

# HORSE PARK ECONOMICS

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## MARYLAND HORSE PARK

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# 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, ie 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](http://www.marylandhorsepark.com)
- [www.marylandhorseindustry.org](http://www.marylandhorseindustry.org)
- [www.marylandhorseforum.com](http://www.marylandhorseforum.com)
- [www.mdhorsecouncil.org](http://www.mdhorsecouncil.org)