the April 2024 opening of Terre Haute Casino Resort, Indiana commercial casinos generated $3 billion in adjusted gross receipts (“AGR”) for the 12-month period ending July 2025 – a 5.4% increase over the year-earlier period.

But could, or should, Indiana’s collective AGR be higher? Critically, and to the point of this study, are Indiana casinos located in places so as to maximize their revenue potential? Spectrum notes that the state’s highest-grossing casino, Hard Rock Casino Northern Indiana in Gary, generates 11 times more AGR than its lowest-grossing casino, Rising Star Casino Resort in Rising Sun.

Figure 1: Map of casino locations in and near Indiana

Source: Microsoft MapPoint, Spectrum Gaming Group

Location is the No. 1 factor in determining a casino's potential revenue generation, although other factors are important, including size, scope and quality of amenities, competitive landscape, and the overall quality of the operation. However, some locations that seemed ideal after Indiana enacted the Riverboat Gambling Act in 1993 may no longer be ideal today due to a competitive landscape that has shifted dramatically since the first casino opened in 1995. Since that year:

- Kentucky commenced historical horse racing ("HHR") in 2011; today, 13 HHR casinos operate throughout the state.
- Illinois has expanded from its original nine casinos to 17, and video gaming began in 2013; today, more than 48,000 video gaming terminals operate in more than 8,600 locations throughout the state.
- Indiana expanded by four casinos: at French Lick in 2006, at the two racetracks in 2008, and in South Bend with the Four Winds tribal casino in 2018.
- In Michigan, tribal gaming operators added four casinos in the southwest portion of the state starting in 2007.
- Ohio commenced casino gaming in 2012; today, 10 operate throughout the state (including six racetracks that operate only video lottery terminals).

Given the competitive landscape today, Spectrum undertook extensive analysis to determine the two best areas in which to relocate an Indiana casino from an AGR standpoint.

A. Methodology

Using data supplied by Indiana casinos covering rated, or tracked, play (i.e., players who are either rated at a table game by a dealer or host, or players using a loyalty club card in a slot machine), Spectrum mapped visitation and revenues from each ZIP Code, including those in neighboring states. By mapping these data, Spectrum was able to identify the source of current Indiana casino revenue and visits.

Spectrum also developed an estimate of the casino market potential for each ZIP Code in the catchment area – including those in Illinois, Ohio, Michigan and Kentucky. This estimate was derived from data on nationwide casino gaming revenue, including tribal casino revenue, as reported by the American Gaming Association and by the National Indian Gaming Commission. The IRS releases adjusted gross Income ("AGI") data for the entire country, and by ZIP Code. By applying the nationwide ratio of casino revenue to AGI in each ZIP Code, Spectrum arrives at an estimate for the casino revenue potential in each ZIP Code.

Nationwide, the ratio of casino revenue to AGI was 0.58% as of 2022 (latest available data). This ratio includes states without casino gaming – such as Georgia, Hawaii, Texas, South Carolina and South Carolina – and states where large-scale casino gaming is relatively new, such as New Hampshire and Virginia. Indiana has hosted casinos for 30 years. Casino gaming is an established form of entertainment in Indiana; consequently Spectrum increased the ratio of casino revenue to AGI in Indiana to 0.66% to account for the long history of casinos in the state. The approximate 14 percent increase from the national figure is based on Spectrum's experience in the industry and the knowledge that people with easy access to casinos visit casinos more often than those who are more distant.

Convenience is a driver of visitation. The closer one lives to an attraction, be it a pizza parlor, a ski slope or a casino, the more visits one makes to that site. A 2010 University of Nevada Las Vegas study of Midwest casino and racino visitation based on 590 survey participants confirms the anecdotal evidence, finding that 42% of the respondents had traveled less than 25 miles to visit their gaming destination. About 61% had traveled less than 50 miles. In terms of determining whether to visit a particular casino, word-of-mouth (my friend/family told me; 39.1%), and past experience or visit (28.3%) were the two most popular sources cited by the respondents. The third most popular item cited was, "I live in the neighborhood," with 24.1%.[5]

The AGI was adjusted to allow for inflation to the year 2024, to match with the data provided by the Indiana casino operators.

Figure 2: Gaming revenues and adjusted gross income

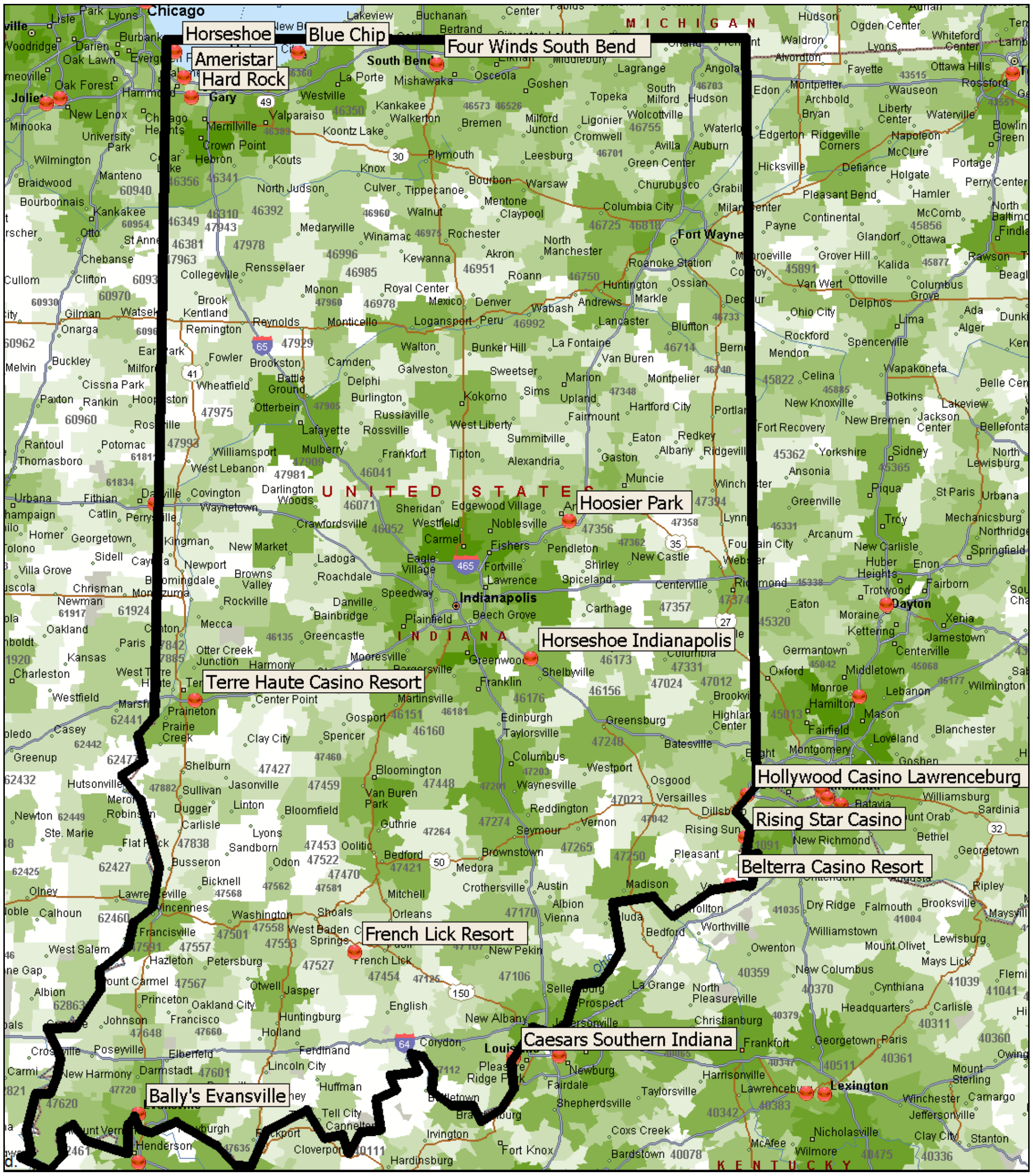
(Dollars in Millions)	2022
Commercial Casino Revenue	$47,830
Tribal Casino Revenue	$39,026
All Casino Revenue	$86,856
US Adjusted Gross Income	$14,852,591
Casino Revenue as % of AGI	0.58%
Indiana Casino Revenue % Estimate	0.66%

Sources: National Indian Gaming Commission, American Gaming Association, Internal Revenue Service, Spectrum Gaming Group. Note: 2022 is latest available data for adjusted gross income.

This methodology has the benefit of focusing on available income, not population. Casino gaming is a form of entertainment. People with higher incomes spend more per capita on entertainment. Using this ratio, the market potential from each ZIP Code is weighted by AGI. A ZIP Code with 500 taxpayers each with AGI of $100,000, has the same casino spending potential as a ZIP Code with 1,000 taxpayers each with AGI of $50,000. The map in Figure 3 (following page) depicts the estimated casino adjusted gross revenue potential in 2024, with darker shades of green representing higher AGR potential.

[5] Shelia A. Scott-Haskell, et al., "Trip Characteristics of Casino and Racino Visitors in a Midwestern State," *UNLV Gaming Research Journal,* Vol 14. Issue 1, December 2012. https://digitalscholarship.unlv.edu/cgi/viewcontent.cgi?article=1100&context=grrj

Figure 3: Map identifying Indiana casinos and estimated 2024 casino win potential by ZIP Code



Source: IRS, Microsoft MapPoint, Spectrum Gaming Group. Darker shades of green depict higher AGR potential.

Casinos measure players based on a concept known as theoretical value. Essentially the theoretical value (or "theo") is a simple calculation based on house advantage, size of bet, and speed of game. The formula: Average Bet x Hours of Play x Bets per Hour x House Advantage = Daily Theoretical Value

The table in Figure 4 below presents an example of how a casino would value two players from the same ZIP Code and arrive at a number of trips and the theoretical value from that ZIP Code. In this simple example, players from ZIP Code 34567 make 24 trips to the casino a year, and the casino has $1,062 in theoretical value attributed to the ZIP Code. Casinos track the play of customers to assess the overall value of that guest to the property, much as airlines track frequent flyer miles, and restaurants frequent diners. Casinos use the data to drive many marketing programs.

Figure 4: Example calculation for the annual theoretical value from a ZIP Code

ZIP Code	Game Played	Average Bet	Hours Played	Bets per hour	House Advantage	Avg Daily Theo ("ADT")	Annual Visits	Annual Theo Value
34567	Slot Player	$1	1	600	9.5%	$57	12	$684
34567	Blackjack Player	$25	1	84	1.5%	$32	12	$378
34567	**Total**						**24**	**$1,062**

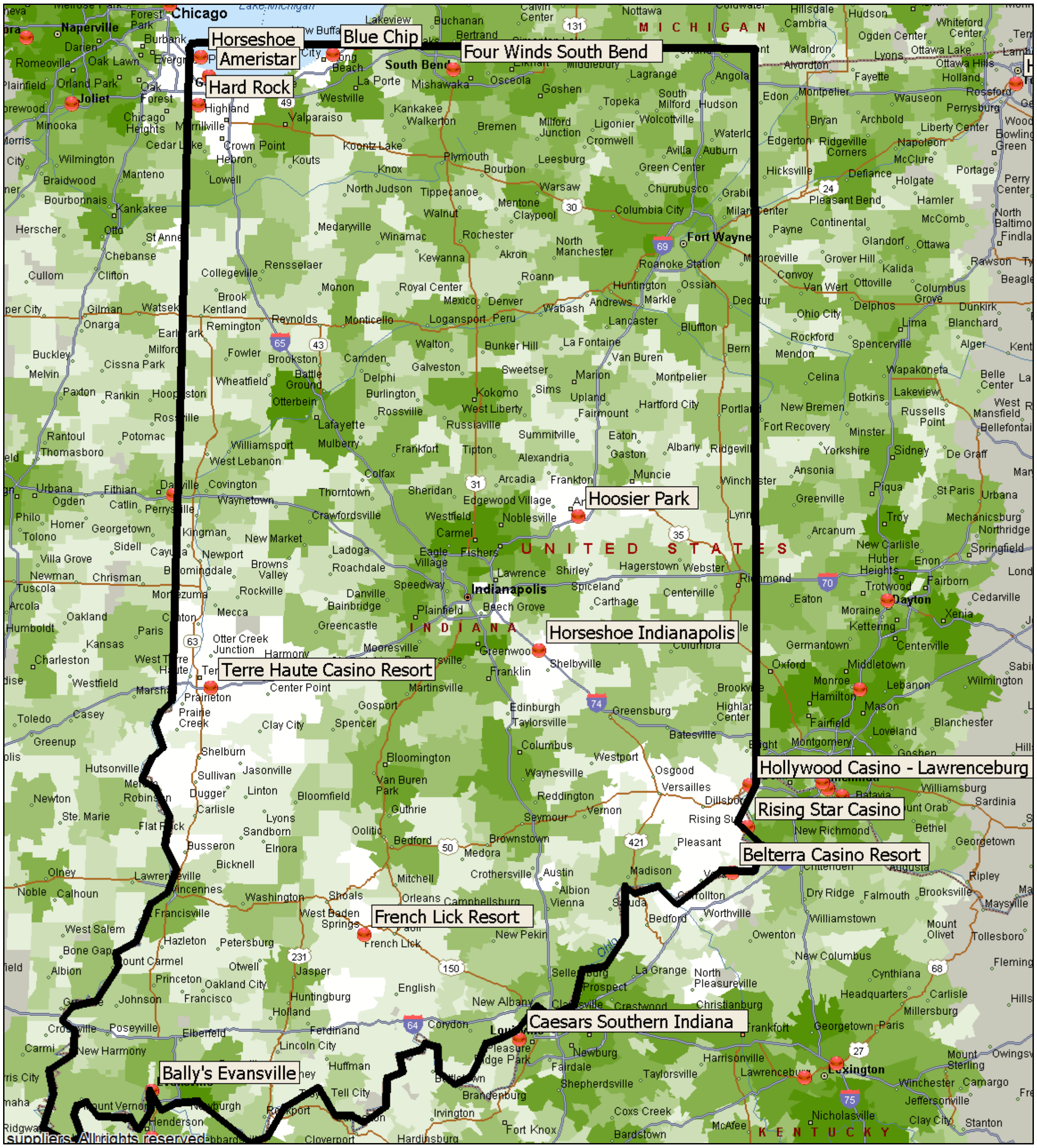
Source: Spectrum Gaming Group

All 13 Indiana commercial casinos provided data to the Indiana Gaming Commission on the current theoretical gaming value and number of trips generated in each ZIP Code in their databases. The commission combined the data from each casino into a single dataset covering the collective databases of the individual casinos. By this method, the data was anonymized to Spectrum; we could see the theoretical value and total number of trips generated by each ZIP Code, but not by which casinos they patronized. (Note that data from Indiana's one tribal casino was not included in the information given to Spectrum.)

As explained above, Spectrum used the estimated market potential for each ZIP Code, calculated as 0.66 percent of AGI, as a measure of market depth, or potential. Spectrum then compared the market potential in each ZIP Code to the market penetration in each ZIP Code.

By mapping the gap between the estimated market potential and the provided market capture, Spectrum identified geographies with the greatest untapped market potential. Areas with higher unmet potential are the most suitable locations for a relocated casino license. The map in Figure 5 below presents the estimated gap between the market potential and the current market capture, with deeper green presenting a greater gap between the market capture and market potential.

Figure 5: Map of the gap between theoretical AGR value and AGR market potential



Sources: Indiana Gaming Commission, IRS, Microsoft MapPoint, Spectrum Gaming Group. Darker shades of green depict greater gaps between the market capture and market potential.

A few areas appear to be relatively underserved. The northern portion of Marion County and southern sections of Hamilton and Boone counties – including the communities of Fishers, Carmel, and Zionsville – are shaded deep green, indicating unmet market potential.

The map indicates other areas where unmet potential is high, including:

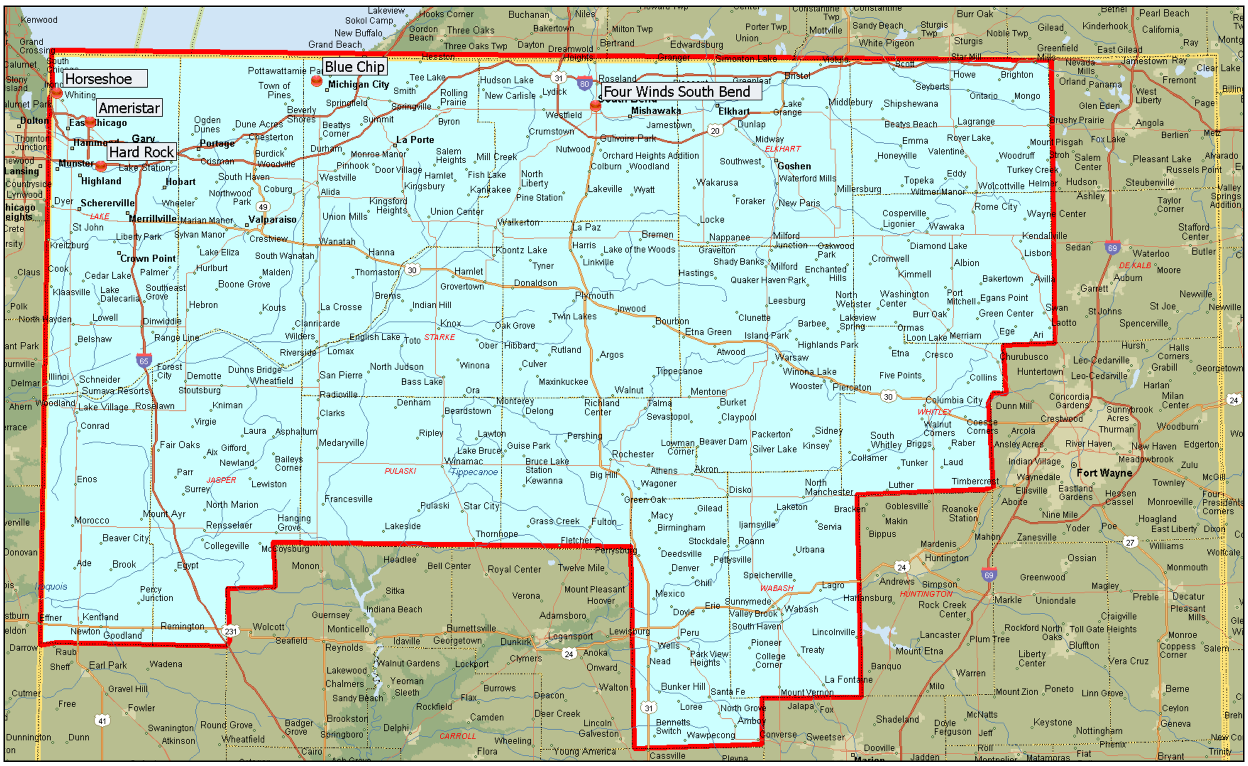
- St. Joseph and Elkhart counties
- Allen, Whitley and De Kalb counties

- Tippecanoe County
- Wayne County
- Bartholomew County

B. The Tribal Gaming Factor

St. Joseph County is home to the Four Winds South Bend Casino, owned and operated by the Pokagon Band of Potawatomi Indians. Indiana and the Pokagon have entered in to a National Indian Gaming Commission ("NIGC") approved gaming compact that delineates a 16-county casino gaming Exclusivity Area for the Pokagon, where no further casino development can occur. The map below in Figure 6 shows the Exclusivity Area in light blue.

Figure 6: Map showing the Pokagon Exclusivity Area



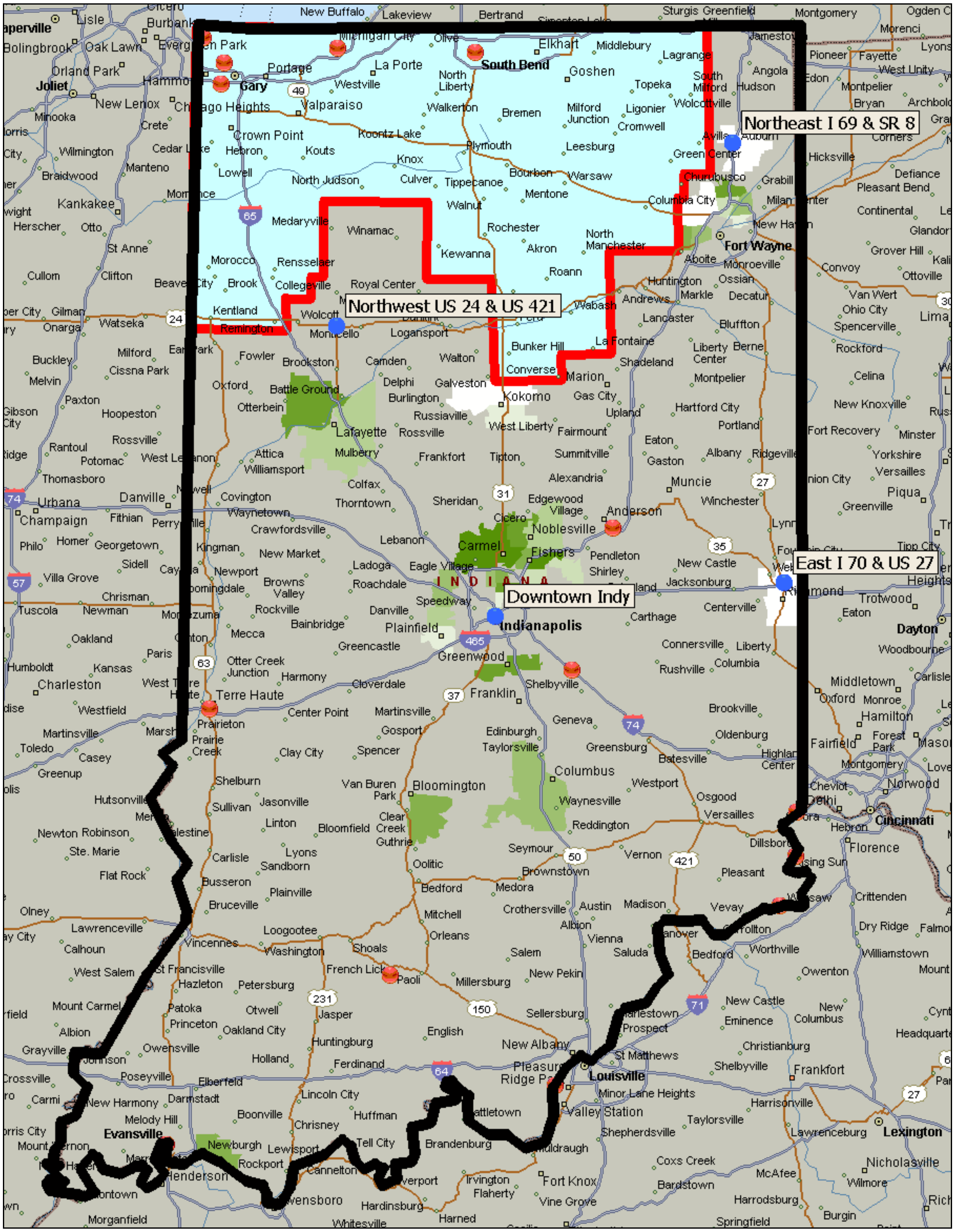
Source: National Indian Gaming Commission, Microsoft MapPoint, Spectrum Gaming Group

In exchange, for casino exclusivity, the Pokagon pay 8% of casino AGR to the State. Were a new commercial casino to be located in the Exclusivity Area, the payments from the Pokagon would cease.

To highlight the areas of greatest unmet gaming demand statewide, Spectrum mapped the 50 ZIP Codes with the highest unmet demand. As shown in Figure 7 below, those ZIP Codes are in clusters, with deeper shades of green depicting higher demand potential. Spectrum found that several of the areas with high unmet commercial casino demand are within the Pokagon Exclusivity Area. Based on proximity, it is likely that Four Winds Casino South Bend is the choice of players in this area rather than the commercial casinos, meaning that the commercial casinos that provided player database information to the Indiana

Gaming Commission are not getting play from this area. In light of the gaming compact, which provides for the Exclusivity Area, Spectrum eliminated these areas in the shaded blue area from consideration.

Figure 7: 50 Indiana ZIP Code clusters with the highest unmet casino revenue demand



Sources: Indiana Gaming Commission, IRS, Microsoft MapPoint, Spectrum Gaming Group

These areas of high unmet demand guided Spectrum as to the revenue potential for a relocated casino license, and the potential impact a relocated license may have on existing operators. As noted above, Spectrum removed the Pokagon Exclusivity Area from consideration.

Spectrum identified and selected the four ZIP Code areas with the highest unmet gaming-revenue potential to model the estimated revenue a casino in each location could generate. They are identified by the blue dots in the map in Figure 7. Spectrum chose easily identifiable points for each location. ***It is critical to note that the identified points are not suggested potential casino sites***; ***they are proxies for development in the vicinity and are being used for Spectrum's modeling purposes.*** These "proxy points" are intended to allow the State of Indiana to understand the AGR potential and issues in each location, including potential for cannibalization of AGR from existing casinos.

The following are the four proxy points selected by Spectrum, listed in order of AGR potential:

1. **Downtown Indianapolis Proxy Point:** The Statehouse is the proxy location, as it is close to the convention center and sports stadiums, and is intended to show the potential for a Downtown casino – and not a specific site downtown.
2. **Northeast Proxy Point:** Located at I-69 and SR 8, it was chosen for ease of access from Fort Wayne, the proximity of the Indiana Toll Road, and the potential for perhaps attracting visits from Michigan despite the presence of tribal casinos in Dowagiac, Kalamazoo, and Battle Creek.
3. **East Proxy Point:** Located at I-70 and US 27, it was chosen for accessibility from the interstate, distance from current Indiana casinos, and the potential to draw players from Ohio. The Ohio racinos in Dayton, and Lebanon offer video lottery terminals rather than true slot machines and cannot offer live table games. A relocated license to this site may capture play from Ohio residents.
4. **Northwest Proxy Point:** Located at US 24 and US 421, it was chosen for its access to I-65, as well as travelers on US 421, a major north-south corridor in Indiana. The proxy point was close to – but did not infringe on – the Pokagon Exclusivity Area. The site was also close to but not in West Lafayette, mitigating concerns about putting a casino in a college town.

Having mapped the ZIP Codes with the highest unmet demand, Spectrum then created three drive-time zones around each existing Indiana commercial casino. The drive time zones were 0-15 minutes, 16-30 minutes, and 31-60 minutes. We restricted the drive time zones to 60-minutes because at that point the casino catchment areas overlap.

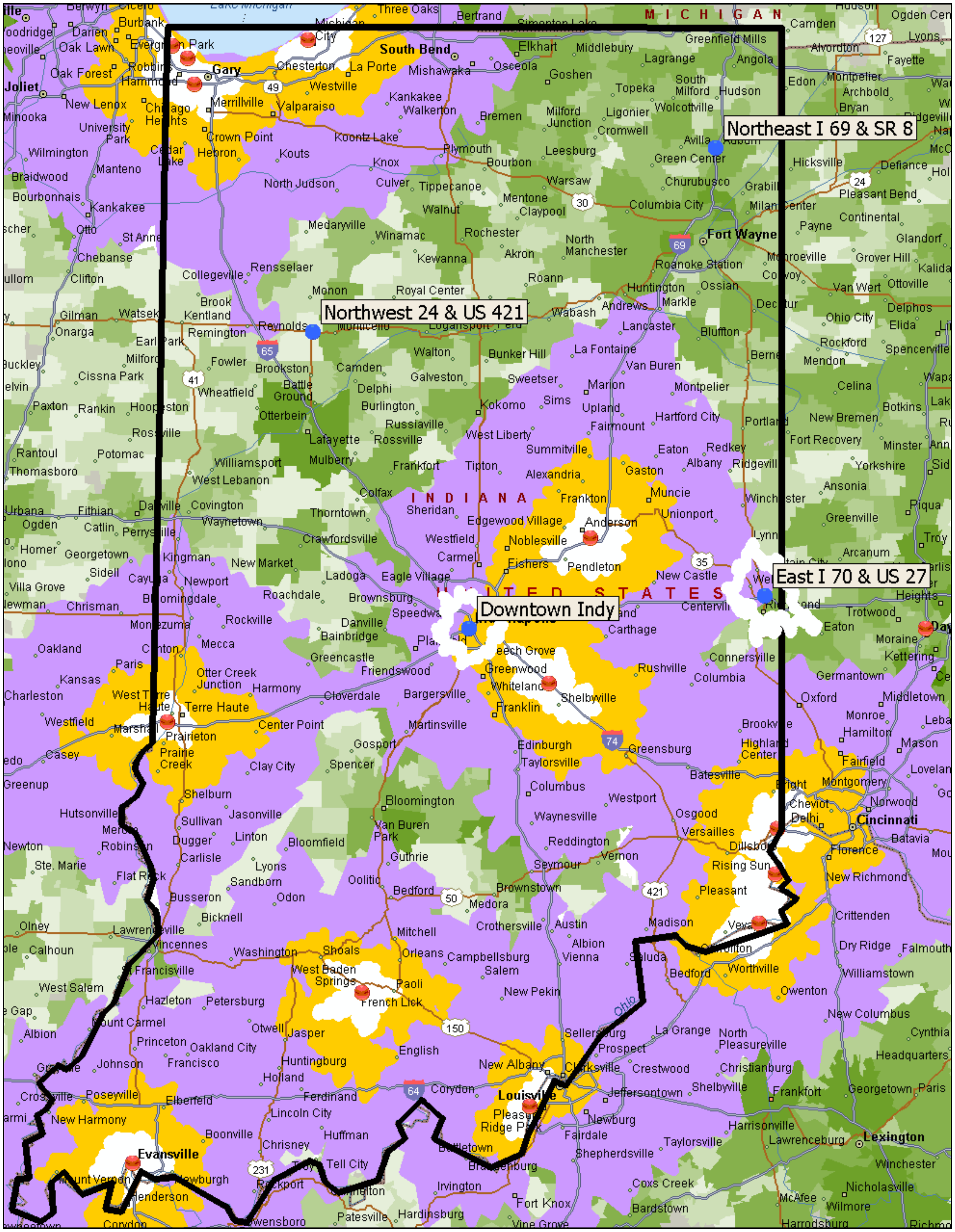
Figure 8: Reported statewide theoretical gaming value and trips by distance from any casino

Drive Time	Reported Theo	Trips	Theo/Trip
0-15 minutes	$181,900,000	1,358,335	$134
16-30 minutes	$627,400,000	3,285,539	$191
31-60 minutes	$548,700,000	2,321,449	$236
Total	**$1,358,000,000**	**6,965,323**	**$195**

Source: Indiana Gaming Commission, Microsoft MapPoint. Note that the total theo is far lower than actual statewide AGR because the theo includes only patron play that is rated and because it is limited to a 60-minute drive.

The map in Figure 9 below shows the drive-time catchment area from each of the 13 Indiana commercial casinos in the 15-minute drive, 30-minute drive, and 60-minute drive. Many of the areas noted above as having large unmet gaming demand are beyond the 60-minute drive time from any casino. In this map, the deeper green shading indicates higher unmet casino demand based on the estimated market potential and the reported theoretical value from casino operators to the Indiana Gaming Commission.

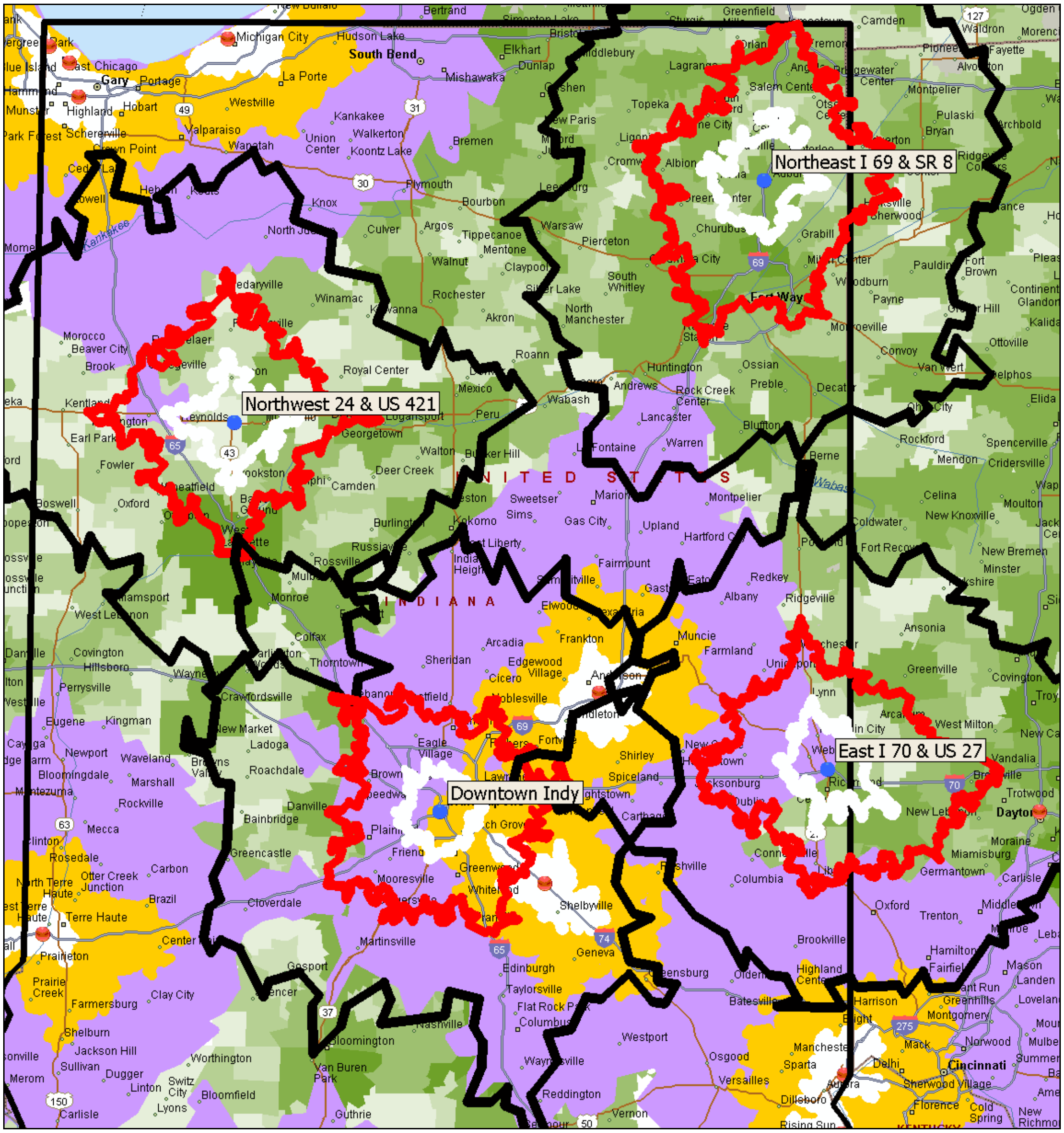
Figure 9: Indiana commercial casinos and their 15-minute, 30-minute and 60-minute drive times, and new-casino proxy points



Source: Microsoft MapPoint, Spectrum Gaming Group

After mapping the drive times and compiling the theoretical win data for the existing casinos, the next step was to estimate the AGR potential for each of Spectrum's new-casino proxy points, and to review how much theoretical value the existing 13 commercial casinos generate from the 15-minute, 30-minute, and 60-minute catchment areas around the proxy points. The map below shows the drive times from the four proxy points.

Figure 10: Map showing drive-time catchment areas from new-casino proxy points and current casino catchment areas



Source: Indiana Gaming Commission, Microsoft MapPoint, Spectrum Gaming Group

After mapping the four highest potential proxy points, Spectrum relied on the patron database information and our estimates of market potential to derive estimated revenue at each of the four proxy points.

Figure 11: Estimated market potential for Downtown Indianapolis Proxy Point

Downtown Proxy Point Drive Time	Estimated AGR Potential	Current Theoretical Capture	Unmet Demand	Retained by Existing Casinos	Downtown Proxy Point AGR Potential
0-15 minutes	$84,800,000	($48,100,000)	$36,700,000	($19,700,000)	$65,100,000
16-30 minutes	$348,300,000	($149,300,000)	$199,000,000	($72,600,000)	$275,700,000
31-60 minutes	$216,800,000	($98,900,000)	$117,900,000	($64,300,000)	$152,500,000
Total	**$649,900,000**	**($296,300,000)**	**$353,600,000**	**($156,600,000)**	**$493,300,000**

Source: Indiana Gaming Commission, Microsoft MapPoint, Spectrum Gaming Group

Figure 12: Estimated market potential for Northeast Proxy Point

Northeast Proxy Point Drive Time	Estimated GGR Potential	Current Theoretical Capture	Unmet Demand	Retained by Michigan Casinos	Northeast Proxy Point AGR Potential
0-15 minutes	$11,200,000	($470,000)	$0	$0	$11,200,000
16-30 minutes	$91,100,000	($6,500,000)	$0	$0	$91,100,000
31-60 minutes	$117,600,000	($7,700,000)	$0	($15,600,000)	$102,000,000
Total	**$219,900,000**	**($14,670,000)**	**$0**	**($15,600,000)**	**$204,300,000**

Source: Indiana Gaming Commission, Microsoft MapPoint, Spectrum Gaming Group

Figure 13: Estimated market potential for East Proxy Point

East Proxy Point Drive Time	Estimated AGR Potential	Current Theoretical Capture	Unmet Demand	Retained by Existing Casinos	East Proxy Point AGR Potential
0-15 minutes	$8,700,000	($3,000,000)	$0	$0	$8,700,000
16-30 minutes	$18,700,000	($3,500,000)	($800,000)	($9,200,000)	$8,700,000
31-60 minutes	$378,900,000	($65,200,000)	($34,000,000)	($256,400,000)	$88,500,000
Total	**$406,300,000**	**($71,700,000)**	**($34,800,000)**	**($265,600,000)**	**$105,900,000**

Source: Indiana Gaming Commission, Microsoft MapPoint, Spectrum Gaming Group

Figure 14: Estimated market potential for Northwest Proxy Point

Northwest Proxy Point Drive Time	Estimated AGR Potential	Current Theoretical Capture	Unmet Demand	Retained by Existing Casinos	Northwest Proxy Point AGR Potential
0-15 minutes	$5,000,000	($1,000,000)	$4,000,000	$0	$4,000,000
16-30 minutes	$8,500,000	($1,600,000)	$6,900,000	$0	$6,900,000
31-60 minutes	$114,700,000	($48,500,000)	$66,200,000	($26,700,000)	$39,500,000
Total	**$128,200,000**	**($51,100,000)**	**$77,100,000**	**($26,700,000)**	**$50,400,000**

Source: Indiana Gaming Commission, Microsoft MapPoint, Spectrum Gaming Group

After reviewing the results, it is evident that the two optimal areas for a relocated license would be Downtown Indianapolis and the Northeast Proxy Point.

II. Impacts of the Relocated Casinos

If Indiana were to relocate a casino license to an area proximate to Downtown Indianapolis or the Northeast Proxy Point, it would generate significantly higher adjusted gaming revenue and corresponding State receipts than are being generated with the 13 licenses in their current locations. It would also impact other in-state casinos and have additional impacts beyond direct gaming revenue. In this chapter, we detail and discuss the impacts as directed by the RFQ.

A. Projected Annual Gaming Revenue and Gaming Tax Receipts

Indiana levies two taxes on casino revenue. The first is a graduated tax based on the level of AGR, as shown in the following table:

Figure 15: Indiana graduated casino tax rates

Adjusted Gross Receipts		Rate
Minimum	Maximum	
$0	$25,000,000	10.0%
$25,000,001	$50,000,000	20.0%
$50,000,001	$75,000,000	25.0%
$75,000,001	$150,000,000	30.0%
$150,000,001	$600,000,000	35.0%
$600,000,001		40.0%

Source: Indiana Gaming Commission

The second is a supplemental wagering tax, which for fiscal year 2018 replaced the admission tax. For riverboat casinos, the supplemental tax is calculated using a formula based on the admissions taxes paid in fiscal year 2017. The casino in Vigo County, which was not open in fiscal year 2017, pays a supplemental wagering tax at a rate of 2.9% of each day's AGR.[6] Spectrum has assumed that the tax rate applied to the Vigo County casino would also apply to a relocated license.

Based on the current State gaming-tax structure and on Spectrum's estimated AGR for each new-casino location, we estimated the State tax receipts from each location.

For Downtown Indianapolis, based on Spectrum's estimated AGR potential of $493.3 million, we estimated the State would receive $170.7 million in gaming-tax receipts.

[6] Indiana code 2024 4-33-12-1.5. https://iga.in.gov/laws/2024/ic/titles/4#4-33-12-1.5

Figure 16: State tax receipts from Downtown Indianapolis Proxy Point

Adjusted Gross Receipts		Rate	Gaming Tax from Downtown Proxy
Minimum	Maximum		
$0	$25,000,000	10%	$2,500,000
$25,000,001	$50,000,000	20%	$5,000,000
$50,000,001	$75,000,000	25%	$6,250,000
$75,000,001	$150,000,000	30%	$22,500,000
$150,000,001	$600,000,000	35%	$120,155,000
$600,000,001		40%	
	AGR Wagering Tax		$156,405,000
	Supplemental Tax	2.9%	$14,305,700
	Total Taxes		**$170,710,700**
	Gaming Tax as % of AGR		35%

Source: Indiana Gaming Commission, Spectrum Gaming Group

For the Northeast Proxy Point, based on Spectrum's AGR potential of $204 million and expected minimal revenue shift from existing Indiana commercial casinos, we estimated the State would receive $61.1 million in gaming-tax receipts.

Figure 17: Estimated gaming taxes from a casino license relocated to a Northeast Proxy Point

Adjusted Gross Receipts		Rate	Gaming Tax from Northeast Proxy
Minimum	Maximum		
$0	$25,000,000	10%	$2,500,000
$25,000,001	$50,000,000	20%	$5,000,000
$50,000,001	$75,000,000	25%	$6,250,000
$75,000,001	$150,000,000	30%	$22,500,000
$150,000,001	$600,000,000	35%	$18,900,000
$600,000,001		40%	$0
	AGR Wagering Tax		$55,150,000
	Supplemental Tax	2.9%	$5,916,000
	Total Taxes		**$61,066,000**
	Gaming Tax as % of AGR		30%

Source: Indiana Gaming Commission, Spectrum Gaming Group

B. Impact on Other Casinos and Tax Receipts

1. Downtown Indianapolis Proxy Point

The data on the theoretical value of play provided by the Indiana Gaming Commission shows the existing Indiana commercial casinos generate approximately $296 million of theoretical value in the ZIP Codes within 60 minutes of the Downtown Indianapolis Proxy Point, as can be seen in Figure 11.

Spectrum estimates the total market potential in this area to be nearly $650 million. The state's existing casinos are generating theoretical value of less than 50% of the estimated potential gaming value. The northern portion of Marion County and southern sections of Hamilton and Boone counties – including the communities of Fishers, Carmel, and Zionsville – are included in this area. Rated play from these high-income, densely populated areas is not being adequately captured by the existing 13 Indiana commercial casinos. This could be due to the relative inconvenience of driving to one of the existing 13 Indiana commercial casinos from these areas relative to other leisure options including downtown sports arenas, the symphony and area restaurants.

Spectrum estimates that if a casino were to relocate to an area near the Downtown Indianapolis Proxy Point, the existing Indiana commercial casinos would retain $156.6 of the current $296.3 million in theoretical value. We estimate that $140 million in theoretical value currently being captured by the 13 existing Indiana commercial casinos would shift to a relocated casino near the Downtown Indianapolis Proxy Point. Because the estimated theoretical value would be shifting within Indiana, the impact of shifting revenues on State overall gaming taxes would be negligible.

Spectrum estimates there is total annual casino gaming demand of $649.9 million for the ZIP Codes within 60 minutes of the Downtown Indianapolis Proxy Point. Currently, the 13 casinos are generating $296.2 million in theoretical value from the area. Spectrum estimates there is unmet annual local demand of $353.6 million for casino gaming that the existing 13 Indiana commercial casinos for whatever reason are not capturing. Relocating a license to a site near the Downtown Indianapolis Proxy Point would potentially more than double casino market revenue from this area.

2. Northeast Proxy Point

The data on the theoretical value of play provided by casino operators to the Indiana Gaming Commission does not show that the existing Indiana commercial casinos generate a great amount of theoretical value in the ZIP Codes near the Northeast Proxy Point. As can be seen in Figure 12, the patron data show less than $15 million in theoretical value at all 13 casinos from the ZIP Codes within a 60-minute drive of the Northeast Proxy Point. Spectrum estimates the market potential in this area to be $219.9 million. Distance from an Indiana commercial casino plays a part in this disparity, as does the proximity of tribal casinos in South Bend, Kalamazoo, Dowagiac and Battle Creek.

Spectrum estimates that if a casino were to relocate to an area near the Northeast Proxy Point, the existing Indiana commercial casinos would retain none of the current $15 million in theoretical value. The proximity of a casino near the Northeast Proxy Point and the population and income in the area would shift the $15 million in current theoretical value from the existing Indiana commercial casinos to the new property. The casino play would be retained in Indiana, but shifted to the more convenient operation.

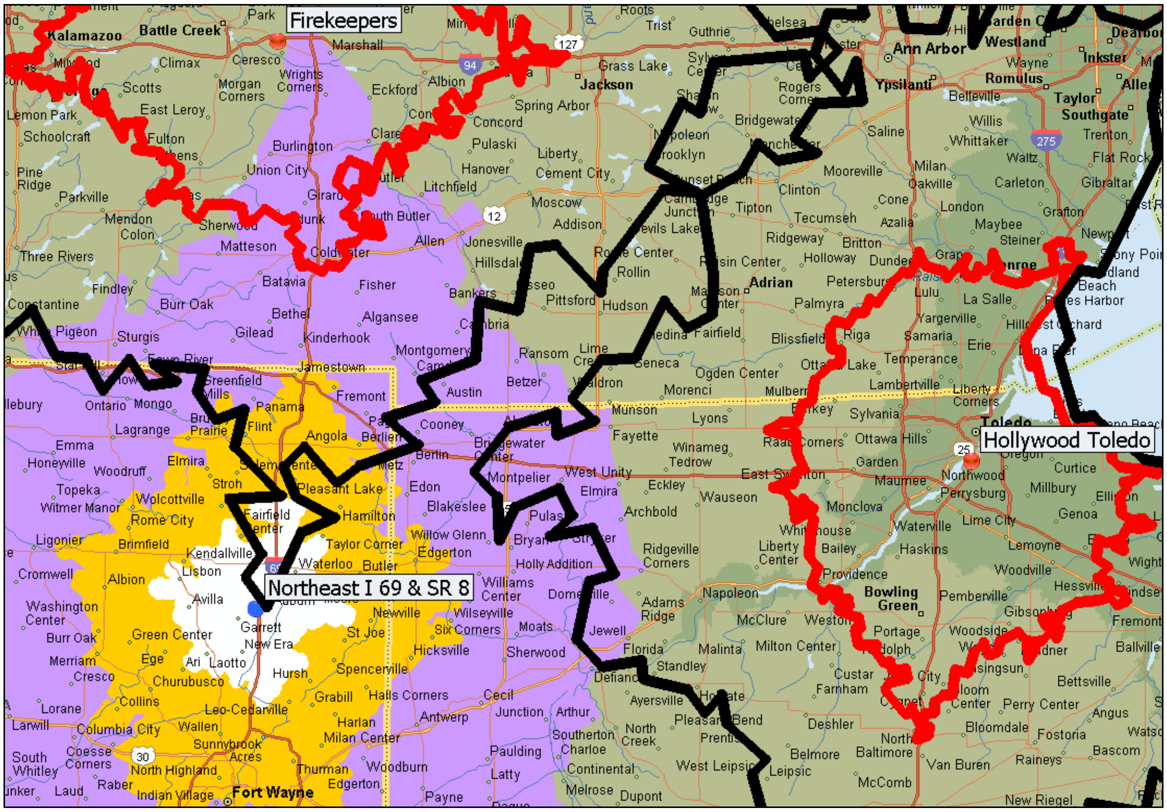
Because the estimated theoretical value is simply shifting within Indiana, the impact on State gaming taxes is negligible. If all $15 million were derived from one of the 13 existing Indiana commercial casinos, and that shift in revenue caused that casino to be taxed at a lower rate in the graduated structure, there may be a small reduction in gaming tax. The data provided by the Indiana Gaming Commission were anonymized, so there is no way for Spectrum to know which properties would be losing revenue, or if the shift would cause a reduction in rate. Based on proximity, it is likely that casino patrons from this area that visit Indiana commercial casinos visit Harrah's Hoosier Park, but Spectrum cannot know for certain.

C. Estimated Patronage and Gaming Revenues from Out-of-State Visitors

In many states, one goal in authorizing or expanding casino gambling is to capture – or recapture – patron gambling dollars that are "lost" to neighboring states. We note that just as gaming operators among Indiana's four neighbors have collectively placed a total of 18 casinos near the state borders, 11 of Indiana's 14 casinos are near those very same borders. Based on Spectrum's analysis of population and casino player databases, we estimate that Indiana currently derives 50% of its AGR from other states, primarily Illinois.

Spectrum would expect that an Indiana casino relocated to either the Downtown Indianapolis Proxy Point or the Northeast Proxy Point would generate small percentages of its AGR from other states. Indianapolis is in the center of the state. Out-of-state visitors would have to pass several other casinos to arrive at a Downtown Indianapolis casino. The Northeast Proxy Point would be competing with out-of-state casinos, namely Hollywood Toledo in Ohio and Michigan tribal casinos in Kalamazoo, Dowagiac, and Battle Creek.

Figure 18: Northeast Proxy point and 15-minute, 30-minute and 60-minute market with out-of-state casino markets



Source: Microsoft MapPoint, Spectrum Gaming Group

The map in Figure 18 shows the 15-minute, 30-minute and 60-minute market areas from the Northeast Proxy Point, and the 30-minute and 60-minute market areas from established out-of-state casinos. The existing casinos would direct marketing efforts to retain patrons from areas perceived to be at risk of losing to a new casino. Spectrum expects there to be limited opportunity to attract play from Michigan. There may be more opportunity to draw guests from Ohio.

D. Impact on Tourism

There is no universally accepted definition of tourism. The Oxford Languages defines tourism as "the commercial organization and operation of vacations and visits to places of interest" while Merriam-Webster defines it as "the practice of traveling for recreation" and Collins defines it as "the business of providing services for people on vacation, for example, hotels, restaurants, and trips."[7]

Casinos may qualify as "places of interest" and an outlet for "recreation" and, for some patrons, as "vacation" spots. But the critical question for this study is: With 14 casinos already in Indiana[8] – plus another 18 located near its borders in Illinois, Kentucky, Ohio and Michigan – would an Indiana casino relocated to a location near the Downtown Indianapolis Proxy Point or the Northeast Proxy Point attract patrons from beyond the casinos' core market-catchment areas that range up to 90 minutes of driving time?

If the State of Indiana considers a tourist to be any casino patron who originates from outside the county, then every casino in the state – and virtually every casino in the country – would benefit from tourism under that definition. If the State considers a tourist to be any casino patron who originates from outside the state, then almost all casinos in the state – and many throughout the country – would benefit from tourism under that definition.

However, Spectrum considers any casino patron who originates from within a 90-minute drive to be part of the casino's core market-catchment area – whether the person is from out of county or out of state – and not a tourist. This is simply normal business for a casino.

As casino gaming has proliferated across the country – to more than 1,000 properties in 44 states – the casino properties themselves are, overwhelmingly, built and operated to attract from their core local gaming markets. Their primary amenities – restaurants, bars, entertainment – are also designed to attract and retain casino patrons from their core market. Even those casino properties with hotels set aside most of their guest rooms for higher-level gamblers as a reward and an inducement to keep them on the property for longer visits.

The vast majority of casino properties outside of certain markets – such as Las Vegas, Lake Tahoe, southern California – do not have what Spectrum would consider to be true tourist appeal; that is, they lack attractions that compel non-core patrons to visit. Examples of such individual casino properties that *do* have true tourist appeal include:

- Harrah's Atlantic City in New Jersey, which has a 125,000-square-foot meetings center that includes two 50,000-square-foot ballrooms.

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[7] Oxford via Google definitions; Merriam-Webster at https://www.merriam-webster.com/dictionary/tourism; Collins at https://www.collinsdictionary.com/us/dictionary/english/tourism

[8] The 13 state-regulated casinos plus the Four Winds South Bend tribal casino.

- Mohegan Sun in Connecticut, which has a 10,000-seat major-events arena.
- Seminole Hard Rock Hotel & Casino Hollywood in southern Florida, which has a 450-foot tall guitar-shaped hotel tower and sprawling resort amenities.
- Turning Stone Resort Casino in upstate New York, which has five golf courses.

The facilities listed above provide examples of both business tourism and pleasure tourism, with Harrah's Atlantic City being an example of a gaming facility that generates business tourism. There is a symbiotic relationship between casinos and convention facilities, as noted by *Smart Meetings* magazine:

> "Meetings have had a significant impact on the gaming industry for decades," says Andrew Ortale, vice president of industry services for American Gaming Association. "They drive tremendous business and foot traffic year-round to casino resorts."
>
> By the same token, he says, "the industry has done a great job in providing world-class facilities for functions of any size." This is evident at casino resorts across the nation, which now offer, or are in the process of upgrading, all the elements that planners seek for a successful event: well-appointed guest rooms, high-tech meeting and event space, fine-dining restaurants, entertainment, shopping and luxury spas. A further plus is their availability in one location, a bonus that goes beyond the requirements of the leisure market.[9]

Simply, casino properties provide attendees with evening or extra-day entertainment, thus increasing the appeal of a host city as a convention/meeting destination. As Cvent, a major platform for convention planning, reported:

> In addition to operating as a gaming and entertainment destination, most casinos also serve as an event venue. From large-scale demand drivers (e.g., chart-topping musical performances) to small, private events (e.g., birthday or Christmas parties), they can accommodate a wide range of events. They may hold events at an attached special event venue, such as a concert hall or convention center, or inside the casino in a private event space. While some casinos have one room set aside for events, others have multiple meeting rooms or a complex event space that can accommodate numerous events simultaneously.[10]

In response to task RFQ No. 4 for this study ("Impact of a casino on the region's tourism industry"), Spectrum believes that unless a potentially relocated casino in Indiana were to include – or be proximate to – a regionally prominent convention center or other major attraction, it would not impact tourism beyond attracting gamblers from its core market catchment areas. This is consistent with the experience of almost every new locally/regionally oriented casino in the country. Additionally, were the casino to be relocated to a location proximate to a major attraction, the casino may benefit if visitors to the attraction also played in the casino; i.e., the casino would not be the primary reason the out-of-market patron to visit the location.

If one considers a tourist to be any patron who visits from outside the county, then Spectrum estimates that 80% of revenue at a new Downtown Indianapolis casino would be classified as being from tourists (from outside Marion County) and we estimate that 95% of revenue at a new Northeast Indiana casino would be classified as being from tourists (from outside DeKalb County).

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[9] "Meetings are in the Cards at Casinos," *Smart Meetings* magazine, May 17, 2016. https://www.smartmeetings.com/magazine_article/meetings-at-casinos

[10] Kim Campbell, "Casino Events: Everything You Need to Know," Cvent, December 6, 2023. https://www.cvent.com/en/blog/hospitality/casino-events

We note that overall visitation to regional casinos (such as those in Indiana and neighboring states) is down since the Covid-19 pandemic, according to research by investment bank Jefferies. It found that combined casino foot traffic in seven regional markets, including Illinois and Ohio, as of May 2025 was down -9.2% vs. 2019 levels, based on its proprietary research.[11] However, casino patrons are spending more per visit, resulting in overall revenue gains.

E. Impact of a Potential Tribal Casino in Fort Wayne Area

The Miami Tribe of Oklahoma in 2021 acquired a 45-acre "permanent site for our Cultural Resources Extension Office (CREO) in Fort Wayne."[12] The Miami Tribe told at least one media outlet, "The Property will not be used for gaming or any other commercial purpose or for housing."[13] Nonetheless, there is concern among various parties in Indiana that the Miami Tribe may ultimately seek to use the Fort Wayne land for a casino, perhaps beginning with Class II gaming operations,[14] which would not require federal approval or a compact with the state. Notably, the Pokagon's Four Winds South Bend operated as a Class II casino without a compact from 2018 until August 2021. The Miami Tribe's efforts to develop a casino in Indiana date to 1997.[15]

The impact of a tribal casino at the Miami Tribe's location on Fritz Road in Fort Wayne would have disparate impacts on the two potentially new casino sites identified by Spectrum: Revenues at the Downtown Indianapolis Proxy Point would not be impacted at all, whereas the revenue impacts on the Northeast Proxy Point would be significant.

As shown in Figure 19 below, the two Proxy Points are mapped with the drive-time rings as before: 15 minutes in **white**, 30 minutes in **red**, and 60 minutes in **black**. Layered on the Proxy Point market areas are the 15-minute, 30-minute, and 60-minute drive time rings from the Miami Nation land on Fritz Road, represented in **magenta**, **turquoise**, and **neon green** respectively. The Northeast Proxy Point is within a 30-minute drive of the Miami Nation land. The market areas overlap significantly.

The Downtown Indianapolis Proxy Point is far beyond the 60-minute drive of the Miami Nation land, and there is an existing casino (Harrah's Hoosier Park) in Anderson that customers would need to bypass before reaching a casino located near the Downtown Indianapolis Proxy Point.

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[11] "How Many Feet in the Game? May's Foot Traffic Gets a Calendar Kick," Jefferies, June 11, 2025.

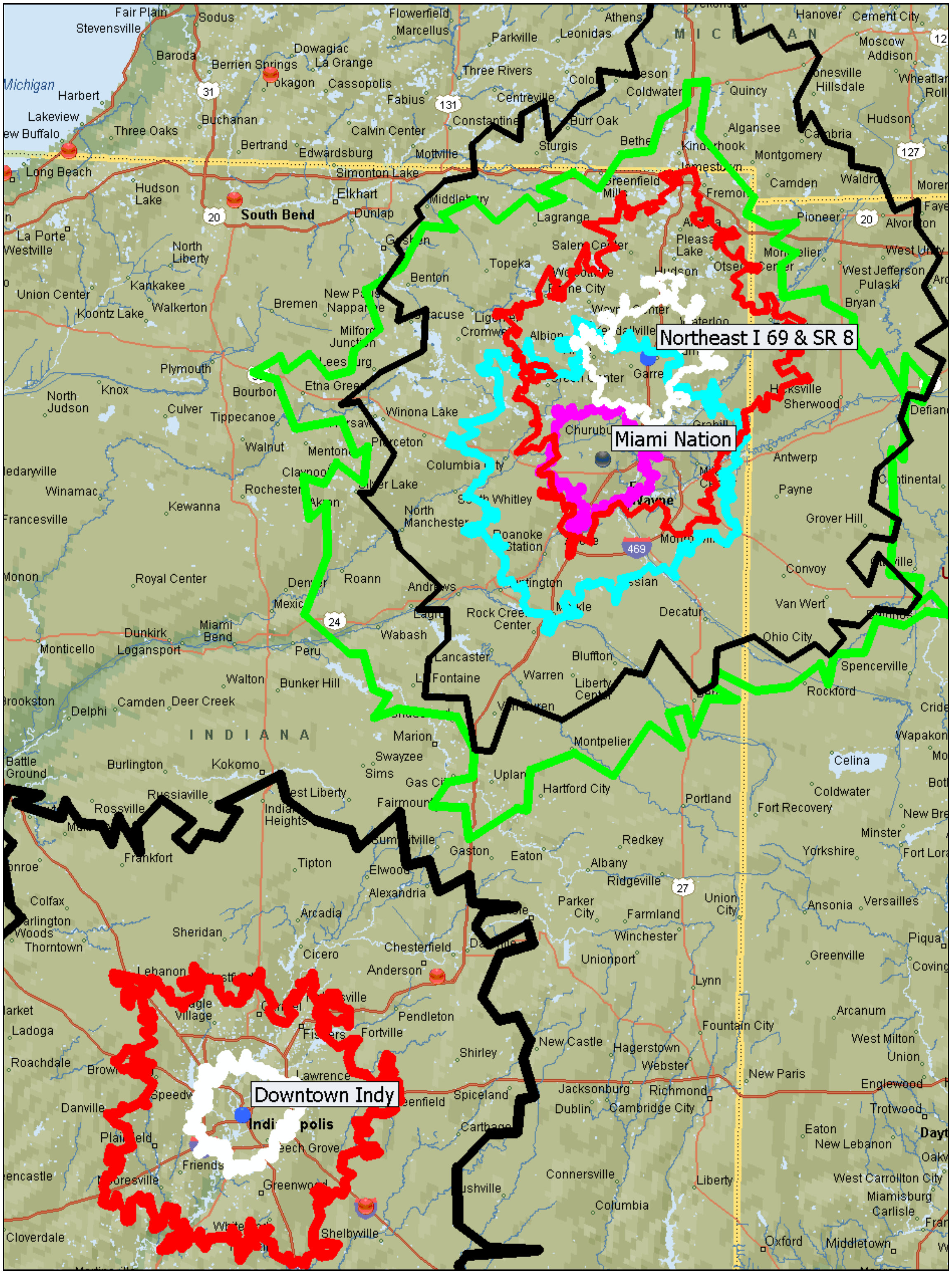
[12] Letter from Douglas G. Lankford, Chief, Miami Tribe of Oklahoma, to Governor Mike Braun, March 5, 2025.

[13] Dirk Rowley, "Analysis: Where an Indiana casino (and slots) might go," wane.com, February 5, 2025. https://www.wane.com/news/indiana/analysis-where-an-indiana-casino-and-slots-might-go/

[14] As defined by the National Indian Gaming Commission, Class II gaming includes bingo-based games (including slot machines based on bingo) and non-house-banked table games; as opposed to Class III gaming, which includes traditional casino games such as Las Vegas-style slot machines and live table games. Four Winds South Bend opened in 2018 as a Class II casino, then transitioned to Class III in 2021.

[15] Associated Press, "Miami Tribe Plans Casino in Indiana," *The Oklahoman*, March 1, 1997. https://www.oklahoman.com/story/news/1997/03/01/miami-tribe-plans-casino-in-indiana/62322399007/

Figure 19: Map showing drive times from two proxy points and Miami Nation Land



Source: Microsoft MapPoint, Spectrum Gaming Group. The two Proxy Points are mapped with the drive-time rings: 15 minutes in **white**, 30 minutes in **red**, and 60 minutes in **black**. Layered on the Proxy Point market areas are the 15- 30, and 60-minute drive time rings from the Miami Nation land, represented in **magenta**, **turquoise**, and **neon green**.

The Miami Nation land is in the city of Fort Wayne, the population center for the region. If the Miami Nation were to develop gaming at the site, it is not just proximity to population that would impact a commercial casino in the area; State gaming tax rates would put a commercial casino at a disadvantage. If the Miami Nation were to develop a Class II casino at the site, there would be no tax paid to the State on the revenues. If the Miami Nation and Indiana were to negotiate a gaming compact to operate Class III gaming – following the precedent of the State's compact with the Pokagon band – there would be an expected payment to the State of 8% of gaming revenue. By way of contrast, a commercial casino pays a graduated tax rate that begins at 10%, as shown below.

Figure 20: Indiana graduated casino tax rates

Adjusted Gross Receipts		Rate
Minimum	Maximum	
$-	$25,000,000	10.0%
$25,000,001	$50,000,000	20.0%
$50,000,001	$75,000,000	25.0%
$75,000,001	$150,000,000	30.0%
$150,000,001	$600,000,000	35.0%
$600,000,001		40.0%

Source: Indiana Gaming Commission

Using the same methodology, but adjusting for the ability of a tribal operator to offer higher marketing incentives, Spectrum modeled the revenue potential for a commercial casino located near the Northeast Proxy Point if a tribal casino were to be developed in Allen County. Spectrum modeled the potential impact of a Miami Nation casino on the Northeast Proxy point. The results are shown below.

Figure 21: Estimated Northeast Proxy Point casino revenue with a tribal casino in Fort Wayne

Northeast Proxy Point Drive Time	Estimated GGR Potential	Current Theoretical Capture	Retained by Indiana Casinos	Revenue Diverted to Miami Nation	Retained by Michigan Casinos	Est. Northeast Proxy Point AGR Potential
0-15 minutes	$11,200,000	($470,000)	$0	($8,870,000)	$0	$2,330,000
16-30 minutes	$91,100,000	($6,500,000)	$0	($50,200,000)	$0	$40,900,000
31-60 minutes	$117,600,000	($7,700,000)	$0	($102,000,000)	($15,600,000)	$0
Unmet Demand	**$219,900,000**	**($14,670,000)**	**$0**	**($161,070,000)**	**($15,600,000)**	**$43,230,000**

Source: Indiana Gaming Commission, Microsoft MapPoint, Spectrum Gaming Group

With lower commercial casino revenue comes lower casino taxes. Were a tribal casino opened in the Fort Wayne area, the anticipated gaming taxes from the commercial operator would decline to approximately $6.1 million from $61.1 million currently estimated by Spectrum. If the tribal casino operated as a Class II casino (i.e., with bingo-based slot machines and no State compact), there would be no payments from the tribal casino. If the tribal casino were to be a compacted Class III casino, the State could anticipate revenue sharing payments of 8% of GGR or approximately $12.9 million based on the casino generating $161 million in revenue. In this scenario, Indiana could expect approximately $19 million in annual gaming payments from the casino in this area.

Figure 22: Estimated gaming taxes from a casino license relocated to a Northeast Proxy Point with a tribal casino in Fort Wayne

Adjusted Gross Receipts		Rate	Gaming Tax from Northeast Proxy With a Tribal Casino in Fort Wayne
Minimum	Maximum		
$0	$25,000,000	10%	$2,500,000
$25,000,001	$50,000,000	20%	$3,646,000
$50,000,001	$75,000,000	25%	$0
$75,000,001	$150,000,000	30%	$0
$150,000,001	$600,000,000	35%	$0
$600,000,001		40%	$0
	AGR Wagering Tax		$6,146,000
	Supplemental Tax	2.9%	$0
	Total Taxes		**$6,146,000**
	Gaming Tax as % of AGR		14%

Source: Spectrum Gaming Group

The disparity in payments to the State enables a tribal gaming operator to provide increased marketing offers such as more free slot play, discounted food and higher quality entertainment, or the casino could offer higher wages to attract better staff. As such, it would be difficult for a commercial casino in the same marketplace to operate in this competitive environment.

F. Impact if Rising Star is Relocated

Spectrum understands that the primary cause for this study was an effort last year by Full House Resorts to potentially move its low-performing Rising Star Casino Resort from Rising Sun to a location in Allen County, which is the county where Fort Wayne is located. If Rising Star were to relocate, some of the revenue now being generated at the casino would shift to other Indiana properties, some would be captured by competing gaming properties in Kentucky and Ohio, and some would simply disappear as customers currently choosing Rising Star reduce or eliminate casino visits.

Based on geography and the proximity of the Indiana casinos in Lawrenceburg and Vevay, as well as the presence of competing gaming facilities in Ohio and Kentucky, Spectrum believes that the bulk of current Rising Star AGR would be retained in Indiana. We estimate the lost AGR to Ohio and Kentucky at $8.4 million, which when combined with lost AGR from players who reduce or altogether eliminate their casino visits would result in lost State gaming tax receipts of approximately $1.1 million annually.

Figure 23: Estimated Rising Star revenue shift if relocated

Rising Star FY 2025 AGR	$41,500,000
Est. Retained in Indiana Casinos	$32,100,000
Est. Lost to Out-of-State Casinos	$8,400,000
Est. Lost to Reduced/Abandoned Play	$1,000,000
AGR Gaming Tax Rate	10%
Supplemental Tax Rate	2.9%
Reduction in Indiana Gaming Tax Receipts	**$1,080,000**

Source: Spectrum Gaming Group

Although the State would be losing $1.1 million in gaming-tax receipts from the loss of Rising Star, it would realize $170.7 million and $61.1 million, respectively, in gaming tax receipts from new/relocated casinos at our Downtown Indy or Northeast proxy points. This would result in net State receipts of $169.6 million and $60.0 million, respectively.

III. Impact on the Horse Racing Industry

Indiana has two racetrack casinos ("racinos"); Horseshoe Indianapolis in Shelbyville is a Thoroughbred track, and Harrah's Hoosier Park in Anderson is a Standardbred track. The Indiana horse racing industry receives 12% of the adjusted gross receipts derived from the two racinos. Spectrum assessed the impact to the horse racing industry if a casino were relocated to either of the two optimal locations discussed in the previous chapters: Downtown Indianapolis and the Northeast.

A. Downtown Indianapolis Proxy

The Downtown Indianapolis Proxy location has the potential to generate additional AGR and additional tax revenue, but it would have a significant impact on the existing racinos. Horseshoe Indianapolis is 25 miles from Indianapolis, and Harrah's Hoosier Park is 37 miles from Indianapolis. For convenience in reading this chapter, we have again included Spectrum's estimate of the AGR potential for a casino in this general area:

Figure 24: AGR potential, Downtown Indianapolis Proxy location

Drive Time	AGR Potential	Current Theoretical Capture	Unmet Demand	Retained by Existing	Downtown Indianapolis Proxy AGR Potential
0-15 minutes	$84,800,000	($48,100,000)	$36,700,000	($19,700,000)	$65,100,000
16-30 minutes	$348,300,000	($149,300,000)	$199,000,000	($72,600,000)	$275,700,000
31-60 minutes	$216,800,000	($98,900,000)	$117,900,000	($64,300,000)	$152,500,000
Total	**$649,900,000**	**($296,300,000)**	**$353,600,000**	**($156,600,000)**	**$493,300,000**

Source: Spectrum Gaming Group

Taking the existing total theoretical AGR in the region surrounding the Downtown Indianapolis Proxy of $296,300,000 and subtracting the amount projected to be retained by existing operators of $156,600,000, there is a potential net loss of $139,700,000 in AGR to the existing operators. Combined fiscal year ("FY") 2024 AGR for the two racinos was $563,634,653, thus the decrease represents a 24.8% potential loss. Because 12% of the AGR from the two racinos goes to the Indiana horse racing industry, that industry would suffer a comparable loss.

The amounts in Figure 23 are derived from Spectrum's modeling, and Figure 24 below shows the impact this could have on the amount of AGR that goes to the Indiana horse racing industry. Because it is not possible to determine whether the two racinos would lose 100% of the estimated $139.7 million decrease in AGR, or whether it would be some lower amount, we have illustrated the potential impact to horse racing in the table below, showing scenarios at 60%, 80% and 100% decrease.

Figure 25: Potential change to contribution to horse racing, Downtown Indianapolis Proxy

	Impact on Existing 12% of AGR to Horse Racing at …		
Percentage of Impact from New Casino	60%	80%	100%
12% of 2024 AGR to Racing	$67,636,158	$67,636,158	$67,636,158
Theoretical AGR Loss from Downtown Indianapolis Proxy			
Est. AGR Decrease: $139,700,000 with New Casino	$10,058,400	$13,411,200	$16,764,000
Projected New AGR Proceeds to Racing	$57,577,758	$54,224,958	$50,872,158
Percentage Decrease	14.9%	19.8%	24.8%

Source: Spectrum Gaming Group

Figure 25 below shows the potential impact to each segment of horse racing funding under the 60%, 80% and 100% AGR decrease scenarios noted above. The combined AGR for the two Indiana racinos in FY 2024 was $563,634,653, of which 12% ($67,636,158) went to the horse racing industry. The amounts of funding to each segment of the industry are based on statutory allocations for each breed. The impact percentages noted in the last line of the table above have been rounded to the nearest whole number in the table below.

Figure 26: Potential reduction of funding by horse breed from AGR, Downtown Indianapolis Proxy

	FY 2024	Impact to the Horse Racing Industry at … -15%	-20%	-25%
Equine Promotion Welfare*	$338,181	$287,454	$270,545	$253,636
Backside Benevolence*	$1,690,904	$1,437,268	$1,352,723	$1,268,178
Thoroughbred				
Purse Funding	$16,100,632	$13,685,537	$12,880,506	$12,075,474
Horsemen Association	$497,958	$423,264	$398,366	$373,468
Breeders Funding	$13,580,664	$11,543,565	$10,864,531	$10,185,498
Subtotal	*$30,179,254*	*$25,652,366*	*$24,143,403*	*$22,634,440*
Standardbred				
Funding to Fairs	$500,000	$500,000	$500,000	$500,000
Purse Funding	$14,320,240	$12,136,016	$11,407,942	$10,679,867
Horsemen Association	$519,387	$440,166	$413,760	$387,353
Breeders Funding	$14,839,627	$12,576,183	$11,821,702	$11,067,220
Subtotal	*$30,179,254*	*$25,652,366*	*$24,143,403*	*$22,634,440*
Quarter Horse				
Purse Funding	$3,490,296	$2,966,752	$2,792,237	$2,617,722
Horsemen Association	$183,700	$156,145	$146,960	$137,775
Breeders Funding	$1,574,570	$1,338,384	$1,259,656	$1,180,927
Subtotal	*$5,248,566*	*$4,461,281*	*$4,198,853*	*$3,936,424*
Total Direct Funding	**$65,607,074**	**$55,766,013**	**$52,485,659**	**$49,205,305**
Total Impact to Racing Industry	$67,636,158	$57,490,735	$54,108,927	$50,727,119

Source: Spectrum Gaming Group. *Combined for all breeds

As is evident, if 100% of the reduction in AGR is felt by the two racinos, the industry would lose almost $17 million in revenue to the various breeds.

B. Northeast Indiana Proxy

The second site analyzed is the Northeast Proxy, which is north of Fort Wayne. This proxy location does not generate as much additional AGR or gaming tax as the Downtown Indianapolis Proxy, so its impact on the horse racing industry is smaller. For convenience in reading this chapter, we have again included Spectrum's estimate of the AGR potential for a casino in this general area:

Figure 27: Potential change to contribution to horse racing, Northeast Proxy

Drive Time	AGR Potential	Current Theoretical Capture	Unmet Demand	Retained by Michigan Casinos	Northeast Proxy AGR Potential
0-15 minutes	$11,200,000	($470,000)	$0	$0	$11,200,000
16-30 minutes	$91,100,000	($6,500,000)	$0	$0	$91,100,000
31-60 minutes	$117,600,000	($7,700,000)	$0	($15,600,000)	$102,000,000
Total	**$219,900,000**	**($14,670,000)**	**$0**	**($15,600,000)**	**$204,300,000**

Source: Spectrum Gaming Group

Again, through modeling, it appears $14,670,000 in theoretical AGR is derived by the existing operators in Indiana. In this scenario, Spectrum believes there would be nothing retained by the existing operators if this site goes forward but, again, there is no definitive way to ascertain if the two racinos take some or all of the theoretical decrease in AGR to the existing operators. Using the same 60%, 80%, and 100% scenarios for allocation of that decrease to the horse racing industry, Figure 27 below shows the impact to the 12% of AGR the horse racing industry receives.

Figure 28: Potential change in contribution to horse racing, Northeast Proxy

	Impact on Existing 12% of AGR to Horse Racing at …		
Percentage of Impact from New Casino	60%	80%	100%
12% of 2024 AGR to Racing	$67,636,158	$67,636,158	$67,636,158
Theoretical AGR Loss from Northeast Proxy			
Est. AGR Decrease: $14,670,000 with New Casino	$1,056,240	$1,408,320	$1,760,400
Projected New AGR Proceeds to Racing	$66,579,918	$66,227,838	$65,875,758
Percentage decrease	1.6%	2.1%	2.6%

Source: Spectrum Gaming Group

If 100% of the estimated $14,670,000 AGR decrease to the existing operators occurs at the two racinos, the impact on horse racing is a reduction of $1,760,000 or 2.6% of the 2024 amount of AGR to horse racing of $67.6M. At 60% of the estimated decrease occurring at the two racinos, the reduction to horse racing is $1,056,240 or 1.6%. Again, as these are estimates rounded to the nearest half-percent, this translates to the following impact on each horse breed segment of the horse racing industry by breed.

Figure 29: Potential reduction of funding by horse breed from AGR, Northeast Proxy

	FY 2024	Impact to the Horse Racing Industry -1.5%	-2.0%	-2.5%
Equine Promotion Welfare*	$338,181	$333,108	$331,417	$329,726
Backside Benevolence*	$1,690,904	$1,665,540	$1,657,086	$1,648,631
Thoroughbred				
Purse Funding	$16,100,632	$15,859,122	$15,778,619	$15,698,116
Horsemen Association	$497,958	$490,488	$487,999	$485,509
Breeders Funding	$13,580,664	$13,376,954	$13,309,051	$13,241,148
Subtotal	*$30,179,254*	*$29,726,565*	*$29,575,669*	*$29,424,773*
Standardbred				
Funding to Fairs	$500,000	$500,000	$500,000	$500,000
Purse Funding	$14,320,240	$14,101,818	$14,029,010	$13,956,203
Horsemen Association	$519,387	$511,465	$508,824	$506,184
Breeders Funding	$14,839,627	$14,613,283	$14,537,834	$14,462,386
Subtotal	*$30,179,254*	*$29,726,565*	*$29,575,669*	*$29,424,773*
Quarter Horse				
Purse Funding	$3,490,296	$3,437,942	$3,420,490	$3,403,039
Horsemen Association	$183,700	$180,944	$180,026	$179,107
Breeders Funding	$1,574,570	$1,550,951	$1,543,078	$1,550,951
Subtotal	*$5,248,566*	*$5,169,837*	*$5,143,595*	*$5,133,097*
Total Direct Funding	$65,607,074	$64,622,968	$64,294,932	$63,982,642
Total Impact to Racing Industry	$67,636,158	$66,621,616	$66,283,435	$65,961,000

Source: Spectrum Gaming Group. *Combined for all breeds

If 100% of the reduction in AGR is felt by the two racinos, the industry loses almost $2 million in revenue to the various racing horse breeds. That is far below the nearly $17 million impact loss observed in the Downtown Indianapolis Proxy example.

C. Projected Impact on Key Performance Indicators

Purses are an important factor in attracting horses to race at any racetrack. This, along with horse breeders funding, are the two key performance indicators ("KPIs") that promote breeding and racing in a given jurisdiction. The number of stallions standing in the state, mares bred to those stallions, and foals born in Indiana are primary drivers of the economic impact of horse racing in the state. A 2022 economic impact study[16] by Purdue University showed that the Indiana horse racing industry contributed $2 billion to the 2021 Indiana economy.

1. Thoroughbred

Figure 29 below shows that in 2023 the average Thoroughbred purse at Indiana's only Thoroughbred racetrack, Horseshoe Indianapolis, ranked 10th in the United States. The average

[16] Tanya Hall, "Economic Impact of Indiana Horse Racing and Breeding Industry," Purdue University, November 2022. https://www.in.gov/hrc/files/2022-EIA-INHorse-Racing-and-Breeding-Industry_Executive-Summary.pdf

Thoroughbred purse in Indiana is lower than the average for the United States, but is higher than the median for the average purse per race.

Figure 30: Average Thoroughbred purse per race in various states, 2023

Rank	State	Avg.	Rank	State	Avg.
1	Kentucky	$108,409	17	Minnesota	$26,122
2	Arkansas	$75,796	18	Ohio	$25,448
3	New York	$72,169	19	Illinois	$23,960
4	Virginia	$63,644	20	West Virginia	$19,993
5	California	$56,631	21	Arizona	$16,347
6	New Jersey	$52,558	22	Washington	$16,118
7	Maryland	$45,016	23	Colorado	$9,800
8	Florida	$40,242	24	Wyoming	$8,656
9	New Mexico	$33,931	25	Nebraska	$7,698
10	Indiana	$33,004	26	Oregon	$7,243
11	Louisiana	$31,348	27	Nevada	$6,917
12	Iowa	$30,424	28	North Dakota	$6,045
13	Pennsylvania	$29,214	29	Montana	$5,449
14	Texas	$29,160	30	Idaho	$5,062
15	Delaware	$28,400	**Average***		**$38,139**
16	Oklahoma	$27,549	**Median**		**$28,400**

Source: Daily Racing Form. Note: Monetary figures include breed supplements. *Average for the United States as reported by Equibase

When analyzing the impact of the casino relocation on purses, Spectrum focused on the worst-case scenario, which is if 100% of the reduction in AGR by the new site is assigned to the two racinos. Whereas in Figure 24 and Figure 27 we examined the "what if" scenarios for 100%, 80% and 60% of the reduction to AGR to the racinos, here we present so the greatest potential impact (i.e., 100% of the potential reduction to AGR is realized only by the two racinos).

Figure 31: Impact on Thoroughbred purses of two proxy sites

	2023	Northeast	Downtown Indianapolis
National Rank	10	10	19
Purse per Race	$33,004	$32,509	$25,312
US Average per Race	$38,132	$38,132	$38,132
US Median per Race	$28,400	$28,400	$28,400
Above/Below Average	**-$5,128**	**-$5,623**	**-$12,820**
Above/Below Median	**$4,604**	**$4,109**	**-$3,088**

Source: Indiana Horse Racing Commission Annual Report, Iowa Gaming and Racing Commission Study on the State of the Horse Racing Industry, Equibase

Figure 30 above shows the impact on Thoroughbred race purses in Indiana as a result of locating a casino at either the Northeast Proxy site or the Downtown Indianapolis Proxy site. A move to the Northeast Proxy site would lower the average purse per race slightly, but Indiana would maintain the 10th spot in comparison to other states (based on 2023 numbers). The average Thoroughbred purse per race declines slightly compared to the national average and remains above the median. The impact is nominal and can be mitigated by developing further the existing markets in which Horseshoe Indianapolis and Harrah's Hoosier Park operate. But if the new location is to the Downtown Indianapolis Proxy, the impact on purses is significant. The average Thoroughbred purse per race in Indiana is projected to fall to 19th nationally, with an average of $25,312 per race. This is $7,692 lower than the 2023 average at Horseshoe Indianapolis, $12,820 below the United States average, and $3,088 below the median. It should be noted that the states currently ranked 19th and below are struggling to attract horses to race at their racetracks, and subsequently the breeding industry in those jurisdictions is struggling as well.

2. Standardbred

As we did above with Thoroughbreds, Figure 31 below compares the impact on Standardbred purses.

Figure 32: Impact on Standardbred purses of two proxy sites

State	2023	Northeast	Downtown Indianapolis
Indiana	**$17,606**	**$17,124**	**$13,309**
Illinois	$13,079	$13,079	$13,079
Iowa	$5,033	$5,033	$5,033
Minnesota	$9,903	$9,903	$9,903
Ohio	$13,417	$13,417	$13,417

Source: Indiana Horse Racing Commission Annual Report, Iowa Gaming and Racing Commission Study on the State of the Horse Racing Industry, Ohio State Racing Commission Annual Report

Compared to the other harness racing states in the surrounding area, Indiana benchmarks well for Standardbred purses on an average-per-race comparison. Like the effect on Thoroughbred purses, the Northeast Proxy location would have minimal impact, and Indiana would remain competitive for attracting horses to Hoosier Park (Standardbred racino) to race. Again, the impact of the Downtown Indianapolis Proxy reduces the purse funding enough that Indiana would fall slightly below Ohio on average and be also closer to Illinois. Note that Ohio has more live race days and overall races annually, so the earning potential if purses are equal on average per race would give the edge in earning power to Ohio over Indiana in this scenario. Indiana is highly competitive in the offering of Standardbred racing and purses but would become much less competitive under the Downtown Indianapolis Proxy scenario.

3. Quarter Horse

To examine the impact on Quarter Horse purses, Figure 32 shows the average earnings per start in various Quarter Horse jurisdictions. To qualify this data, Indiana ran 215 Quarter Horse races in 2023, which is close to the 220 run in Iowa but far below the 800 to 1,200 run in the other jurisdictions. However, on an earnings-per-start basis, Indiana Quarter Horses do well.

Figure 33: Impact on Quarter Horse purses of two proxy sites

State	Earnings per Start 2023	Northeast Proxy	Downtown Indianapolis Proxy
Indiana	**$3,095**	**$3,007**	**$2,339**
Iowa	$2,878	$2,878	$2,878
Louisiana	$2,211	$2,211	$2,211
New Mexico	$4,545	$4,545	$4,545
Oklahoma	$2,582	$2,582	$2,582
Texas	$2,595	$2,595	$2,595

Source: FY 2025 Analysis and Study of the New Mexico Horseracing Industry[17] Daily Racing Form Charts, Statistics by Race Breed

Again, the Northeast Proxy site would have minimal impact on purses and would keep Indiana competitive, especially considering the lesser opportunities to race versus other common Quarter Horse racing states. The Downtown Indianapolis Proxy impact reduces the earning power of Quarter Horses significantly and makes Indiana less competitive to attract Quarter Horses to race or to breed Quarter Horses in Indiana.

4. Other Performance Indicators – Breeding and Economic Impact

Besides the impact on purses and the attractiveness of racing in Indiana versus other states, there will be an impact on the breeding industry within the state. Spectrum believes the reduction in the amount available for allocation to breeding incentives would follow a similar pattern as purses. There would be a much greater negative impact on funds with a casino at the Downtown Indianapolis Proxy site is chosen; there would be a minimal impact at the Northeast Indiana Proxy site.

Purses, awards for breeders, owners and stallions, and other promotional funds provide incentives for people to buy Indiana-bred horses. The demand for Indiana-bred horses provides incentives for people to breed race horses in Indiana. Furthermore, the production of Indiana-bred horses provides the racing stock to race at the two racinos. Given the multiplier effect on dollars spent from purse earnings and on breeding operations, the decreases would have a negative impact on the previously mentioned $2 billion economic impact of the industry.

Collectively among the three breeds, Indiana produced 3,043 foals[18] in 2023. Standardbreds make up approximately 80% of that total, but the 2023 Indiana Thoroughbred foal crop ranks eighth nationally,[19] an enviable position. Reductions in purses, breeders awards, and incentives would negatively impact these metrics.

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[17] Racing Gaming & Entertainment LLC, "FY25 Analysis and Study of the New Mexico Horseracing Industry," June 23, 2025. https://www.nmrc.state.nm.us/wp-content/uploads/2025/06/NMRC-Study-Final-6-24-2025-RGE.pdf

[18] Indiana Horse Racing Commission, "2023 Annual Report." https://www.in.gov/hrc/files/2023_IHRC_Annual_Report.pdf

[19] The Jockey Club, "Distribution of Registered US Foal Crop By State. https://www.jockeyclub.com/default.asp?section=FB&area=4 (accessed September 2, 2025)

For both the Thoroughbred and Standardbred purse structures, the impact of the Downtown Indianapolis Proxy would lower both to an average purse per race comparable to the average in Illinois – which ranks 19th for average purse per Thoroughbred race and 20th in 2023 foal crop.[20]

While Illinois' average Standardbred purses are in line with the other midwestern Standardbred jurisdictions, the 2023 Standardbred foal crop in Illinois was 401.[21] Illinois once was a stalwart in Standardbred (and Thoroughbred) racing and breeding, but that has declined over the past decade. There are other forces at play in Illinois impacting breeding besides purses, but the point as it applies to Indiana is that any loss of revenue to the horse racing industry would lead to downward pressure and a projected reduction in foal crops. This in turn would lead to a reduction in economic impact, eroding the $2 billion impact of horse racing in Indiana.

[20] Ibid.

[21] Source: Illinois Department of Agriculture

About This Report

This report was prepared by Spectrum Gaming Group, a non-partisan consultancy founded in 1993 that specializes in the economics, regulation and policy of legalized gambling worldwide. Our principals have backgrounds in operations, economic analysis, law enforcement, regulation, research and journalism.

Spectrum holds no beneficial interest in any casino operating companies or gaming equipment manufacturers or suppliers. We employ only senior-level executives and associates who have earned reputations for honesty, integrity and the highest standards of professional conduct. Our work is never influenced by the interests of past or potential clients.

Each Spectrum project is customized to our client's specific requirements and developed from the ground up. Our findings, conclusions and recommendations are based solely on our research, analysis and experience. Our mandate is not to tell clients what they want to hear; we tell them what they need to know. We will not accept, and have never accepted, engagements that seek a preferred result.

Our clients in 44 US states and territories, and in 48 countries on 6 continents, have included government entities of all types and gaming companies (national and international) of all sizes, both public and private. In addition, our principals have testified or presented before the following governmental bodies:

- Brazil Chamber of Deputies
- British Columbia Lottery Corporation
- California Assembly Governmental Organization Committee
- Connecticut Public Safety and Security Committee
- Florida House Select Committee on Gaming
- Florida Senate Gaming Committee
- Georgia House Study Committee on the Preservation of the HOPE Scholarship Program
- Georgia Joint Committee on Economic Development and Tourism
- Illinois Gaming Board
- Illinois House Executive Committee
- Indiana Gaming Study Commission
- Indiana Horse Racing Commission
- International Tribunal, The Hague
- Iowa Racing and Gaming Commission
- Louisiana House and Senate Joint Criminal Justice Committee
- Massachusetts Gaming Commission
- Massachusetts Joint Committee on Bonding, Capital Expenditures, and State Assets
- Michigan Senate Regulatory Reform Committee
- National Gambling Impact Study Commission
- New Hampshire Gaming Study Commission
- New Jersey Assembly Regulatory Oversight and Gaming Committee
- New Jersey Assembly Tourism and Gaming Committee
- New Jersey Senate Legislative Oversight Committee
- New Jersey Senate Wagering, Tourism & Historic Preservation Committee
- New York Senate Racing, Gaming and Wagering Committee
- New York State Economic Development Council

- North Dakota Taxation Committee
- Ohio House Economic Development Committee
- Ohio Senate Oversight Committee
- Pennsylvania Gaming Control Board
- Pennsylvania House Gaming Oversight Committee
- Puerto Rico Racing Board
- US House Congressional Gaming Caucus
- US Senate Indian Affairs Committee
- US Senate Permanent Subcommittee on Investigations
- US Senate Select Committee on Indian Gaming
- US Senate Subcommittee on Organized Crime
- Washington State Gambling Commission
- West Virginia Joint Standing Committee on Finance
- World Bank, Washington, DC

Disclaimer

Spectrum has made every reasonable effort to ensure that the data and information contained in this study reflect the most accurate and timely information possible. The data are believed to be generally reliable. This study is based on estimates, assumptions, and other information developed by Spectrum from its independent research effort, general knowledge of the gaming industry, and consultations with the Client and its representatives. Spectrum shall not be responsible for any inaccuracies in reporting by the Client or its agents and representatives, or any other data source used in preparing or presenting this study. The data presented in this study were collected through the cover date of this report. Spectrum has not undertaken any effort to update this information since this time. Some significant factors that are unquantifiable and unpredictable – including, but not limited to, economic, governmental, managerial and regulatory changes; and acts of nature – are qualitative by nature and cannot be readily used in any quantitative projections.