



## Memorandum

**To:** Gary McGuigan, Maryland Stadium Authority

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**Date:** October 23, 2012

**Re:** Industry Status Memo - Proposed New Horse Park in Maryland

### Project Background

In May 2005, the Maryland Stadium Authority (MSA), in conjunction with the Maryland Department of Business and Economic Development (DBED) and the Maryland Horse Industry Board (MHIB), which is a division of the Maryland Department of Agriculture (MDA), conducted a comprehensive feasibility study for a proposed new Maryland Horse Park and Agricultural Education Center (horse park) in Maryland. The study effort included a statewide site selection process, a market analysis, master planning, development cost estimating and an economic analysis. Input was obtained from diverse stakeholders throughout the entire study process.

The primary goals of the proposed horse park at that time were to provide facilities that serve area residents; enhance the State's tourism appeal by attracting visitors with a unique product; promote business activities related to the equine/agriculture industry; encourage maintenance of open space; create a model for environmental sensitivity and land conservation; foster educational opportunities on multiple levels; and generate incremental new economic activity to the local and State economies.

Initial plans for the horse park were to attract national and international non-racing competitions, including show jumping, eventing, driving, dressage, western riding and steeplechase. The horse park was also envisioned to host other equestrian events such as auctions, professional horseman demonstrations, breed demonstrations, trail riding, jousting, rodeo and 4-H activities for all levels of skill and interest.

Given the anticipated level and diversity of event activity, the building program included an indoor arena, an outdoor stadium, show rings, horse auction pavilion, horse/livestock barns, various competition and leisure courses (e.g. steeplechase, carriage, cross-country, and trail system), recreational vehicle (RV)/trailer parking with full-service hook-ups as well as both support elements (e.g., service/maintenance buildings, feed/hay/bedding storage) and visitor elements (e.g. retail shop, banquet facilities, visitors center/museum).

A selection committee, consisting of seven members who represented the three agencies, solicited property nominations from all the counties and municipalities in the State of Maryland. Initially six jurisdictions submitted proposals. A comprehensive site selection process was completed which evaluated potential sites on a variety of objective factors including, but not limited to, their ability to adequately accommodate the programmatic needs of the facility and to generate economic and fiscal impacts for the local and State economies.

The US Naval Academy Dairy Farm (USNA Dairy Farm) site in Gambrills was unanimously selected by the committee for the study. The 875-acre site was a strong choice given its ability to adequately accommodate the program elements and future expansion, excellent vehicular and air accessibility, strategic geographic location within the State and the region, and proximity to hotels, restaurants, major tourist attractions and other visitor support services that would allow it to generate significant economic and fiscal impacts to local and State economies. The economic analysis estimated that visitors to the horse park could generate \$122.5 million in total spending, the majority of which was incremental new to the State. Activities at the proposed horse park were estimated to generate \$9.3 million in total taxes including \$6.9 million at the State level. Subsequent to completion of the feasibility study, local opposition to the proposed development site and the ensuing economic downturn caused the project to stall.

### **Purpose of the Current Study**

Based on input from more than 300 horse industry leaders and professionals at the Maryland Horse Summit in August 2009 and as part of its on-going efforts to develop and promote the State's horse industry, the MDA and the MHIB approached the MSA about re-visiting the horse park initiative.

Given this backdrop, the MSA retained Crossroads Consulting and Populous to proceed with a two phased approach. The first phase includes preparing an industry status memorandum that comments on the overall viability of the proposed horse park concept based on research and analysis conducted in the previous study, industry trends, and our team's experience with similar projects. If the MSA, MDA, and MHIB conclude that further study of the horse park concept is warranted, our project team will move forward with the second phase of work which consists of updating the previous market, site and economic analysis.

This memo summarizes the following:

- Maryland tourism statistics
- Industry trend overview – equine, agriculture, agritourism, state/regional animal science education/research
- Potential demand generators
- Evolution of operating objectives/strategies at similar facilities
- Summary
- Potential next steps

## Maryland Tourism Statistics

Tourism is a significant economic generator for the State of Maryland. Attracting visitors who spend money on items such as lodging, retail, eating/drinking and entertainment/recreational activities supplements local resident spending at area businesses and increases tax revenues for both local and State governments.

In 2010, Maryland drew nearly 32.2 million visitors, an increase of 10.7% from 2009. The Maryland Office of Tourism cites that Maryland outperformed national and regional trends during challenging economic times.

The majority of visitors (77%) in 2010 were leisure travelers and the distribution of overnight and day trip visitors was nearly the same. In addition, a higher percentage of leisure stays consisted of an overnight visit versus a day trip than in 2009, 48% and 42%, respectively.

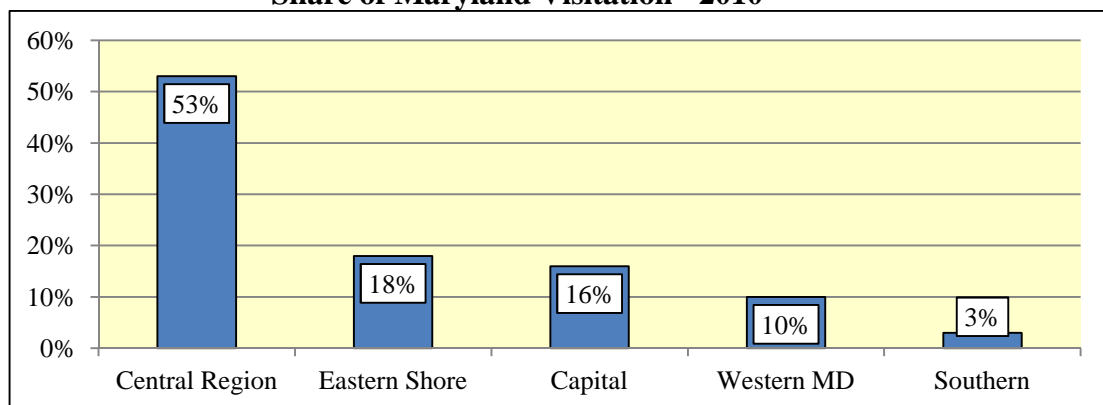
Maryland Visitor Volume Estimates											
Category	Person Trips in Millions						Percent Change				
	2005	2006	2007	2008	2009	2010	2005-06	2006-07	2007-08	2008-09	2009-10
Business	6.86	7.15	6.61	7.10	7.00	7.36	4.2%	-7.6%	7.4%	-1.4%	5.1%
Leisure	20.92	21.13	20.59	20.98	22.07	24.81	1.0%	-2.6%	1.9%	5.2%	12.4%
Overnight	13.54	13.58	13.61	13.86	14.15	16.11	0.3%	0.2%	1.8%	2.1%	13.9%
Day Trip	14.24	14.70	13.59	14.22	14.92	16.06	3.2%	-7.6%	4.6%	4.9%	7.6%
<b>Total</b>	<b>27.78</b>	<b>28.28</b>	<b>27.20</b>	<b>28.08</b>	<b>29.06</b>	<b>32.17</b>	<b>1.8%</b>	<b>-3.8%</b>	<b>3.2%</b>	<b>3.5%</b>	<b>10.7%</b>

Source: Maryland Office of Tourism.

The top tourism activities in Maryland mirrored those in the U.S. with dining (39%), shopping (25%) and entertainment (18%) ranking as the top three.

The Central Region (Anne Arundel, Baltimore City, Baltimore, Carroll, Harford, Howard counties) accounts for the majority of visitors to the State followed by the Eastern Shore (Caroline, Cecil, Dorchester, Kent, Queen Anne's Somerset, Talbot, Wicomico, Worcester counties). More specifically, Baltimore and Ocean City were the top two destinations visited in Maryland.

Share of Maryland Visitation - 2010



Source: Maryland Office of Tourism.

The Maryland Office of Tourism reported that Maryland tourists and travelers averaged approximately \$13.0 billion annually on travel expenses between 2008 and 2010. According to its FY 2011 annual report, visitor spending rebounded in 2010 (the latest year for which data was available) after a dip in 2009. Spending increases were led by shopping, lodging and air. Visitor spending was estimated to generate \$342.0 million in tourism-related sales tax revenues during FY 2010 further demonstrating the significance of visitation on the Maryland economy.

Maryland Visitor Spending (\$ in millions)					
Category	2008	2009	2010	% Change	
				2008-2009	2009-2010
Transportation	\$3,049.6	\$2,675.7	\$2,760.3	-12.3%	3.2%
Food & Beverage	\$2,697.1	\$2,614.7	\$2,712.9	-3.1%	3.8%
Lodging	\$2,594.8	\$2,476.0	\$2,619.1	-4.6%	5.8%
Shopping	\$1,863.6	\$1,778.2	\$1,887.0	-4.6%	6.1%
Air	\$1,369.4	\$1,369.2	\$1,439.0	0.0%	5.1%
Entertainment	\$1,160.7	\$1,062.9	\$1,094.8	-8.4%	3.0%
Other	\$616.0	\$586.4	\$590.6	-4.8%	0.7%
<b>Total</b>	<b>\$13,351.2</b>	<b>\$12,563.1</b>	<b>\$13,103.7</b>	<b>-5.9%</b>	<b>4.3%</b>

Source: Maryland Office of Tourism.

**Conclusion:** *The proposed horse park could enhance tourism in the State by offering a unique attraction that would serve citizens and draw incremental new visitors that generate economic activity at all jurisdictional levels.*

## Industry Trend Overview

Any development project is somewhat dependent on the attributes of the industry as a whole. This section summarizes key trends in the equine and agricultural industries that may guide future decisions regarding the proposed horse park.

### Equine

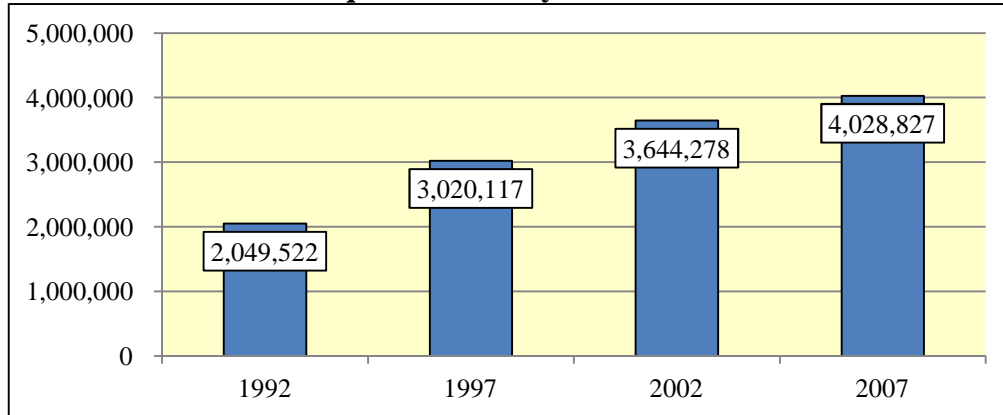
Although several sources indicate that the U.S. equine population has been trending upward, the actual number of equine in the U.S. varies significantly based on the different methodologies/definitions used to calculate the inventory.

#### *Inventory and Type of Activity*

The American Horse Council (AHC) Foundation commissioned a study in 2004 to estimate the economic impact of the horse industry on the U.S. Approximately 27,950 horse owner/industry suppliers participated in the survey process with 18,650 individuals providing complete and useable surveys. Additional surveys were received from horse show organizers and racetrack representatives. The AHC study estimated that there were more than 9.2 million horses in the U.S., approximately 2.7 million of which participated in horse shows and other competitions. This study estimated that there were approximately 153,000 horses in Maryland. This source also estimated that nearly two million people own horses with another two million involved as volunteers or through a family affiliation.

The National Agricultural Statistics Service (NASS), which is an agency of the U.S. Department of Agriculture (USDA), estimated that the U.S. inventory of horses and ponies was 4.0 million in 2007, an increase of 11% from 2002. In addition, the U.S. equine inventory has nearly doubled between 1992 and 2007.

**Equine Inventory in the U.S.**



Note: Equine inventory includes horses and ponies only.  
Sources: NASS; USDA.

The USDA 2007 Census also reported an increase in the inventory of horses and ponies in Maryland and surrounding states between 2002 and 2007. In addition, Maryland and West Virginia experienced the highest percentage (18%) increase in equine inventory during this five-year period.

<b>Equine Inventory in Maryland and Surrounding States</b>			
<b>State</b>	<b>Inventory</b>		
	<b>2002</b>	<b>2007</b>	<b>% Change</b>
Pennsylvania	113,400	116,332	3%
Virginia	81,344	90,363	11%
West Virginia	31,853	37,728	18%
<b>Maryland</b>	<b>25,950</b>	<b>30,747</b>	<b>18%</b>
New Jersey	26,896	30,144	12%
Delaware	3,453	3,694	7%
<b>Total (excluding Maryland)</b>	<b>256,946</b>	<b>278,261</b>	<b>8%</b>

Notes: Sorted in descending order by 2007 inventory.  
Equine inventory includes horses and ponies only.  
Source: USDA 2007 Census of Agriculture.

One of the differences in the equine count between the 2005 AHC study and the USDA Census is that the latter only counts horses living on farms (defined as any place from which \$1,000 or more of agricultural products were produced and sold, or normally would have been sold, during the census year). As such, many horses likely live in places that do not qualify as farms by that definition.

The MHIB commissioned the NASS field office in Annapolis to conduct an official count of all equine breeds (i.e., horses, ponies, donkeys, mules and burros) in Maryland in 2002 and 2010. While this data indicates that the most recent total equine count was down 9% from the 2002 Maryland Equine Census, the value of the equine inventory increased by 5% to \$714.7 million in 2010. According to the MDA, Maryland ranked 10<sup>th</sup> in the U.S. in terms of the sales value of equine. These statistics suggest that the equine industry remains strong despite challenging economic times.

Maryland Equine Inventory and Value by Breed						
Breed	Equine Inventory			Value of Equine Inventory (\$000s)		
	2002	2010	% Change	2002	2010	% Change
American Saddlebreds	680	500	-26.5%	\$1,185	\$1,200	1.3%
Appaloosas	2,790	2,000	-28.3%	\$8,540	\$7,600	-11.0%
Arabians/Anglo Arabians	4,040	3,500	-13.4%	\$16,005	\$14,700	-8.2%
Miniature Horses	720	1,600	122.2%	\$1,085	\$1,760	62.2%
Morgans	1,660	1,600	-3.6%	\$5,520	\$5,440	-1.4%
Paints/Pintos	2,660	3,400	27.8%	\$10,890	\$9,180	-15.7%
Quarter Horses	12,060	10,600	-12.1%	\$39,180	\$34,980	-10.7%
Tennessee Walkers	1,700	1,600	-5.9%	\$5,120	\$4,480	-12.5%
Other Crossbreds	3,280	4,100	25.0%	\$17,435	\$15,170	-13.0%
Other Warmbloods	3,600	4,800	33.3%	\$60,780	\$89,280	46.9%
Other Light Breeds	1,880	2,000	6.4%	\$10,290	\$9,000	-12.5%
Unknown	6,930	3,900	-43.7%	\$11,320	\$9,360	-17.3%
<b>Total Light Breeds</b>	<b>42,000</b>	<b>39,600</b>	<b>-5.7%</b>	<b>\$187,350</b>	<b>\$202,150</b>	<b>7.9%</b>
Standardbreds	5,800	4,700	-19.0%	\$79,190	\$66,740	-15.7%
Thoroughbreds	28,800	24,500	-14.9%	\$387,235	\$416,500	7.6%
Other Race Breeds	200	200	0.0%	\$715	\$1,600	123.8%
<b>Total Race Breeds</b>	<b>34,800</b>	<b>29,400</b>	<b>-15.5%</b>	<b>\$467,140</b>	<b>\$484,840</b>	<b>3.8%</b>
Belgians	690	700	1.4%	\$1,580	\$1,960	24.1%
Percherons	420	700	66.7%	\$1,985	\$3,150	58.7%
Clydesdales	110	200	81.8%	\$520	\$980	88.5%
Other Draft Breeds	980	1,000	2.0%	\$3,775	\$5,000	32.5%
<b>Total Draft Breeds</b>	<b>2,200</b>	<b>2,600</b>	<b>18.2%</b>	<b>\$7,860</b>	<b>\$11,090</b>	<b>41.1%</b>
<b>Ponies, All Breeds</b>	<b>5,900</b>	<b>5,300</b>	<b>-10.2%</b>	<b>\$16,480</b>	<b>\$14,840</b>	<b>-10.0%</b>
<b>Donkeys, Mules and Burros</b>	<b>2,200</b>	<b>2,200</b>	<b>0.0%</b>	<b>\$1,410</b>	<b>\$1,760</b>	<b>24.8%</b>
<b>Total Equine</b>	<b>87,100</b>	<b>79,100</b>	<b>-9.2%</b>	<b>\$680,240</b>	<b>\$714,680</b>	<b>5.1%</b>

Source: MHIB 2010 Maryland Equine Census.

In the 2010 Maryland Equine Census, Thoroughbreds and Quarter Horses accounted for 31% and 13% of the Maryland equine inventory, respectively. These statistics indicate that Thoroughbreds comprise a higher percentage of the total equine inventory in Maryland relative to the broader U.S. which is likely attributable to the State's strong racing presence. In addition, Thoroughbreds reportedly accounted for 58% of Maryland's total equine value followed by other Warmbloods (12%) and Standardbreds (9%) in the 2010 Maryland Equine Census.

Maryland's history in horse racing extends to 1870 when the first Preakness Stakes was run. This year marked the 137<sup>th</sup> running of the Preakness Stakes at Pimlico Race Course in Baltimore, one of the three U.S. races that comprise the Triple Crown. Maryland's farms continue to train race horses that compete at the highest level of international competitions.

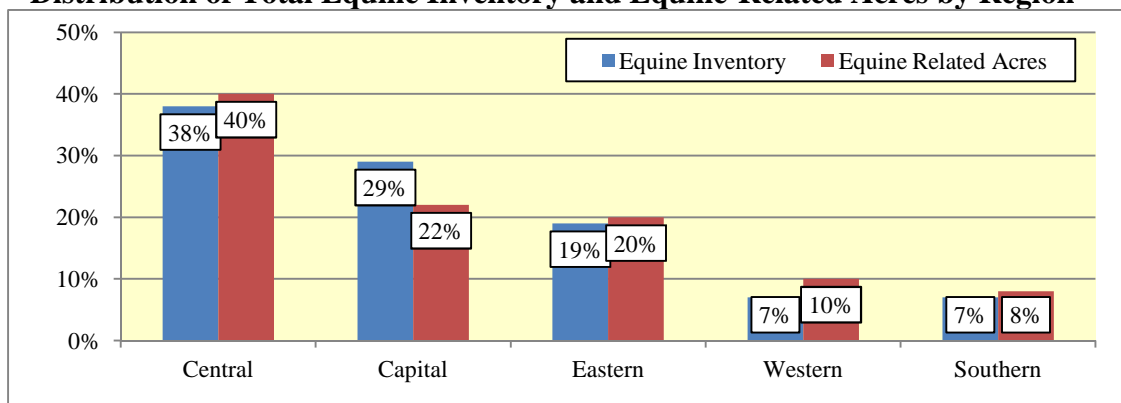
Since the 2005 AHC study, one of the State’s storied farms, Sagamore, has been purchased and renovated. Originally owned by the Vanderbilt family, the farm raised several racing legends. Since 2007 Sagamore has undergone significant renovation into a breeding and training site that included the winner of the 2010 Breeders’ Cup Filly and Mare Turf-G1.

Horse racing continues to hold a significant place in U.S. sports with NBC announcing it will broadcast more than 56 hours in 2012. Included in this broadcast time will be the \$5.0 million Breeders’ Cup Classic contested on prime time among 9.5 hours of live coverage with horses from around the world competing for a total purse of more than \$25 million.

The 2010 Maryland Equine Census also indicated that there were a total of 16,040 equine places throughout Maryland, down 21% from the prior census. This decrease is likely due in part to the urban development pressure on traditional agricultural pursuits. Equine places include boarding facilities, commercial and private breeding places, farms, commercial race related places as well as private residences where equine are kept for recreational purposes. The value of all equine related assets totaled \$5.6 billion. Total equine related expenditures spent in Maryland during calendar year 2009 amounted to nearly \$513 million of which 71% were operating expenditures and the remainder was for capital expenditures.

As shown in the following graph, Maryland’s equine inventory and associated acreage is focused in the Central region of the State. Baltimore, Montgomery, Frederick and Prince George’s Counties reported the highest equine inventory, respectively. Frederick, Baltimore, and Carroll Counties, respectively, offer the highest amount of equine-related acres. In addition, the MDA reports that Maryland has more horses per square mile than any other state in the U.S.

**Distribution of Total Equine Inventory and Equine-Related Acres by Region**

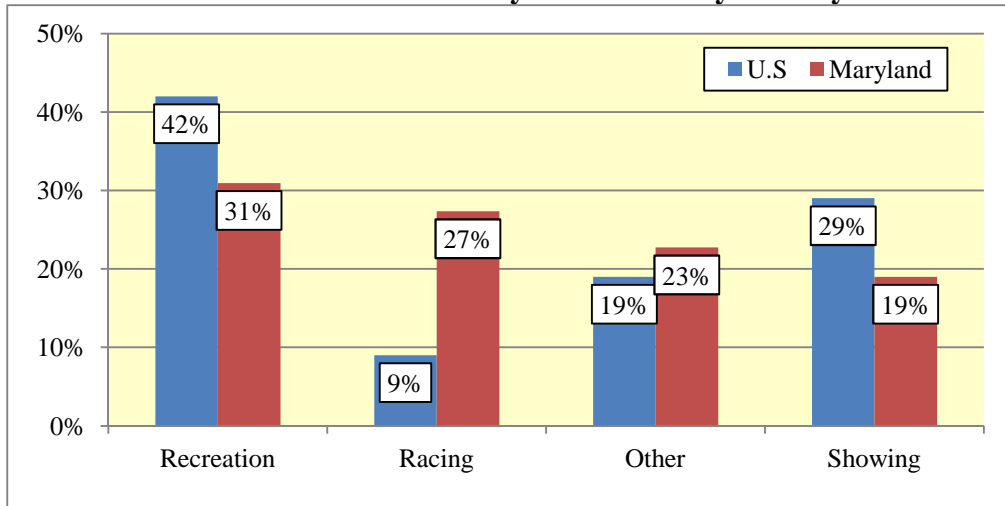


Source: MHIB 2010 Maryland Equine Census.

While Thoroughbreds are the primary focus of the racing industry, the 2005 AHC study cited that more than 90% of the horses in the U.S. are not racehorses. Instead, they are involved in competitive activities such as showing, jumping, barrel racing, carriage driving, cutting, endurance riding, cross country, dressage and rodeo. Many others are used for recreational purposes such as trail riding and carriage rides.



**Percent of U.S. and Maryland Horses by Activity**



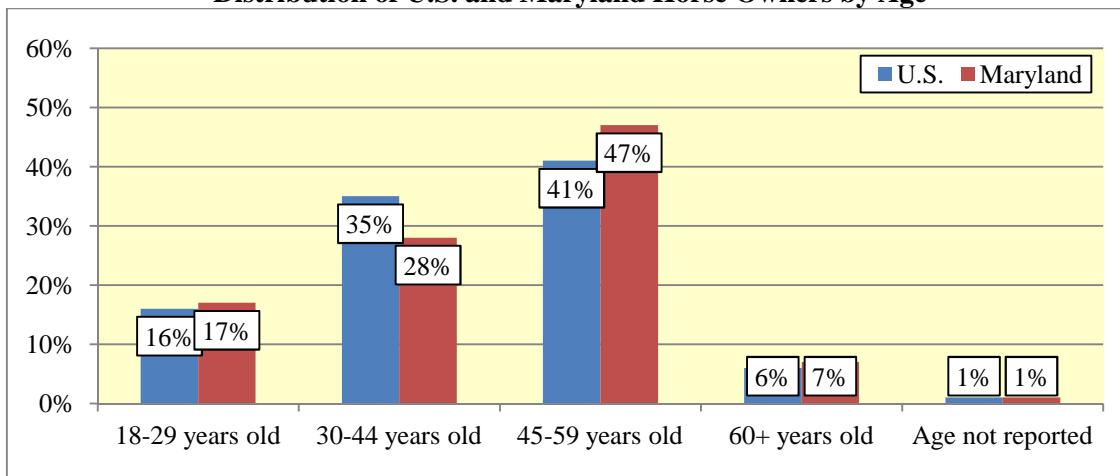
Source: 2005 AHC Study.

The 2005 AHC study indicated that more than 70% of the national equine population is involved in recreation and showing compared to 50% in Maryland. The “other” activity category comprises respondents to the AHC survey who did not indicate a specific primary use for their horses.

*Age and Income Characteristics of Horse Owners*

The horse industry also represents many different age and income categories. As shown below, the survey indicated that 54% of horse owners in Maryland are older than 45 years of age compared to 47% in the U.S.

**Distribution of U.S. and Maryland Horse Owners by Age**



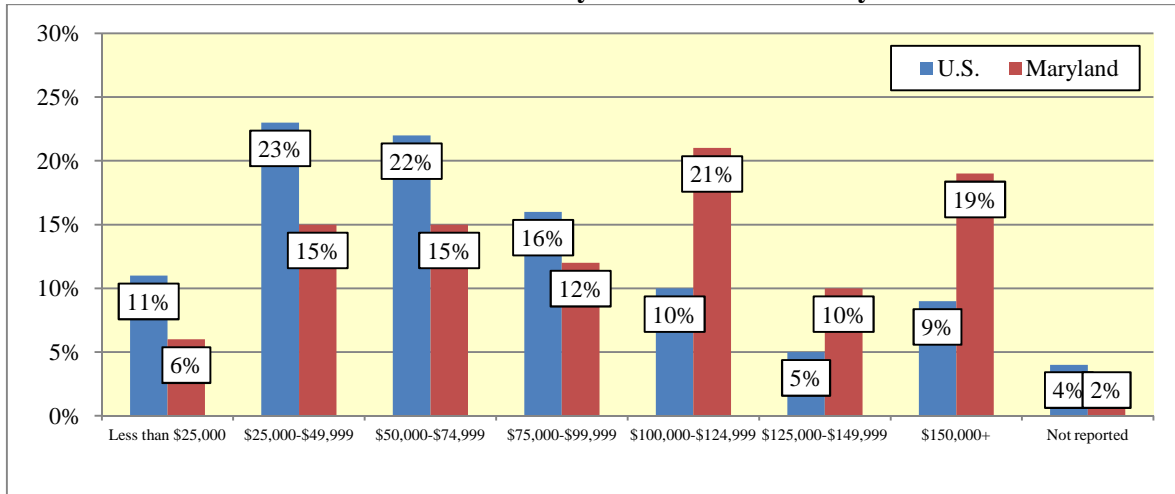
Note: Statistics do not include individuals under the age of 18.

Source: 2005 AHC Study.



Approximately 62% of horse owners in Maryland have an annual household income of at least \$75,000 compared to 40% in the U.S.

**Distribution of U.S. and Maryland Horse Owners by Income**



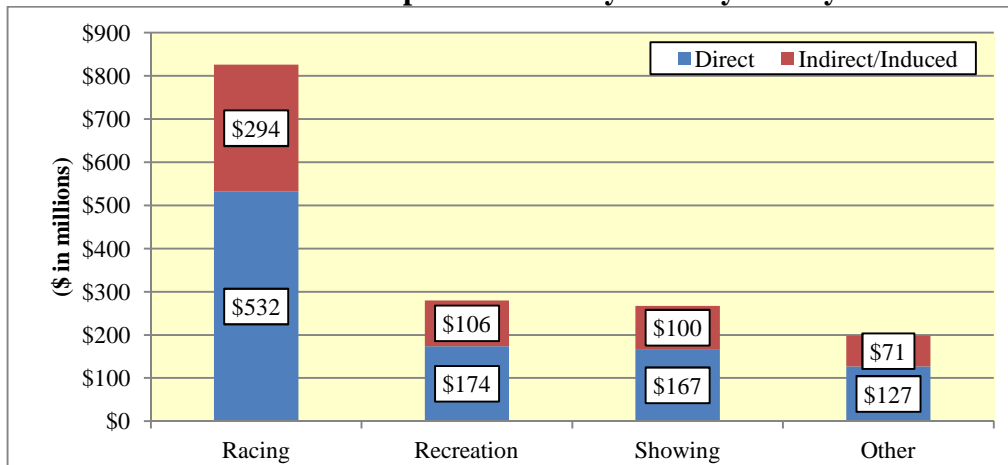
Note: Statistics do not include individuals under the age of 18.  
Source: 2005 AHC Study.

These age and income statistics are generally consistent with those cited in a recent 2009-2010 equine industry survey conducted for American Horse Publications (AHP) which estimated that 60% of the equine participant population is over the age of 45 years old and 53% have an annual household income of at least \$75,000. AHP is a non-profit association which promotes better understanding and communications with the equine publishing industry. Its members include equine-related publications, professionals, students, organizations and businesses.

### *Economic Impact of the Equine Industry*

The AHC study estimated the total (i.e., direct, indirect, and induced) impacts generated by the horse industry to be \$101.5 billion in the U.S. and \$1.6 billion in Maryland, more than one-half of which was attributable to horse racing.

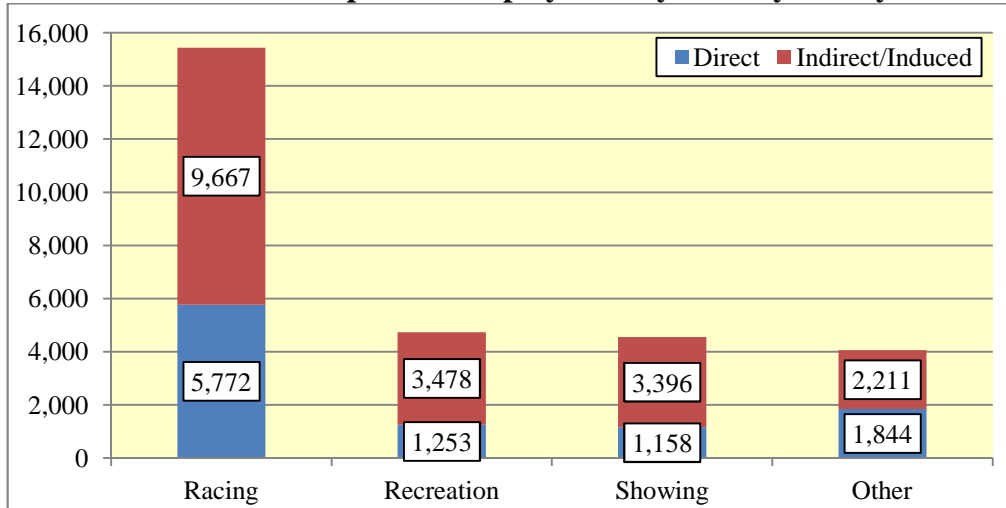
**Direct and Total Impact on GDP by Activity - Maryland**



Source: 2005 AHC Study.

The AHC study also estimated that the horse industry sustains 1.4 million full-time equivalent (FTEs) jobs in the U.S. and nearly 28,800 FTEs in Maryland.

### Direct and Total Impact on Employment by Activity - Maryland



Source: 2005 AHC Study.

Lastly, the AHC study estimated that annual taxes paid by the horse industry were approximately \$1.9 billion in the U.S and \$73 million in Maryland. At both the national and State levels, the majority of taxes were paid to state governments, followed by the federal and local governments, respectively.

**Conclusion:** *Irrespective of the method used for quantification, the breadth and diversity of the equine industry is substantial. Data from the USDA 2007 Census indicates that the equine inventory in Maryland and surrounding states increased between 2002 and 2007 providing a strong target market for business at the proposed horse park. The 2010 Maryland Equine Census cites that the value of the equine inventory in the State increased by 5% between 2002 and 2010 suggesting that the equine industry remains strong despite challenging economic times. Furthermore, the strong income characteristics of horse owners result in the generation of significant economic and fiscal impacts which Maryland could capture a larger percentage of if the proposed horse park is developed.*

## Agriculture and Agritourism

### *Agriculture*

According to results of the USDA's 2007 Census of Agriculture (2007 Census) that was released in 2009, the number of farms in the U.S. grew by 4% between 2002 and 2007 and the operators of those farms have become more diverse. The 2007 Census reported 2.2 million farms, a net increase of approximately 75,800 farms since 2002 occupying 922.1 million acres. There was a 30% increase in women as the principal farm operator during the same time period. Other minority groups also saw increases as principal operators.

The same USDA 2007 Census reports that despite a 5% increase in the number of farms in Maryland, the total acres of farm land in the State decreased by 1% between 2002 and 2007. The market value of agricultural products sold in 2007 was estimated to be more than \$1.8 billion, an increase of nearly 42% from 2002 which is indicative of this industry's significance to Maryland's economy.

Comparison of Select Agriculture Growth Statistics			
Statistic	Maryland		
	2002	2007	% Change
Farms (number)	12,198	12,834	5.2%
Farm land (acres)	2,077,630	2,051,756	-1.2%
Market value of ag products sold (\$000s)	\$1,293,303	\$1,835,090	41.9%

Source: USDA 2007 Census of Agriculture.

Relative to inventory, numbers for cattle and calves as well as broilers and other meat-type chickens were all down between 2002 and 2007 in Maryland. Despite these decreases in inventory, the 2007 Census estimated that Maryland had approximately 296.4 million broiler/meat-type chickens which ranked 7<sup>th</sup> in the U.S.

Several organizations promote and foster agricultural education for youth as well as strong business development skills for the agricultural community including, but not limited to, farm bureaus, industry councils, associations, and 4-H programs.

### *Agritourism*

Agritourism typically refers to any activity, enterprise or business designed to increase farm and community income by attracting the public to visit agricultural operations and outlets that provide educational and/or recreational experiences to help sustain and build awareness of the rural quality of life.

Agritourism can take many forms including retail sales, hay rides, corn mazes, pick-your-own operations, and use of woodlands on farms for hunting, hiking, horseback riding, and other activities. There may be educational components such as programs for schoolchildren, tours, as well as exhibits and demonstrations tailored to specific visitor groups. Farms may combine retail sales and tours with accommodations such as bed and breakfasts and farm-stays. In general, agritourism is providing educational and authentic agricultural experiences that enhance direct marketing of farm products and improve public support for agriculture.

Agritourism combines essential elements of the tourism “experience” and agriculture industries. It offers visitors something to see, do and/or buy.

The USDA 2007 Census reported a significant increase in agritourism and recreational services sales in Maryland between 2002 and 2007 despite a slight decrease (3%) in the number of farms in the State. The following table illustrates how Maryland and the surrounding region experienced significant growth in agritourism sales between 2002 and 2007.

Agritourism in Maryland and Surrounding States						
State	Agritourism Farms			Agritourism Sales (\$000s)		
	2002	2007	% Change	2002	2007	% Change
New Jersey	204	322	58%	\$1,229	\$24,700	1910%
Pennsylvania	303	552	82%	\$2,209	\$14,926	576%
Virginia	610	476	-22%	\$2,681	\$12,909	381%
<b>Maryland</b>	<b>238</b>	<b>231</b>	<b>-3%</b>	<b>\$1,178</b>	<b>\$7,329</b>	<b>522%</b>
West Virginia	175	112	-36%	\$561	\$970	73%
Delaware	36	24	-33%	\$153	\$445	191%
<b>Total (excluding Maryland)</b>	<b>1,328</b>	<b>1,486</b>	<b>12%</b>	<b>6,833</b>	<b>53,950</b>	<b>690%</b>
<b>United States</b>	<b>28,016</b>	<b>23,350</b>	<b>-17%</b>	<b>\$202,184</b>	<b>\$566,834</b>	<b>180%</b>

Note: Sorted in descending order by 2007 agritourism sales.

Source: USDA 2007 Census of Agriculture.

Historically, counties and states have acknowledged the value of fairgrounds and other similar facilities in supporting the agriculture industry as well as providing a source of education and entertainment for attendees. Fairs also provide a focal point for community members to celebrate their heritage, compete in a variety of events, hold family reunions, display and view artwork, learn about other cultures, premier new technologies, and showcase their State’s specialties. Agricultural fairs in many parts of the U.S. struggle to remain relevant in the changing American society where fewer people rely on the land for their livelihoods. The ability for fairs to remain relevant and attractive to the next generation has caused many communities to combine traditional agricultural elements with other facilities that can accommodate a variety of event activity and generate greater economic and fiscal returns year-round.

Agritourism businesses have operated in the U.S. for a number of years however, it is only in recent years that this industry has been given official status and strategically promoted to tourists. Several states have created positions that bridge the agriculture and tourism industries at the state level, others have gone further to pass legislation defining the enterprises and establishing their liability. Many have, at the least, created avenues for farm-owners to become educated on agritourism opportunities and implementation and included them in promotional materials associated with more traditional visitor attractions.

**Conclusion:** *The economic impacts of blending tourism and agriculture have significant potential. Trends that are favorably impacting agritourism include a growing desire to buy local produce, concerns about health and obesity, an economic crisis that brings people back to basics and increased environmental awareness. The proposed horse park represents a unique opportunity to capitalize on these trends.*

## State & Regional Animal Science Education & Research

Given the continued growth, evolution and specialization of the equine and agricultural industries, the demand for specially trained professionals is on the rise. Higher education institutions are meeting this demand by increasingly providing training in the equine sciences and the infrastructure to foster equine and agriculture-related professions.

Founded by the Virginia General Assembly in 1978, the Virginia-Maryland Regional College of Veterinary Medicine (VMRCVM) is a regional professional school built upon two universities: Virginia Tech in Blacksburg and the University of Maryland at College Park. The College operates three campuses, including the main campus installation at Virginia Tech, the Avrum Gudelsky Veterinary Center at College Park, and the Marion duPont Scott Equine Medical Center in Leesburg. One of 28 colleges of veterinary medicine in the U.S., the VMRCVM offers comprehensive educational programs, provides advanced clinical care for clients throughout the region, and conducts a variety of animal and biomedical research programs.

The University of Maryland's Department of Animal and Avian Sciences was formed in 1997 through the merger of the Animal Science, Dairy Science and Poultry Science Departments. Animal science is the study of domesticated animals used for food, biomedical research and leisure. The department fulfills a mission of research, education and extension. Research programs are focused in several areas: animal genetics and cell biology; nutrient utilization and management; animal reproduction and development; pathobiology and infectious diseases. A graduate program offers advanced training in each of these research specialties. Opportunities are available, both on-campus and off-campus, for hands-on experience with small and large animals. The University's location in the Washington D.C. metropolitan area offers other opportunities for internships and collaborations for undergraduate and graduate students with government agencies such as the USDA, Environmental Protection Agency (EPA), Food & Drug Administration (FDA), and National Zoo. The University of Maryland Extension efforts provide educational materials and non-degree training for the families and companies working in animal agriculture throughout the State.

Department of Animal and Avian Sciences facilities that support the University's educational and research programs include the following:

- Animal Science Wing – College Park
- Animal Biotechnology Facility – Beltsville
- Applied Poultry Research Laboratory – Upper Marlboro
- Campus Farm – College Park
- Central Research and Educational Center (Dairy Unit) – Clarksville
- Central Research and Educational Center (Equine Unit) – Clarksville
- Crane Aquaculture Facility – College Park
- Wye Beef Cattle Research Center – Queenstown

The Equine Studies Program at the University of Maryland offers educational programs for youth and adults interested in learning more about the care, use, and management of horses. Within the University setting, classroom and hands-on laboratory activities are offered for students within the B.S. degree program and within the Institute of Applied Agriculture's Equine Business Management Certification program. The University of Maryland also offers educational programs to youth within the Maryland 4-H Horse Program and adults through University of Maryland Extension. Educational seminars and competitions are attended by horse owners and farm operators to improve their personal knowledge or business enterprise.

As mentioned previously, Maryland is located in a region well-known for its equine related commerce, activity and science. Virginia Tech's Marion duPont Scott Equine Medical Center was created in 1984 and has since become a premier full-service equine hospital that offers advanced specialty care for all ages and breeds of horses. The center was one of the first university veterinary hospitals in the eastern U.S. to concentrate exclusively on equine medicine and research. Due to the critical need for specialized medicine and surgery in this area of the country, the hospital's caseload grew rapidly. The demand for clinical service, teaching and research has resulted in continual growth; the hospital now sees more than 2,500 patients annually. The Equine Medical Center provides comprehensive equine healthcare services, cutting-edge research for the advancement of the equine industry and specialized training for veterinary students.

***Conclusion:*** *Growing interest in animal-related sciences and the businesses associated with equine and agriculture activities provide unique opportunities for the proposed horse park in Maryland to foster continued growth in animal science, research and veterinary medicine as well as to provide educational seminars, internships and continuing education learning experiences in the animal science and hospitality industries.*

### **Potential Demand Generators**

It is our understanding that one of the primary objectives of the proposed horse park would be to serve as a tourism generator by attracting both in-State and out-of-State visitors. As such and in order to maximize marketability and economic activity, the proposed horse park is envisioned to be able to accommodate multiple disciplines, breeds and activities within the equine industry; meet growing agriculture and agritourism needs; and host other diverse events that can appeal to a broad demographic audience including both residents and tourists. The following graphic illustrates the different type of activities that the proposed horse park in Maryland could host.

## Summary of Potential Demand Generators at the Proposed Horse Park

Equine Sport	Other Equine Events	Non-Equine Activity
<ul style="list-style-type: none"> <li>• Breed Shows/Competitions</li> <li>• Dressage</li> <li>• Driving</li> <li>• Hunter/Jumper</li> <li>• Rodeo</li> <li>• Steeplechasing</li> <li>• Three-Day Eventing</li> <li>• Western</li> <li>• Youth Clubs</li> </ul>	<ul style="list-style-type: none"> <li>• Auctions</li> <li>• Jousting</li> <li>• Polo</li> <li>• Riding Education</li> <li>• Therapeutic Riding</li> <li>• Trail Riding</li> <li>• Equine Business Education</li> <li>• Equine Health Education</li> <li>• International Commerce Development</li> </ul>	<ul style="list-style-type: none"> <li>• Agricultural/Livestock Activities</li> <li>• Banquets/Receptions/ Socials</li> <li>• Civic/Community Events</li> <li>• Concerts/Festivals</li> <li>• Consumer/Trade Shows</li> <li>• Sporting Events</li> </ul>

**Conclusion:** *Hosting diverse activities lessens the project's dependency on support from any one single industry segment. It will be important for the proposed horse park to host activities that complement and augment events held at existing facilities in the State such as Fair Hill, the Maryland State Fairgrounds, and Prince George's Equestrian Center in order to attract incremental new visitors and generate incremental new economic activity to the State. Factors such as market attributes, destination amenities, facility program elements, site location, and potential demand generators will impact the prioritization of target niches for the proposed horse park.*

### Evolution of Operating Objectives/Strategies at Similar Facilities

Existing equine and agricultural facilities are continually seeking to improve their product and related infrastructure in order to increase their market share and enhance their competitive position within the industry. In addition to equestrian sport and competition venues, many facilities have incorporated one or more of the following elements into their mission, operating strategies, and resulting programming:





*Animal Sciences/Research* can include partnerships with area universities to advance the latest practices and technologies. Given the Maryland-Virginia regional equine science and University of Maryland's veterinary and animal science departments, the proposed park could serve to cultivate leading edge research for a broad range of animal, agricultural and environmental fields.

*Business/Commerce* relates to equine/agricultural related business such as animal auctions, business-to-business trade shows, on-site headquarters of industry related associations or corporations that can foster local/State industries. Equine, agricultural and environmentally focused organizations exchange information and collaborate on emerging trends. For example, Maryland's proximity to Washington, D.C. could place the park at an advantage for hosting international level equine sales and associated commerce.

*Education* can range from formal university affiliations for hands-on training to small, community based classes. Horse parks are partnering with educational institutions at a variety of levels. The ability to offer open space for teaching with live animals, agricultural products and equipment presents them with a unique real-world classroom opportunity.

*Environmental Protection* can be achieved as horse parks serve as a vehicle for the appreciation and preservation of land. Maintaining green space can support the aesthetics for all visitors while also expanding potential political and funding support to include nature enthusiasts. Design elements can create a natural retreat atmosphere where environmental education and enjoyment of open spaces takes place.

*Tourism/Visitation* focuses on attracting and retaining both in-State and out-of-State attendees who generate economic activity. When designed and marketed properly, horse parks can serve as visitor attractions that accommodate a wide array of target segments beyond just equine and agricultural uses and interests.

The following provides illustrative examples of how various equine and agricultural-related facilities have or are planning to diversify their product and supporting infrastructure, many of which are utilizing multiple public and private sector partners to do so.

### Kentucky Horse Park

Owned and operated by the Commonwealth of Kentucky, the Kentucky Horse Park (KHP) welcomes nearly one million visitors and 15,000 competition horses from around the world each year to enjoy horse shows, polo, museums, equine presentations, symposiums, gift shops, art exhibitions, green pastures, white fences, an arboretum, and to do business at its National Horse Center – a collection of state, regional and national equine organizations headquartered on-site.

The KHP considers itself the ‘epicenter of equestrian life, sports and business’ and strives to honor the horse and its unique relationship with man in everything that they do. The KHP hosts a variety of equine or non-equine related event activity including horse shows/competitions, rodeos, Pony Club rallies, mounted games, polo, carriage driving events, dog shows, cross country events, conventions, business retreats, weddings and concerts.

From the equine perspective, the KHP is a 1,200-acre working horse farm, tourist attraction, world-class equestrian competition facility and equine business park that offers diverse opportunities and experiences for anyone who is involved with horses and equine sports.

Prior to 2010, the KHP offered many facilities including a covered arena, multiple rings that were suitable for all breeds and disciplines, a dressage complex, a cross country/steeplechase course, four regulation polo fields as well as stabling for nearly 1,100 horses and a campground. However, State and local governments made a significant financial investment in several permanent additions and upgrades in order to host the 2010 Alltech FEI World Equestrian Games that will benefit the facility for years to come. These major changes included:

- Construction of the new \$45 million climate-controlled Alltech Arena which offers a total permanent seating capacity of 5,520 and is attached to a warm-up arena and 300 new heated stalls
- Construction of the new \$25 million outdoor Rolex Stadium which has more than 7,300 permanent seats and can be expanded to accommodate up to 30,000 spectators and is attached to a warm-up ring
- Construction of a new vehicle entrance
- Upgrades to roads, pathways and visitor gathering points throughout the Park

With these improvements, the facility seeks to attract even more non-equine events such as festivals, mountain bike competitions, dog events and tradeshow, to name a few.

In addition to events, everyday visitors to the park also saw improvements such as the Arabian expansion at the International Museum of the Horse. In addition, the park reopened the restored Big Barn, a 475-foot-long barn built in 1893. The barn became the hub of the park's horse-drawn transportation system and collection.

### Oklahoma State Fair Park

The Oklahoma State Fairgrounds, known as State Fair Park, is owned by the City of Oklahoma City through the OCPPA Trust and is managed by the not-for-profit company, Oklahoma State Fair, Inc. The 430-acre site encompasses a variety of buildings including the State Fair Arena, Cox Pavilion, Expo Hall, exhibition buildings and nearly 3,200 permanent stalls. Home to the annual Oklahoma State Fair in September as well as more than 20 regional/national equine events annually, it is one of the most modern equestrian complexes in the country. From professional rodeo, breed shows and discipline championships, the complex attracts some of the largest equine events as well as various trade/consumer/exhibition events and festivals.

Oklahoma City is known as the 'Horse Show Capital of the World' largely due to the State Fair Park's equine facilities (the most extensive indoor equestrian venue in North America) and its central location. The total estimated economic impact of all Oklahoma City horse shows is estimated to exceed \$126.5 million each year.

In 2004, citizens voted to increase the hotel tax, which is financing a bond to pay for upgrades and continuous improvements to State Fair Park equine and livestock facilities with the objectives of solidifying the City's position as 'Horse Show Capital of the World' by retaining and growing its existing base of business. Since 2005, over \$70 million has been spent replacing or renovating these equine and livestock facilities.

On December 8, 2009, Oklahoma City voters passed the 3rd Metropolitan Area Projects (MAPS 3) initiative. MAPS 3 is a seven-year, nine month one-cent sales tax initiative that began on April 1, 2010 to improve the quality of life in Oklahoma City. The initiative funds eight projects including further Oklahoma State Fairgrounds Improvements, a new Downtown Convention Center, a new Downtown Public Park, Modern Streetcar/Transit System, Oklahoma River Improvements, Senior Health and Wellness Centers, Trails and Sidewalks.

The planned Oklahoma State Fairgrounds Improvements are guided by Populous' 2009 State Fair Park Master Plan which analyzed existing facilities at the Oklahoma State Fairgrounds. This major improvement project will be completed in two phases. Phase 1 will consist of parking and site improvements and Phase 2 will include construction of a new 300,000 SF Expo Building that can be subdivided into up to three separate spaces for shows as well as related prefunction lobby space, meeting rooms, concessions, ticketing, restroom, storage and loading docks. Phase 2 will also include site improvements, utility relocation and parking to support the new facility.



### WestWorld of Scottsdale, Arizona

Owned and operated by the City of Scottsdale, WestWorld is a premier, nationally recognized, user-friendly equestrian center and special events facility that serves both community residents and out-of-town visitors. WestWorld is dedicated to providing public recreational opportunities and a venue for entertainment activities with an emphasis on equestrian and western themed events to citizens and target market visitors; enhancing Scottsdale's image as the West's Most Western Town; and offering public access and excellent customer service to all.

WestWorld currently consists of several covered arenas (including the Equidome which provides covered seating for more than 6,000 people), 10 outdoor rings, a polo field, 936 permanent stalls and 450 full-service RV hookups. The complex hosts various equine and non-equine events including the world's largest Arabian horse show and the annual Barrett-Jackson Collector Car Auction. WestWorld generally averages approximately 100 events totaling between 500,000 and 600,000 attendees.

In an effort to improve and develop a flexible facility to draw new major events and create year-round opportunities for local equestrian users and visitors alike, the City of Scottsdale directed staff to move forward with development of the \$42.8 million expansion of the Tony Nelssen Equestrian Center, formerly the Equidome at WestWorld. The project is anticipated to be completed in 2013.

This major redevelopment project includes the enclosure of the existing Equidome and addition of more than 180,000 SF of flexible-use space surrounding the Equidome. All 249,000 SF of the new facility will be both air-conditioned and designed for optimum natural ventilation. The new north hall will accommodate two arenas along with 280 stalls, or any combination of arenas, stalls and exhibit booths. The hall is also divisible, creating two 35,000 SF halls. The new south hall will be able to accommodate up to 190 stalls, an indoor arena or vendor space. A new indoor warm-up/staging ring will be added to the east end and all spaces will interconnect at this point. The Equidome interior will feature numerous key upgrades, including elevated party suites at each end with private seating, new concessions and toilets, and a clerestory added to support natural ventilation and provide natural lighting. The architecture will be distinctly "Scottsdale." Final funding will utilize municipal-property corporation (MPC) bonds which can be issued without voter approval.

### Colorado State University

The Equine Sciences Program at Colorado State University (CSU) has a long history, both in the College of Agricultural Sciences and the College of Veterinary Medicine. Research programs, centered in both colleges, provide an unmatched situation for support of the undergraduate program. Over 360 students are currently enrolled in the Colorado State Equine Sciences Program.

A new facility planned for the CSU Equine Science campus will provide the required space to consolidate all equine science faculty in one location and also provide classroom and lab space

for the growing program. The arena floor measures 150' x 300', making it a suitable training, practice and event venue for all of the equine sports at CSU, including arena polo. The 400-seat theater is designed to be used as both a lecture hall and an equine sales pavilion.

The facility will also include faculty offices, one 30-student classroom, one 30-student wet lab, a student lounge, kitchen, concessions, toilets and required support spaces. All occupied spaces have windows overlooking the arena floor.

This facility is designed to be utilized for industry outreach programs, industry education, department fundraising, student recruitment, and other special events vital to the long-term success of the equine science program.

### National Western Stock Show and Rodeo Complex in Denver, Colorado

The National Western Stock Show and Rodeo Complex currently includes a 7,300-seat events center, a 35,000 SF expo hall, a hall of education, an indoor arena that can accommodate a total of 6,600 spectators with fixed and temporary seats, and a 33,500 SF exhibit hall.

The National Western Stock Show (NWSS) is a 501(c)(3) charitable organization that provides college and graduate level scholarships in agriculture and medicine for practice in rural areas. It is also their mission to serve producers and consumers throughout the world by being the premier Stock Show, Rodeo, Horse Show and center for year-round events. The 16-day show serves as an entertainment arena, hosting one of the world's richest regular season professional rodeos, largest horse show and Colorado's largest tradeshow. Total attendance was nearly 645,000 in 2011.

The NWSS Executive Committee has been researching options for relocation or rebuilding on its current site for more than ten years and is focused on finding the right solution for the long-term success of the NWSS and Rodeo. In 2001, NWSS undertook a long range planning process part of which was impacted by the fact that I-70 could be moved and possibly force the NWSS to relocate.

In 2008, the National Western Executive Committee created a Strategic Task Force with 16 of Denver's top leaders. The findings of the study confirmed that staying on the current site was not an option since the recommended program required 300+ acres. In addition, the estimated cost to rebuild was approximately \$100 million more than moving to another site.

Populous' current conceptual plans for the potential relocation to a 300-acre site call for a 10,000-seat rodeo coliseum which will also accommodate year-round entertainment events, a 3,500-seat events center designed to house equestrian events with a competition sized indoor warm-up arena and a stalling facility to accommodate 400 horses. Also included are an auction and a sales arena and a 300,000 square foot livestock hall/exhibition center capable of accommodating up to 1,000 horses. The existing stockyards would be replicated at the new site along with a Western Heritage Center. The complex is anticipated to include parking for 18,000 cars and 900 stock trucks and trailers.

The NWSS is still searching to identify potential sites in Denver for the project. A business plan was recently completed for the NWSS which is under review by the Denver Urban Renewal Authority (DURA). It has been reported that the City and County of Denver have expressed a willingness to invest a maximum of \$150 million in the new National Western Complex although terms of how the deal would be structured have not been determined. The NWSS's lease for its existing complex runs until 2040 and would require the City's consent to move.

There were preliminary discussions about potentially developing a new stock show complex in conjunction with a Western-themed hotel and entertainment complex that would be developed by Gaylord Entertainment and include approximately 1,500 hotel rooms and more than 300,000 SF of conference space. Although this concept presented a unique opportunity to create a year-round attraction that would generate significant incremental economic activity to the State, public opposition to moving outside the City limits was so great that the NWSS continued to evaluate other options.

### Virginia Horse Center

The Virginia Horse Center is located in Lexington, Virginia, at the intersection of Interstates 81 and 64. The Virginia Horse Center is owned and operated by the Virginia Horse Center Foundation, a private non-profit 501 (c) 3 corporation, and run by a Board of Directors. The mission statement for the facility is to:

- Attract local, national and international competitions and sales of all breeds and disciplines of show horses with a world-class facility.
- Preserve the Virginia Horse Center as a unique, open-space asset.
- Establish and maintain a professional and safe environment for patrons of the Virginia Horse Center.
- Develop a schedule of events which will expand and benefit the many facets of the global horse industry, and which will provide recreational, educational, and demonstrational opportunities for all people living and traveling in Virginia.
- Provide the highest level of professional, on-site service to patrons, ensuring a quality experience for Virginia Horse Center visitors.

The 600-acre Virginia Horse Center includes the 4,000-seat Howard P. Anderson Coliseum, eight barns that can accommodate 1,200 horses, 19 show rings including two large indoor arenas, an internationally rated cross-country and combined driving course as well as campgrounds with full-service hookups, a restaurant and a gift shop. Events at the facility attract approximately 400,000 visitors annually over the course of approximately 285 days. According to management, the facility hosts a relatively limited number of other outdoor special events (e.g., dog shows, music series) each year. While the coliseum does host events such as rodeos, horse pulls, concerts and sporting events such as volleyball, management indicated that the other indoor rings are reserved for equestrian uses and are not designed to be multi-purpose in nature.





As a place for competition, education and recreation, the Virginia Horse Center strives to promote the Commonwealth's horse industry and act as a catalyst for economic development in local, state and regional economies.

Founded in December 1993, Hoofbeats Therapeutic Riding Center, Inc. (Hoofbeats) is located on the grounds of the Virginia Horse Center. Hoofbeats operates as a nonprofit 501(c)(3) organization and provides services in the following four main areas:

- *Recreational Therapeutic Horseback Riding* - training in horsemanship and therapeutic horseback riding for people with disabilities (physical, mental, emotional, speech, and learning), for persons diagnosed with debilitating or life-threatening illnesses, and for a limited number of able-bodied children and adults. Lessons are designed for the client's specific needs and focus on skills and exercises to enhance the client's quality of life.
- *Equestrian Competition* - hosts and attends equestrian competitions that promote a positive atmosphere to showcase the skills and efforts of disabled and able-bodied equestrians.
- *Education* - promotes educational, academic, and life skills through joint riding and/or classroom projects with schools or rehabilitation centers.
- *Outreach* - engages in outreach programs to inform the public about the benefits of therapeutic riding and the concerns of the disabled. In all activities, Hoofbeats strives to encourage positive mental attitudes, physical fitness, trust, self-confidence, and independence that will supplement other forms of therapy and/or healing. Hoofbeats operates according to the standards and guidelines of the Professional Association of Therapeutic Horsemanship International (PATH), of which it is an accredited premier operating center. Hoofbeats is also an active member of the Therapeutic Riding Association of Virginia (TRAV).

Its facilities include a 10-stall barn and a large outdoor dressage arena, with a handicapped-friendly mounting ramp and bleacher seating for spectators. The Virginia Horse Center's riding trails and Hoofbeats Sensory Trail are within easy reach, affording students the added opportunity to experience riding outside the ring. The barn's climate-controlled wing houses the Hoofbeats' office, kitchen, handicapped accessible bathrooms, a reception area, and a classroom/meeting room (which can be made available for use by outside groups.)

### Florida Horse Park

The Florida Horse Park (FHP) is owned by the State and operated by a not-for-profit authority. The FHP is located in Marion County which is commonly referred to, and trademarked as, the "Horse Capital of the World<sup>®</sup>". According to the Ocala/Marion Chamber of Commerce, the County has the highest number of horses and ponies in residence in America and is represented by virtually every breed of horse. The Thoroughbred industry's economic impact on the State is estimated to be in excess of \$1 billion dollars annually and the horse sales at the Ocala Breeder's Sales Complex historically total \$100 million annually.



As part of its master planning process, the 300-acre FHP is planned to be developed as the most comprehensive equestrian sport and recreation venue in the State of Florida. Situated adjacent to the largest public greenway system in the U.S., the Cross Florida Greenway, the FHP is an important public asset for equestrians and non-equestrians. Preservation of a safe and secure environment for equestrians is essential, while also allowing unrestricted public access to the hiking, biking and equestrian trails.

An elevated courtyard between the primary indoor and outdoor show, rodeo, dressage and jumping arenas is the focal point of the master plan and provides 360-degree vistas of the more expansive cross-country, polo and steeplechase venues. This large courtyard is designed to accommodate vendor trailers and outdoor displays, along with all primary visitor services. The stable area is organized in a manner which provides near equal access from all barns to the primary venues, as well as trailer parking, RV hookups, and loading/unloading zones.

An educational facility including lecture halls, offices, and a covered demonstration arena is included in the master plan which is anticipated to be developed in partnership with Central Florida Community College.

#### Kansas Star Casino & Event Center

The State of Kansas recently awarded a gaming license to Peninsula Gaming to develop a \$225 million mixed-use development project in southern Kansas. Part of the selection process was based on the potential of the proposed gaming project to draw visitors from beyond a 100-mile radius. Peninsula Gaming integrated an equestrian event center into its development plan to achieve this draw.

The Kansas Star Casino & Event Center has been designed to be a unique entertainment destination in the south central Kansas and northern Oklahoma market, with over 100,000 SF of casino gaming, an 800 seat theatre, restaurants and bars, a 300-room hotel, 4,800-seat arena venue and supporting equestrian center components. The main arena will be equipped with 2,500 stadium seats and six VIP suites, concrete floor with multiple equestrian footings, and riggings for end and center stage for events such as concerts and boxing. A full-service restaurant and bar will be located atop the north end zone for commanding views of any type event. The first phase of the casino and hotel are scheduled to open in November 2012.

Plans for the 60-acre equestrian center include 400 fully-enclosed horse stalls, a covered arena, an outdoor arena, round pens, and up to 200 temporary stalls. All facilities will be interconnected to the main indoor arena. Phase 2 of the equestrian facilities will increase stabling capacity to over 800 and add covered and outdoor arenas. Fifty (50) VIP RV hookups will be located adjacent to the barns, with more than 100 additional hookups outside the core equestrian security zone. The indoor arena is anticipated to open in 2013.

**Conclusion:** *Existing and planned equine and agricultural facilities have incorporated animal sciences/research, business/commerce, education, environmental protection, and/or tourism/visitation into their mission, operating strategies, and resulting programming in order to broaden their target markets with the objective of increasing overall support, event activity, attendance/visitation, financial performance, economic activity and funding opportunities.*

## Summary

In order to broaden their economic base, municipalities and States throughout the U.S. are continually evaluating the merits of projects that respond to the needs of both residents and visitors. Some communities have chosen to renovate, expand and/or or construct new multi-use public assembly facilities, such as horse parks and other equine/agriculture related projects, in order to capitalize on existing assets, increase and diversify market opportunities, as well as attain other desired economic objectives such as job creation.

The research and analysis conducted for this phase of work suggests that the proposed horse park remains a viable development project for the State to further evaluate. The proposed horse park has the potential to:

- Provide a unique year-round attraction that appeals to residents of and visitors to the State
- Accommodate a diverse set of equine and non-equine demand generators at all levels and skill sets (e.g., competitive, recreational, instructional, educational, etc.)
- Preserve open space as well as create a model for environmental sensitivity and land conservation
- Support the broader equine, agriculture, and agritourism industries by providing opportunities for increased commerce related activities
- Augment and further cultivate existing research and educational initiatives at all levels
- Serve as a tourism and economic generator that positively impacts local and State economies through incremental new visitor and business spending
- Attract private sector investment

Usage/event activity, financial operations and resulting economic/fiscal impacts associated with horse parks can vary depending on the program elements, location, management philosophy and marketing strategy. As such, the programming of any facility should be driven by potential market demand, project costs and the related return on investment.

## Potential Next Steps

If the MDA and MHIB conclude that further study of the proposed horse park concept is warranted, the following outlines recommended next steps:

- Develop consensus on the Horse Park's mission statement.

Developing a mission statement is a critical element in any facility's operation because it dictates the booking policy, marketing efforts, utilization and financial performance of that facility. As with any publicly owned facility, the goals and objectives may change with each political cycle. These changes in facility objectives can be counter-productive if not managed effectively. Clearly defining a mission statement that reflects community consensus and primary goals can allow a facility to set forth an operating and marketing strategy that is consistent and long-term in implementation.

Based on our recent meeting, the mission statement for this project may include elements of the following objectives:

**Perpetuate the Maryland Horse Industry:** Perpetuate the economic, recreational, educational and environmental benefits of the Maryland horse industry and its heritage.

**Economic Enhancement:** Enhance economic activity in Maryland related to equestrian commerce and tourism.

**EquiTourism Enhancement:** Enhance Maryland EquiTourism through the development of world-class equestrian sport and recreation venues.

**Educational Enhancement:** Enhance educational opportunities in Maryland related to the equestrian industry and agriculture.

**Maximize the Value of Existing Equestrian Assets:** Leverage existing public and private facilities to create a world-class destination for equestrian sports, education, commerce and recreation by developing public/private and inter-governmental partnerships.

- Develop consensus on the Horse Park's supporting goals and objectives which may include, but not be limited to, the following:
  - Reduce initial capital investment through integration/utilization of existing equestrian assets
  - Maximize economic value of existing Maryland fixed assets
  - Support and enhance existing equine events in Maryland
  - Create and/or attract new equine events in Maryland
  - Support and enhance grass-roots level horse interests and activities
  - Grow equine commerce through increased horse ownership and activities
  - Create uniform branding strategy for the equestrian venues

- Refine potential development concepts/strategies for the Horse Park which may include:
  - Focusing on constructing a facility that attracts incremental new event activity such as regional/national/international equestrian events given there are existing facilities in the State than can accommodate local-oriented shows/events.
  - Creating signature “State” equine events – similar to the Quarter Horse Congress which is run by the Ohio Quarter Horse Association and will likely never leave the state.
  - Evaluating the merits of, and local interest in, potentially utilizing the existing Prince George’s County facility/Showplace Arena as the possible signature equestrian event venue.
  - Evaluating the merits of, and local interest in, potentially improving Fair Hill as the premier 3-day event venue.
  - Evaluating the merits of, and local interest in, potentially partnering with Baltimore County Farm Center to create an education equine and discovery center.
  - Creating a uniform branding/identity and governing body for all assets.
- Develop criteria for venue/site nominations Request for Proposal (RFP) that support the mission and supporting goals. In particular, the proposers should acknowledge willingness to conform to uniform branding, governance, and management strategies.
- Update the facility programming to include written definitions outlining the basic intent of the facilities. Programming should be practical and right-sized with anticipated future expansion capabilities identified.
- Split the programming into key components, allowing respondents to propose on all combined or as few as one component which may include:
  - Signature equestrian event venue (i.e., indoor show/sport venue)
  - 3-Day event venue (i.e., primarily outdoor venues including cross-country, driving, endurance, show jumping, etc.)
  - Equine education/discovery center
- Develop an estimate of potential usage/event activity utilization and a financial pro forma.
- Develop an estimate of potential economic impacts generated by the ongoing operations of the proposed elements at the preferred site location(s) in terms of spending, employment and earnings.
- Develop an estimate of potential tax revenues to local and State governments from sources such as admissions and amusement tax, hotel/motel tax, income tax, sales and use tax, and others deemed appropriate.
- Summarize this research and analysis into a written report including a cost/benefit analysis outlining the relationship of the estimated capital construction costs and ongoing financial operations relative to the anticipated project benefits including economic and fiscal impacts.

If you have any questions regarding this memo or require any additional information, please contact any of us.