



Indiana Statewide Gaming Market Assessment and Economic Impact Analysis

Prepared for:

Casino Association of Indiana

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Indiana Gaming Market Assessment

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EXECUTIVE SUMMARY

Introduction

The Casino Association of Indiana (“CAI”) has retained the Innovation Group to assess the impact on the Indiana gaming market from potential expansion in Indiana and Illinois. The Indiana expansion would consist of a new casino in Terre Haute and relocating the Majestic Star operation in Gary to a land-based casino in Northwest Indiana. Five alternative locations in Northwest Indiana are assessed for the relocation of Majestic Star. It is assumed the Terre Haute casino would be a land-based casino.

The Illinois expansion would add new casino licenses throughout the state. In the Chicago area, recent proposals have included a major land-based casino in Chicago with 4,000 gaming positions, slot-only casinos at the Hawthorne and Arlington racetracks, and new riverboat casino licenses (slots and tables) in the Southland area and the Waukegan area. Additionally, Danville, on the Indiana border, would receive a riverboat casino license, impacting central Indiana.

The report provides gaming revenue forecasts and economic impact estimates for Indiana for two scenarios. The first scenario assumes Illinois proceeds with expansion. The report first assesses the potential impact of Illinois expansion on Indiana casinos. Next, it assesses the net gain to Indiana from the proposed Terre Haute casino and Majestic Star relocation, as measured against the Illinois Impact scenario.

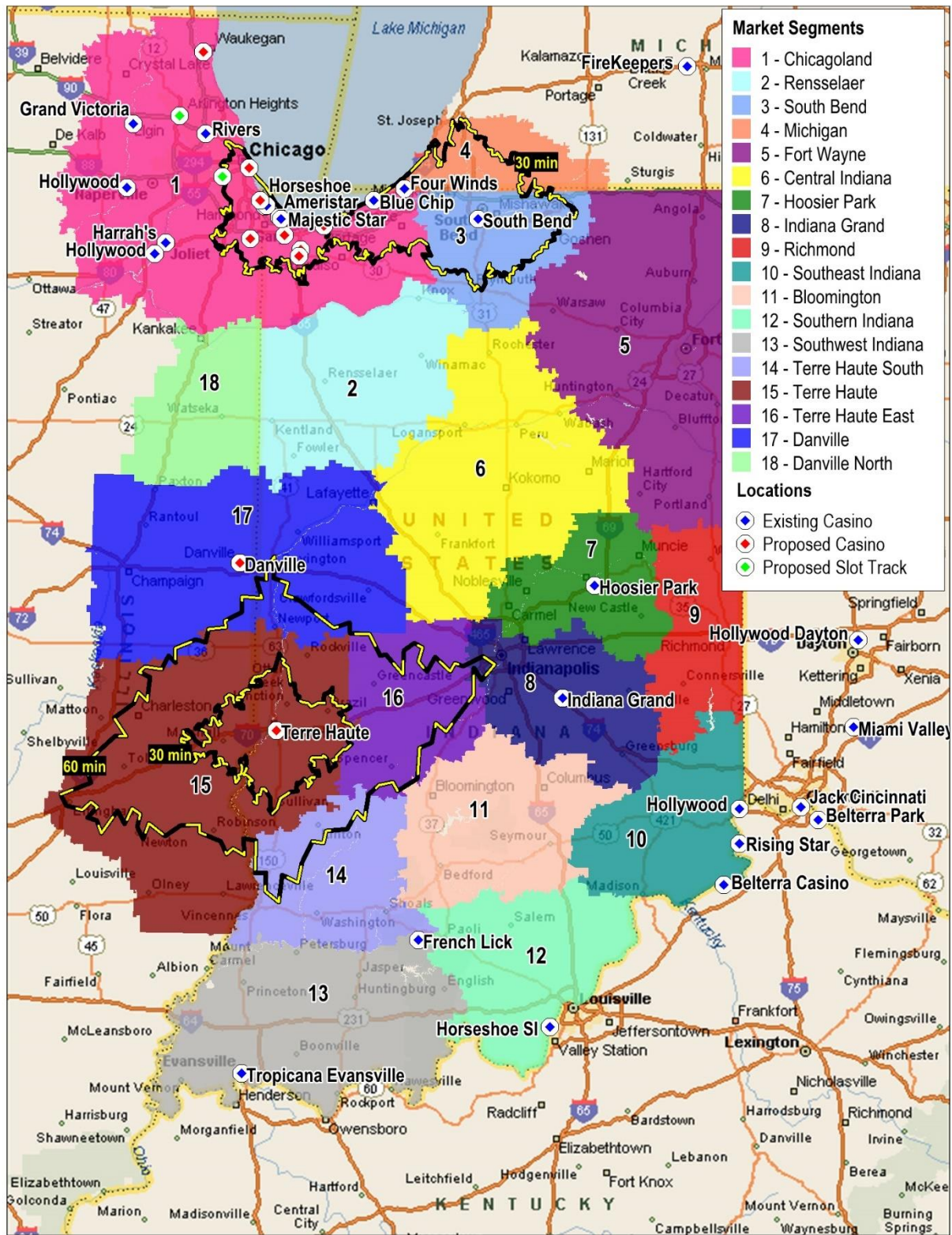
The second scenario assumes that Illinois does not expand. It assesses the net gain to Indiana from the proposed Terre Haute casino and Majestic Star relocation as measured against a status quo scenario.

Gravity Model Methodology and Market Area Definition

The gravity model is an analytical tool that defines the behavior of a population based on travel distance and the availability of goods or services at various locations. The general form of the equation is that attraction is directly related to a measure of availability such as square feet and inversely related to the square of the travel distance. Thus the gravity model quantifies the effect of distance on the behavior of a potential patron, and considers the impact of competing venues.

The gravity model included the identification of discrete market areas based on drive times and other geographic features and the competitive environment. The Indiana market has been carved into 18 distinct market areas, from which different participation rates may be expected depending on the level and location of competition that is present in the market currently and in the future. In defining the gaming market, the following factors were considered: interstate highways, bridge locations, and the spatial relationship between the casino’s location and other casinos within the greater regional market. These regions were defined in terms of distance from the casino and the level of competition for casino visits in these markets. The following map and table show the market areas and their respective adult population (21 and over) and average household income.

Indiana Market Area Map



Indiana Market Area Demographics

	2018 Adult Population	2023 Adult Population	C.A.G.R. 2018-2023	2018 Avg. HH Income	2023 Avg. HH Income	C.A.G.R. 2018-2023
Chicagoland	6,785,673	6,804,116	0.3%	\$98,190	\$109,777	2.3%
Rensselaer	84,505	84,686	0.2%	\$65,316	\$68,249	0.9%
South Bend	372,812	374,552	0.5%	\$69,877	\$78,116	2.3%
Michigan	125,879	125,906	0.0%	\$77,414	\$87,955	2.6%
Fort Wayne	560,338	563,554	0.6%	\$70,848	\$77,538	1.8%
Central Indiana	336,666	337,972	0.4%	\$71,281	\$77,588	1.7%
Hoosier Park	550,489	555,637	0.9%	\$96,032	\$106,120	2.0%
Indiana Grand	772,144	777,041	0.6%	\$65,326	\$70,278	1.5%
Richmond	101,651	101,585	-0.1%	\$61,416	\$67,683	2.0%
Southeast Indiana	117,198	117,620	0.4%	\$69,235	\$73,558	1.2%
Bloomington	249,842	251,673	0.7%	\$69,990	\$76,821	1.9%
Southern Indiana	231,106	232,544	0.6%	\$71,848	\$80,086	2.2%
Southwest Indiana	300,408	301,417	0.3%	\$69,184	\$73,038	1.1%
Terre Haute South	82,250	82,350	0.1%	\$62,007	\$65,121	1.0%
Terre Haute	269,409	269,404	0.0%	\$60,819	\$62,303	0.5%
Terre Haute East	210,532	212,657	1.0%	\$83,859	\$91,634	1.8%
Danville	373,495	375,295	0.5%	\$71,490	\$79,350	2.1%
Danville North	57,283	56,092	-0.4%	\$62,948	\$64,943	0.6%
Average/Total	11,581,680	11,801,410	0.4%	\$87,490	\$96,923	2.1%

Source: iXPRESS, Nielsen Claritas, Inc.; MapInfo: The Innovation Group; CAGR=Compound Annual Growth Rate

Each of these market areas is assigned a unique set of participation rates reflecting propensity and frequency factors. Using our GIS software and CLARITAS database, the gaming-age population (21 and over), latitude and longitude, drive-time, and average household income is collected for each zip code.

Gamer visits are then generated from zip codes within each of the areas based on these factors. The gamer visits thus generated are then distributed among the competitors based upon the size of each facility, its attractiveness and the relative travel time from the zip code in question. The gravity model then calculates the probabilistic distribution of gamer visits from each market area to each of the gaming locations in the market.

The Indiana gaming market consists of 13 existing commercial casinos, including two slot-machine-only casinos in the Indianapolis area, and a tribal casino in South Bend operated by the Pokagon Band of Potawatomi. Indiana's casinos compete primarily with commercial casinos in Illinois and Ohio, as well as tribal casinos in Michigan. Additionally, some racetracks in Kentucky offer historical horse racing machines.

Impact of Illinois Expansion

Gaming Revenue Impacts

First, we present the results of the impact of Illinois expansion on Indiana in a future status quo condition (no Indiana expansion). For the purpose of analysis, we have assumed an impact year of 2022.

The following new licenses and number of allowable Illinois gaming positions are assumed in the modeling:

- Southeast Chicago: land-based casino with 4,000 gaming positions.
- Hawthorne and Arlington racetracks: slot-only casinos 1,200 gaming positions.
- Suburban Chicago: two new riverboat licenses limited to 1,200 gaming positions (slots and tables), one in the Southland area and one in the Waukegan area.
- Danville: riverboat casino license limited to 1,200 gaming positions (slots and tables), impacting central and southern Indiana.

The following table shows total GGR for the individual commercial Indiana facilities for 2022 assuming Illinois expansion. These Illinois Impact GGR projections later in the analysis serve as the base against which the Indiana expansion is measured.

Forecast 2022 by Indiana Casino: Impact of Illinois Expansion (MMs)

	Tropicana Evansville	French Lick	Horseshoe SI	Horseshoe Hammond	Ameristar E. Chicago	Majestic Star	Blue Chip	Hoosier Park	Indiana Grand	Hollywood L.burg	Rising Star	Belterra Casino	Total
Chicagoland	\$0.0	\$0.0	\$0.0	\$215.3	\$133.0	\$89.3	\$78.9	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$516.5
Rensselaer	\$0.0	\$0.0	\$0.0	\$1.6	\$1.5	\$1.1	\$2.5	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$6.7
South Bend	\$0.0	\$0.0	\$0.0	\$3.4	\$3.1	\$2.4	\$11.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$19.9
Michigan	\$0.0	\$0.0	\$0.0	\$1.0	\$0.9	\$0.7	\$3.8	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$6.4
Fort Wayne	\$0.0	\$0.0	\$0.0	\$2.7	\$2.3	\$1.7	\$4.8	\$12.6	\$5.2	\$0.0	\$0.0	\$0.0	\$29.3
Central Indiana	\$0.0	\$0.9	\$0.0	\$2.9	\$2.5	\$1.9	\$4.5	\$18.3	\$10.1	\$0.0	\$0.0	\$0.0	\$41.1
Hoosier Park	\$0.0	\$2.0	\$0.6	\$2.8	\$2.3	\$1.8	\$3.6	\$133.8	\$57.7	\$1.0	\$0.1	\$0.1	\$205.8
Indiana Grand	\$0.0	\$7.3	\$5.2	\$3.7	\$3.1	\$2.3	\$4.7	\$38.7	\$153.1	\$8.3	\$4.5	\$4.2	\$235.2
Richmond	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$4.2	\$2.7	\$2.8	\$1.2	\$0.9	\$11.9
Southeast Indiana	\$0.0	\$0.1	\$0.2	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.3	\$13.0	\$5.3	\$4.9	\$23.6
Bloomington	\$0.3	\$14.7	\$9.5	\$0.0	\$0.0	\$0.0	\$0.0	\$0.1	\$2.1	\$8.1	\$5.0	\$5.8	\$45.5
Southern Indiana	\$2.2	\$9.6	\$50.5	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.4	\$0.3	\$5.9	\$69.0
Southwest Indiana	\$74.4	\$12.8	\$6.8	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$94.0
Terre Haute South	\$4.2	\$9.0	\$2.4	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$15.7
Terre Haute	\$7.0	\$7.2	\$1.2	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.5	\$0.0	\$0.0	\$0.0	\$16.1
Terre Haute East	\$2.6	\$6.2	\$5.1	\$0.0	\$0.0	\$0.0	\$0.0	\$1.4	\$28.6	\$0.1	\$0.0	\$0.0	\$44.1
Danville	\$0.0	\$2.7	\$0.0	\$0.2	\$0.1	\$0.1	\$0.2	\$0.1	\$4.8	\$0.0	\$0.0	\$0.0	\$8.3
Danville North	\$0.0	\$0.0	\$0.0	\$1.6	\$1.3	\$1.0	\$0.9	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$4.7
Subtotal Gravity	\$90.8	\$72.7	\$81.6	\$235.0	\$150.0	\$102.4	\$115.1	\$209.2	\$265.1	\$33.6	\$16.4	\$21.7	\$1,393.7
Out-of-Market	\$62.8	\$19.0	\$157.5	\$9.4	\$7.1	\$6.4	\$6.1	\$7.4	\$9.7	\$140.5	\$34.6	\$91.0	\$551.5
Total	\$153.6	\$91.7	\$239.2	\$244.4	\$157.1	\$108.8	\$121.2	\$216.6	\$274.9	\$174.1	\$51.0	\$112.7	\$1,945.2

Source: The Innovation Group

The following table shows the percentage impact of Illinois on commercial Indiana facilities relative to a Status Quo Future (2022) Baseline.

Percentage Impact of Illinois Expansion (Relative to Baseline 2022)

	Tropicana Evansville	French Lick	Horseshoe SI	Horseshoe Hammond	Ameristar E. Chicago	Majestic Star	Blue Chip	Hoosier Park	Indiana Grand	Hollywood L.burg	Rising Star	Belterra Casino	Total
Chicagoland				-42.0%	-35.6%	-31.9%	-27.3%						-36.8%
Rensselaer				-24.6%	-24.6%	-24.6%	-22.0%						-23.6%
South Bend				-0.9%	-0.9%	-0.9%	-0.9%						-0.9%
Michigan				-0.9%	-0.9%	-0.9%	-0.8%						-0.9%
Fort Wayne				-1.0%	-1.0%	-1.0%	-1.1%	-0.9%	-1.0%	-1.0%	-1.0%		-1.0%
Central Indiana		-7.6%		-7.6%	-7.6%	-7.6%	-7.3%	-5.7%	-7.3%				-6.6%
Hoosier Park		-2.2%	-2.2%	-2.2%	-2.2%	-2.2%	-2.2%	-1.4%	-2.1%	-2.0%	-2.0%	-2.1%	-1.7%
Indiana Grand		-2.6%	-2.5%	-2.8%	-2.8%	-2.8%	-2.8%	-2.5%	-2.0%	-2.3%	-2.4%	-2.4%	-2.2%
Richmond		0.0%	0.0%					0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Southeast Indiana		0.0%	0.0%					0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Bloomington	0.0%	0.0%	0.0%					0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Southern Indiana	0.0%	0.0%	0.0%						0.0%	0.0%	0.0%	0.0%	0.0%
Southwest Indiana	0.0%	0.0%	0.0%										0.0%
Terre Haute South	-1.0%	-0.9%	-1.1%										-0.9%
Terre Haute	-14.6%	-16.8%	-21.7%						-24.3%				-16.5%
Terre Haute East	-11.0%	-10.5%	-10.5%					-10.9%	-10.4%	-10.6%	-10.7%	-10.6%	-10.5%
Danville		-52.5%		-94.7%	-94.3%	-94.2%	-92.5%	-50.5%	-51.0%				-68.7%
Danville North				-11.6%	-11.5%	-11.5%	-13.2%						-11.8%
Subtotal Gravity	-1.7%	-7.2%	-1.3%	-40.6%	-33.9%	-30.3%	-22.7%	-2.1%	-4.9%	-0.7%	-0.7%	-0.5%	-19.7%
Out-of-Market	-0.5%	-0.5%	-0.5%	-10.0%	-10.0%	-10.0%	-5.0%	-0.5%	-0.5%	0.0%	0.0%	0.0%	-0.7%
Total	-1.2%	-5.9%	-0.8%	-39.8%	-33.1%	-29.4%	-22.0%	-2.0%	-4.8%	-0.1%	-0.2%	-0.1%	-15.1%

Source: The Innovation Group

Employment Impacts

Illinois expansion would be expected to have an impact on Indiana casino employment. Based on current employment figures from the Indiana Gaming Commission, our analysis estimates a loss of more than 1,200 casino jobs statewide, as shown in the following table. The Ohio River casinos are not expected to be sufficiently impacted to cause employment reductions.

Indiana Casino Employment: Impact of Illinois Expansion				
	Employees 2018	GGR Impact	Jobs Impact	Job Losses
Ameristar	1,261	-33.1%	-23.2%	-293
Belterra Casino	920			0
Blue Chip	992	-22.0%	-15.4%	-153
French Lick	1,651	-5.9%	-1.4%	-24
Hollywood Lawrenceburg	918			0
Hoosier Park	795	-2.0%	-1.4%	-11
Horseshoe (North)	1,846	-39.8%	-27.8%	-514
Horseshoe (South)	1,323			0
Indiana Grand	978	-4.8%	-3.4%	-33
Majestic Star (1 & 2)	964	-29.4%	-20.6%	-198
Rising Star	568			0
Tropicana Evansville	801			0
Total	13,017		-9.4%	-1,225

Source: Indiana Gaming Commission; The Innovation Group

Impact of Indiana Expansion

The Indiana expansion is projected to result in a net gain to the state, as market growth would exceed negative impacts on existing casinos. The results are presented by region: Central and Southern Indiana (impact of Terre Haute) and Northwest Indiana (impact of Majestic Star land-based relocation).

For Indiana, the following changes have been modeled:

- Terre Haute: new land-based casino with slots and tables.
- In Northwest Indiana, replacing the existing Majestic Star riverboat operation at Buffington Harbor with a land-based casino in one of the following alternative locations Gary (Borman Expressway), Hammond, Hobart, Merrillville, and Portage.

Terre Haute Forecast

The following table shows the Terre Haute forecast for 2022 assuming expansion in Illinois, notably a casino in Danville. The casino would be expected to capture gaming visits from 11 of

the defined gravity model market areas in the statewide model. In addition, its location along I-70 would give it strong potential for capturing out-of-market revenue.

Terre Haute Forecast: Scenario 1

	Total Market Gamer Visits	Terre Haute Capture	Terre Haute Gaming Visits	WPV	GGR (MMs)
Central Indiana	604,600	0.7%	4,251	\$100	\$0.4
Hoosier Park	2,143,512	0.5%	10,486	\$99	\$1.0
Indiana Grand	2,875,989	4.2%	121,552	\$84	\$10.2
Bloomington	456,591	9.5%	43,174	\$100	\$4.3
Southern Indiana	793,888	0.2%	1,301	\$87	\$0.1
Southwest Indiana	1,143,396	0.3%	2,903	\$82	\$0.2
Terre Haute South	174,942	29.7%	51,957	\$90	\$4.7
Terre Haute	780,120	79.8%	622,212	\$75	\$46.9
Terre Haute East	467,918	31.2%	145,816	\$105	\$15.3
Danville	948,057	12.4%	117,749	\$96	\$11.3
Danville North	78,776	1.5%	1,175	\$98	\$0.1
Subtotal Gravity	10,467,789	10.7%	1,122,576	\$84	\$94.7
Out-of-Market			128,130	\$89	\$11.4
Total			1,250,706	\$85	\$106.0

Source: The Innovation Group

The following table shows the Terre Haute forecast for 2022 assuming Illinois does not expand.

Terre Haute Forecast: Scenario 2

	Total Market Gamer Visits	Terre Haute Capture	Terre Haute Gaming Visits	WPV	GGR (MMs)
Central Indiana	604,600	0.8%	4,611	\$100	\$0.5
Hoosier Park	2,143,512	0.5%	10,723	\$99	\$1.1
Indiana Grand	2,875,989	4.3%	124,736	\$84	\$10.4
Bloomington	456,591	9.5%	43,174	\$100	\$4.3
Southern Indiana	793,888	0.2%	1,301	\$87	\$0.1
Southwest Indiana	1,143,396	0.3%	2,903	\$82	\$0.2
Terre Haute South	174,942	29.9%	52,308	\$90	\$4.7
Terre Haute	780,120	87.4%	682,010	\$76	\$52.1
Terre Haute East	467,918	33.4%	156,489	\$105	\$16.5
Danville	403,136	77.6%	312,841	\$107	\$33.6
Danville North	78,776	1.8%	1,442	\$98	\$0.1
Subtotal Gravity	9,922,868	14.0%	1,392,538	\$89	\$123.6
Out-of-Market			132,291	\$93	\$12.4
Total			1,524,829	\$89	\$136.0

Source: The Innovation Group

Impact on Central and Southern Indiana

The following table summarizes the total GGR forecast for Central and Southern Indiana, with net gain for the Indiana expansion scenario measured against the Illinois Impact baseline.

Total Central and Southern Indiana Market Summary (MMs): Scenario 1

	Terre Haute	Trop Evans.	French Lick	Horse-shoe SI	Hoosier Park	Indiana Grand	Holly-wood L-burg	Rising Star	Belterra Casino	Total
Current (2018)	\$0.0	\$152.1	\$94.5	\$236.1	\$212.0	\$275.5	\$171.7	\$50.2	\$111.1	\$1,303.4
Future Base (2022)	\$0.0	\$155.5	\$97.4	\$241.1	\$221.1	\$288.7	\$174.3	\$51.1	\$112.8	\$1,342.0
Illinois Impact	\$0.0	\$153.6	\$91.7	\$239.2	\$216.6	\$274.9	\$174.1	\$51.0	\$112.7	\$1,313.7
Indiana Expansion	\$106.0	\$147.5	\$80.1	\$233.6	\$212.2	\$256.5	\$172.9	\$50.3	\$111.9	\$1,371.1
<i>Net Gain</i>										\$57.4

The following table summarizes the total GGR forecast for Central and Southern Indiana, with net gain for the Indiana expansion scenario measured against the Future Base (status quo scenario):

Total Central and Southern Indiana Market Summary (MMs): Scenario 2

	Terre Haute	Trop Evans.	French Lick	Horse-shoe SI	Hoosier Park	Indiana Grand	Holly-wood L-burg	Rising Star	Belterra Casino	Total
Current (2018)	\$0.0	\$152.1	\$94.5	\$236.1	\$212.0	\$275.5	\$171.7	\$50.2	\$111.1	\$1,303.4
Future Base (2022)	\$0.0	\$155.5	\$97.4	\$241.1	\$221.1	\$288.7	\$174.3	\$51.1	\$112.8	\$1,342.0
Indiana Expansion	\$136.0	\$148.8	\$82.2	\$234.8	\$216.3	\$264.3	\$173.1	\$50.4	\$112.0	\$1,417.9
<i>Net Gain</i>										\$75.9

Northwest Indiana Summary

Five alternative locations are assessed for the Majestic Star land-based development. The following table summarizes the total GGR forecast for Northwest Indiana in Scenario 1, with net gain for the alternative scenarios measured against the Illinois Impact baseline:

Total Northwest Indiana Market Summary (MMs): Scenario 1

	Horseshoe	Ameristar	Majestic Star	Blue Chip	Total NW Indiana	<i>Net Gain</i>
Current Base (2018)	\$398.4	\$229.9	\$150.8	\$151.5	\$930.6	
Future Base (2022)	\$405.9	\$235.0	\$154.1	\$155.3	\$950.3	
Illinois Impact	\$244.4	\$157.1	\$108.8	\$121.2	\$631.5	
Gary	\$228.4	\$135.5	\$215.5	\$117.3	\$696.7	\$65.2
Hammond	\$223.8	\$145.0	\$218.1	\$122.3	\$709.2	\$77.7
Hobart	\$236.2	\$143.2	\$168.8	\$116.7	\$664.9	\$33.4
Merrillville	\$237.3	\$144.4	\$160.8	\$117.0	\$659.6	\$28.1
Portage	\$239.8	\$147.6	\$145.9	\$115.7	\$649.0	\$17.6

Without expansion in Illinois, gaming revenue in Northwest Indiana would be much higher, although the net gain resulting from relocation of the Majestic Star operation would be lower. The following table summarizes the total GGR forecast for Northwest Indiana, with net gain for the alternative scenarios measured against the Future Base (status quo scenario):

Total Northwest Indiana Market Summary (MMs): Scenario 2

	Horseshoe	Ameristar	Majestic Star	Blue Chip	Total NW Indiana	<i>Net Gain</i>
Current Base (2018)	\$398.4	\$229.9	\$150.8	\$151.5	\$930.6	
Future Base (2022)	\$405.9	\$235.0	\$154.1	\$155.3	\$950.3	
Gary	\$362.9	\$189.0	\$287.0	\$145.6	\$984.5	\$34.2
Hammond	\$333.0	\$201.5	\$308.5	\$152.2	\$995.3	\$45.0
Hobart	\$387.5	\$208.7	\$222.4	\$147.6	\$966.2	\$15.9
Merrillville	\$390.5	\$210.8	\$210.1	\$148.0	\$959.3	\$9.1
Portage	\$395.2	\$217.0	\$195.0	\$147.8	\$955.0	\$4.8

Total Indiana Summary

The following table summarizes the total GGR forecasts for Indiana statewide. Net gain for Scenario 1 is measured against the Illinois Impact baseline, and for Scenario 2 against the Future Base:

Total Indiana Market Summary (MMs)				
	Scenario 1	Net Gain	Scenario 2	Net Gain
Current Base (2018)	\$2,234.0		\$2,234.0	
Future Base (2022)	\$2,292.2		\$2,292.2	
Illinois Impact	\$1,945.2		NA	
Gary and Terre Haute	\$2,067.8	\$122.6	\$2,402.4	\$110.1
Hammond and Terre Haute	\$2,080.3	\$135.1	\$2,413.1	\$120.9
Hobart and Terre Haute	\$2,036.0	\$90.8	\$2,384.1	\$91.8
Merrillville and Terre Haute	\$2,030.6	\$85.4	\$2,377.2	\$85.0
Portage and Terre Haute	\$2,020.1	\$74.9	\$2,372.9	\$80.7

Wagering Tax Implications

The following table shows the impact on state wagering tax receipts based on the current tax regime, including the graduated scale and allowance for promotional credits (free play), assuming Illinois expansion. Net gain for Scenario 1 (Illinois impact) is measured against the Illinois Impact scenario and for Scenario 2 (No Illinois expansion) against the Future Base.

Total Indiana Wagering Tax (MMs)				
	Total Indiana Scenario 1	Net Gain	Total Indiana Scenario 2	Net Gain
Base 2022	\$591.58			
Illinois Impact	\$474.41			
Gary and Terre Haute	\$513.91	\$39.5	\$626.73	\$35.2
Hammond and Terre Haute	\$517.55	\$43.1	\$630.18	\$38.6
Hobart and Terre Haute	\$502.42	\$28.0	\$620.24	\$28.7
Merrillville and Terre Haute	\$500.47	\$26.1	\$617.82	\$26.2
Portage and Terre Haute	\$497.26	\$22.8	\$616.33	\$24.7

Statewide Employment Analysis

The following section shows the net statewide employment impact, factoring in two new land-based casinos in Indiana as well as their impact on existing Indiana casinos. In Scenario 1, the net gain to Indiana casino industry employment is estimated to range from approximately 800 to 1,000 jobs, depending upon the new Majestic Star location. Without Illinois expansion, the net gain to Indiana casino industry employment is estimated to range from approximately 1,000 to 1,100 jobs, depending upon the new Majestic Star location. The Southeast Indiana casinos are not expected to be sufficiently impacted to cause employment reductions.

Statewide Employment Forecast: Impact of Indiana Expansion

	Base	Gary	Hammond	Hobart	Merrillville	Portage
Scenario 1						
Jobs at Existing Casinos*	11,792	10,724	10,771	10,784	10,795	10,812
Majestic Star Landbased	0	1,212	1,221	1,054	1,027	977
Terre Haute	0	793	793	793	793	793
Total Statewide	11,792	12,729	12,785	12,631	12,616	12,582
Statewide Net Change		937	994	840	824	791
% Change		7.9%	8.4%	7.1%	7.0%	6.7%
Scenario 2						
Jobs at Existing Casinos*	13,017	11,738	11,719	11,899	11,918	11,956
Majestic Star Landbased	0	1,453	1,518	1,257	1,219	1,174
Terre Haute	0	928	928	928	928	928
Total Statewide	13,017	14,118	14,165	14,083	14,065	14,057
Statewide Net Change		1,101	1,148	1,066	1,048	1,040
% Change		8.5%	8.8%	8.2%	8.0%	8.0%

Source: The Innovation Group. *Includes jobs at Majestic Star riverboats in Base only.

Economic Impact Analysis

In this section, the Innovation Group assesses the economic impacts resulting from the projected changes in business volume (as measured in gaming revenue) and employment at Indiana casinos. Economic impact analyses are commonly used tools to quantify the benefits that result from the opening or closure of a business or industry to an area. Direct inputs into the modeling consisted of the changes in gaming revenue and employment as assessed in the report.

Economic ripple effects were modeled through IMPLAN, a leading supplier of economic impact data and software used and relied upon by thousands of private developers and government agencies. Indirect effects reflect the economic spin-off that is made possible by the direct purchases of a casino. Induced impacts result from the spending of labor income by casino employees in the local economy.

Economic impacts are expressed in the following categories:

Employment is measured in IMPLAN and by the U.S. Census as headcount, in other words the number of full and part-time workers supported by an economic activity.

Labor Income is compensation to all workers both employees and owners in terms of wages and salaries as well as benefits and payroll taxes. Profits from self-employed businesses can also be included in this category as compensation to the owner. These are known as employment compensation and proprietor income in IMPLAN.

Value-Added measures the industry or event's contribution to Gross Domestic Product (GDP). It consists of labor income (as described above), taxes on production, and other property income (such as corporate profits, rent payments, and royalties).

Output is the total value of industry production; it consists of value-added plus intermediate expenditures. Output is frequently the total price paid by consumers for a good or service.

Impacts on Ongoing Operations

The following table summarizes the Scenario 1 total impacts (direct, indirect and induced combined). It is estimated that Illinois expansion would lead to a total reduction of over 2,000 jobs in Indiana, \$97 million in labor income, and \$287 million in value added. The impacts from Indiana expansion are measured against a baseline assuming Illinois expands and are on a net basis (that is, accounting for negative effects on existing casinos). Terre Haute has a lesser impact on existing Indiana casinos and therefore has a larger net benefit to the state.

Total Net Statewide Economic Impacts on Operations: Scenario 1

	Impact of Illinois Expansion	Impact of Terre Haute	Gary Alternative	Hammond Alternative	Hobart Alternative	Merrillville Alternative	Portage Alternative
Employment	-2,197	1,062	495	588	414	283	395
Labor Income	-\$96,072,669	\$47,391,626	\$22,109,310	\$26,168,169	\$18,764,890	\$12,727,358	\$15,753,801
Value Added	-\$285,496,579	\$89,513,396	\$58,760,514	\$69,679,114	\$34,338,208	\$28,965,825	\$18,231,240
Output	-\$468,054,082	\$124,212,276	\$91,466,596	\$108,424,929	\$41,511,719	\$41,390,562	\$44,270,957

Source: IMPLAN; The Innovation Group

The following table summarizes the Scenario 2 total impacts. They are measured against a future baseline assuming that Illinois does not expand.

Total Net Statewide Economic Impacts on Operations: Scenario 2

	Impact of Terre Haute	Gary Alternative	Hammond Alternative	Hobart Alternative	Merrillville Alternative	Portage Alternative
Employment	1,254	518	593	466	440	589
Labor Income	\$55,152,621	\$23,520,619	\$26,761,204	\$18,781,057	\$17,162,877	\$18,393,164
Value Added	\$108,697,910	\$44,454,169	\$53,558,394	\$35,524,750	\$32,399,237	\$28,132,324
Output	\$156,631,940	\$55,410,623	\$69,793,954	\$50,376,100	\$47,484,398	\$36,051,103

Source: IMPLAN; The Innovation Group

Impacts from Construction

The following table summarizes the economic impacts from construction of the land-based casinos. Gary, Hammond, Hobart, and Merrillville are all in Lake County. Portage is in Porter County.

Total Net Statewide Economic Impacts from Construction			
	Terre Haute (Vigo County)	Lake County Alternatives	Porter County Alternative
Employment	1,635	2,337	1,737
Labor Income	\$90,345,434	\$137,287,947	\$106,836,269
Value Added	\$126,771,497	\$191,956,141	\$146,963,158
Output	\$236,159,370	\$344,607,970	\$259,553,681

Source: IMPLAN; The Innovation Group

INTRODUCTION

The Casino Association of Indiana (“CAI”) has retained the Innovation Group to assess the impact on the Indiana gaming market from potential expansion in Indiana and Illinois. The Indiana expansion would consist of a new casino in Terre Haute and relocating the Majestic Star operation in Gary to a land-based casino in Northwest Indiana. Five alternative locations in Northwest Indiana are assessed for the relocation of Majestic Star. It is assumed the Terre Haute casino would be a land-based casino.

The Illinois expansion would add new casino licenses throughout the state. In the Chicago area, recent proposals have included a major land-based casino in Chicago with 4,000 gaming positions, slot-only casinos at the Hawthorne and Arlington racetracks, and new riverboat casino licenses (slots and tables) in the Southland area and the Waukegan area. Additionally, Danville, on the Indiana border, would receive a riverboat casino license, impacting central Indiana.

Two sets of forecasts for Indiana expansion are provided: Scenario 1 assumes Illinois expands as described above; Scenario 2 assumes that Illinois does not expand.

The market assessments incorporated the following metrics:

- Size and nature of the market participants;
- Impact of casino development outside of the immediate area;
- The quality of competing casinos;
- Longevity in the market and customer loyalty;
- The location of other casinos and the amenity packages offered at each; and
- The number and size of casinos in the market and their relative proximity to the population of the market area.

Assumptions

In evaluating prospective gaming revenues, the following assumptions were made:

- No major economic downturn will be experienced in the region during the timeframe of this report;
- The gaming environment in immediate region does not vary substantially from what is described in this report;
- The competitive environment for the non-gaming amenities will not change significantly with the exception of what is discussed in the competitive sections of this report.

Additional assumptions for the market assessments can be found throughout the report.

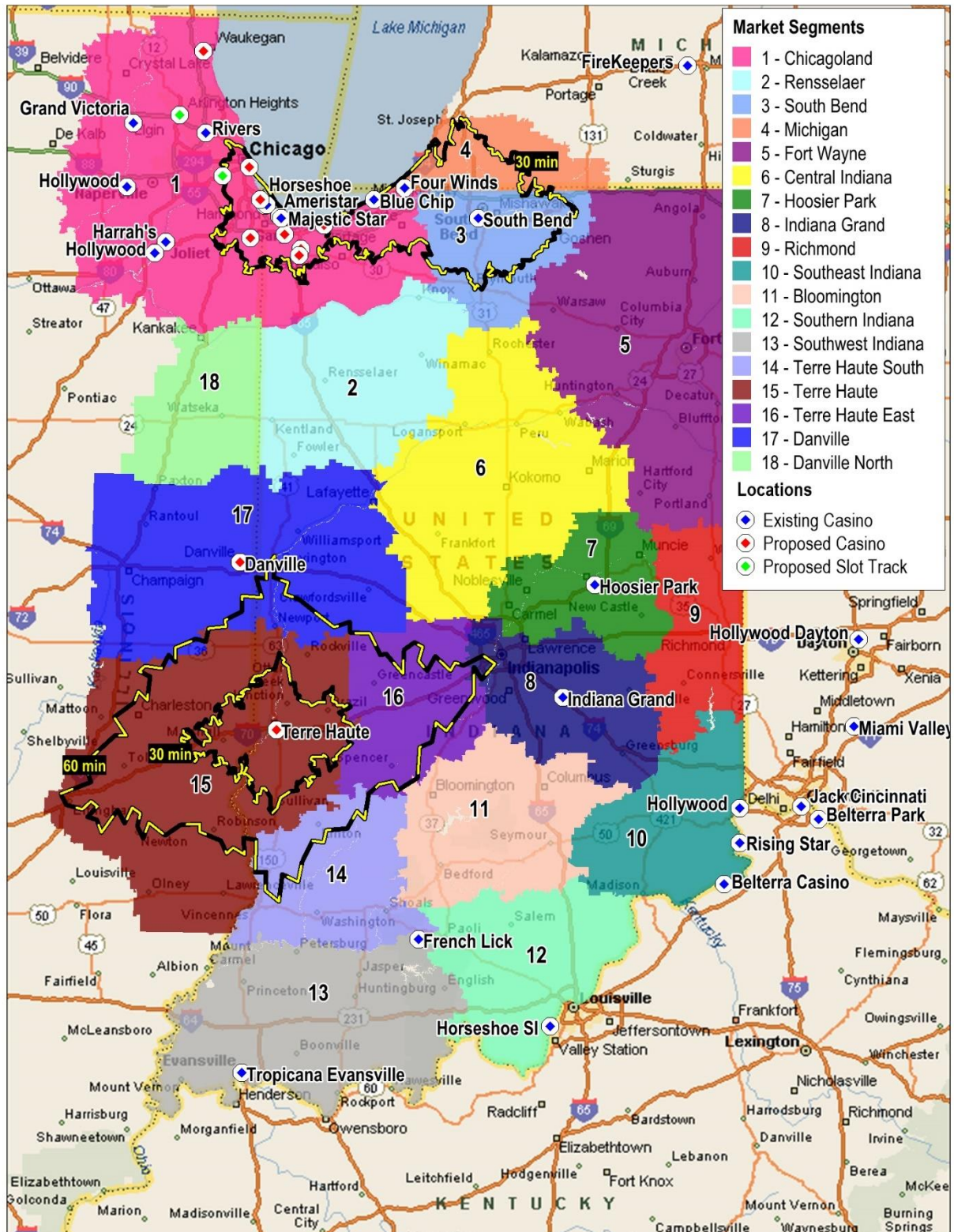
MARKET AREA DEMOGRAPHICS

The Indiana market has been carved into 18 distinct market areas, from which different participation rates may be expected depending on the level and location of competition that is present in the market currently and in the future. In defining the gaming market, the following factors were considered: interstate highways, bridge locations, and the spatial relationship between the casino's location and other casinos within the greater regional market. These regions were defined in terms of distance from the casino and the level of competition for casino visits in these markets. The following table and map show the market areas and their respective adult population (21 and over) and average household income.

Indiana Market Area Demographics						
	2018 Adult Population	2023 Adult Population	C.A.G.R. 2018-2023	2018 Avg. HH Income	2023 Avg. HH Income	C.A.G.R. 2018-2023
Chicagoland	6,785,673	6,804,116	0.3%	\$98,190	\$109,777	2.3%
Rensselaer	84,505	84,686	0.2%	\$65,316	\$68,249	0.9%
South Bend	372,812	374,552	0.5%	\$69,877	\$78,116	2.3%
Michigan	125,879	125,906	0.0%	\$77,414	\$87,955	2.6%
Fort Wayne	560,338	563,554	0.6%	\$70,848	\$77,538	1.8%
Central Indiana	336,666	337,972	0.4%	\$71,281	\$77,588	1.7%
Hoosier Park	550,489	555,637	0.9%	\$96,032	\$106,120	2.0%
Indiana Grand	772,144	777,041	0.6%	\$65,326	\$70,278	1.5%
Richmond	101,651	101,585	-0.1%	\$61,416	\$67,683	2.0%
Southeast Indiana	117,198	117,620	0.4%	\$69,235	\$73,558	1.2%
Bloomington	249,842	251,673	0.7%	\$69,990	\$76,821	1.9%
Southern Indiana	231,106	232,544	0.6%	\$71,848	\$80,086	2.2%
Southwest Indiana	300,408	301,417	0.3%	\$69,184	\$73,038	1.1%
Terre Haute South	82,250	82,350	0.1%	\$62,007	\$65,121	1.0%
Terre Haute	269,409	269,404	0.0%	\$60,819	\$62,303	0.5%
Terre Haute East	210,532	212,657	1.0%	\$83,859	\$91,634	1.8%
Danville	373,495	375,295	0.5%	\$71,490	\$79,350	2.1%
Danville North	57,283	56,092	-0.4%	\$62,948	\$64,943	0.6%
Average/Total	11,581,680	11,801,410	0.4%	\$87,490	\$96,923	2.1%

Source: iXPRESS, Nielsen Claritas, Inc.; MapInfo: The Innovation Group; CAGR=Compound Annual Growth Rate

Indiana Market Area Map



COMPETITIVE ENVIRONMENT

The Indiana gaming market consists of 13 existing commercial casinos, including two slot-machine-only casinos in the Indianapolis area, and a tribal casino in South Bend operated by the Pokagon Band of Potawatomi. Indiana's casinos compete primarily with commercial casinos in Illinois and Ohio, as well as tribal casinos in Michigan. Additionally, some racetracks in Kentucky offer historical horse racing machines.

Gaming revenue described in this section includes the value of free play credits for Indiana and Illinois. The following table presents the existing competitive casinos in the region:

Indiana Casino Competition and Market				
Location	Location	Gaming Machines	Tables	Hotel Rooms
Indiana				
Ameristar	E. Chicago	1,750	73	290
Belterra Casino	Florence	1,187	42	608
Blue Chip	Michigan City	1,680	48	184
Four Winds*	South Bend	1,600	10	0
French Lick	French Lick	925	37	686
Hollywood Lawrenceburg	Lawrenceburg	1,560	80	295
Hoosier Park	Anderson	1,818	0	0
Horseshoe (North)	Hammond	2,284	153	0
Horseshoe (South)	New Albany	1,587	103	503
Indiana Grand	Shelbyville	2,107	0	0
Majestic Star (2)	Gary	1,682	73	300
Rising Star	Rising Sun	921	29	294
Tropicana Evansville	Evansville	1,134	41	338
Illinois				
Grand Victoria	Elgin	1,088	42	0
Hollywood Aurora	Aurora	1,028	41	0
Hollywood Joliet	Joliet	1,100	17	100
Harrah's	Joliet	1,096	39	204
Rivers Casino	Des Plaines	998	54	0
Michigan				
Four Winds	New Buffalo	2,600	49	415
Four Winds	Dowagiac	404	7	0
Four Winds	Hartford	508	8	0
Firekeepers	Marshall	3,000	84	243
Gun Lake	Wayland	2,000	47	0
Ohio				
Belterra Park	Cincinnati	1,371	0	0
Hollywood Dayton	Dayton	1,026	0	0
Jack Cincinnati	Cincinnati	1,826	115	0
Miami Valley	Lebanon	1,839	0	0
Kentucky HHR Facilities				
Ellis Park	Henderson	179	0	0
Derby City Gaming	Louisville	900	0	0

Source: The Innovation Group, Casino Websites; *Four Winds South Bend is a Class II facility; table games are poker only.

Capital Investment Trends: Indiana vs. Illinois

A favorable regulatory environment in Indiana has led to a significant difference in the level of capital that has been invested in Indiana compared to Illinois. This section assesses the capital investment by casinos in each state for the past five years.

Regulatory Overview

In 1993, the Indiana legislature approved the Riverboat Gambling Act, which granted licenses to 10 casinos. In 2006, the installation of gaming machines at racetracks passed by Indiana legislature. In 2015, racinos were authorized to offer live-dealer table games, but the change will not take effect until 2021. Racinos may provide up to 2,000 gaming machines, and there is no limit on the number of gambling machines a riverboat casino may offer. In 2017, Indiana House Enrolled Act 1350 eliminated admission taxes and replaced them with a supplemental wagering tax that will not exceed 4 percent of each casino's adjusted gross receipts (AGR) beginning July 1, 2018, and not exceed 3.5 percent of AGR beginning July 1, 2019.

In 1990, the Illinois legislature approved the Riverboat Gambling Act, which granted licenses to 10 casinos. Each casino may operate up to 1,200 gaming positions including slot machines and table games. In 2009, the Illinois legislature approved the Video Gaming Act, which allowed bars and taverns to operate up to five Video Gaming Terminals (VGTs). One of the significant outcomes of the Video Gaming Act has been decreased casino revenues.

U.S. Gaming Locations by State (Dec.31, 2017)

	Land-Based Casinos	Riverboat Casinos	Racinos	Electronic Gaming Device Locations
Illinois	0	10	0	6,359
Indiana	2	9	2	0

Source: The Innovation Group, American Gaming Association website: <https://www.americangaming.org>

The table below summarizes the main differences in state regulation, taxes, and fees between Indiana and Illinois. One of the main differences between two states is that Illinois prohibits indoor smoking whereas Indiana allows it. In addition, Illinois requires higher tax on casino gross revenue than Indiana does.

State Regulations, Taxes & Fees

	Illinois	Indiana
Statutory Funding for Responsible Gaming	Subject to annual appropriation	Riverboat: 25% of casino admissions tax Racino: \$500K per licensee
Smoke Free	Yes	No
Tax Rate	Graduated rate ranging from 15% on gaming revenue up to \$25 million to 50% on gaming revenue of more than \$200 million.	Riverboat casino: Graduated rate ranging from 15% on gaming revenue of up to \$25 million to 40% on gaming revenue of more than \$600 million. Racinos: 25% of revenue up to \$100 million; 30% on revenue from \$100 million to \$200 million; and 35% on revenue exceeding \$200 million.
Casino License Renewal Term and Fee	License renewal every 4 years with \$5,000 annual fee.	Riverboats: \$5,000 annually; Racinos: \$100 per gaming machine annually

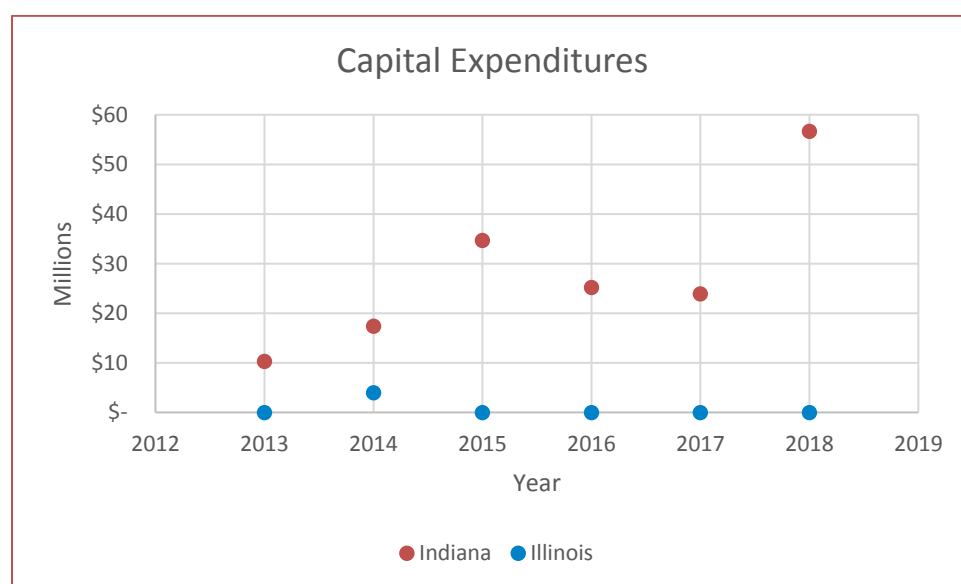
Source: The Innovation Group, American Gaming Association website: <https://www.americangaming.org>

Capital Investment Comparison: Last 5 Years

The 2015 Indiana Legislative session produced one of the most significant gaming bills, which allows for land-based casinos adjacent to an existing casino property. It resulted in massive casino capital investments in Indiana. In 2017, Tropicana Evansville invested \$50 million in a new casino adjacent to its existing hotels, food, and entertainment venues and parking garage. In 2018, Horseshoe in Harrison County broke ground on a new \$85 million land-based facility.

On the other hand, the spread of VGTs throughout Illinois took market share from the casinos, and as a result, there have been no major investments at Illinois casinos over the past five years other than a \$4 million flood prevention project at Harrah's Metropolis Casino in 2014.

The graph below compares the capital investments over the years 2013-2018.



The table below summarizes the major Indiana capital investments over the years 2014-2018.

Indiana Capital Expenditures 2014-2018

Year	Casino	Amount	Description
2014	Majestic Star	6.7 M	Flyover project to eliminate the viaduct
	Tropicana	4.5 M	Second egress from casino
	Hoosier Park Pacing and Casino	5 M	To renovate terrace and trackside area
	Indiana Grand Racing Casino	7.3 M	To renovate poker room and sport bars
2015	Hollywood & French Lick	48 M	To build the Lawrenceburg Event Center and hotel
2017	Tropicana Evansville	50 M	A new casino adjacent
2018	Horseshoe	85 M	A new land-based casino
	Ameristar	22M	A new land-based high limit room
	Blue Chip Casino	15M	Addition to its convention facilities

Source: The Innovation Group, Indiana Gaming Commission Website: <https://www.in.gov/igc/2362.htm>

Northern Indiana

This section details the existing casinos in northern Indiana. Note: for consistency across markets, gaming positions are defined in terms of seats, with an estimate of six seats per table game.

Ameristar

Ameristar Casino East Chicago is a riverboat gaming property operated by Penn National Gaming. It opened in 1997, and currently has 56,000 square feet of gaming on four levels, more than 1,800 slots and video poker machines, 75 tables games and a dedicated baccarat room. In addition, in early 2018 the property opened a 15,000 square feet land based High Limit Room offering both slots and tables. Guests can enjoy a 288-room luxury 4-star hotel, which boasts a variety of amenities, five restaurants, and a gift shop. The property also offers 5,400 square feet of meeting/event space.

Ameristar Performance

Year	Slots	Slot Revenue	Tables	Table Revenue	Total GGR	Total Positions	*Win Per Position
2011	1,912	\$217,167,483	43	\$30,165,786	\$247,333,269	2,168	\$313
2012	1,951	\$212,626,663	40	\$23,704,234	\$236,330,897	2,189	\$295
2013	1,982	\$196,055,656	37	\$21,396,782	\$217,452,438	2,202	\$271
2014	1,836	\$188,125,958	57	\$32,929,785	\$221,055,743	2,178	\$278
2015	1,736	\$184,387,336	67	\$43,848,679	\$228,236,015	2,137	\$293
2016	1,723	\$174,381,870	67	\$49,102,169	\$223,484,039	2,122	\$288
2017	1,724	\$171,603,696	72	\$44,348,821	\$215,952,517	2,155	\$275
CAGR 2011-2017	-1.7%	-3.8%	9.1%	6.6%	-2.2%	-0.1%	-2.1%
YTD 2017	1,725	\$157,884,529	72	\$40,275,231	\$198,159,760	2,155	\$275
YTD 2018	1,649	\$160,463,161	73	\$51,627,564	\$212,090,725	2,088	\$304
Change	-4.4%	1.6%	2.0%	28.2%	7.0%	-3.1%	10.5%

Source: The Innovation Group, IGC; *AGR

Blue Chip

Blue Chip is owned by Boyd Gaming and offers 1,680 gaming machines and 48 table games. It is a riverboat property that includes 650,000 square feet of total gaming space as well as a hotel and spa. The riverboat underwent a \$160 million renovation in 2005. There are seven F&B options as well as an entertainment venue that seats 1,200 people. The hotel has a total of 184 rooms and is listed as a 3.5-star property.

Blue Chip Performance

Year	Slots	Slot Revenue	Tables	Table Revenue	Total GGR	Total Positions	*Win Per Position
2011	1,965	\$153,684,120	50	\$19,029,686	\$172,713,806	2,265	\$209
2012	1,958	\$156,380,879	50	\$18,506,578	\$174,887,457	2,258	\$212
2013	1,932	\$142,374,549	50	\$16,575,306	\$157,308,367	2,232	\$184
2014	1,879	\$139,130,570	51	\$16,787,515	\$155,918,083	2,182	\$190
2015	1,791	\$142,171,408	52	\$17,342,659	\$159,514,065	2,103	\$199
2016	1,740	\$142,428,171	52	\$17,253,506	\$159,681,676	2,051	\$204
2017	1,688	\$141,598,306	50	\$16,663,121	\$158,261,428	1,985	\$209
CAGR 2011-2017	-2.5%	-1.4%	-0.2%	-2.2%	-1.4%	-2.2%	0.0%
YTD 2017	1,688	\$145,978,265	50	\$15,096,706	\$161,074,971	1,988	\$243
YTD 2018	1,679	\$139,219,822	48	\$15,400,172	\$154,619,994	1,967	\$235
Change	-0.5%	-4.6%	-4.0%	2.0%	-4.0%	-1.1%	-3.0%

Source: The Innovation Group, IGC; *AGR

Horseshoe Hammond

Horseshoe Hammond is owned by Caesars Entertainment and offers nearly 2,300 gaming machines and 150 table games. It is the largest competitor in the Northern Indiana region by total positions. The property is a riverboat casino that was built in 2008 that includes seven dining options including a steakhouse and a buffet, as well as a 2,500-seat entertainment center, The Venue. The property was originally called the Empress Casino; however, it was rebranded after it was bought by Caesars Entertainment, who remains as the operating license holder. There is no hotel connected to the casino.

Horseshoe Hammond Performance

Year	Slots	Slot Revenue	Tables	Table Revenue	Total GGR	Total Positions	*Win Per Position
2011	3,071	\$394,979,082	149	\$115,382,451	\$510,361,533	3,964	\$353
2012	3,015	\$372,228,648	154	\$127,105,454	\$499,334,102	3,939	\$346
2013	2,982	\$352,084,512	157	\$135,006,108	\$487,090,620	3,922	\$340
2014	2,916	\$316,033,008	159	\$120,154,381	\$436,187,389	3,871	\$309
2015	2,856	\$305,462,265	162	\$122,700,933	\$428,163,198	3,830	\$306
2016	2,689	\$294,728,465	154	\$111,097,840	\$405,826,305	3,612	\$307
2017	2,462	\$293,658,720	153	\$116,802,670	\$410,461,390	3,380	\$333
CAGR 2011-2017	-3.6%	-4.8%	0.5%	0.2%	-3.6%	-2.6%	-1.0%
YTD 2017	2,472	\$271,412,874	153	\$106,986,349	\$378,399,223	3,390	\$334
YTD 2018	2,278	\$260,221,147	153	\$106,125,549	\$366,346,696	3,196	\$343
Change	-7.8%	-4.1%	0.0%	-0.8%	-3.2%	-5.7%	2.7%

Source: The Innovation Group, IGC; *AGR

Majestic Star I & II

Majestic Star is a two-riverboat property. The two boats each have three floors of gaming, with a combined 1,602 slot machines, 50 table games and 14 poker tables. Food & Beverage options include the Chop House Restaurant, Steel City Grill, Jackpot Java, Harbor View Buffet, Access Lounge and Lakeshore Lounge. The hotel has 300 rooms and includes amenities like complimentary breakfast and Wi-Fi and a lakefront view.

Majestic Star I & II Performance

Year	Slots	Slot Revenue	Tables	Table Revenue	Total GGR	Total Positions	*Win Per Position
2011	1,999	\$173,491,025	90	\$41,473,766	\$214,964,791	2,539	\$232
2012	1,911	\$168,162,827	90	\$37,580,582	\$205,743,409	2,451	\$229
2013	1,824	\$152,730,837	83	\$37,629,655	\$190,360,492	2,320	\$225
2014	1,712	\$137,046,881	75	\$26,862,262	\$163,909,143	2,162	\$208
2015	1,723	\$133,262,373	79	\$23,651,553	\$156,913,926	2,194	\$196
2016	1,713	\$135,677,583	78	\$21,628,229	\$157,305,812	2,183	\$197
2017	1,710	\$132,677,874	77	\$20,972,142	\$153,650,016	2,172	\$194
CAGR 2011-2017	-2.6%	-4.4%	-2.6%	-10.7%	-5.4%	-2.6%	-2.9%
YTD 2017	1,710	\$122,433,749	77	\$19,313,121	\$141,746,870	2,172	\$195
YTD 2018	1,683	\$119,456,072	69	\$19,306,200	\$138,762,272	2,098	\$198
Change	-1.6%	-2.4%	-10.2%	0.0%	-2.1%	-3.4%	1.4%

Source: The Innovation Group, IGC; *AGR

Four Winds South Bend

Four Winds is owned by the Pokagon Band and offers 1,600 Class II gaming machines and 10 poker tables. As a Class II tribal casino, the property does not release revenue data.

Central and Southern Indiana

This section details the existing casinos in central and southern Indiana.

Belterra Casino

Belterra Casino Resort & Spa is a riverboat casino on the Ohio River near Florence, Indiana. It is owned by Gaming and Leisure Properties and operated by Boyd Gaming. The property was sold to Boyd gaming in October of 2018 by Pinnacle to accommodate the acquisition by Penn National Gaming and Indiana State laws which prohibit any company from operating more than two casinos. The property has over 47,000 square feet of gaming space, nearly 1,200 slot machines, 40 table games and 608 hotel rooms.

Belterra Performance

Year	Slots	Slot Revenue	Tables	Table Revenue	Total GGR	Total Positions	*Win Per Position
2011	1,474	\$126,963,488	55	\$18,845,148	\$145,808,636	1,801	\$222
2012	1,455	\$126,632,490	54	\$22,031,289	\$148,663,779	1,777	\$228
2013	1,356	\$110,410,002	51	\$19,402,946	\$127,534,474	1,660	\$207
2014	1,195	\$98,047,068	45	\$15,091,372	\$113,138,436	1,465	\$192
2015	1,182	\$99,447,391	44	\$13,656,126	\$113,103,513	1,445	\$206
2016	1,151	\$95,992,525	46	\$14,744,438	\$110,736,964	1,428	\$208
2017	1,171	\$95,613,941	43	\$14,145,547	\$109,759,484	1,430	\$210
CAGR 2011-2017	-3.8%	-4.6%	-3.8%	-4.7%	-4.6%	-3.8%	-0.9%
YTD 2017	1,169	\$87,747,655	43	\$12,939,045	\$100,686,700	1,427	\$211
YTD 2018	1,186	\$86,666,010	42	\$15,358,428	\$102,024,438	1,438	\$212
Change	1.5%	-1.2%	-2.3%	18.7%	1.3%	0.8%	0.6%

Source: The Innovation Group, IGC; *AGR

French Lick

French Lick casino was opened in 2006 and is part of the French Lick Resort complex. The 3,000-acre complex has two spa hotels, the 443-room French Lick Springs hotel, and the 243-room luxury West Baden Springs Hotel. The casino floor includes 38,000 square feet of gaming spaces which holds approximately 1,100 total gaming positions.

French Lick Performance

Year	Slots	Slot Revenue	Tables	Table Revenue	Total GGR	Total Positions	*Win Per Position
2011	1,270	\$73,930,208	39	\$11,881,371	\$85,811,579	1,504	\$156
2012	1,144	\$73,974,782	42	\$11,634,304	\$85,609,086	1,398	\$167
2013	1,061	\$70,011,415	43	\$9,758,425	\$78,394,102	1,321	\$151
2014	999	\$62,693,664	37	\$9,984,126	\$72,677,790	1,221	\$152
2015	986	\$67,772,472	37	\$11,944,090	\$79,716,561	1,208	\$168
2016	967	\$75,306,642	37	\$12,203,121	\$87,509,761	1,189	\$183
2017	944	\$80,848,433	37	\$12,928,439	\$93,776,874	1,166	\$204
CAGR 2011-2017	-4.8%	1.5%	-0.9%	1.4%	1.5%	-4.2%	4.5%
YTD 2017	944	\$74,247,321	37	\$11,659,451	\$85,906,772	1,166	\$221
YTD 2018	924	\$75,502,334	37	\$10,051,483	\$85,553,817	1,146	\$224
Change	-2.1%	1.7%	0.0%	-13.8%	-0.4%	-1.7%	1.3%

Source: The Innovation Group, IGC; *AGR

Hollywood Lawrenceburg

Hollywood Casino in Lawrenceburg is a casino hotel with roughly 150,000 square feet of gaming space. It has been impacted by casino development in southwestern Ohio, which had been its primary market area. Previously known as the Argosy Casino, the property is now operated by Penn National Gaming. Currently, the property includes nearly 1,600 slot machines, 80 table games, 295 hotel rooms, six F&B options, and a live entertainment event center.

Hollywood Lawrenceburg Performance

Year	Slots	Slot Revenue	Tables	Table Revenue	Total GGR	Total Positions	*Win Per Position
2011	3,217	\$373,867,283	129	\$62,604,976	\$436,472,259	3,991	\$300
2012	3,089	\$339,072,139	118	\$56,514,380	\$395,586,519	3,799	\$284
2013	2,536	\$237,779,183	93	\$31,872,784	\$269,585,059	3,096	\$236
2014	2,292	\$169,613,037	91	\$26,325,842	\$195,938,879	2,836	\$180
2015	1,981	\$150,993,340	76	\$24,884,904	\$175,878,244	2,439	\$190
2016	1,762	\$148,721,987	80	\$25,229,906	\$173,951,894	2,240	\$204
2017	1,723	\$148,820,160	81	\$25,108,250	\$173,928,409	2,210	\$207
CAGR 2011-2017	-9.9%	-14.2%	-7.4%	-14.1%	-14.2%	-9.4%	-6.0%
YTD 2017	1,724	\$136,033,839	81	\$25,108,250	\$161,142,089	2,210	\$218
YTD 2018	1,498	\$133,205,544	80	\$23,257,998	\$156,463,542	1,978	\$237
Change	-13.1%	-2.1%	-1.2%	-7.4%	-2.9%	-10.5%	8.5%

Source: The Innovation Group, IGC; *AGR

Hoosier Park

Harrah's Hoosier Park Racing & Casino is a racino in Anderson, Indiana that includes 92,000 square feet of total gaming space. The casino opened in 2008 and in 2018, Caesars Entertainment bought Hoosier Park from Centaur Holdings, along with Indiana Grand. The property has roughly 1,800 positions which are either slot machines or e-table games. There are seven F&B options on site and no connected hotel tower.

Hoosier Park Performance

Year	Slots	Slot Revenue	*Win Per Position
2011	1,880	\$220,531,965	\$321
2012	1,902	\$222,979,415	\$320
2013	1,918	\$215,135,145	\$307
2014	1,924	\$202,269,950	\$288
2015	1,913	\$205,524,853	\$294
2016	1,910	\$205,105,078	\$293
2017	1,870	\$208,305,024	\$305
CAGR 2011-2017	-0.1%	-0.9%	-0.9%
YTD 2017	1,871	\$192,030,451	\$281
YTD 2018	1,814	\$195,773,603	\$296
Change	-3.0%	1.9%	5.2%

Source: The Innovation Group, IGC; *AGR

Horseshoe Casino SI

The Horseshoe Casino in southern Indiana is located just west of Louisville, Kentucky. The property features just over 1,600 gaming machines, over 100 table games, and a hotel with over 500 rooms. Horseshoe Casino is owned and operated by Caesars Entertainment and features six food and beverage options including a steakhouse, two cafes, a bar, the Smoke & Rye Restaurant, and a buffet. The property is currently undergoing major renovation as it moves to a land-based facility. Below is Horseshoe Casino's historical performance.

Horseshoe Casino Performance

Year	Slots	Slot Revenue	Tables	Table Revenue	Total GGR	Total Positions	*Win Per Position
2011	1,795	\$209,884,287	107	\$41,917,757	\$251,802,044	2,435	\$284
2012	1,756	\$224,205,111	110	\$48,710,200	\$272,915,311	2,416	\$309
2013	1,742	\$212,848,351	106	\$53,671,073	\$266,519,424	2,381	\$297
2014	1,683	\$203,479,838	102	\$54,639,241	\$258,119,079	2,292	\$303
2015	1,661	\$194,517,922	101	\$54,221,759	\$248,739,681	2,267	\$295
2016	1,645	\$195,477,977	102	\$52,131,344	\$247,609,321	2,257	\$289
2017	1,610	\$201,331,341	103	\$52,327,808	\$253,659,149	2,228	\$304
CAGR 2011-2017	-1.8%	-0.7%	-0.6%	3.8%	0.1%	-1.5%	1.2%
YTD 2017	1,625	\$100,464,088	103	\$25,360,228	\$125,824,316	2,243	\$311
YTD 2018	1,589	\$90,896,994	103	\$25,577,804	\$116,474,798	2,207	\$291
Change	-2.2%	-9.5%	0.0%	0.9%	-7.4%	-1.6%	-6.4%

Source: The Innovation Group, IGC; *AGR

Indiana Grand

Indiana Grand Racing and Casino is a racino that is owned and operated by Caesars Entertainment. Located in Shelbyville, Indiana, the racetrack was formerly known as Indiana Downs and the casino was formerly known as Indiana Live!. The property does not include a hotel, but it does offer five F&B options. The casino was purchased along with Hoosier Park in 2008 and offers 2,100 gaming positions.

Indiana Grand Performance

Year	Slots	Slot Revenue	*Win Per Position
2011	1,929	\$244,314,605	\$347
2012	1,929	\$243,164,009	\$344
2013	1,922	\$242,436,269	\$346
2014	2,004	\$241,889,534	\$331
2015	2,052	\$249,769,680	\$334
2016	2,094	\$266,322,803	\$347
2017	2,107	\$274,247,770	\$357
CAGR 2011-2017	1.5%	1.9%	0.5%
YTD 2017	2,106	\$251,516,290	\$327
YTD 2018	2,105	\$252,777,080	\$329
Change	0.0%	0.5%	0.5%

Source: The Innovation Group, IGC; *AGR

Rising Star

Rising Star Casino Resort (previously the Grand Victoria Casino & Resort) is a riverboat casino and hotel in Rising Sun, Indiana. In 2011, Full House Resorts purchased the property for \$43 million. The property has two hotel towers that total 294 rooms. The casino includes 920 slot machines and 29 table games.

Rising Star Performance

Year	Slots	Slot Revenue	Tables	Table Revenue	Total GGR	Total Positions	*Win Per Position
2011	1,293	\$83,737,424	36	\$9,733,542	\$93,470,966	1,510	\$170
2012	1,283	\$78,621,782	34	\$10,006,836	\$88,628,618	1,487	\$163
2013	1,212	\$63,104,873	33	\$7,197,930	\$70,302,803	1,409	\$137
2014	1,058	\$45,522,731	31	\$6,161,739	\$51,684,470	1,242	\$114
2015	959	\$44,039,944	28	\$5,531,725	\$49,571,669	1,127	\$121
2016	954	\$44,569,279	29	\$6,747,688	\$51,316,967	1,129	\$124
2017	933	\$44,729,657	29	\$6,936,057	\$51,665,714	1,105	\$128
CAGR 2011-2017	-5.3%	-9.9%	-3.8%	-5.5%	-9.4%	-5.1%	-4.6%
YTD 2017	934	\$41,114,262	29	\$6,313,410	\$47,427,672	1,108	\$128
YTD 2018	922	\$40,025,435	29	\$5,918,849	\$45,944,284	1,098	\$125
Change	-1.3%	-2.6%	1.2%	-6.2%	-3.1%	-0.9%	-2.3%

Source: The Innovation Group, IGC; *AGR

Tropicana Evansville

Tropicana Evansville is owned by Eldorado Resorts and offers over 1,100 gaming machines, over 30 table games, a live Poker Room and a High Limit Room. The property is a new land-based casino with four dining options: The Tap House Restaurant & Bar, The Deli, The Kitchen Buffet, and Cavanaugh's (steak and seafood). Other amenities include the modern entertainment lounge 421, with live entertainment each Friday and Saturday night, four bars, a conference center, and the Riverfront Event Center. The property also features a 243-room casino hotel as well as the 95-room boutique Le Merigot Hotel. Below is Tropicana's historical performance.

Tropicana Performance

Year	Slots	Slot Revenue	Tables	Table Revenue	Total GGR	Total Positions	*Win Per Position
2011	903	\$101,860,123	42	\$16,724,362	\$118,584,485	1,157	\$281
2012	906	\$101,829,260	40	\$16,346,173	\$118,175,433	1,148	\$281
2013	903	\$98,745,133	40	\$16,676,687	\$115,421,820	1,143	\$256
2014	889	\$102,278,292	40	\$18,954,691	\$121,232,983	1,129	\$280
2015	917	\$102,700,699	40	\$17,975,437	\$120,676,136	1,157	\$275
2016	1,015	\$106,762,381	40	\$20,243,162	\$127,005,543	1,255	\$259
2017	1,105	\$115,118,098	40	\$20,929,107	\$136,047,205	1,343	\$263
CAGR 2011-2017	3.4%	2.1%	-1.1%	3.8%	2.3%	2.5%	-1.1%
YTD 2017	1,083	\$65,350,450	39	\$9,748,868	\$75,099,318	1,318	\$268
YTD 2018	1,137	\$64,236,375	41	\$13,648,572	\$77,884,947	1,383	\$308
Change	5.0%	-1.7%	5.1%	40.0%	3.7%	4.9%	14.9%

Source: The Innovation Group, IGC; *AGR

Chicagoland Illinois

There are five existing casinos in the Chicagoland area on the Illinois side. The Rivers Casino in Des Plaines is the newest property and the closest of the Illinois casinos to Chicago. It has had a major impact on casinos in Elgin and Aurora.

Grand Victoria

The Grand Victoria in Elgin was once the market leader in Chicagoland and in its early days was the highest performing casino in the country in terms of win per position and attendance per position, having attained revenue of more than \$400 million. However, the Illinois smoking ban, the Great Recession, and the opening of Rivers have combined to cause Elgin's revenue to drop to \$160 million. The Grand Victoria holds nearly 1,100 slot machines and roughly 40 table games. The casino does not have a hotel but does offer amenities such as four F&B locations and live entertainment.

Grand Victoria Performance

Year	Slots	Slot Revenue	Tables	Table Revenue	Total GGR	Total Positions	Win Per Position
2011	1,129	\$212,998,000	34	\$44,132,000	\$257,130,000	1,332	\$529
2012	1,144	\$177,317,000	32	\$34,985,000	\$212,302,000	1,334	\$435
2013	1,161	\$161,966,786	29	\$32,305,530	\$194,272,316	1,335	\$399
2014	1,143	\$140,719,623	32	\$28,575,910	\$169,295,533	1,336	\$347
2015	1,113	\$136,008,168	37	\$35,405,827	\$171,413,995	1,337	\$351
2016	1,091	\$128,897,019	42	\$34,616,808	\$163,513,827	1,341	\$333
2017	1,088	\$132,742,094	42	\$36,017,869	\$168,759,963	1,342	\$345
CAGR 2011-2017	-0.6%	-7.6%	3.8%	-3.3%	-6.8%	0.1%	-6.9%
YTD 2017	1,088	\$113,483,631	42	\$30,220,147	\$143,703,778	1,342	\$321
YTD 2018	1,088	\$106,363,858	42	\$28,786,773	\$135,150,631	1,342	\$301
Change	0.0%	-6.3%	0.2%	-4.7%	-6.0%	0.0%	-6.0%

Source: The Innovation Group, Illinois Gaming Board

Harrah's

Harrah's Joliet is owned by Caesars Entertainment and is a riverboat casino in Joliet, Illinois which is outside of Chicago. The casino floor has 40,000 square feet of gaming space and offers 1,096 slot machines and 39 table games. A \$29-million hotel was added in 1999, with 204 rooms on 11 floors. The property also includes three F&B options.

Harrah's Performance

Year	Slots	Slot Revenue	Tables	Table Revenue	Total GGR	Total Positions	Win Per Position
2011	1,149	\$199,971,000	29	\$23,745,000	\$223,716,000	1,325	\$463
2012	1,138	\$186,855,000	33	\$25,233,000	\$212,088,000	1,336	\$434
2013	1,135	\$170,930,188	34	\$31,439,069	\$202,369,257	1,337	\$415
2014	1,086	\$168,829,830	37	\$28,992,469	\$197,822,299	1,307	\$415
2015	1,100	\$157,327,825	39	\$28,648,207	\$185,976,032	1,334	\$382
2016	1,100	\$149,737,029	39	\$33,920,253	\$183,657,282	1,334	\$376
2017	1,100	\$151,976,236	39	\$30,969,299	\$182,945,535	1,334	\$376
CAGR 2011-2017	-0.7%	-4.5%	4.9%	4.5%	-3.3%	0.1%	-3.4%
YTD 2017	1,100	\$126,071,452	39	\$26,251,446	\$152,322,898	1,334	\$342
YTD 2018	1,094	\$121,373,630	39	\$26,729,513	\$148,103,143	1,328	\$334
Change	-0.5%	-3.7%	0.0%	1.8%	-2.8%	-0.4%	-2.3%

Source: The Innovation Group, Illinois Gaming Board

Hollywood Aurora

The Hollywood Casino in Aurora has been impacted by the Illinois smoking ban, the Great Recession, and the opening of Rivers. While it previously saw revenues north of \$150 million with 1,334 positions as recently as 2011, it is now down to 1,028 slot machines and 41 table games which earned less than \$100 million in 2017. It is operated by Penn National Gaming and offers four F&B options. The property does not include a hotel.

Hollywood Aurora Performance

Year	Slots	Slot Revenue	Tables	Table Revenue	Total GGR	Total Positions	Win Per Position
2011	1,172	\$150,509,000	27	\$22,801,000	\$173,310,000	1,334	\$356
2012	1,172	\$132,812,000	27	\$18,918,000	\$151,730,000	1,334	\$311
2013	1,161	\$122,995,047	27	\$18,715,360	\$141,710,407	1,323	\$293
2014	1,157	\$108,974,370	27	\$17,939,499	\$126,913,869	1,320	\$264
2015	1,140	\$104,467,989	27	\$16,665,129	\$121,133,118	1,302	\$255
2016	1,102	\$101,138,029	28	\$19,226,787	\$120,364,816	1,270	\$259
2017	1,081	\$99,295,546	33	\$21,515,584	\$120,811,130	1,280	\$259
CAGR 2011-2017	-1.3%	-6.7%	3.5%	-1.0%	-5.8%	-0.7%	-5.2%
YTD 2017	1,084	\$84,150,979	33	\$18,122,972	\$102,273,951	1,280	\$239
YTD 2018	1,020	\$80,286,817	42	\$16,723,138	\$97,009,955	1,272	\$228
Change	-5.8%	-4.6%	28.4%	-7.7%	-5.1%	-0.6%	-4.6%

Source: The Innovation Group, Illinois Gaming Board

Hollywood Joliet

The Hollywood Casino in Joliet is owned by Penn National Gaming and offers 1,100 gaming machines and 17 table games. The property includes a 100-room hotel, live entertainment venue, and five F&B options. The hotel is rated as a 3-star property.

Hollywood Joliet Performance

Year	Slots	Slot Revenue	Tables	Table Revenue	Total GGR	Total Positions	Win Per Position
2011	1,167	\$127,543,000	23	\$18,857,000	\$146,400,000	1,303	\$308
2012	1,177	\$122,060,000	22	\$19,748,000	\$141,808,000	1,309	\$296
2013	1,177	\$113,137,702	20	\$18,046,151	\$131,183,853	1,296	\$277
2014	1,165	\$105,616,922	17	\$16,978,563	\$122,595,485	1,265	\$266
2015	1,102	\$109,703,365	17	\$15,557,392	\$125,260,757	1,206	\$285
2016	1,100	\$106,019,585	18	\$15,218,330	\$121,237,915	1,210	\$274
2017	1,100	\$106,911,582	18	\$16,334,242	\$123,245,824	1,209	\$279
CAGR 2011-2017	-1.0%	-2.9%	-3.7%	-2.4%	-2.8%	-1.2%	-1.6%
YTD 2017	1,100	\$90,136,694	18	\$13,796,789	\$103,933,483	1,208	\$258
YTD 2018	1,100	\$86,387,216	16	\$11,959,127	\$98,346,343	1,196	\$246
Change	0.0%	-4.2%	-11.1%	-13.3%	-5.4%	-1.0%	-4.4%

Source: The Innovation Group, Illinois Gaming Board

Rivers

The Rivers Casino in Des Plaines is jointly owned by Rush Street Gaming and Churchill Downs and offers roughly 1,000 gaming machines and 54 table games. The property is a relatively new casino which opened in 2011; however, this new property has performed the best since 2011 with a WPV that is over three times as large as some of its competitors. The property does not have a hotel on site but does include seven F&B options. Rivers casino is northwest of Chicago city center next to O'Hare international airport.

Rivers Casino Performance

Year	Slots	Slot Revenue	Tables	Table Revenue	Total GGR	Total Positions	Win Per Position
2011*	1,044	\$132,307,000	48	\$44,473,000	\$176,780,000	1,332	\$800
2012	1,044	\$305,489,000	48	\$111,034,000	\$416,523,000	1,332	\$854
2013	1,044	\$302,913,254	48	\$115,794,636	\$418,707,890	1,332	\$861
2014	1,039	\$299,818,598	49	\$125,265,146	\$425,083,744	1,332	\$874
2015	1,024	\$297,769,862	52	\$127,099,819	\$424,869,681	1,334	\$873
2016	1,022	\$292,191,139	51	\$135,702,026	\$427,893,165	1,331	\$878
2017	1,011	\$289,434,185	52	\$144,020,667	\$433,454,852	1,325	\$897
CAGR 2012-2017	-0.5%	-1.1%	1.5%	5.3%	16.1%	-0.1%	1.9%
YTD 2017	1,013	\$242,238,921	53	\$117,816,629	\$360,055,550	1,328	\$812
YTD 2018	998	\$245,576,629	55	\$123,540,031	\$369,116,660	1,325	\$834
Change	-1.5%	1.4%	3.6%	4.9%	2.5%	-0.3%	2.8%

Source: The Innovation Group, Illinois Gaming Board, *2011 has 166 days of operations

Illinois VGTs

The following table shows statewide statistics for Video Gaming Terminals (VGTs) in Illinois. The VGTs are subject to local approval, and some municipalities have not allowed them, most notably the City of Chicago. VGTs became live in late 2012 and have grown in number of units, Net Terminal Income (NTI), and Win Per Unit dramatically since then.

Illinois Statewide VGT Performance

Year	VGT Count	Net Terminal Income	Win Per Unit
2013	8,248	\$300,681,373	\$100
2014	17,246	\$659,111,566	\$105
2015	20,625	\$913,604,038	\$121
2016	23,679	\$1,108,145,508	\$128
2017	26,812	\$1,302,765,498	\$133
2018	29,503	\$1,499,992,701	\$139
CAGR 2013-2018	29.0%	37.9%	6.9%

Source: The Innovation Group, Illinois Gaming Board, 2013 was first full year

Southwest Michigan

There are five tribal casinos in Southwest Michigan.

Four Winds New Buffalo

Four Winds New Buffalo is the Pokagon Band's flagship property and offers 2,600 Class III gaming machines and 49 table games. As a tribal casino, the property does not release revenue data. However, revenue sharing payments on a tribal basis are reported, revealing slot revenue in 2017 of \$309 million at the tribe's three Michigan casinos combined.

Four Winds Dowagiac

Four Winds Dowagiac is a small local's casino near the Pokagon Band's tribal headquarters and the 12,000 square foot gaming floor features 404 slot machines and seven table games. It is the smallest of the three Michigan casinos. As a tribal casino, the property does not release revenue data. However, revenue sharing payments on a tribal basis are reported, revealing slot revenue in 2017 of \$309 million at the tribe's three Michigan casinos combined.

Four Winds Hartford

Four Winds Hartford is another satellite casino owned by the Pokagon Band. It is slightly larger than the Dowagiac site and offers 508 Class III gaming machines and 8 table games. As a tribal casino, the property does not release revenue data. However, revenue sharing payments on a tribal basis are reported, revealing slot revenue in 2017 of \$309 million at the tribe's three Michigan casinos combined.

Firekeepers

Firekeepers is owned by the Nottawaseppi Huron Band of the Potawatomi. It is the largest casino by total positions in the competitive set and offers 3,000 Class III gaming machines 84 table games. The property also includes a 243-room hotel. Revenue sharing payments from Firekeepers reveal slot revenue in 2017 of \$283 million.

Gun Lake

Gun Lake is owned by the Match-e-be-nash-she-wish Band of Pottawatomi Indians of Michigan (aka the Gun Lake Tribe). It offers 2,000 Class III gaming machines and 47 table games. Revenue sharing payments from Gun Lake reveal slot revenue in 2017 of \$193 million.

Ohio

Casinos in southwest Ohio have impacted the Southeastern Indiana casinos. These four casinos (JACK Cincinnati, Belterra Park, Miami Valley Gaming, and Hollywood Dayton) are located in the Cincinnati-Dayton area. JACK Cincinnati is the only casino of the four that offers table games. In total, there are roughly 6,750 combined positions at the four casinos that reported roughly \$527.7 million in 2017. Unlike Indiana, Ohio casinos are subject to a ban on smoking in indoor public places. The following table details the gaming revenues at the four properties over the last five years.

Ohio Casino Property Revenues

Year	JACK Cincinnati Casino	Belterra Park	Miami Valley Gaming	Hollywood Dayton
2013	\$183,676,107	\$0	\$5,693,520	\$0
2014	\$197,761,065	\$35,664,634	\$119,588,404	\$27,821,983
2015	\$196,502,240	\$67,036,900	\$123,764,576	\$85,871,744
2016	\$189,256,378	\$78,018,150	\$137,440,622	\$89,728,628
2017	\$197,949,888	\$82,544,462	\$147,525,699	\$99,671,018
CAGR FFY-2017	0.0%	11.0%	7.2%	7.7%
YTD 2017	\$180,494,214	\$75,369,998	\$135,137,798	\$91,011,702
YTD 2018	\$184,183,912	\$74,242,182	\$146,140,706	\$97,204,469
Change	2.0%	-1.5%	8.1%	6.8%

Source: Ohio Casino Control Commission; The Innovation Group; *CAGRs based on respective first full year of operation

Kentucky Historical Horse Racing Facilities

In addition, there are currently four racetracks in Kentucky that offer wagering on historical horse racing (HHR) machines. Two of these facilities compete with Indiana casinos: Ellis Park in Henderson and Derby City in Louisville.

Ellis Park is currently the smallest historical racing facility in Kentucky. It is located in Henderson, just a few miles across the Ohio River from Tropicana Evansville, which is a full-scale Class III casino operation with over 1,000 slot machines, 40 table games, and accompanying hotel.

Ellis Park HHR

Year	Wagered	Payouts	HHR Take Out	Units	TPU
2012	\$8,479,789	\$7,809,365	\$670,424	177	\$25
2013	\$27,707,575	\$25,520,289	\$2,187,286	177	\$34
2014	\$39,602,684	\$36,473,986	\$3,128,698	177	\$48
2015	\$60,091,817	\$55,436,267	\$4,655,550	177	\$72
2016	\$84,233,746	\$77,688,326	\$6,545,420	179	\$100
2017	\$69,374,899	\$63,835,910	\$5,538,989	179	\$85
YTD 2017	\$69,374,899	\$57,203,381	\$4,991,300	179	\$83
YTD 2018	\$78,973,344	\$72,865,384	\$6,309,549	179	\$106
Change	13.8%	27.4%	26.4%	0.0%	26.4%

Source: Kentucky Racing Commission; TPU = Takeout Per Unit Per Day

Derby City opened September 2018 in Louisville. It has 900 machines and in its second full month of operation (November 2018) achieved revenue of \$4.8 million, for win per unit of \$179. It competes with Horseshoe Southern Indiana.

Proposed

Illinois

For nearly a decade, there have been discussions in Illinois to add new casino licenses throughout the state. In the Chicago area, recent proposals have included a major land-based casino in Chicago with 4,000 gaming positions, slot-only casinos at the Hawthorne and Arlington racetracks, and new riverboat casino licenses (slots and tables) in the Southland area and the Waukegan area. Additionally, Danville would receive a riverboat casino license, impacting central and southern Indiana. The racetrack and riverboat casinos would be limited to 1,200 Illinois gaming positions. Chicago Mayor Rahm Emanuel has proposed the southeast side of Chicago for development.

Indiana

Terre Haute has been discussed as a possible location for casino development, either through re-allocation of excess supply from existing license holders or re-location of one of the two Majestic licenses from Gary. In terms of the market potential for a Terre Haute casino, there would be no practical difference between the two approaches.

In Northwest Indiana, this report assesses the impact of relocating the Majestic Star operation from its current site at Buffington Harbor to a land-based casino at one of the following alternative locations: Gary (Borman Expressway), Hammond, Hobart, Merrillville, and Portage.

GAMING MARKET ANALYSIS

The Innovation Group conducted a Gaming Market Assessment for the potential Indiana market area using a complex drive-time gravity model. As part of the assessment we included competing facilities in Illinois and other adjacent states.

Methodology

In developing this analysis, a gravity model was employed. Gravity models are commonly used in location studies for commercial developments, public facilities and residential developments. First formulated in 1929 and later refined in the 1940s, the gravity model is an analytical tool that defines the behavior of a population based on travel distance and the availability of goods or services at various locations. The general form of the equation is that attraction is directly related to a measure of availability such as square feet and inversely related to the square of the travel distance. Thus the gravity model quantifies the effect of distance on the behavior of a potential patron, and considers the impact of competing venues.

The basic formulation is that the interaction between two or more gaming venues is based on Newton's Law of Universal Gravitation: two bodies in the universe attract each other in proportion to the product of their “masses” – here, gaming positions – and inversely as the square distance between them. Thus, expected interaction between gaming venue i and market area j is shown as:

$$k \times \frac{N_i \times P_j}{d_{ij}^2}$$

where N_i = the number of gaming positions in gaming venue i , P_j = the population (21+) in market area j , d_{ij} = the distance between market area j and gaming venue i , and k = an attraction factor relating to the quality and amenities to be found at each gaming venue in comparison to the competing set of venues. When this formulation is applied to each gaming venue gaming trips generated from any given zip code are then distributed among all the competing venues.

Using our GIS software and CLARITAS database¹, the gaming-age population (21 and over), latitude and longitude, drive-time, and average household income is collected for each zip code.

¹The GIS software used was MapInfo. This software allows for custom data generally in a tabular format with a geographic identification code (census tract, zip code, latitude and longitude, or similar identifier) to be mapped or displayed and integrated with other geographic census based information such as location of specific population or roadways. MapInfo is one of the most widely used programs in the geographic information systems industry. Environics Claritas is a vendor of demographic information located in the United States. Environics Claritas provides census demographic and psychographic data on a variety of geographic levels of detail ranging from census block groups and counties to postal zip codes. Their information is updated every six months and includes a current year estimate and provides a five year forecast for the future. The Innovation Group has utilized this data for inputs to its models for the last six years and has purchased full access to their demographic database for the entire United States.

The gravity model included the identification of discrete market areas based on drive times and other geographic features and the competitive environment. Each of these market areas is assigned a unique set of propensity and frequency factors. Gamer visits are then generated from zip codes within each of the areas based on these factors. The gamer visits thus generated are then distributed among the competitors based upon the size of each facility, its attractiveness and the relative distance from the zip code in question. The gravity model then calculates the probabilistic distribution of gamer visits from each market area to each of the gaming locations in the market.

Each travel distance/time is evaluated to determine the likely alternative gaming choices for residents of the region. The model is constructed to include only those alternative venues that are considered to be within a reasonable travel time. These include competing casinos that have the potential to attract patrons or siphon off visits from the market. Travel distances and time have been developed through use of our GIS system.

The following section provides a description and definition of the various components of the model.

Gamer Visits

This measure is used to specify the number of patron trips to a gaming market, where an individual can make any number of separate visits in the course of a year. In order to estimate the gamer visits, market penetration rates, made up of the separate measures of propensity and frequency, are applied to the adult population in each zip code. A gamer visit can include more than one visit to a casino.

Participation Rates

Participation Rates are a multiplication of Propensity, Frequency, and Market Potential Index, as described below:

Propensity

Propensity measures the percentage of adults who will participate in casino gaming within the zip code. This varies based upon a number of factors, which includes the number of gaming venues, their type (i.e. land based versus cruising riverboat versus dockside riverboat), games permitted, availability of other entertainment and leisure options, and most importantly distance from a gaming venue. Propensity in the inner market areas from 0-50 miles can vary between the high thirty percent range in a single cruising riverboat market to the fifty percent range, or more, for multiple land-based casinos with a well-developed array of amenities.

Frequency

This measures the average number of visits that an adult will make annually to casinos in the subject market. Frequency is a function of annual gaming budget as indicated by income variations, the number of venues in the market, the type of gaming facility and most importantly distance from a gaming venue.

MPI (Market Potential Index)

Propensity also varies as a function of each market's average market potential index (MPI) score. MPI scores are generated by Simmons Survey, a respected consumer research firm that conducts a nationwide survey of consumer behavior, including propensity to gamble at a casino. This score is an indication of the degree of likelihood that a person will participate in gaming based upon their lifestyle type. The MPI score inflates or discounts the participation rate of each zip code. For example, if a market area has an overall participation rate of 4.0 (propensity of 40% times frequency of 10), an MPI score of 120 for a particular zip code would effectively inflate the participation rate of that zip code to 4.8 (4.0 times 120%). The overall MPI score for the market area is a weighted average of all the zip codes within the area.

Win per Visit

Win per visit varies not only by gaming jurisdiction, but also in some cases by individual facilities. Normatively, win per visit is a function of distance and income. Gamers traveling greater distances tend to spend more per visit, typically making fewer gamer visits on average.

Attraction Factors

Attraction factors measure the relative attraction of one gaming venue in relation to others in the market. Attraction factors are applied to the size of the gaming venue as measured by the number of positions it has in the market. Positions are defined as the number of gaming machines plus the number of seats at gaming tables. A normative attraction factor would be one. When this is applied to the number of positions in a gaming venue there is no change in the size of the gaming venue as calculated by the model and hence its attraction to potential patrons. A value of less than one adjusts the size of the gaming venue downwards and conversely a value greater than one indicates that the gaming venue has characteristics that make it more attractive. Attraction factors can be based on a number of components including branding, the level and effectiveness of marketing efforts, and the level of quality and amenities of a facility. Attraction factors are also adjusted to model the presence of natural and man-made boundaries which impact ease of access and convenience of travel in the market area.

The sensitivity of the model to changes in these factors is not in the nature of a direct multiplication. For example, a doubling of the attraction factor will not lead to a doubling of the gamer visits attracted to the site. It will however cause a doubling of the attractive power of the gaming venue, which is then translated via non-linear equations into an increase in the number of gamer visits attracted to the gaming venue. This is based upon the location, size, and number of competing gaming venues and their relationship to the market area to which the equation is applied. The variation of these factors is based upon The Innovation Group's experience in developing and applying these models, and consideration of the existing visitation and revenues. The latter represents the calibration of the model and has been accomplished by adjusting attraction factors so that the model recreates the existing revenues and patron counts.

Total Local Market Calibration

Current Year

The first step in the forecasting process was to calibrate the local market gravity model to the most recent estimated gaming revenue for area casinos. This calibration represents the starting point for forecasting future revenue based on market growth, potential impact from the opening of new casinos, and possible relocations and/or expansions. The Innovation Group estimated the gaming factors for the different market segments based in part on our knowledge of gaming performance and propriety data in the market. In addition, numerous gaming studies conducted by The Innovation Group as well as independent third parties have provided valuable insight into expected propensity, frequency, and win per visit. Again, propensity and frequency factors show a strong correlation to drive time. Win per visit is generally based on AAHI, adjusted for drive time, as gamers tend to spend more per trip for longer drives.

The Innovation Group estimated that the entire local market, as defined, generated nearly 30 million gamer visits, resulting in gross gaming revenue of more than \$2.9 billion in 2018. Relative to the nearly 11.6 million adults living in the area, gaming revenue per capita calculated to \$258. The propensity and frequency factors varied widely by market, again mainly due to differences in drive time.

Current Year Local Market Calibration					
	Gamer Pop.	Participation Rate	Gaming Visits	WPV	GGR (MMs)
Chicagoland	6,785,673	2.57	17,438,288	\$109	\$1,900.4
Rensselaer	84,505	1.57	132,791	\$96	\$12.7
South Bend	372,812	4.18	1,558,362	\$79	\$122.4
Michigan	125,879	2.85	358,600	\$92	\$32.9
Fort Wayne	560,338	1.22	685,940	\$104	\$71.2
Central Indiana	336,666	1.77	594,906	\$99	\$58.8
Hoosier Park	550,489	3.75	2,063,425	\$97	\$200.4
Indiana Grand	772,144	3.63	2,804,103	\$82	\$230.7
Richmond	101,651	2.12	215,389	\$89	\$19.1
Southeast Indiana	117,198	2.94	344,373	\$86	\$29.5
Bloomington	249,842	1.77	443,174	\$98	\$43.6
Southern Indiana	231,106	3.35	774,347	\$85	\$66.2
Southwest Indiana	300,408	3.75	1,127,992	\$81	\$91.2
Terre Haute South	82,250	2.12	174,126	\$89	\$15.5
Terre Haute	269,409	0.70	189,373	\$100	\$19.0
Terre Haute East	210,532	2.13	448,525	\$104	\$46.6
Danville	373,495	0.64	239,726	\$107	\$25.8
Danville North	57,283	1.40	80,133	\$97	\$7.8
Total	11,581,680		29,673,574	\$101	\$2,993.5

Source: The Innovation Group

Future Baseline (2022)

The calibration model is then advanced to 2022 to account for population and income growth, but with the current competitive landscape. This future baseline model serves as the benchmark to gauge the impact of alternative competitive scenarios. It is estimated that 2022 would be the earliest first full-year of operation for the potential new Illinois and Indiana properties.

Future Year Local Market Calibration (2022)					
	Gamer Pop.	Participation Rate	Gaming Visits	WPV	GGR (MMs)
Chicagoland	6,859,879	2.57	17,606,383	\$110	\$1,944.6
Rensselaer	85,231	1.57	133,959	\$97	\$13.0
South Bend	379,814	4.18	1,587,524	\$80	\$126.9
Michigan	125,987	2.85	358,949	\$93	\$33.4
Fort Wayne	573,290	1.22	702,081	\$105	\$73.9
Central Indiana	341,879	1.77	604,600	\$100	\$60.6
Hoosier Park	571,293	3.75	2,143,512	\$99	\$211.1
Indiana Grand	791,872	3.63	2,875,989	\$84	\$240.6
Richmond	101,386	2.12	214,685	\$90	\$19.4
Southeast Indiana	118,894	2.94	349,441	\$87	\$30.4
Bloomington	257,241	1.77	456,591	\$100	\$45.5
Southern Indiana	236,902	3.35	793,888	\$87	\$69.0
Southwest Indiana	304,450	3.76	1,143,396	\$82	\$94.0
Terre Haute South	82,647	2.12	174,942	\$90	\$15.8
Terre Haute	269,388	0.70	189,691	\$101	\$19.2
Terre Haute East	219,145	2.14	467,918	\$105	\$49.2
Danville	380,763	0.65	246,067	\$109	\$26.8
Danville North	56,328	1.40	78,776	\$98	\$7.7
Total	11,756,390		30,128,392	\$102	\$3,081.2

Source: The Innovation Group

In addition to the local market revenue generated through the gravity model, casinos generate out-of-market revenue. This out-of-market gaming demand represents visits driven by reasons other than proximity of permanent residence, such as tourism, visiting friends and family, seasonal residence, variety of gaming experience, and pass-through traffic intercept. The following table shows total GGR for the individual commercial Indiana facilities for the 2022 baseline.

Future Year Local Market Calibration (2022) by Casino (MMs)

	Tropicana Evansville	French Lick	Horseshoe SI	Horseshoe Hammond	Ameristar E. Chicago	Majestic Star	Blue Chip	Hoosier Park	Indiana Grand	Hollywood L.burg	Rising Star	Belterra Casino	Total
Chicagoland	\$0.0	\$0.0	\$0.0	\$371.7	\$206.6	\$134.1	\$107.6	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$820.0
Rensselaer	\$0.0	\$0.0	\$0.0	\$2.1	\$2.0	\$1.3	\$3.3	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$8.7
South Bend	\$0.0	\$0.0	\$0.0	\$3.4	\$3.1	\$2.1	\$11.5	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$20.2
Michigan	\$0.0	\$0.0	\$0.0	\$1.0	\$0.9	\$0.6	\$4.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$6.5
Fort Wayne	\$0.0	\$0.0	\$0.0	\$2.7	\$2.3	\$1.6	\$5.0	\$12.8	\$5.2	\$0.0	\$0.0	\$0.0	\$29.6
Central Indiana	\$0.0	\$1.0	\$0.0	\$3.1	\$2.7	\$1.8	\$5.0	\$19.4	\$11.0	\$0.0	\$0.0	\$0.0	\$44.0
Hoosier Park	\$0.0	\$2.0	\$0.6	\$2.8	\$2.4	\$1.6	\$3.8	\$135.9	\$59.0	\$1.1	\$0.1	\$0.1	\$209.3
Indiana Grand	\$0.0	\$7.5	\$5.4	\$3.8	\$3.2	\$2.1	\$5.0	\$39.8	\$156.3	\$8.5	\$4.6	\$4.3	\$240.5
Richmond	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$4.2	\$2.7	\$2.8	\$1.2	\$0.9	\$11.9
Southeast Indiana	\$0.0	\$0.1	\$0.2	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.3	\$13.0	\$5.3	\$4.9	\$23.6
Bloomington	\$0.3	\$14.7	\$9.5	\$0.0	\$0.0	\$0.0	\$0.0	\$0.1	\$2.1	\$8.1	\$5.0	\$5.8	\$45.5
Southern Indiana	\$2.2	\$9.6	\$50.5	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.4	\$0.3	\$5.9	\$69.0
Southwest Indiana	\$74.4	\$12.8	\$6.8	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$94.0
Terre Haute South	\$4.3	\$9.1	\$2.5	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$15.8
Terre Haute	\$8.3	\$8.7	\$1.6	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.7	\$0.0	\$0.0	\$0.0	\$19.2
Terre Haute East	\$2.9	\$7.0	\$5.7	\$0.0	\$0.0	\$0.0	\$0.0	\$1.5	\$31.9	\$0.1	\$0.0	\$0.0	\$49.2
Danville	\$0.0	\$5.8	\$0.0	\$3.4	\$2.7	\$1.8	\$2.9	\$0.2	\$9.8	\$0.0	\$0.0	\$0.0	\$26.4
Danville North	\$0.0	\$0.0	\$0.0	\$1.8	\$1.4	\$1.0	\$1.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$5.3
Subtotal Gravity	\$92.4	\$78.3	\$82.7	\$395.9	\$227.2	\$148.0	\$149.3	\$213.8	\$279.1	\$33.9	\$16.5	\$21.8	\$1,738.9
Out-of-Market	\$63.1	\$19.1	\$158.3	\$10.0	\$7.5	\$6.0	\$6.1	\$7.3	\$9.7	\$140.4	\$34.6	\$91.0	\$553.0
Total	\$155.5	\$97.4	\$241.1	\$405.9	\$234.7	\$154.0	\$155.4	\$221.1	\$288.7	\$174.3	\$51.1	\$112.8	\$2,291.9

Source: The Innovation Group

Scenario 1: Forecasts with Illinois Expansion – 2022

This following section assesses the impact of Indiana expansion measured against the assumption that Illinois also issues new casino licenses. The following new licenses and number of allowable Illinois gaming positions are assumed in the modeling:

- Southeast Chicago: land-based casino with 4,000 gaming positions.
- Hawthorne and Arlington racetracks: slot-only casinos 1,200 gaming positions.
- Suburban Chicago: two new riverboat licenses limited to 1,200 gaming positions (slots and tables), one in the Southland area and one in the Waukegan area.
- Danville: riverboat casino license limited to 1,200 gaming positions (slots and tables), impacting central and southern Indiana.

For Indiana, the following changes have been modeled:

- Terre Haute: new land-based casino with slots and tables.
- In Northwest Indiana, replacing the existing Majestic Star riverboat operation at Buffington Harbor with a land-based casino in one of the following alternative locations Gary (Borman Expressway), Hammond, Hobart, Merrillville, and Portage.

Impact of Illinois Expansion

The Illinois expansion would be expected to lead to a combination of market growth along with cannibalization of existing properties. The following table shows total gravity market participation and revenue assuming expansion in Illinois.

Forecast 2022 with Illinois					
	Gamer Pop.	Participation Rate	Gaming Visits	WPV	GGR (MMs)
Chicagoland	6,859,879	2.98	20,417,054	\$108	\$2,197.3
Rensselaer	85,231	1.57	133,959	\$97	\$13.0
South Bend	379,814	4.18	1,587,524	\$80	\$126.9
Michigan	125,987	2.85	358,949	\$93	\$33.4
Fort Wayne	573,290	1.22	702,081	\$105	\$73.9
Central Indiana	341,879	1.77	604,600	\$100	\$60.6
Hoosier Park	571,293	3.75	2,143,512	\$99	\$211.1
Indiana Grand	791,872	3.63	2,875,989	\$84	\$240.6
Richmond	101,386	2.12	214,685	\$90	\$19.4
Southeast Indiana	118,894	2.94	349,441	\$87	\$30.4
Bloomington	257,241	1.77	456,591	\$100	\$45.5
Southern Indiana	236,902	3.35	793,888	\$87	\$69.0
Southwest Indiana	304,450	3.76	1,143,396	\$82	\$94.0
Terre Haute South	82,647	2.12	174,942	\$90	\$15.8
Terre Haute	269,388	1.27	343,052	\$96	\$33.0
Terre Haute East	219,145	2.14	467,918	\$105	\$49.2
Danville	380,763	2.49	948,057	\$94	\$89.2
Danville North	56,328	1.40	78,776	\$98	\$7.7
Total	11,756,390		33,794,413	\$101	\$3,410.2

Source: The Innovation Group

The following table shows total GGR for the individual commercial Indiana facilities for 2022 assuming Illinois expansion.

Forecast 2022 by Indiana Casino: Impact of Illinois Expansion (MMs)

	Tropicana Evansville	French Lick	Horseshoe SI	Horseshoe Hammond	Ameristar E. Chicago	Majestic Star	Blue Chip	Hoosier Park	Indiana Grand	Hollywood L.burg	Rising Star	Belterra Casino	Total
Chicagoland	\$0.0	\$0.0	\$0.0	\$215.3	\$133.0	\$89.3	\$78.9	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$516.5
Rensselaer	\$0.0	\$0.0	\$0.0	\$1.6	\$1.5	\$1.1	\$2.5	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$6.7
South Bend	\$0.0	\$0.0	\$0.0	\$3.4	\$3.1	\$2.4	\$11.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$19.9
Michigan	\$0.0	\$0.0	\$0.0	\$1.0	\$0.9	\$0.7	\$3.8	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$6.4
Fort Wayne	\$0.0	\$0.0	\$0.0	\$2.7	\$2.3	\$1.7	\$4.8	\$12.6	\$5.2	\$0.0	\$0.0	\$0.0	\$29.3
Central Indiana	\$0.0	\$0.9	\$0.0	\$2.9	\$2.5	\$1.9	\$4.5	\$18.3	\$10.1	\$0.0	\$0.0	\$0.0	\$41.1
Hoosier Park	\$0.0	\$2.0	\$0.6	\$2.8	\$2.3	\$1.8	\$3.6	\$133.8	\$57.7	\$1.0	\$0.1	\$0.1	\$205.8
Indiana Grand	\$0.0	\$7.3	\$5.2	\$3.7	\$3.1	\$2.3	\$4.7	\$38.7	\$153.1	\$8.3	\$4.5	\$4.2	\$235.2
Richmond	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$4.2	\$2.7	\$2.8	\$1.2	\$0.9	\$11.9
Southeast Indiana	\$0.0	\$0.1	\$0.2	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.3	\$13.0	\$5.3	\$4.9	\$23.6
Bloomington	\$0.3	\$14.7	\$9.5	\$0.0	\$0.0	\$0.0	\$0.0	\$0.1	\$2.1	\$8.1	\$5.0	\$5.8	\$45.5
Southern Indiana	\$2.2	\$9.6	\$50.5	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.4	\$0.3	\$5.9	\$69.0
Southwest Indiana	\$74.4	\$12.8	\$6.8	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$94.0
Terre Haute South	\$4.2	\$9.0	\$2.4	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$15.7
Terre Haute	\$7.0	\$7.2	\$1.2	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.5	\$0.0	\$0.0	\$0.0	\$16.1
Terre Haute East	\$2.6	\$6.2	\$5.1	\$0.0	\$0.0	\$0.0	\$0.0	\$1.4	\$28.6	\$0.1	\$0.0	\$0.0	\$44.1
Danville	\$0.0	\$2.7	\$0.0	\$0.2	\$0.1	\$0.1	\$0.2	\$0.1	\$4.8	\$0.0	\$0.0	\$0.0	\$8.3
Danville North	\$0.0	\$0.0	\$0.0	\$1.6	\$1.3	\$1.0	\$0.9	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$4.7
Subtotal Gravity	\$90.8	\$72.7	\$81.6	\$235.0	\$150.0	\$102.4	\$115.1	\$209.2	\$265.1	\$33.6	\$16.4	\$21.7	\$1,393.7
Out-of-Market	\$62.8	\$19.0	\$157.5	\$9.4	\$7.1	\$6.4	\$6.1	\$7.4	\$9.7	\$140.5	\$34.6	\$91.0	\$551.5
Total	\$153.6	\$91.7	\$239.2	\$244.4	\$157.1	\$108.8	\$121.2	\$216.6	\$274.9	\$174.1	\$51.0	\$112.7	\$1,945.2

Source: The Innovation Group

The following table shows the percentage impact of Illinois on commercial Indiana facilities relative to a Status Quo Future (2022) Baseline.

Percentage Impact of Illinois Expansion (Relative to Baseline 2022)

	Tropicana Evansville	French Lick	Horseshoe SI	Horseshoe Hammond	Ameristar E. Chicago	Majestic Star	Blue Chip	Hoosier Park	Indiana Grand	Hollywood L.burg	Rising Star	Belterra Casino	Total
Chicagoland				-42.0%	-35.6%	-31.9%	-27.3%						-36.8%
Rensselaer				-24.6%	-24.6%	-24.6%	-22.0%						-23.6%
South Bend				-0.9%	-0.9%	-0.9%	-0.9%						-0.9%
Michigan				-0.9%	-0.9%	-0.9%	-0.8%						-0.9%
Fort Wayne				-1.0%	-1.0%	-1.0%	-1.1%	-0.9%	-1.0%	-1.0%	-1.0%		-1.0%
Central Indiana		-7.6%		-7.6%	-7.6%	-7.6%	-7.3%	-5.7%	-7.3%				-6.6%
Hoosier Park		-2.2%	-2.2%	-2.2%	-2.2%	-2.2%	-2.2%	-1.4%	-2.1%	-2.0%	-2.0%	-2.1%	-1.7%
Indiana Grand		-2.6%	-2.5%	-2.8%	-2.8%	-2.8%	-2.8%	-2.5%	-2.0%	-2.3%	-2.4%	-2.4%	-2.2%
Richmond		0.0%	0.0%					0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Southeast Indiana		0.0%	0.0%					0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Bloomington	0.0%	0.0%	0.0%					0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Southern Indiana	0.0%	0.0%	0.0%						0.0%	0.0%	0.0%	0.0%	0.0%
Southwest Indiana	0.0%	0.0%	0.0%										0.0%
Terre Haute South	-1.0%	-0.9%	-1.1%										-0.9%
Terre Haute	-14.6%	-16.8%	-21.7%						-24.3%				-16.5%
Terre Haute East	-11.0%	-10.5%	-10.5%					-10.9%	-10.4%	-10.6%	-10.7%	-10.6%	-10.5%
Danville		-52.5%		-94.7%	-94.3%	-94.2%	-92.5%	-50.5%	-51.0%				-68.7%
Danville North				-11.6%	-11.5%	-11.5%	-13.2%						-11.8%
Subtotal Gravity	-1.7%	-7.2%	-1.3%	-40.6%	-33.9%	-30.3%	-22.7%	-2.1%	-4.9%	-0.7%	-0.7%	-0.5%	-19.7%
Out-of-Market	-0.5%	-0.5%	-0.5%	-10.0%	-10.0%	-10.0%	-5.0%	-0.5%	-0.5%	0.0%	0.0%	0.0%	-0.7%
Total	-1.2%	-5.9%	-0.8%	-39.8%	-33.1%	-29.4%	-22.0%	-2.0%	-4.8%	-0.1%	-0.2%	-0.1%	-15.1%

Source: The Innovation Group

Indiana Expansion Scenario 1

The Indiana expansion would be expected to lead to a combination of market growth along with cannibalization of existing properties. The following table shows total gravity market participation and revenue assuming Illinois and Indiana expansion.

Total Market Forecast 2022 with Illinois and Indiana* Expansion					
	Gamer Pop.	Participation Rate	Gaming Visits	WPV	GGR (MMs)
Chicagoland	6,859,879	3.00	20,570,876	\$107	\$2,203.6
Rensselaer	85,231	1.60	136,668	\$97	\$13.2
South Bend	379,814	4.18	1,587,524	\$80	\$126.9
Michigan	125,987	2.85	358,949	\$93	\$33.4
Fort Wayne	573,290	1.22	702,081	\$105	\$73.9
Central Indiana	341,879	1.77	604,600	\$100	\$60.6
Hoosier Park	571,293	3.75	2,143,512	\$99	\$211.1
Indiana Grand	791,872	3.63	2,875,989	\$84	\$240.6
Richmond	101,386	2.12	214,685	\$90	\$19.4
Southeast Indiana	118,894	2.94	349,441	\$87	\$30.4
Bloomington	257,241	1.77	456,591	\$100	\$45.5
Southern Indiana	236,902	3.35	793,888	\$87	\$69.0
Southwest Indiana	304,450	3.76	1,143,396	\$82	\$94.0
Terre Haute South	82,647	2.12	174,942	\$90	\$15.8
Terre Haute	269,388	2.90	780,120	\$78	\$60.9
Terre Haute East	219,145	2.14	467,918	\$105	\$49.2
Danville	380,763	2.49	948,057	\$94	\$89.2
Danville North	56,328	1.40	78,776	\$98	\$7.7
Total	11,756,390		34,388,012	\$100	\$3,444.5

Source: The Innovation Group. *Gary Scenario

Terre Haute Forecast Scenario 1

The following table shows the Terre Haute forecast for 2022. The casino would be expected to capture gaming visits from 11 of the defined gravity model market areas in the statewide model. In addition, its location along I-70 would give it strong potential for capturing out-of-market revenue.

Terre Haute Forecast: with Illinois Expansion

	Total Market Gamer Visits	Terre Haute Capture	Terre Haute Gaming Visits	WPV	GGR (MMs)
Central Indiana	604,600	0.7%	4,251	\$100	\$0.4
Hoosier Park	2,143,512	0.5%	10,486	\$99	\$1.0
Indiana Grand	2,875,989	4.2%	121,552	\$84	\$10.2
Bloomington	456,591	9.5%	43,174	\$100	\$4.3
Southern Indiana	793,888	0.2%	1,301	\$87	\$0.1
Southwest Indiana	1,143,396	0.3%	2,903	\$82	\$0.2
Terre Haute South	174,942	29.7%	51,957	\$90	\$4.7
Terre Haute	780,120	79.8%	622,212	\$75	\$46.9
Terre Haute East	467,918	31.2%	145,816	\$105	\$15.3
Danville	948,057	12.4%	117,749	\$96	\$11.3
Danville North	78,776	1.5%	1,175	\$98	\$0.1
Subtotal Gravity	10,467,789	10.7%	1,122,576	\$84	\$94.7
Out-of-Market			128,130	\$89	\$11.4
Total			1,250,706	\$85	\$106.0

Source: The Innovation Group

Impact on Existing Facilities Scenario 1

The combined impact on existing casinos of Terre Haute and the relocation of Majestic Star is presented in the following tables. The tables exclude Majestic Star, which is assumed to be replaced; the assessment for the Majestic Star relocation is detailed in the subsequent section.

The percentage change table is relative to the Illinois Impact scenario as a baseline.

Forecast 2022 by Indiana Casino: Gary Alternative (MMs)

	Tropicana Evansville	French Lick	Horseshoe SI	Horseshoe Hammond	Ameristar E. Chicago	Blue Chip	Hoosier Park	Indiana Grand	Hollywood L.burg	Rising Star	Belterra Casino
Chicagoland	\$0.0	\$0.0	\$0.0	\$201.0	\$112.7	\$76.4	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Rensselaer	\$0.0	\$0.0	\$0.0	\$1.5	\$1.4	\$2.4	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
South Bend	\$0.0	\$0.0	\$0.0	\$3.3	\$3.0	\$10.9	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Michigan	\$0.0	\$0.0	\$0.0	\$1.0	\$0.9	\$3.8	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Fort Wayne	\$0.0	\$0.0	\$0.0	\$2.7	\$2.2	\$4.7	\$12.4	\$5.1	\$0.0	\$0.0	\$0.0
Central Indiana	\$0.0	\$0.9	\$0.0	\$2.8	\$2.4	\$4.3	\$17.8	\$9.8	\$0.0	\$0.0	\$0.0
Hoosier Park	\$0.0	\$2.0	\$0.6	\$2.7	\$2.3	\$3.5	\$132.6	\$57.0	\$1.0	\$0.1	\$0.1
Indiana Grand	\$0.0	\$6.9	\$4.9	\$3.5	\$2.9	\$4.5	\$36.7	\$146.1	\$7.9	\$4.3	\$3.9
Richmond	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$4.2	\$2.7	\$2.8	\$1.2	\$0.9
Southeast Indiana	\$0.0	\$0.1	\$0.2	\$0.0	\$0.0	\$0.0	\$0.0	\$0.3	\$13.0	\$5.3	\$4.9
Bloomington	\$0.3	\$13.2	\$8.7	\$0.0	\$0.0	\$0.0	\$0.1	\$1.9	\$7.4	\$4.5	\$5.2
Southern Indiana	\$2.2	\$9.6	\$50.4	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.4	\$0.3	\$5.9
Southwest Indiana	\$74.3	\$12.7	\$6.7	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Terre Haute South	\$2.9	\$6.5	\$1.6	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Terre Haute	\$3.8	\$3.2	\$0.2	\$0.0	\$0.0	\$0.0	\$0.0	\$0.1	\$0.0	\$0.0	\$0.0
Terre Haute East	\$1.7	\$4.0	\$3.4	\$0.0	\$0.0	\$0.0	\$1.0	\$20.2	\$0.0	\$0.0	\$0.0
Danville	\$0.0	\$2.1	\$0.0	\$0.1	\$0.1	\$0.2	\$0.1	\$3.6	\$0.0	\$0.0	\$0.0
Danville North	\$0.0	\$0.0	\$0.0	\$1.4	\$1.1	\$0.8	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Subtotal Gravity	\$85.0	\$61.2	\$76.9	\$219.9	\$129.1	\$111.5	\$204.8	\$246.8	\$32.5	\$15.7	\$21.0
Out-of-Market	\$62.5	\$18.9	\$156.7	\$8.5	\$6.4	\$5.8	\$7.3	\$9.7	\$140.5	\$34.6	\$91.0
Total	\$147.5	\$80.1	\$233.6	\$228.4	\$135.5	\$117.3	\$212.2	\$256.5	\$172.9	\$50.3	\$111.9

Source: The Innovation Group

Percentage Change of Indiana Expansion Relative to Illinois Impact Scenario: Gary Alternative

	Tropicana Evansville	French Lick	Horseshoe SI	Horseshoe Hammond	Ameristar E. Chicago	Blue Chip	Hoosier Park	Indiana Grand	Hollywood L.burg	Rising Star	Belterra Casino
Chicagoland				-6.6%	-15.2%	-3.1%					
Rensselaer				-6.7%	-6.9%	-5.7%					
South Bend				-1.8%	-1.8%	-1.7%					
Michigan				-1.7%	-1.7%	-1.6%					
Fort Wayne				-1.7%	-1.7%	-1.7%	-1.5%	-1.5%	-1.5%	-1.5%	
Central Indiana		-3.2%		-3.5%	-3.5%	-3.4%	-2.5%	-3.0%			
Hoosier Park		-1.4%	-1.3%	-1.4%	-1.4%	-1.4%	-0.9%	-1.3%	-1.3%	-1.3%	-1.3%
Indiana Grand		-5.7%	-5.4%	-5.8%	-5.8%	-5.8%	-5.3%	-4.6%	-5.0%	-5.1%	-5.2%
Richmond		0.0%	0.0%				0.0%	0.0%	0.0%	0.0%	0.0%
Southeast Indiana		0.0%	0.0%				0.0%	0.0%	0.0%	0.0%	0.0%
Bloomington	-11.2%	-10.6%	-9.0%				-10.0%	-8.3%	-8.8%	-8.8%	-8.9%
Southern Indiana	-0.2%	-0.2%	-0.1%					-0.2%	-0.2%	-0.2%	-0.2%
Southwest Indiana	-0.2%	-0.5%	-0.6%								
Terre Haute South	-32.3%	-27.3%	-33.4%								
Terre Haute	-46.3%	-56.3%	-82.0%					-83.9%			
Terre Haute East	-36.1%	-35.5%	-32.8%				-29.5%	-29.2%	-31.5%	-31.8%	-32.2%
Danville		-24.8%		-20.0%	-20.4%	-21.7%	-24.7%	-24.8%			
Danville North				-10.2%	-10.2%	-10.1%					
Subtotal Gravity	-6.3%	-15.9%	-5.8%	-6.4%	-13.9%	-3.1%	-2.1%	-6.9%	-3.5%	-4.2%	-3.5%
Out-of-Market	-0.5%	-0.5%	-0.5%	-10.0%	-10.0%	-5.0%	-0.5%	-0.5%	0.0%	0.0%	0.0%
Total	-3.9%	-12.7%	-2.3%	-6.6%	-13.7%	-3.2%	-2.0%	-6.7%	-0.7%	-1.3%	-0.7%

Source: The Innovation Group

Northwest Indiana Alternatives Scenario 1

The following section shows the forecasts for the relocated Majestic Star operation as a land-based casino in one of five municipalities in Northwest Indiana. For the purpose of comparison, the new casino is assumed to be of equal size in all alternative locations. The casino would be expected to capture gaming visits from 10 of the defined gravity model market areas in the statewide model.

Gary Forecast

The following table shows the GGR forecast for the new Northwest casino if it is located in Gary:

Relocated Majestic Star Forecast: Gary Alternative					
	Total Market Gamer Visits	Gary Capture	Gary Gaming Visits	WPV	GGR (MMs)
Chicagoland	20,570,876	9.6%	1,983,433	\$92	\$186.37
Rensselaer	136,668	15.8%	21,568	\$97	\$2.09
South Bend	1,587,524	3.3%	52,247	\$80	\$4.18
Michigan	358,949	3.7%	13,104	\$93	\$1.22
Fort Wayne	702,081	3.9%	27,432	\$105	\$2.89
Central Indiana	604,600	5.4%	32,465	\$100	\$3.26
Hoosier Park	2,143,512	1.4%	30,277	\$99	\$2.98
Indiana Grand	2,875,989	1.6%	45,351	\$84	\$3.79
Danville	948,057	0.8%	7,741	\$96	\$0.75
Danville North	78,776	19.7%	15,498	\$98	\$1.52
Subtotal Gravity	30,007,032	7.4%	2,229,116	\$94	\$209.04
Out-of-Market			66,559	\$99	\$6.57
Total			2,295,675	\$94	\$215.61

Source: The Innovation Group

The following table shows the total GGR forecast for Northwest Indiana in the Gary scenario:

Total Northwest Indiana Market: Gary Alternative (MMs)

	Gary	Horseshoe Hammond	Ameristar E. Chicago	Blue Chip	Total NW Indiana
Chicagoland	\$186.4	\$201.0	\$112.7	\$76.4	\$576.5
Rensselaer	\$2.1	\$1.5	\$1.4	\$2.4	\$7.3
South Bend	\$4.2	\$3.3	\$3.0	\$10.9	\$21.4
Michigan	\$1.2	\$1.0	\$0.9	\$3.8	\$6.9
Fort Wayne	\$2.9	\$2.7	\$2.2	\$4.7	\$12.5
Central Indiana	\$3.3	\$2.8	\$2.4	\$4.3	\$12.8
Hoosier Park	\$3.0	\$2.7	\$2.3	\$3.5	\$11.5
Indiana Grand	\$3.8	\$3.5	\$2.9	\$4.5	\$14.6
Danville	\$0.7	\$0.1	\$0.1	\$0.2	\$1.2
Danville North	\$1.5	\$1.4	\$1.1	\$0.8	\$4.9
Subtotal Gravity	\$209.0	\$219.9	\$129.1	\$111.5	\$669.6
Out-of-Market	\$6.5	\$8.5	\$6.4	\$5.8	\$27.2
Total	\$215.5	\$228.4	\$135.5	\$117.3	\$696.7

Source: The Innovation Group

Hammond Forecast

The following table shows the GGR forecast for the new Northwest casino if it is located in Hammond near Exit 0 of the Chicago Skyway:

Relocated Majestic Star Forecast: Hammond Alternative

	Total Market Gamer Visits	Hammond Capture	Hammond Gaming Visits	WPV	GGR (MMs)
Chicagoland	20,399,849	9.5%	1,930,336	\$100	\$193.66
Rensselaer	133,959	10.8%	14,533	\$97	\$1.41
South Bend	1,587,524	2.4%	38,686	\$80	\$3.09
Michigan	358,949	2.7%	9,758	\$93	\$0.91
Fort Wayne	702,081	3.3%	23,161	\$105	\$2.44
Central Indiana	604,600	4.3%	25,894	\$100	\$2.60
Hoosier Park	2,143,512	1.2%	25,386	\$99	\$2.50
Indiana Grand	2,875,989	1.3%	37,929	\$84	\$3.17
Danville	948,057	0.7%	6,759	\$96	\$0.65
Danville North	78,776	17.4%	13,687	\$98	\$1.34
Subtotal Gravity	29,833,296	7.1%	2,126,129	\$100	\$211.78
Out-of-Market			60,595	\$105	\$6.35
Total			2,186,723	\$100	\$218.13

Source: The Innovation Group

The following table shows the total GGR forecast for Northwest Indiana in the Hammond scenario:

Total Northwest Indiana Market: Hammond Alternative (MMs)

	Hammond	Horseshoe Hammond	Ameristar E. Chicago	Blue Chip	Total NW Indiana
Chicagoland	\$193.7	\$195.8	\$121.8	\$80.8	\$592.1
Rensselaer	\$1.4	\$1.5	\$1.4	\$2.5	\$6.8
South Bend	\$3.1	\$3.4	\$3.1	\$11.0	\$20.5
Michigan	\$0.9	\$1.0	\$0.9	\$3.8	\$6.6
Fort Wayne	\$2.4	\$2.7	\$2.3	\$4.7	\$12.1
Central Indiana	\$2.6	\$2.8	\$2.4	\$4.4	\$12.3
Hoosier Park	\$2.5	\$2.7	\$2.3	\$3.6	\$11.1
Indiana Grand	\$3.2	\$3.5	\$2.9	\$4.5	\$14.0
Danville	\$0.7	\$0.1	\$0.1	\$0.2	\$1.1
Danville North	\$1.3	\$1.4	\$1.2	\$0.8	\$4.8
Subtotal Gravity	\$211.8	\$215.0	\$138.4	\$116.2	\$681.4
Out-of-Market	\$6.4	\$8.7	\$6.6	\$6.0	\$27.8
Total	\$218.1	\$223.8	\$145.0	\$122.3	\$709.2

Source: The Innovation Group

Hobart Forecast

The following table shows the GGR forecast for the new Northwest casino if it is located in Hobart:

Relocated Majestic Star Forecast: Hobart Alternative

	Total Market Gamer Visits	Hobart Capture	Hobart Gaming Visits	WPV	GGR (MMs)
Chicagoland	20,545,790	7.3%	1,508,831	\$91	\$137.20
Rensselaer	159,273	20.7%	32,971	\$94	\$3.11
South Bend	1,587,524	3.4%	53,761	\$80	\$4.30
Michigan	358,949	3.7%	13,319	\$93	\$1.24
Fort Wayne	702,081	4.1%	28,539	\$105	\$3.00
Central Indiana	604,600	6.2%	37,553	\$100	\$3.77
Hoosier Park	2,143,512	1.6%	33,827	\$99	\$3.33
Indiana Grand	2,875,989	1.8%	50,756	\$84	\$4.25
Danville	948,057	0.8%	7,799	\$96	\$0.75
Danville North	78,776	17.7%	13,948	\$98	\$1.37
Subtotal Gravity	30,004,550	5.9%	1,781,304	\$91	\$162.31
Out-of-Market			67,690	\$96	\$6.49
Total			1,848,994	\$91	\$168.80

Source: The Innovation Group

The following table shows the total GGR forecast for Northwest Indiana in the Hobart scenario:

Total Northwest Indiana Market: Hobart Alternative (MMs)

	Hobart	Horseshoe Hammond	Ameristar E. Chicago	Blue Chip	Total NW Indiana
Chicagoland	\$137.2	\$207.9	\$120.0	\$75.5	\$540.6
Rensselaer	\$3.1	\$1.5	\$1.4	\$2.5	\$8.6
South Bend	\$4.3	\$3.3	\$3.0	\$10.9	\$21.5
Michigan	\$1.2	\$1.0	\$0.9	\$3.8	\$6.9
Fort Wayne	\$3.0	\$2.6	\$2.2	\$4.7	\$12.6
Central Indiana	\$3.8	\$2.8	\$2.4	\$4.3	\$13.2
Hoosier Park	\$3.3	\$2.7	\$2.3	\$3.5	\$11.9
Indiana Grand	\$4.2	\$3.5	\$2.9	\$4.4	\$15.0
Danville	\$0.7	\$0.1	\$0.1	\$0.2	\$1.2
Danville North	\$1.4	\$1.4	\$1.2	\$0.8	\$4.8
Subtotal Gravity	\$162.3	\$226.9	\$136.4	\$110.7	\$636.3
Out-of-Market	\$6.5	\$9.3	\$6.8	\$6.0	\$28.6
Total	\$168.8	\$236.2	\$143.2	\$116.7	\$664.9

Source: The Innovation Group

Merrillville Forecast

The following table shows the GGR forecast for the new Northwest casino if it is located in Merrillville:

Relocated Majestic Star Forecast: Merrillville Alternative

	Total Market Gamer Visits	Merrillville Capture	Merrillville Gaming Visits	WPV	GGR (MMs)
Chicagoland	20,520,821	6.9%	1,417,225	\$91	\$128.86
Rensselaer	164,150	21.9%	35,979	\$94	\$3.37
South Bend	1,587,524	3.2%	51,104	\$80	\$4.09
Michigan	358,949	3.4%	12,328	\$93	\$1.15
Fort Wayne	702,081	4.1%	28,932	\$105	\$3.04
Central Indiana	604,600	6.4%	38,694	\$100	\$3.88
Hoosier Park	2,143,512	1.6%	34,587	\$99	\$3.41
Indiana Grand	2,875,989	1.8%	51,914	\$84	\$4.34
Danville	948,057	0.8%	7,959	\$96	\$0.76
Danville North	78,776	18.1%	14,250	\$98	\$1.40
Subtotal Gravity	29,984,458	5.6%	1,692,971	\$91	\$154.30
Out-of-Market			67,550	\$96	\$6.48
Total			1,760,521	\$91	\$160.78

Source: The Innovation Group

The following table shows the total GGR forecast for Northwest Indiana in the Merrillville scenario:

Total Northwest Indiana Market: Merrillville Alternative (MMs)

	Merrillville	Horseshoe Hammond	Ameristar E. Chicago	Blue Chip	Total NW Indiana
Chicagoland	\$128.9	\$209.0	\$121.3	\$75.7	\$534.9
Rensselaer	\$3.4	\$1.6	\$1.5	\$2.6	\$8.9
South Bend	\$4.1	\$3.3	\$3.0	\$10.9	\$21.3
Michigan	\$1.1	\$1.0	\$0.9	\$3.8	\$6.8
Fort Wayne	\$3.0	\$2.6	\$2.2	\$4.7	\$12.6
Central Indiana	\$3.9	\$2.8	\$2.4	\$4.3	\$13.3
Hoosier Park	\$3.4	\$2.7	\$2.3	\$3.5	\$11.9
Indiana Grand	\$4.3	\$3.5	\$2.9	\$4.4	\$15.1
Danville	\$0.8	\$0.1	\$0.1	\$0.2	\$1.2
Danville North	\$1.4	\$1.4	\$1.2	\$0.8	\$4.8
Subtotal Gravity	\$154.3	\$228.0	\$137.7	\$111.0	\$631.0
Out-of-Market	\$6.5	\$9.3	\$6.8	\$6.0	\$28.6
Total	\$160.8	\$237.3	\$144.4	\$117.0	\$659.6

Source: The Innovation Group

Portage Forecast

The following table shows the GGR forecast for the new Northwest casino if it is located in Portage:

Relocated Majestic Star Forecast: Portage Alternative

	Total Market Gamer Visits	Portage Capture	Portage Gaming Visits	WPV	GGR (MMs)
Chicagoland	20,399,849	6.0%	1,226,885	\$94	\$115.02
Rensselaer	141,064	16.0%	22,502	\$96	\$2.17
South Bend	1,587,524	4.5%	71,184	\$80	\$5.69
Michigan	358,949	5.2%	18,576	\$93	\$1.73
Fort Wayne	702,081	4.5%	31,587	\$105	\$3.32
Central Indiana	604,600	5.4%	32,526	\$100	\$3.26
Hoosier Park	2,143,512	1.4%	29,029	\$99	\$2.86
Indiana Grand	2,875,989	1.5%	43,339	\$84	\$3.63
Danville	948,057	0.7%	6,720	\$96	\$0.65
Danville North	78,776	14.9%	11,742	\$98	\$1.15
Subtotal Gravity	29,840,401	5.0%	1,494,090	\$93	\$139.48
Out-of-Market			65,292	\$98	\$6.42
Total			1,559,381	\$94	\$145.90

Source: The Innovation Group

The following table shows the total GGR forecast for Northwest Indiana in the Portage scenario:

Total Northwest Indiana Market: Portage Alternative (MMs)

	Portage	Horseshoe Hammond	Ameristar E. Chicago	Blue Chip	Total NW Indiana
Chicagoland	\$115.0	\$211.5	\$124.3	\$74.7	\$525.5
Rensselaer	\$2.2	\$1.5	\$1.4	\$2.4	\$7.5
South Bend	\$5.7	\$3.3	\$3.0	\$10.7	\$22.7
Michigan	\$1.7	\$1.0	\$0.9	\$3.7	\$7.3
Fort Wayne	\$3.3	\$2.6	\$2.2	\$4.7	\$12.9
Central Indiana	\$3.3	\$2.8	\$2.4	\$4.3	\$12.8
Hoosier Park	\$2.9	\$2.7	\$2.3	\$3.6	\$11.4
Indiana Grand	\$3.6	\$3.5	\$2.9	\$4.5	\$14.5
Danville	\$0.6	\$0.1	\$0.1	\$0.2	\$1.1
Danville North	\$1.2	\$1.5	\$1.2	\$0.9	\$4.7
Subtotal Gravity	\$139.5	\$230.5	\$140.7	\$109.6	\$620.3
Out-of-Market	\$6.4	\$9.3	\$7.0	\$6.0	\$28.8
Total	\$145.9	\$239.8	\$147.6	\$115.7	\$649.0

Source: The Innovation Group

Total Indiana Statewide Summary Scenario 1

Northwest Indiana Summary

The following table summarizes the total GGR forecast for Northwest Indiana, with net gain for the alternative scenarios measured against the Illinois Impact baseline:

Total Northwest Indiana Market Summary (MMs)

	Horseshoe	Ameristar	Majestic Star	Blue Chip	Total NW Indiana	Net Gain
Current Base (2018)	\$398.4	\$229.9	\$150.8	\$151.5	\$930.6	
Future Base (2022)	\$405.9	\$235.0	\$154.1	\$155.3	\$950.3	
Illinois Impact	\$244.4	\$157.1	\$108.8	\$121.2	\$631.5	
Gary	\$228.4	\$135.5	\$215.5	\$117.3	\$696.7	\$65.2
Hammond	\$223.8	\$145.0	\$218.1	\$122.3	\$709.2	\$77.7
Hobart	\$236.2	\$143.2	\$168.8	\$116.7	\$664.9	\$33.4
Merrillville	\$237.3	\$144.4	\$160.8	\$117.0	\$659.6	\$28.1
Portage	\$239.8	\$147.6	\$145.9	\$115.7	\$649.0	\$17.6

Central and Southern Indiana Summary

The following table summarizes the total GGR forecast for Central and Southern Indiana, with net gain for the Indiana expansion scenario measured against the Illinois Impact baseline:

Total Central and Southern Indiana Market Summary (MMs)											
	Terre Haute	Tropicana Evansville	French Lick	Horseshoe SI	Hoosier Park	Indiana Grand	Hollywood Lawrenceburg	Rising Star	Belterra Casino	Total Central & Southern Indiana	Net Gain
Current Base (2018)	\$0.0	\$152.1	\$94.5	\$236.1	\$212.0	\$275.5	\$171.7	\$50.2	\$111.1	\$1,303.4	
Future Base (2022)	\$0.0	\$155.5	\$97.4	\$241.1	\$221.1	\$288.7	\$174.3	\$51.1	\$112.8	\$1,342.0	
Illinois Impact	\$0.0	\$153.6	\$91.7	\$239.2	\$216.6	\$274.9	\$174.1	\$51.0	\$112.7	\$1,313.7	
Indiana Expansion	\$106.0	\$147.5	\$80.1	\$233.6	\$212.2	\$256.5	\$172.9	\$50.3	\$111.9	\$1,371.1	\$57.4

Total Indiana Summary

The following table summarizes the total GGR forecast for Northwest Indiana, with net gain for the alternative scenarios measured against the Illinois Impact baseline:

Total Indiana Market Summary (MMs)		
	Total Indiana	Net Gain
Current Base (2018)	\$2,234.0	
Future Base (2022)	\$2,292.2	
Illinois Impact	\$1,945.2	
Gary and Terre Haute	\$2,067.8	\$122.6
Hammond and Terre Haute	\$2,080.3	\$135.1
Hobart and Terre Haute	\$2,036.0	\$90.8
Merrillville and Terre Haute	\$2,030.6	\$85.4
Portage and Terre Haute	\$2,020.1	\$74.9

Scenario 2: Forecasts without Illinois Expansion – 2022

Without expansion in Illinois, total market revenue would be lower; however, capture by Indiana properties would increase. The following table shows total gravity market participation and revenue assuming Indiana expansion only.

Total Market Forecast 2022 with Indiana Expansion* Only

	Gamer Pop.	Participation Rate	Gaming Visits	WPV	GGR (MMs)
Chicagoland	6,859,879	2.57	17,606,383	\$110	\$1,944.6
Rensselaer	85,231	1.60	136,668	\$97	\$13.2
South Bend	379,814	4.18	1,587,524	\$80	\$126.9
Michigan	125,987	2.85	358,949	\$93	\$33.4
Fort Wayne	573,290	1.22	702,081	\$105	\$73.9
Central Indiana	341,879	1.77	604,600	\$100	\$60.6
Hoosier Park	571,293	3.75	2,143,512	\$99	\$211.1
Indiana Grand	791,872	3.63	2,875,989	\$84	\$240.6
Richmond	101,386	2.12	214,685	\$90	\$19.4
Southeast Indiana	118,894	2.94	349,441	\$87	\$30.4
Bloomington	257,241	1.77	456,591	\$100	\$45.5
Southern Indiana	236,902	3.35	793,888	\$87	\$69.0
Southwest Indiana	304,450	3.76	1,143,396	\$82	\$94.0
Terre Haute South	82,647	2.12	174,942	\$90	\$15.8
Terre Haute	269,388	2.90	780,120	\$78	\$60.9
Terre Haute East	219,145	2.14	467,918	\$105	\$49.2
Danville	380,763	1.06	403,136	\$107	\$43.0
Danville North	56,328	1.40	78,776	\$98	\$7.7
Total	11,756,390		30,878,598	\$102	\$3,139.4

Source: The Innovation Group. *Gary Scenario

Terre Haute Forecast Scenario 2

The following table shows the Terre Haute forecast for 2022 without competition from Danville, Illinois. The casino would be expected to capture gaming visits from 11 of the defined gravity model market areas in the statewide model. In addition, its location along I-70 would give it strong potential for capturing out-of-market revenue.

Terre Haute Forecast: without Illinois Expansion

	Total Market Gamer Visits	Terre Haute Capture	Terre Haute Gaming Visits	WPV	GGR (MMs)
Central Indiana	604,600	0.8%	4,611	\$100	\$0.5
Hoosier Park	2,143,512	0.5%	10,723	\$99	\$1.1
Indiana Grand	2,875,989	4.3%	124,736	\$84	\$10.4
Bloomington	456,591	9.5%	43,174	\$100	\$4.3
Southern Indiana	793,888	0.2%	1,301	\$87	\$0.1
Southwest Indiana	1,143,396	0.3%	2,903	\$82	\$0.2
Terre Haute South	174,942	29.9%	52,308	\$90	\$4.7
Terre Haute	780,120	87.4%	682,010	\$76	\$52.1
Terre Haute East	467,918	33.4%	156,489	\$105	\$16.5
Danville	403,136	77.6%	312,841	\$107	\$33.6
Danville North	78,776	1.8%	1,442	\$98	\$0.1
Subtotal Gravity	9,922,868	14.0%	1,392,538	\$89	\$123.6
Out-of-Market			132,291	\$93	\$12.4
Total			1,524,829	\$89	\$136.0

Source: The Innovation Group

Northwest Indiana Summary Scenario 2

Without expansion in Illinois, gaming revenue in Northwest Indiana would be much higher, although the net gain resulting from relocation of the Majestic Star operation would be lower. The following table summarizes the total GGR forecast for Northwest Indiana, with net gain for the alternative scenarios measured against the Future Base (status quo scenario):

Total Northwest Indiana Market Summary (MMs): No Illinois Expansion

	Horseshoe	Ameristar	Majestic Star	Blue Chip	Total NW Indiana	Net Gain
Current Base (2018)	\$398.4	\$229.9	\$150.8	\$151.5	\$930.6	
Future Base (2022)	\$405.9	\$235.0	\$154.1	\$155.3	\$950.3	
Gary	\$362.9	\$189.0	\$287.0	\$145.6	\$984.5	\$34.2
Hammond	\$333.0	\$201.5	\$308.5	\$152.2	\$995.3	\$45.0
Hobart	\$387.5	\$208.7	\$222.4	\$147.6	\$966.2	\$15.9
Merrillville	\$390.5	\$210.8	\$210.1	\$148.0	\$959.3	\$9.1
Portage	\$395.2	\$217.0	\$195.0	\$147.8	\$955.0	\$4.8

Central and Southern Indiana Summary Scenario 2

The following table summarizes the total GGR forecast for Central and Southern Indiana, with net gain for the Indiana expansion scenario measured against the Future Base (status quo scenario):

Total Central and Southern Indiana Market Summary (MMs) No Illinois Expansion											
	Terre Haute	Tropicana Evansville	French Lick	Horseshoe SI	Hoosier Park	Indiana Grand	Hollywood Lawrence-burg	Rising Star	Belterra Casino	Total Central & Southern Indiana	Net Gain
Current Base (2018)	\$0.0	\$152.1	\$94.5	\$236.1	\$212.0	\$275.5	\$171.7	\$50.2	\$111.1	\$1,303.4	
Future Base (2022)	\$0.0	\$155.5	\$97.4	\$241.1	\$221.1	\$288.7	\$174.3	\$51.1	\$112.8	\$1,342.0	
Indiana Expansion	\$136.0	\$148.8	\$82.2	\$234.8	\$216.3	\$264.3	\$173.1	\$50.4	\$112.0	\$1,417.9	\$75.9

Total Indiana Summary Scenario 2

The following table summarizes the total GGR forecast for Indiana, with net gain for the alternative scenarios measured against the Future Base (status quo scenario):

Total Indiana Market Summary (MMs): No Illinois Expansion

	Total Indiana	Net Gain
Current Base (2018)	\$2,234.0	
Future Base (2022)	\$2,292.9	
Gary and Terre Haute	\$2,402.4	\$110.1
Hammond and Terre Haute	\$2,413.1	\$120.9
Hobart and Terre Haute	\$2,384.1	\$91.8
Merrillville and Terre Haute	\$2,377.2	\$85.0
Portage and Terre Haute	\$2,372.9	\$80.7

Wagering Tax Implications

The following table shows the impact on state wagering tax receipts based on the current tax regime, including the graduated scale and allowance for promotional credits (free play), assuming Illinois expansion. Net gain for the alternative scenarios is measured against the Illinois Impact scenario.

Total Indiana Wagering Tax (MMs): With Illinois Expansion

	Total Indiana	Net Gain
Base 2022	\$591.58	
Illinois Impact	\$474.41	
Gary and Terre Haute	\$513.91	\$39.5
Hammond and Terre Haute	\$517.55	\$43.1
Hobart and Terre Haute	\$502.42	\$28.0
Merrillville and Terre Haute	\$500.47	\$26.1
Portage and Terre Haute	\$497.26	\$22.8

The following table shows the impact on state wagering tax receipts based on the current tax regime, including the graduated scale and allowance for promotional credits (free play), assuming Illinois does not expand. Net gain for the alternative scenarios is measured against the Future Base (status quo scenario).

Total Indiana Wagering Tax (MMs): No Illinois Expansion

	Total Indiana	Net Gain
Base 2022	\$591.58	
Gary and Terre Haute	\$626.73	\$35.2
Hammond and Terre Haute	\$630.18	\$38.6
Hobart and Terre Haute	\$620.24	\$28.7
Merrillville and Terre Haute	\$617.82	\$26.2
Portage and Terre Haute	\$616.33	\$24.7

EMPLOYMENT IMPACTS

Impact of Illinois Expansion

Historical Precedents

Declines in visitation and revenue can lead to job losses at affected casinos. In Indiana, the Hollywood Casino in Lawrenceburg was impacted by the opening of new casinos in Ohio, particularly in the Cincinnati area, during fiscal year 2013. By FY2016, GGR had declined by 59% versus FY2012, while employment had declined by 41%, for a ratio of employment loss to GGR loss of 0.7.

Hollywood Casino Indiana, Employment and GGR Trends			
Fiscal Year	Jobs	GGR	Positions
2012	1,548	429,110,433	4,182
2013	1,231	334,253,269	3,257
2014	994	219,666,175	2,972
2015	920	184,290,246	2,595
2016	907	175,387,198	2,364
2017	914	169,826,603	2,374
2018	918	174,676,582	1,979
% Change 2016/2012	-41%	-59%	-43%
Jobs/GGR Change Ratio		0.7	

Source: Indiana Gaming Commission; The Innovation Group

A similar ratio was experienced in Illinois, as the spread of VGTs (video gaming terminals) in liquor-licensed establishments caused gaming revenue at the state's casinos to decline. Excluding outliers,² employment declined by 13.7% relative to a total GGR decline of 17.8% after VGTs opened, a ratio of 0.77.

Illinois Employment and Revenue Trends: Casinos Impacted by VGTs

	Employment	Total GGR
2012	4,104	770,102,000
2013	3,849	721,786,582
2014	3,727	662,386,523
2015	3,541	633,164,461
% Change 2015/2012	-13.7%	-17.8%
Employment Impact/Total GGR Impact		0.77

Source: Illinois Gaming Board; The Innovation Group

² The Grand Victoria was excluded (employment went up to staff a new hotel) along with Joliet Empress (employment decreased at a rate twice that of GGR).

This is similar to what was experienced in Atlantic City as revenues declined from the recession and impact of Pennsylvania and New York, as shown in the following table:

Atlantic City Employment and Revenue Trends					
	2006	2007	2008	2009	2009/2007
Borgata					
Gaming Revenue	\$735,145	\$748,649	\$734,306	\$691,428	-7.60%
Casino Employment	2,758	2,620	2,508	2,483	-5.20%
<i>Ratio of Employment/Rev Decline</i>				0.68	
Trump Taj					
					2009/2006
Gaming Revenue	\$525,437	\$504,090	\$476,706	\$441,111	-16.00%
Casino Employment	1,641	1,566	1,471	1,438	-12.40%
<i>Ratio of Employment/Rev Decline</i>				0.77	

Source: New Jersey Casino Control Commission

Indiana Employment Forecast

To estimate the impact on Indiana casino employment, we applied the 0.7 ratio to the respective GGR forecasts for the existing properties that would be affected by Illinois expansion (Northern and Central Indiana only), resulting in the loss of more than 1,200 casino jobs statewide, as shown in the following table. A further adjustment was made to French Lick, since a large percentage of employment there occurs at the supporting resort facilities. The Ohio River casinos are not expected to be sufficiently impacted to cause employment reductions.

Indiana Casino Employment: Impact of Illinois Expansion				
	Employees			
	2018	GGR Impact	Jobs Impact	Job Losses
Ameristar	1,261	-33.1%	-23.2%	-293
Belterra Casino	920			0
Blue Chip	992	-22.0%	-15.4%	-153
French Lick	1,651	-5.9%	-1.4%	-24
Hollywood Lawrenceburg	918			0
Hoosier Park	795	-2.0%	-1.4%	-11
Horseshoe (North)	1,846	-39.8%	-27.8%	-514
Horseshoe (South)	1,323			0
Indiana Grand	978	-4.8%	-3.4%	-33
Majestic Star (1 & 2)	964	-29.4%	-20.6%	-198
Rising Star	568			0
Tropicana Evansville	801			0
Total	13,017		-9.4%	-1,225

Source: Indiana Gaming Commission; The Innovation Group

Terre Haute Employment Forecast

To estimate staffing and employment compensation at the potential Terre Haute casino, the Innovation Group has utilized a proprietary operating pro forma and staffing model, which has been calibrated to actual operating data from existing casinos in Indiana and other jurisdictions. Without competition from a Danville, Illinois casino, business volume at Terre Haute casino would be significantly higher, resulting in the need for more front-of-house staff. The following table shows the employment estimates for Terre Haute on a Full-Time Equivalent (“FTE”) basis as well as total number of employees (full and part time) for each scenario.

Terre Haute Employment Forecast					
	FTEs	Employment	Wages, Salaries, and Tips	Taxes and Benefits	Total Compensation
With Illinois Impact	652	793	\$26,618,916	\$7,903,768	\$34,522,684
No Illinois Expansion	762	928	\$30,373,202	\$9,018,501	\$39,391,703

Source: The Innovation Group

Majestic Star Land-based Employment Forecast

To estimate staffing and employment compensation at the potential Terre Haute casino, the Innovation Group has utilized a proprietary operating pro forma and staffing model, which has been calibrated to actual operating data from existing casinos in Indiana and other jurisdictions. Without competition from a Danville, Illinois casino, business volume at Terre Haute casino would be significantly higher, resulting in the need for more front-of-house staff. The following table shows the employment estimates for Terre Haute on a Full-Time Equivalent (“FTE”) basis as well as total number of employees (full and part time) for each scenario.

Majestic Star Land-based Employment Forecast

	FTEs	Employment	Wages, Salaries, and Tips	Taxes and Benefits	Total Compensation
Gary					
With Illinois Impact	995	1,212	\$40,831,611	\$11,762,964	\$52,594,576
No Illinois Expansion	1,193	1,453	\$47,600,312	\$13,712,924	\$61,313,235
Hammond					
With Illinois Impact	1,002	1,221	\$41,079,253	\$11,834,306	\$52,913,559
No Illinois Expansion	1,247	1,518	\$49,387,516	\$14,227,790	\$63,615,305
Hobart					
With Illinois Impact	866	1,054	\$36,406,071	\$10,488,034	\$46,894,104
No Illinois Expansion	1,032	1,257	\$41,177,627	\$11,862,646	\$53,040,273
Merrill					
With Illinois Impact	844	1,027	\$35,646,515	\$10,269,217	\$45,915,732
No Illinois Expansion	1,002	1,219	\$39,953,686	\$11,510,047	\$51,463,733
Portage					
With Illinois Impact	802	977	\$34,236,532	\$9,863,023	\$44,099,555
No Illinois Expansion	964	1,174	\$38,451,347	\$11,077,247	\$49,528,594

Source: The Innovation Group

Net Statewide Employment Analysis

The following section shows the net statewide employment impact, factoring in two new land-based casinos in Indiana as well as their impact on existing Indiana casinos.

Illinois Expansion Scenario

In the Illinois expansion scenario, the net gain to Indiana casino industry employment is estimated to range from approximately 800 to 1,000 jobs, depending upon the new Majestic Star location. The Southeast Indiana casinos are not expected to be sufficiently impacted to cause employment reductions. The impact on existing casinos is shown in italics.

Statewide Employment Forecast: Illinois Impact Scenario

	Illinois Impact Base	Gary	Hammond	Hobart	Merrillville	Portage
Ameristar	968	-93	-52	-60	-55	-41
Belterra Casino	920	0	0	0	0	0
Blue Chip	839	-19	5	-22	-20	-27
French Lick	1,627	-51	-51	-51	-51	-51
Hollywood Lawrenceburg	918	0	0	0	0	0
Hoosier Park	784	-11	-11	-11	-11	-11
Horseshoe (North)	1,332	-61	-79	-31	-27	-18
Horseshoe (South)	1,323	-21	-21	-21	-21	-21
Indiana Grand	945	-44	-44	-44	-44	-44
Majestic Star (1 & 2)	766	-745	-745	-745	-745	-745
Rising Star	568	0	0	0	0	0
Tropicana Evansville	801	-22	-22	-22	-22	-22
<i>Change in Existing</i>		<i>-1,068</i>	<i>-1,020</i>	<i>-1,008</i>	<i>-997</i>	<i>-980</i>
Subtotal Jobs at Existing Casinos	11,792	10,724	10,771	10,784	10,795	10,812
Majestic Star Landbased	0	1,212	1,221	1,054	1,027	977
Terre Haute	0	793	793	793	793	793
Total Statewide	11,792	12,729	12,785	12,631	12,616	12,582
Statewide Net Change		937	994	840	824	791
% Change		7.9%	8.4%	7.1%	7.0%	6.7%

Source: The Innovation Group

No Illinois Expansion Scenario

Without Illinois expansion, the net gain to Indiana casino industry employment is estimated to range from approximately 1,000 to 1,100 jobs, depending upon the new Majestic Star location. The Southeast Indiana casinos are not expected to be sufficiently impacted to cause employment reductions. The impact on existing casinos is shown in italics.

Statewide Employment Forecast: Without Illinois Expansion

	Base	Gary	Hammond	Hobart	Merrillville	Portage
Ameristar	1,261	-173	-126	-99	-91	-67
Belterra Casino	920	0	0	0	0	0
Blue Chip	992	-43	-14	-35	-33	-34
French Lick	1,651	-63	-63	-63	-63	-63
Hollywood Lawrenceburg	918	0	0	0	0	0
Hoosier Park	795	-12	-12	-12	-12	-12
Horseshoe (North)	1,846	-137	-232	-59	-49	-34
Horseshoe (South)	1,323	-24	-24	-24	-24	-24
Indiana Grand	978	-58	-58	-58	-58	-58
Majestic Star (1 & 2)	964	-745	-745	-745	-745	-745
Rising Star	568	0	0	0	0	0
Tropicana Evansville	801	-24	-24	-24	-24	-24
<i>Change in Existing</i>		-1,279	-1,298	-1,118	-1,099	-1,061
Subtotal Jobs at Existing Casinos	13,017	11,738	11,719	11,899	11,918	11,956
Majestic Star Landbased	0	1,453	1,518	1,257	1,219	1,174
Terre Haute	0	928	928	928	928	928
Total Statewide	13,017	14,118	14,165	14,083	14,065	14,057
Statewide Net Change		1,101	1,148	1,066	1,048	1,040
% Change		8.5%	8.8%	8.2%	8.0%	8.0%

Source: The Innovation Group

ECONOMIC IMPACT ANALYSIS

In this section, the Innovation Group assesses the economic impacts resulting from the projected changes in business volume (as measured in gaming revenue) and employment at Indiana casinos. Economic impact analyses are commonly used tools to quantify the benefits that result from the opening or closure of a business or industry to an area. Direct inputs into the modeling consisted of the changes in gaming revenue and employment as assessed in the previous sections of the report.

The Innovation Group performed the analysis utilizing IMPLAN data and software, a leading supplier of economic impact data and software used and relied upon by thousands of private developers and government agencies.

Methodology

The economic benefits—the revenues, jobs, and earnings—that accrue from the annual operations of an enterprise are termed **ongoing** impacts. The construction phase of a project is considered a **one-time** benefit to an area. This refers to the fact that these dollars will be introduced into the economy only during construction; construction impacts are expressed in single-year equivalence to be consistent in presentation with ongoing annual impacts.

The economic impact of an industry consists of three layers of impacts:

1. Direct effects
2. Indirect effects
3. Induced effects

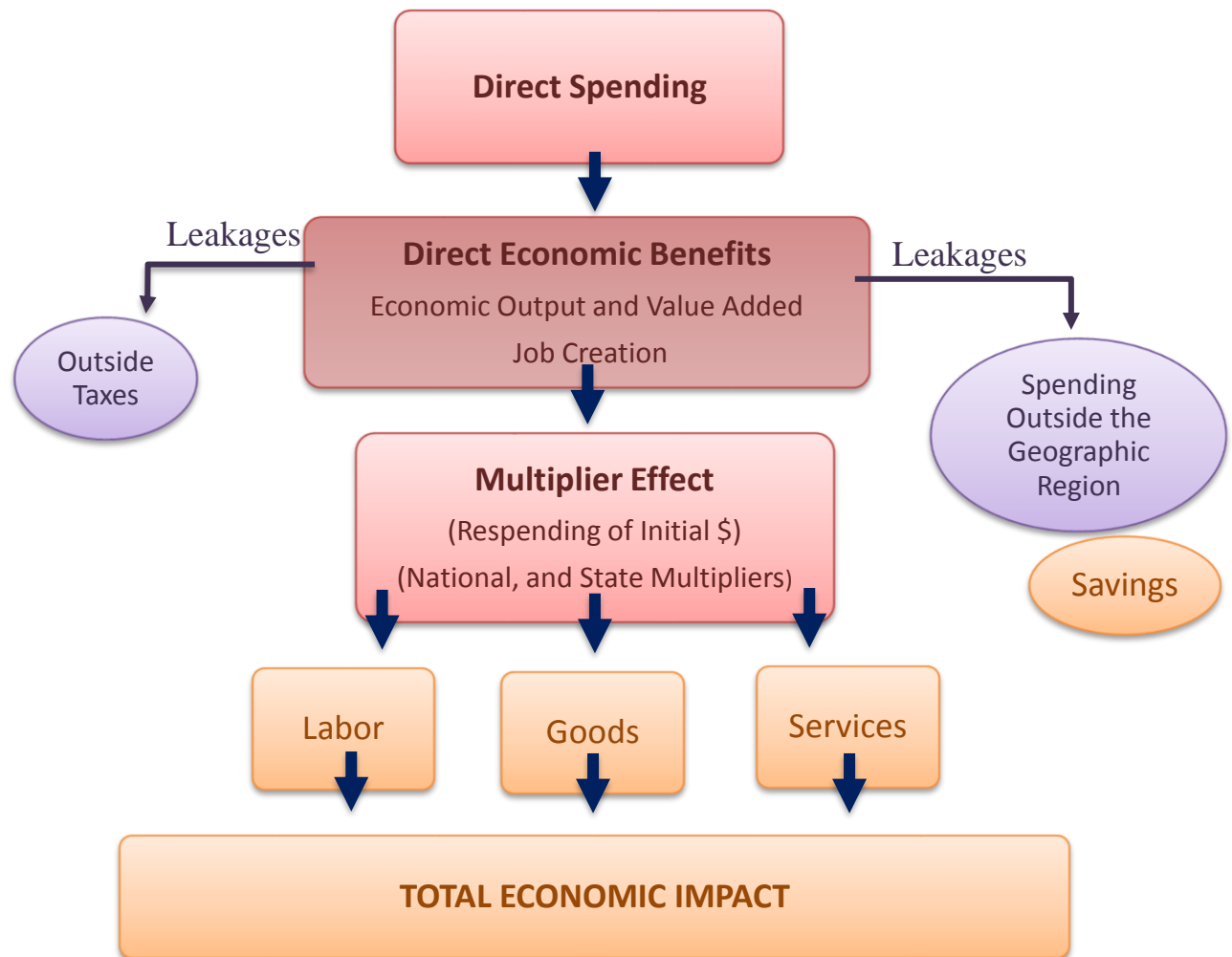
The direct effect is the economic activity that occurs within the industry itself: for example, the people employed Indiana casinos and the spending by the properties on supplies and materials (direct expenditures).

Indirect impacts are the effects of the direct expenditures on other business sectors: for example, the advertising firm who handles a casino's local media marketing. Indirect effects reflect the economic spin-off that is made possible by the direct purchases of a casino. Firms providing goods and services to a casino have incomes partially attributable to the casino.

Finally, the induced impacts result from the spending of labor income: for example, casino employees using their income to purchase consumer goods locally. As household incomes are affected by direct employment and spending, this money is recirculated through the household spending patterns causing further local economic activity.

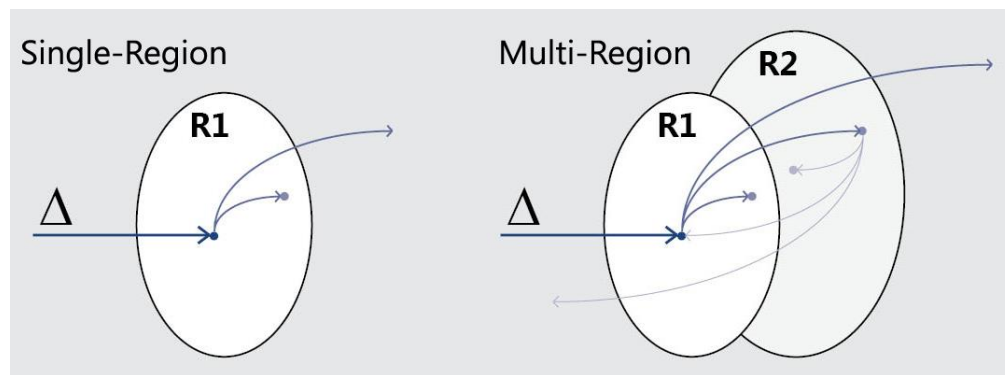
Indirect and induced effects are calculated using multipliers derived from an input-output model³ of the economy. The IMPLAN input-output model identifies the relationships between various industries. The model is then used to estimate the effects of expenditures by one industry on other industries so that the total impact can be determined. Industry multipliers are developed based on U.S. Census data. IMPLAN accounts closely follow the accounting conventions used in the "Input-Output Study of the U.S. Economy" by the Bureau of Economic Analysis.

The following flow-chart shows how the economic impact model operates.



³ IMPLAN 3.1 software and data were utilized for this study.

Given the number of counties that would be affected by the potential changes, we relied upon the multi-regional input-output (MRIO) analysis method available in the IMPLAN 3.1 software. In this process, we enter the potential impacts into a Host County model reflecting the respective counties potentially affected. Then, this Host County model is linked to a model of all the other Indiana counties. This allows our analysis to capture purchases and employment that occur outside the Host Counties but elsewhere within Indiana. Our analysis of these linked models yields direct, indirect, and induced effects for Host Counties, as well as indirect and induced effects for the balance of the state. The IMPLAN model contains information about supply chains that estimate linkages between counties.



The multi-regional analysis thus results in impacts for the Host Counties and the rest of the state (termed “Rest of State” in the table headings in this report). By definition, direct effects occur only in the Host Counties, as this is the site of the economic activity.

Direct Operating Effects

Determining the direct economic inputs is a critical first step in conducting a valid economic impact analysis. The following tables summarize the direct effect inputs for on-going operations utilized in the analysis.

Direct Effect Inputs: Impact of Illinois					
County	Lake	LaPorte	Madison	Shelby	Orange
GGR	-\$284,611,347	-\$34,145,735	-\$4,483,242	-\$13,843,187	-\$5,703,667
Employment	-1,005	-153	-11	-33	-24

For the Indiana expansion scenarios, we utilized net impacts: projected decreases at other Indiana casinos were subtracted from the projected gains by the respective new land-based casinos.

Direct Effect Inputs: Impact of Terre Haute

County	Vigo	Madison	Shelby	Orange	Vanderburgh
Scenario 1					
GGR	\$106,013,839	-\$4,406,478	-\$18,386,357	-\$11,661,269	-\$6,052,624
Employment	793	-11	-44	-51	-22
Scenario 2					
GGR	\$135,965,643	-\$4,807,642	-\$24,463,619	-\$15,248,007	-\$6,646,623
Employment	928	-12	-58	-63	-24

Direct Effect Inputs: Impact of Lake County Land-based Casino

	Lake	LaPorte
Gary Scenario 1		
GGR	\$69,097,507	-\$3,866,671
Employment	312	-19
Gary Scenario 2		
GGR	\$43,904,378	-\$9,695,973
Employment	398	-43
Hammond Scenario 1		
GGR	\$76,579,579	\$1,107,877
Employment	345	5
Hammond Scenario 2		
GGR	\$48,082,528	-\$3,078,264
Employment	415	-14
Hobart Scenario 1		
GGR	\$37,839,952	-\$4,435,301
Employment	218	-22
Hobart Scenario 2		
GGR	\$23,684,127	-\$7,758,774
Employment	354	-35
Merrillville Scenario 1		
GGR	\$32,233,414	-\$4,172,038
Employment	200	-20
Merrillville Scenario 2		
GGR	\$16,428,504	-\$7,344,833
Employment	334	-33

Direct Effect Inputs: Impact of Portage Land-based Casino			
County	Lake	LaPorte	Porter
Scenario 1			
GGR	-\$122,860,272	-\$5,484,848	\$145,896,410
Employment	-803	-27	977
Scenario 2			
GGR	-\$182,717,801	-\$7,538,733	\$195,041,496
Employment	-846	-34	1,174

Economic Impact Modeling

The IMPLAN tools utilized to model the direct effects varied according to the type of data collected for each input segment. There are five types of economic activity changes that IMPLAN is designed to model for: industry, commodity, labor income, household income, and institutional (government) spending patterns. The most commonly used activity is an industry change, as the business generating a change in revenue, labor, or employment is often known and attributable to a specific industry sector.

When using the Industry Change function, the direct costs are entered into IMPLAN using the appropriate sector and IMPLAN calculates the spin-off effects resulting from that direct spending. For construction impacts, the Industry Change function using sector 57 (Construction of New Commercial Structures)⁴ was most appropriate for modeling the costs associated with land improvements and building related costs. Costs associated with purchases of Furniture, Fixtures and Equipment (FF&E) were modeled using the Commodity Change function sector 3395 (Wholesale Trade Distribution Services). The Commodity Change function was most appropriate for FF&E related costs as this function distributes the total demand or sales for the good or service across all producing industries or institutions based on their regional market share distribution of that commodity. For casino-related operating impacts, the Industry Change function was utilized under sector 495 - Gambling industries (except casino hotels).

IMPLAN expresses economic impacts in the following four categories:

Employment is measured in IMPLAN and by the U.S. Census as headcount, in other words the number of full and part-time workers supported by an economic activity.

Labor Income is compensation to all workers both employees and owners in terms of wages and salaries as well as benefits and payroll taxes. Profits from self-employed businesses can also be

⁴ The IMPLAN sectoring scheme is based on the North American Industry Classification System (NAICS), developed under the auspices of the Office of Management and Budget (OMB), which classifies business establishments based on the activities they are primarily engaged in or the commodities they create.

included in this category as compensation to the owner. These are known as employment compensation and proprietor income in IMPLAN.

Value-Added measures the industry or event's contribution to Gross Domestic Product (GDP). It consists of labor income (as described above), taxes on production, and other property income (such as corporate profits, rent payments, and royalties). It is the difference between a business or industry's total sales and the cost of all input materials or intermediate expenditures.

Output is the total value of industry production; it consists of value-added plus intermediate expenditures. Output is frequently the total price paid by consumers for a good or service.

Value-Added is the most appropriate measure of economic impact because it excludes intermediate inputs, which are the goods and services (including energy, raw materials, semi-finished goods, and services purchased from all sources) used in the production process to produce *other* goods or services rather than for *final* consumption. For example, the paper stock used in a magazine publication is an intermediate input whereas paper stock sold in an office-supply store is the final product sold to the consumer. The value of producing the magazine's paper stock is accounted for in measures of GDP within the Paper Manufacturing sector, not in the Publishing sector.

ONGOING ECONOMIC IMPACT RESULTS

The results in the following section represent total impacts (direct, indirect and induced combined) on ongoing operations. We first show the negative economic impacts in Indiana that would potentially result from casino expansion in Illinois. This is followed by an assessment of the net positive impacts of the two new land-based casinos in Indiana. As noted, for the Indiana expansion scenarios, we utilized net impacts: projected decreases at other Indiana casinos were subtracted from the projected gains by the respective new land-based casinos to show net statewide impacts.

Scenario 1: Illinois Expansion

Impact of Illinois Expansion on Indiana

Combining host county and remainder-of-state impacts, the following table presents the negative economic impacts that would potentially result from casino expansion in Illinois. As noted, the results represent total impacts (direct, indirect and induced combined).

Total Economic Impact of Illinois Expansion on Existing Indiana Operations- 2022						
	Lake	LaPorte	Madison	Shelby	Orange	Total
Host County Impact						
Employment	-1,797	-233	-65	-23	-36	-2,153
Labor Income	-\$79,571,039	-\$9,892,526	-\$2,481,864	-\$597,255	-\$1,173,216	-\$93,715,900
Value Added	-\$236,712,448	-\$27,958,197	-\$9,761,044	-\$2,797,459	-\$3,986,393	-\$281,215,541
Output	-\$386,818,003	-\$43,536,551	-\$17,527,258	-\$5,898,300	-\$6,835,733	-\$460,615,845
Remainder of State Impact						
Employment	-8	-6	-15	-9	-6	-44
Labor Income	-\$425,453	-\$282,126	-\$860,152	-\$540,056	-\$248,982	-\$2,356,769
Value Added	-\$697,977	-\$481,744	-\$1,658,700	-\$967,300	-\$475,317	-\$4,281,038
Output	-\$1,497,662	-\$967,297	-\$2,637,795	-\$1,555,493	-\$779,990	-\$7,438,237
Total Statewide Impact						
Employment	-1,805	-238	-80	-32	-41	-2,197
Labor Income	-\$79,996,492	-\$10,174,652	-\$3,342,016	-\$1,137,311	-\$1,422,198	-\$96,072,669
Value Added	-\$237,410,425	-\$28,439,941	-\$11,419,744	-\$3,764,759	-\$4,461,710	-\$285,496,579
Output	-\$388,315,665	-\$44,503,848	-\$20,165,053	-\$7,453,793	-\$7,615,723	-\$468,054,082

Source: IMPLAN; The Innovation Group

Impact of Terre Haute

The following table displays the total net economic impacts from operation of a land-based casino in Terre Haute. The impact is measured against a baseline assuming Illinois expands.

Terre Haute Impact: Scenario 1						
	Vigo	Madison	Shelby	Orange	Vanderburgh	Net Statewide
Host County Impact						
Employment	1,257	-19	-92	-75	-39	1,033
Labor Income	\$52,962,499	-\$734,640	-\$2,360,482	-\$2,477,090	-\$1,679,526	\$45,710,761
Value Added	\$112,765,487	-\$2,798,036	-\$11,105,853	-\$8,215,656	-\$5,015,684	\$85,630,258
Output	\$168,310,929	-\$4,975,234	-\$23,443,421	-\$13,955,826	-\$8,339,102	\$117,597,346
Remainder of State Impact						
Employment	82	-4	-36	-12	-1	29
Labor Income	\$4,629,363	-\$244,372	-\$2,146,629	-\$508,498	-\$48,999	\$1,680,865
Value Added	\$9,272,807	-\$471,222	-\$3,844,849	-\$970,721	-\$102,877	\$3,883,138
Output	\$15,337,887	-\$749,557	-\$6,182,756	-\$1,593,331	-\$197,313	\$6,614,930
Total Statewide Impact						
Employment	1,339	-23	-128	-87	-40	1,062
Labor Income	\$57,591,862	-\$979,012	-\$4,507,111	-\$2,985,588	-\$1,728,525	\$47,391,626
Value Added	\$122,038,294	-\$3,269,258	-\$14,950,702	-\$9,186,377	-\$5,118,561	\$89,513,396
Output	\$183,648,816	-\$5,724,791	-\$29,626,177	-\$15,549,157	-\$8,536,415	\$124,212,276

Source: IMPLAN; The Innovation Group

Impact of Northwest Land-based Casino

The following tables show the total net economic impacts from operation of a new land-based casino in Northwest Indiana, replacing the existing Majestic Star operation. The impact is measured against a baseline assuming Illinois expands.

Gary Impact: Scenario 1

	Lake	LaPorte	Net Statewide
Host County Impact			
Employment	522	-28	494
Labor Income	\$23,241,909	-\$1,210,907	\$22,031,002
Value Added	\$61,900,014	-\$3,266,885	\$58,633,129
Output	\$96,159,352	-\$4,973,240	\$91,186,112
Remainder of State Impact			
Employment	2	-1	1
Labor Income	\$110,819	-\$32,511	\$78,308
Value Added	\$182,912	-\$55,527	\$127,385
Output	\$392,054	-\$111,570	\$280,484
Total Statewide Impact			
Employment	524	-29	495
Labor Income	\$23,352,728	-\$1,243,418	\$22,109,310
Value Added	\$62,082,926	-\$3,322,412	\$58,760,514
Output	\$96,551,406	-\$5,084,810	\$91,466,596

Source: IMPLAN; The Innovation Group

Hammond Impact: Scenario 1

	Lake	LaPorte	Net Statewide
Host County Impact			
Employment	578	8	585
Labor Income	\$25,713,362	\$322,909	\$26,036,271
Value Added	\$68,551,622	\$909,278	\$69,460,900
Output	\$106,545,832	\$1,413,490	\$107,959,322
Remainder of State Impact			
Employment	2	0	3
Labor Income	\$122,732	\$9,166	\$131,898
Value Added	\$202,563	\$15,651	\$218,214
Output	\$434,179	\$31,428	\$465,607
Total Statewide Impact			
Employment	580	8	588
Labor Income	\$25,836,094	\$332,075	\$26,168,169
Value Added	\$68,754,185	\$924,929	\$69,679,114
Output	\$106,980,011	\$1,444,918	\$108,424,929

Source: IMPLAN; The Innovation Group

Hobart Impact: Scenario 1

	Lake	LaPorte	Net Statewide
Host County Impact			
Employment	446	-33	414
Labor Income	\$20,136,478	-\$1,400,133	\$18,736,345
Value Added	\$38,052,240	-\$3,759,717	\$34,292,523
Output	\$47,115,430	-\$5,709,908	\$41,405,522
Remainder of State Impact			
Employment	1	-1	1
Labor Income	\$65,906	-\$37,361	\$28,545
Value Added	\$109,497	-\$63,812	\$45,685
Output	\$234,424	-\$128,227	\$106,197
Total Statewide Impact			
Employment	448	-34	414
Labor Income	\$20,202,384	-\$1,437,494	\$18,764,890
Value Added	\$38,161,737	-\$3,823,529	\$34,338,208
Output	\$47,349,854	-\$5,838,135	\$41,511,719

Source: IMPLAN; The Innovation Group

Merrillville Impact: Scenario 1

	Lake	LaPorte	Net Statewide
Host County Impact			
Employment	312	-30	282
Labor Income	\$13,983,975	-\$1,279,431	\$12,704,544
Value Added	\$32,424,066	-\$3,494,723	\$28,929,343
Output	\$46,657,759	-\$5,353,098	\$41,304,661
Remainder of State Impact			
Employment	1	-1	0
Labor Income	\$57,724	-\$34,910	\$22,814
Value Added	\$96,103	-\$59,621	\$36,482
Output	\$205,674	-\$119,773	\$85,901
Total Statewide Impact			
Employment	313	-31	283
Labor Income	\$14,041,699	-\$1,314,341	\$12,727,358
Value Added	\$32,520,169	-\$3,554,344	\$28,965,825
Output	\$46,863,433	-\$5,472,871	\$41,390,562

Source: IMPLAN; The Innovation Group

Portage Impact: Scenario 1				
	Lake	LaPorte	Porter	Net Statewide
Host County Impact				
Employment	-1,231	-40	1,651	380
Labor Income	-\$53,296,380	-\$1,691,330	\$69,925,051	\$14,937,341
Value Added	-\$123,299,408	-\$4,604,716	\$144,535,631	\$16,631,507
Output	-\$177,842,292	-\$7,042,036	\$225,486,975	\$40,602,647
Remainder of State Impact				
Employment	-4	-1	20	15
Labor Income	-\$220,025	-\$45,954	\$1,082,439	\$816,460
Value Added	-\$366,326	-\$78,484	\$2,044,543	\$1,599,733
Output	-\$783,977	-\$157,674	\$4,609,961	\$3,668,310
Total Statewide Impact				
Employment	-1,235	-41	1,671	395
Labor Income	-\$53,516,405	-\$1,737,284	\$71,007,490	\$15,753,801
Value Added	-\$123,665,734	-\$4,683,200	\$146,580,174	\$18,231,240
Output	-\$178,626,269	-\$7,199,710	\$230,096,936	\$44,270,957

Source: IMPLAN; The Innovation Group

Scenario 2: No Illinois Expansion

The following section presents the net economic impacts that would potentially result from casino expansion in Indiana without expansion in Illinois.

Impact of Terre Haute

The following table displays the total net economic impacts from operation of a land-based casino in Terre Haute. The impact is measured against the future baseline assuming that Illinois does not expand.

Terre Haute Impact: Scenario 2

	Vigo	Madison	Shelby	Orange	Vanderburgh	Net Statewide
Host County Impact						
Employment	1,499	-21	-122	-94	-42	1,220
Labor Income	\$62,033,964	-\$806,758	-\$3,150,306	-\$3,087,201	-\$1,835,045	\$53,154,654
Value Added	\$138,030,493	-\$3,065,504	-\$14,862,518	-\$10,584,188	-\$5,497,652	\$104,020,631
Output	\$212,862,895	-\$5,446,825	-\$31,395,609	-\$18,211,425	-\$9,153,178	\$148,655,858
Remainder of State Impact						
Employment	104	-5	-48	-15	-1	34
Labor Income	\$5,857,403	-\$267,553	-\$2,874,878	-\$663,243	-\$53,762	\$1,997,967
Value Added	\$11,721,464	-\$515,920	-\$5,149,223	-\$1,266,169	-\$112,873	\$4,677,279
Output	\$19,371,037	-\$820,672	-\$8,280,223	-\$2,077,588	-\$216,472	\$7,976,082
Total Statewide Impact						
Employment	1,603	-26	-170	-109	-43	1,254
Labor Income	\$67,891,367	-\$1,074,311	-\$6,025,184	-\$3,750,444	-\$1,888,807	\$55,152,621
Value Added	\$149,751,957	-\$3,581,424	-\$20,011,741	-\$11,850,357	-\$5,610,525	\$108,697,910
Output	\$232,233,932	-\$6,267,497	-\$39,675,832	-\$20,289,013	-\$9,369,650	\$156,631,940

Source: IMPLAN; The Innovation Group

Impact of Northwest Land-based Casino

The following tables show the total net economic impacts from operation of a new land-based casino in Northwest Indiana, replacing the existing Majestic Star operation. The impact is measured against the future baseline assuming that Illinois does not expand.

Gary Impact: Scenario 2

	Lake	LaPorte	Net Statewide
Host County Impact			
Employment	584	-66	518
Labor Income	\$26,292,987	-\$2,784,931	\$23,508,056
Value Added	\$52,347,065	-\$7,912,113	\$44,434,952
Output	\$67,703,153	-\$12,351,088	\$55,352,065
Remainder of State Impact			
Employment	2	-2	0
Labor Income	\$92,525	-\$79,962	\$12,563
Value Added	\$155,753	-\$136,536	\$19,217
Output	\$332,689	-\$274,131	\$58,558
Total Statewide Impact			
Employment	586	-67	518
Labor Income	\$26,385,512	-\$2,864,893	\$23,520,619
Value Added	\$52,502,818	-\$8,048,649	\$44,454,169
Output	\$68,035,842	-\$12,625,219	\$55,410,623

Source: IMPLAN; The Innovation Group

Hammond Impact: Scenario 2

	Lake	LaPorte	Net Statewide
Host County Impact			
Employment	613	-21	592
Labor Income	\$27,590,713	-\$903,026	\$26,687,687
Value Added	\$55,968,423	-\$2,532,923	\$53,435,500
Output	\$73,455,980	-\$3,930,186	\$69,525,794
Remainder of State Impact			
Employment	2	-1	1
Labor Income	\$99,020	-\$25,503	\$73,517
Value Added	\$166,444	-\$43,550	\$122,894
Output	\$355,614	-\$87,454	\$268,160
Total Statewide Impact			
Employment	615	-22	593
Labor Income	\$27,689,733	-\$928,529	\$26,761,204
Value Added	\$56,134,867	-\$2,576,473	\$53,558,394
Output	\$73,811,594	-\$4,017,640	\$69,793,954

Source: IMPLAN; The Innovation Group

Hobart Impact: Scenario 2

	Lake	LaPorte	Net Statewide
Host County Impact			
Employment	520	-53	466
Labor Income	\$21,040,444	-\$2,260,534	\$18,779,910
Value Added	\$41,889,705	-\$6,366,942	\$35,522,763
Output	\$60,257,077	-\$9,898,649	\$50,358,428
Remainder of State Impact			
Employment	1	-1	0
Labor Income	\$65,332	-\$64,185	\$1,147
Value Added	\$111,588	-\$109,601	\$1,987
Output	\$237,751	-\$220,079	\$17,672
Total Statewide Impact			
Employment	521	-54	466
Labor Income	\$21,105,776	-\$2,324,719	\$18,781,057
Value Added	\$42,001,293	-\$6,476,543	\$35,524,750
Output	\$60,494,828	-\$10,118,728	\$50,376,100

Source: IMPLAN; The Innovation Group

Merrillville Impact: Scenario 2

	Lake	LaPorte	Net Statewide
Host County Impact			
Employment	490	-50	440
Labor Income	\$19,302,142	-\$2,132,744	\$17,169,398
Value Added	\$38,428,896	-\$6,019,261	\$32,409,635
Output	\$56,861,221	-\$9,367,123	\$47,494,098
Remainder of State Impact			
Employment	1	-1	0
Labor Income	\$54,195	-\$60,716	-\$6,521
Value Added	\$93,278	-\$103,676	-\$10,398
Output	\$198,476	-\$208,176	-\$9,700
Total Statewide Impact			
Employment	491	-51	440
Labor Income	\$19,356,337	-\$2,193,460	\$17,162,877
Value Added	\$38,522,174	-\$6,122,937	\$32,399,237
Output	\$57,059,697	-\$9,575,299	\$47,484,398

Source: IMPLAN; The Innovation Group

Portage Impact: Scenario 2

	Lake	LaPorte	Porter	Net Statewide
Host County Impact				
Employment	-1,407	-52	2,028	570
Labor Income	-\$62,669,199	-\$2,196,024	\$82,216,216	\$17,350,993
Value Added	-\$165,051,108	-\$6,185,928	\$197,318,918	\$26,081,882
Output	-\$254,971,757	-\$9,617,730	\$295,936,532	\$31,347,045
Remainder of State Impact				
Employment	-6	-1	26	19
Labor Income	-\$295,364	-\$62,362	\$1,399,897	\$1,042,171
Value Added	-\$487,832	-\$106,488	\$2,644,762	\$2,050,442
Output	-\$1,045,499	-\$213,829	\$5,963,386	\$4,704,058
Total Statewide Impact				
Employment	-1,413	-53	2,054	589
Labor Income	-\$62,964,563	-\$2,258,386	\$83,616,113	\$18,393,164
Value Added	-\$165,538,940	-\$6,292,416	\$199,963,680	\$28,132,324
Output	-\$256,017,256	-\$9,831,559	\$301,899,918	\$36,051,103

Source: IMPLAN; The Innovation Group

CONSTRUCTION ECONOMIC IMPACTS

Construction of the two proposed land-based casinos would bring one-time (non-recurring) benefits to the respective Host Counties and the rest of the state of Indiana. Construction impacts are expressed on a single-year basis. Therefore, the employment figures, for example, represent person-year equivalents; for a construction period of two years, the actual number of workers onsite would be half the person-year equivalent.

Terre Haute Casino

Based on high-level construction capital costs estimated by the Innovation Group, the IMPLAN model estimates that construction of the Terre Haute facility would directly support 1,048 workers locally, with labor income equaling \$62.9 million and total added value to the economy of \$79.9 million. These direct impacts drive a further \$35.6 million in added value to the economy and nearly 500 jobs from indirect and induced effects.

In total, the local region would benefit from a one-time, single-year equivalent employment impact of 1,526 workers, \$84 million in labor income and \$115.6 million in total value added, as shown in the table below.

Vigo County Construction Impacts				
Impact Type	Employment	Labor Income	Value Added (GDP)	Output
Direct Effect	1,048	\$62,913,544	\$79,943,062	\$147,234,106
Indirect Effect	128	\$6,507,584	\$11,234,561	\$23,194,471
Induced Effect	351	\$14,547,229	\$24,396,445	\$42,615,013
Total	1,526	\$83,968,357	\$115,574,068	\$213,043,590

Source: IMPLAN; Note: Single-year equivalents.

The following table displays the economic impacts from construction that would accrue to the rest of Indiana from the Terre Haute casino development.

Rest of State Construction Impacts				
Impact Type	Employment	Labor Income	Value Added (GDP)	Output
Indirect Effect	65	\$4,111,555	\$6,827,945	\$15,507,849
Induced Effect	43	\$2,265,522	\$4,369,484	\$7,607,931
Total	108	\$6,377,077	\$11,197,429	\$23,115,780

Source: IMPLAN; Note: Single-year equivalents.

Combining the local and rest of state impacts, the following table displays the total economic impacts from the construction of the Terre Haute Casino development, which would inject total value added of \$126.8 million into the local and state economy.

Total Statewide Construction Impacts				
Impact Type	Employment	Labor Income	Value Added (GDP)	Output
Direct Effect	1,048	\$62,913,544	\$79,943,062	\$147,234,106
Indirect Effect	193	\$10,619,139	\$18,062,506	\$38,702,320
Induced Effect	394	\$16,812,751	\$28,765,929	\$50,222,944
Total	1,635	\$90,345,434	\$126,771,497	\$236,159,370

Source: IMPLAN; Note: Single-year equivalents.

Majestic Star Land Based Casino

Lake County Alternatives

Based on high-level construction capital costs estimated by the Innovation Group, the IMPLAN model estimates that construction of the Majestic Star facility in Lake County would directly support 1,469 workers locally, with labor income equaling \$97.9 million and total added value to the economy of \$126.2 million. These direct impacts drive a further \$60.9 million in added value to the economy and over 800 jobs from indirect and induced effects.

In total, the local region would benefit from a one-time, single-year equivalent employment impact of 2,287 workers, \$134.3 million in labor income and \$187.2 million in total value added, as shown in the table below.

Lake County Construction Impacts				
Impact Type	Employment	Labor Income	Value Added (GDP)	Output
Direct Effect	1,469	\$97,928,342	\$126,194,130	\$221,448,622
Indirect Effect	204	\$10,561,331	\$17,753,820	\$35,124,961
Induced Effect	615	\$25,836,906	\$43,216,092	\$77,016,913
Total	2,287	\$134,326,579	\$187,164,042	\$333,590,496

Source: IMPLAN; Note: Single-year equivalents.

The following table displays the economic impacts from construction that would accrue to the rest of Indiana from the Lake County casino development.

Rest of State Construction Impacts

Impact Type	Employment	Labor Income	Value Added (GDP)	Output
Indirect Effect	33	\$2,114,980	\$3,323,856	\$8,313,798
Induced Effect	17	\$846,388	\$1,468,243	\$2,703,676
Total	50	\$2,961,367	\$4,792,099	\$11,017,475

Source: IMPLAN; Note: Single-year equivalents.

Combining the local and rest of state impacts, the following table displays the total economic impacts from the construction of the Majestic Star Casino development, which would inject total value added of \$192 million into the local and state economy.

Total Statewide Construction Impacts

Impact Type	Employment	Labor Income	Value Added (GDP)	Output
Direct Effect	1,469	\$97,928,342	\$126,194,130	\$221,448,622
Indirect Effect	237	\$12,676,311	\$21,077,676	\$43,438,759
Induced Effect	632	\$26,683,294	\$44,684,335	\$79,720,589
Total	2,337	\$137,287,947	\$191,956,141	\$344,607,970

Source: IMPLAN; Note: Single-year equivalents.

Porter County Alternative

Given the significantly lower revenue potential of the Portage alternative, we have estimated a smaller casino and therefore lower construction capital costs for that location. Construction of the Majestic Star facility in Portage (Porter County) would directly support 1,112 workers locally, with labor income equaling \$79 million and total added value to the economy of \$100.3 million. These direct impacts drive a further \$38.9 million in added value to the economy and 555 jobs from indirect and induced effects.

In total, the local region would benefit from a one-time, single-year equivalent employment impact of 1,667 workers, \$102.6 million in labor income and \$139.2 million in total value added, as shown in the table below.

Porter County Construction Impacts

Impact Type	Employment	Labor Income	Value Added (GDP)	Output
Direct Effect	1,112	\$79,015,746	\$100,274,524	\$171,868,136
Indirect Effect	122	\$6,892,524	\$10,413,911	\$18,261,674
Induced Effect	433	\$16,729,429	\$28,461,530	\$50,195,532
Total	1,667	\$102,637,699	\$139,149,965	\$240,325,342

Source: IMPLAN; Note: Single-year equivalents.

The following table displays the economic impacts from construction that would accrue to the rest of Indiana from the Porter County casino development.

Rest of State Construction Impacts				
Impact Type	Employment	Labor Income	Value Added (GDP)	Output
Indirect Effect	45	\$2,948,590	\$5,602,760	\$15,001,865
Induced Effect	25	\$1,249,980	\$2,210,433	\$4,226,474
Total	70	\$4,198,570	\$7,813,193	\$19,228,339

Source: IMPLAN; Note: Single-year equivalents.

Combining the local and rest of state impacts, the following table displays the total economic impacts from the construction of the Majestic Star Casino development in Portage, which would inject total value added of \$147 million into the local and state economy.

Total Statewide Construction Impacts				
Impact Type	Employment	Labor Income	Value Added (GDP)	Output
Direct Effect	1,112	\$79,015,746	\$100,274,524	\$171,868,136
Indirect Effect	167	\$9,841,114	\$16,016,671	\$33,263,539
Induced Effect	458	\$17,979,409	\$30,671,963	\$54,422,006
Total	1,737	\$106,836,269	\$146,963,158	\$259,553,681

Source: IMPLAN; Note: Single-year equivalents.

DISCLAIMER

Certain information included in this report contains forward-looking estimates, projections and/or statements. The Innovation Group has based these projections, estimates and/or statements on our current expectations about future events. These forward-looking items include statements that reflect our existing beliefs and knowledge regarding the operating environment, existing trends, existing plans, objectives, goals, expectations, anticipations, results of operations, future performance and business plans.

Further, statements that include the words "may," "could," "should," "would," "believe," "expect," "anticipate," "estimate," "intend," "plan," "project," or other words or expressions of similar meaning have been utilized. These statements reflect our judgment on the date they are made and we undertake no duty to update such statements in the future.

Although we believe that the expectations in these reports are reasonable, any or all of the estimates or projections in this report may prove to be incorrect. To the extent possible, we have attempted to verify and confirm estimates and assumptions used in this analysis. However, some assumptions inevitably will not materialize as a result of inaccurate assumptions or as a consequence of known or unknown risks and uncertainties and unanticipated events and circumstances, which may occur. Consequently, actual results achieved during the period covered by our analysis will vary from our estimates and the variations may be material. As such, The Innovation Group accepts no liability in relation to the estimates provided herein.