

REPORT OF THE JOINT SUBCOMMITTEE
STUDYING THE ESTABLISHMENT OF A HORSE CENTER
TO
THE GOVERNOR
AND
THE GENERAL ASSEMBLY



HOUSE DOCUMENT NO. 17

COMMONWEALTH OF VIRGINIA
RICHMOND
1982



COMMONWEALTH of VIRGINIA

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IN RESPONSE TO
THIS LETTER TELEPHONE
(804) 786-3591

January 6, 1982

To the member of the Joint
Subcommittee Studying the
Establishment of the Horse
Center:

Enclosed is a draft of your final report.
Please let me know as soon as possible of any suggestions
you have regarding changes. If I do not hear from
you by January 18, I will assume you approve of the report
as written.

Sincerely yours,

Richard W. Hall-Sizemore
Legislative Research Associate

RWH:tlb
Enclosure

Members:

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S. Mason Carbaugh
Elmo G. Cross, Jr.
Bertram R. Firestone
Mrs. Charles W. Glover, II
Raymond R. Guest, Jr.
William F. Green
John D. Marsh
Kevin G. Miller
John S. Upson

cc: Jim Sharp

Members of Committee

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**Report of the Joint Subcommittee
Studying the Establishment of a
Horse Center
(HJR 48, 1981 Session)
The Governor and the General Assembly
of Virginia
Richmond, Virginia**

December, 1981

To: Honorable Charles S. Robb, Governor of Virginia
and
the General Assembly of Virginia

Conclusions

The horse industry makes important contributions to Virginia's economy. The annual cash flow resulting from horse-related activities amounts to over \$320 million. With the proper facilities and encouragement, this monetary impact would be even greater. The Commonwealth should do all it can to help the industry grow and flourish, because of its fiscal impact and because it is part of Virginia's heritage.

Recommendations

1. The Department of Agriculture and Consumer Services should continue to explore means of establishing a Virginia Horse Center, including siting, financing, and management arrangements.
2. This subcommittee should continue in existence in order to receive and act upon any proposal the Department is able to make.

Discussion

This study was a continuation of the work begun by the subcommittee in 1980. (See House Document No. 18, 1981 Session of the General Assembly.) The General Assembly charged the subcommittee to explore the need for, and the feasibility of establishing, a state-sponsored center to be used by the state's horse industry for shows, exhibits, sales, and other relevant activities. The subcommittee was able to discuss further the need for a horse center and to explore several alternative means of establishing such a center. In its deliberations this year, the subcommittee had access to new information delineating the impact of the horse industry on Virginia's economy.

In the fall of 1981, the Virginia Cooperative Extension Service released a recently prepared inventory of Virginia horses. The inventory shows the industry's impact to be extensive, in terms of the number of Virginia citizens involved in horse activities, the amount of money expended, and the area of the state affected.

The inventory reports 36,469 individuals own a total of 86,753 equines in Virginia. (Some experts think these numbers are low.) But owners are not the only ones who enjoy horses and participate in horse activities. Over 8,500 4-H club members are active in horse project groups, for example, and riding schools have almost 8,000 students. Horse shows involve the greatest number of Virginia residents. At the 641 shows across the state in the last year almost 40,000 people performed before over 190,000 spectators.

There is a lot of money spent in Virginia on horses. The extension service report estimates that the annual cost for keeping a horse is \$2,900. For the maintenance of the more than 85,000 horses in Virginia, this amounts to an annual expenditure of more than a quarter billion dollars. In addition, more than \$70 million is generated annually through the sale of horses, payment of instruction fees, stallion fees, and other income-producing activities. All told, the Virginia horse industry produced an annual cash flow in the state of \$321,981,936.

The beneficiaries of this economic activity were not only wealthy horse owners. Over 5,600 people were employed by farms, schools, stables, and other equine-related businesses with annual payrolls in excess of \$12 million. The businesses profiting from the horse industry include tack and equipment shops, trailer and van dealers, insurance firms, feed stores and dealers, farmers, and veterinarians.

The \$321 million cash flow figure does not include the indirect economic impact of horse events. It is impossible to accurately measure the impact on the communities involved, but it would be comparable to the effect of conventions, which most localities are anxious to host. One of the larger horse events in Virginia, the Greater Roanoke Valley Horse Show, attracts participants not only from Virginia, but from around the country, as well. The Roanoke chamber of commerce estimates these horsemen pump about \$1 million annually into the local economy.

Although the number of horses and the amount of total investment is concentrated in the northern section of the state, horse activity is not insignificant in other parts of Virginia. There are horse owners and people who enjoy horses in every section of the state.

Virginia needs a first-class horse center. Such a center would have the facilities to accommodate all major horse activities, including an indoor arena, an outdoor covered arena, outdoor show rings, a grand prix ring, a cross-country course, dressage rings, a steeplechase track, and permanent stabling. Several states on the eastern seaboard have built, or are committed to build, horse centers of this caliber. If Virginia had such a facility, it could attract national shows and the tourist dollars which would accompany such shows, while boosting the native horse industry.

The major obstacle to the establishment of a state horse center is its cost. The subcommittee examined some preliminary cost estimates. Depending on the circumstances, such as whether the facility was built on existing state property, the capital outlay would probably range between \$2 and \$4 million. It probably would not be feasible for someone in the private sector to build and operate a center such as this. To cover the operating costs, retire the debt, and make a profit would require entry fees too high for most of the state's horse organizations, and thus frustrate one of the center's main purposes. With state financial backing, a center would be able, in a few years, to produce enough revenue to cover its operating costs.

At this time, the state's fiscal situation prevents the subcommittee from recommending the appropriation of state funds to build a horse center. The subcommittee explored several other possible avenues of financing. These included encouraging a philanthropist to donate a center to the state and upgrading a regional fair's facilities and subsidizing its operation as a horse center. All of these possibilities remain open and should be explored further, along with others.

The contacts and negotiations necessary for the development of a viable proposal for a horse center can be handled better by a staff agency rather than a committee that meets only occasionally. Therefore, the subcommittee recommends that the Department of Agriculture and Consumer Services continue its efforts to develop a method of funding a horse center for statewide use. Because of its background in this work, this subcommittee should be continued to provide guidance to the Department when needed and to receive and evaluate any proposal the Department might develop.

This study has highlighted the importance of the horse industry to the state's economy. The establishment of a horse center would greatly enhance the position of the industry and economically benefit the state. Our work is a step in that direction and we urge the General Assembly to act favorably upon our recommendations.

Respectfully submitted,

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Raymond R. Guest, Jr.

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Howard P. Anderson

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S. Mason Carbaugh

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Elmo G. Cross, Jr.

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Bertram R. Firestone

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Mrs. Charles W. Glover, II

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Senate Joint Resolution No. ...

Requesting the Department of Agriculture and Consumer Services to explore alternative means of establishing a Virginia Horse Center and continuing the joint subcommittee to study the establishment of such a facility.

WHEREAS, the horse industry is an important facet of Virginia's economy; and

WHEREAS, the raising of horses and horse-related activities are an integral part of Virginia's heritage; and

WHEREAS, the establishment of a statewide center devoted to the staging of horse events would significantly enhance this important segment of Virginia's state character and her economy; and

WHEREAS, a joint subcommittee of the General Assembly has studied this subject and agreed upon the desirability of establishing a Virginia Horse Center; now, therefore be it

RESOLVED by the Senate of Virginia, the House of Delegates concurring, that the Department of Agriculture and Consumer Services is requested to continue exploring the possible alternatives of establishing a statewide horse center, including the financing of such a facility. The Department is requested to develop any proposals for the facility's establishment that it deems feasible. The joint subcommittee of the House of Delegates Agriculture Committee and the Senate Committee on Agriculture, Conservation and Natural Resources is continued. The Subcommittee shall meet as needed in order to advise the Department and receive and evaluate any proposal the Department might develop.

