

**FINAL REPORT OF THE
JOINT SUBCOMMITTEE STUDYING**

The Virginia Horse Center

**TO THE GOVERNOR AND
THE GENERAL ASSEMBLY OF VIRGINIA**



House Document No. 45

**COMMONWEALTH OF VIRGINIA
RICHMOND
1984**

MEMBERS OF COMMITTEE

Raymond R. Guest, Jr., Chairman
Howard P. Anderson
S. Mason Carbaugh
Elmo G. Cross, Jr.
Bertram R. Firestone
Mrs. Charles W. Glover, II
William F. Green
Gladys B. Keating
John D. Marsh
John S. Upson

STAFF

Legal and Research

Division of Legislative Services

RESEARCH

Department of Agriculture and Consumer Services

CLERICAL

Office of the Clerk, House of Delegates

**Report of the Joint Subcommittee Studying
The Virginia Horse Center
To
The Governor and the General Assembly of Virginia
Richmond, Virginia
June, 1984**

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

INTRODUCTION

The joint subcommittee studying the feasibility of establishing a Virginia Horse Center was created by House Joint Resolution No. 48 in March, 1980. Since that time, the subcommittee has explored the means of establishing such a center, including siting, financing and management arrangements. The study was continued in 1981 and again in 1982 as background information was accumulated. Also during this time, the subcommittee explored possible avenues of financing and received information as to the effects of such a center on the Commonwealth's economy.

During the fall of 1983 and early 1984, several localities submitted proposals requesting the Commonwealth to establish a Virginia Horse Center in their respective areas. As the interest in the concept of a statewide horse center increased, the joint subcommittee decided to create an opportunity for other locations to submit proposals and to carefully review each proposal before making a recommendation to the Governor and the 1985 Session of the General Assembly. To achieve this, the study was continued once again through House Joint Resolution No. 64.

1984 Deliberations

In response to the 1984 charge to the joint subcommittee by House Joint Resolution No. 64, proposals in addition to those submitted in 1983 and early 1984 were accepted until the deadline of May 15, 1984. As of that date, eight localities had submitted proposals. The subcommittee was charged by House Joint Resolution No. 64 to visit the proposed sites and to complete its work by June 30, 1984.

On June 6 and 7, 1984, the subcommittee conducted site visits to obtain first-hand knowledge of each proposal. It was determined that such visits and a careful review of each proposal would enhance the subcommittee's ability to make an objective recommendation aimed at serving the best interests of all citizens of the Commonwealth.

In brief, the proposals from the eight localities are as follows:

A. Roanoke Valley

1. Center to be owned and operated by the Commonwealth
2. (a) 168 acres to be conveyed fee simple to the Commonwealth
 - (b) 12,000 acres available for event usage
 - (c) Minimum pledge of \$500,000 towards construction of the center and the marketing of Roanoke Valley.

B. Rockbridge

1. Center to be owned and operated by the Commonwealth

2. Approximately 361 acres to be conveyed fee simple to the Commonwealth
3. Minimum pledge of \$885,000 towards construction and establishment of the center.

C. Augusta

1. Center to be owned and operated by the Commonwealth
2. (a) 150 acres to be conveyed fee simple to the Commonwealth
 - (b) 180 adjacent acres available for event use
 - (c) Minimum pledge of \$500,000 towards construction and establishment of the center.

D. Rockingham County Fair Association, Inc.

1. Ownership and operation by the Fair Association Board with representation of the Commonwealth on the board.
2. Proposal seeks designation as the Virginia Horse Center only
3. 110 acres to make up the facility

E. Albemarle

1. Center to be owned and operated by the Commonwealth
2. (a) 150-200 acres to be conveyed fee simple to the Commonwealth.
 - (b) 50-100 adjacent acres to be available for event use.
 - (c) Minimum pledge of \$500,000 towards construction and establishment of the center

F. Fluvanna

1. Center to be owned and operated by the Commonwealth
2. (a) 150 acres to be conveyed fee simple to the Commonwealth
 - (b) 145-182 acres available for event use
 - (c) Minimum pledge of \$500,000 towards construction and establishment of the center.

G. Greene

1. Center to be owned and operated by the Commonwealth
2. 243 acres to be conveyed fee simple to the Commonwealth
3. Minimum pledge of \$500,000 towards construction and establishment of the center.

H. Commonwealth Park, Showday Farms, Inc., Winston, Virginia

Two options presented:

1. The sale of the existing facility including 100 acres as well as the promised construction of an indoor arena and covered warm-up area to the Commonwealth at a purchase offer of \$5.5 million, including a long-term payment option.

2. The designation of the park as the Virginia Horse Center; the Commonwealth would then be given an appropriate parcel of land for construction by the State of a horse museum and any administrative offices which might be needed by the State.

CONCLUSION

The contribution to Virginia's economy by the state horse industry is in excess of \$320 million per year. Since the horse industry occupies a very important position within the field of tourism and travel, establishing a Virginia Horse Center in a prime location, with optimum community support and the potential for serving the widest clientele possible, would best serve the interests of all of the citizens of this Commonwealth.

While reviewing each proposal, and in light of the input obtained by actual on-site visits to each proposed location, the subcommittee weighed many factors in making its decision. Included among these factors were requirements that the actual site should have the highest potential for serving the interests of the entire horse industry; that the site should be easily accessible, useful and ideally located; and that the support of the community should be substantial.

These requirements were considered with regard to estimated costs and operating expenses as well as event use projections and generated tax revenues. (See appendices A through D)

After measuring the above-mentioned factors and considerations for each proposed location, it was decided that the Rockbridge site best met the requirements and offered the most potential for a high use statewide Horse Center. Its rustic quality along with the practical topography and the unique combination of pastures, woods and streams made it the agreed choice of the joint subcommittee.

All of the communities and groups that submitted proposals are to be commended for their efforts and enthusiasm in supporting the establishment of a state horse center. This subcommittee hopes that there will be a continued effort by those groups and encourages them to continue to actively support the Virginia Horse Center concept in order to enhance its chances of becoming a reality.

It is the consensus of the subcommittee that the following recommendations be submitted to the Governor and the 1985 Session of the General Assembly.

Recommendations

1. The subcommittee maintains that a Virginia Horse Center should be owned and operated by the Commonwealth under the direction of a board composed of citizens representing the many varied facets of the horse industry.

2. The site proposed by the Rockbridge Area Committee for a Virginia Equine Center is hereby recommended to the Governor and the General Assembly of Virginia as the location of the Virginia Horse Center.

3. This site recommendation is contingent on the fee simple conveyance to the Commonwealth of the 361 acre site, and the minimum pledge of \$885,000, to be available on reasonable demand following creation and funding of a Virginia Horse Center by the General Assembly. This site recommendation is also contingent on the continued and expanded statewide efforts by the Rockbridge Area Committee and the state horse industry to raise additional funds.

4. This subcommittee has determined that the creation and operation of a Virginia Horse Center on this site is feasible and beneficial to Virginia's economic growth, and recommends the

establishment of such a facility.

Respectfully submitted,

Raymond R. Guest, Jr., Chairman

Howard P. Anderson

S. Mason Carbaugh

Elmo G. Cross, Jr.

Bertram R. Firestone

Mrs. Charles W. Glover, II

William F. Green

Gladys B. Keating

John D. Marsh

John S. Upson

APPENDIX A

VIRGINIA HORSE CENTER

Costs Estimates

A. Cost of Land	No cost
B. Primary Site Development	
1. Site grading: to include preparation of steeplechase course	
2. Site utilities: water, sewage, fencing	\$ 300,000
C. Arena Facility	
1. Arena structure (196 ft. span) structure 341'x240'; floor 248'x136', 81,000 sq. ft. @ \$17.24/sq. ft.	(1,396,440)
2. Seating area (4,750 capacity), 120'x270' ring, announcer's booth,	(138,000)
3. Enclosed spaces with heat/air conditioning; to include offices, toilets, first aid, ticket offices, concession booths, coffee shop	(140,875)
4. Electrical: lighting, PA, etc.	(110,400)
5. Plumbing (miscellaneous)	(46,000)
6. Landscaping: approach, paving	(46,000)
Total	<u>\$1,877,715</u>
D. Stables	
1. Structures (including roofs) 22,032 sq. ft./barn at \$5.06/sq. ft. \$111,482/barn; 5 barns	(557,410)
2. Stalls \$633 each; 100/barn. 5 barns/500 stalls	(316,500)
3. Plumbing \$4,600/barn; 5 barns	(23,000)
4. Electrical 23,000/barn; 5 barns	<u>(115,000)</u>
Total cost/barn \$202,382; 5 barns	\$1,011,910
E. Sales Pavilion (seating capacity 800-1,500)	\$ 250,000
F. Programmatic Site Development	
1. Parking area - gravel, 100,000 sq. yd.	(215,000)
2. Exterior lighting	(33,350)
3. Exterior ring fencing	(9,200)
	<u>\$ 257,500</u>
G. Service Facilities	(100,000)
H. Covered Outdoor Ring, 120'x240'	(150,000)
I. Pavilion between Grand Prix/Large Outdoor Ring 220'x30' = 6,600 sq. ft. @ \$6.00/sq. ft.	(39,600)
Subtotal	(3,986,725)
J. Architect Fees, 5% of subtotal	<u>(199,336)</u>
TOTAL	\$4,186,061

APPENDIX B

Profit/Loss Projections 1st - 4th Year of Operation
Based on Minimum Uses

Item	1st Year	2nd Year	3rd Year	4th Year
Income	\$206,010	\$279,990	\$347,840	\$383,320
Expenses	261,000	287,100	315,810	347,391
Net	-\$ 54,990	-\$ 7,110	\$ 32,030	\$ 35,929

Breakeven point passed and showing net yearly profit by the 3rd year.

APPENDIX C

Direct Financial Input to Virginia's Economy
Based on Minimum Uses

1st year	\$ 2,432,100
2nd year	5,065,200
3rd year	6,351,600
4th year	6,994,800
TOTAL direct financial input to Virginia's economy through first four years of operation based on minimum uses.	\$20,843,700

APPENDIX D

Travel Generated Tax Revenue

The Department of Conservation and Economic Development estimates that 3.3¢ of each travel dollar goes to state taxes, 3.6¢ to federal taxes, and that 1.6¢ goes to local taxes. Using the projected direct input to travel and tourism in Virginia of \$20,843,700, state taxes generated over the first four years of operation amount to \$687,840.

		3.3%	1.6%	3.6%	8.5%
		State taxes	Local taxes	Fed. taxes	Total tax revenue
First Year	\$ 2,432,100	\$ 80,259	\$ 38,913	\$ 87,555	\$ 206,728
Second Year	5,065,200	167,151	81,043	182,347	430,542
Third Year	6,351,600	209,602	101,625	228,657	539,886
Fourth Year	<u>6,994,800</u>	<u>230,828</u>	<u>111,916</u>	<u>251,812</u>	<u>594,558</u>
Totals	\$20,843,700	\$ 687,840	\$ 333,497	\$ 750,371	\$1,771,714

