REASONS FOR ESTABLISHMENT OF A HORSE PARK

1. Retaining regional championships, and businesses
   - Currently 2 major MD State championships are held out of State

2. Economic impact for regional businesses / attracting new businesses

3. Funding mechanism for regional public horse facilities

4. Promotion of existing industry

5. Open space preservation

6. Sport / Activity development

7. Historic preservation

8. Increased market for agricultural commodities
ECONOMICS OF A HORSE PARK

- Economics 101

  - Economic / Tax Impact = the net change in an economy resulting from an event, business, industry, etc.

  - Capital Costs = the total cost needed to bring a project to a commercially operable status, i.e., cost of construction.

  - Operational Costs = recurring expenses which are related to the operation of a business.
ECONOMICS OF A HORSE PARK

- **Economic Impact**
  - Hotels, Food, Entertainment, Transportation, etc.
  - $122 Million a year in economic impact

- **Tax Impact**
  - Sales, Admissions and Amusement, Hotel, etc.
  - $9 Million a year in tax revenue
  - These are the funds leveraged in public projects to fund capital costs / operational overrun.
ECONOMICS OF A HORSE PARK

- **Capital Cost**
  - $114 Million Total
  - Payments with interest = $7 Million a year for 30 years
  - Tax Impact – Capital Cost = **+$2 Million a year**

- **Operational Cost**
  - Operational Expenditure = - $6 to - $7 Million a year
  - On Site Revenue = $6 Million a year
  - Operational Cost = $0 to - $1 Million a year
  - Add Remaining Tax Impact = **+$1 Million to $2 Million a year**
QUESTIONS

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Information:
- www.marylandhorsepark.com
- www.marylandhorseindustry.org
- www.marylandhorseforum.com
- www.mdhorsecouncil.org