

# Horseshoe Park & Equestrian Centre: 2023-2028 Strategic Plan



HORSESHOE PARK  
&  
EQUESTRIAN CENTRE



4D Production, LLC



Consultant;  
2022 & 2023





# David Solum, HPEC General Manager

- 1992 - Present: 31 year Professional business operator in equine products and merchandise supply lines.
- High level professional private business expertise in sales, marketing & branding equine products in the equine industry.
- 2020 - Interim GM, HPEC
- 2021 - GM at HPEC



# Direct Economic Return



## Event Invoices



Costs directly invoiced and paid by Event Producers

## Secondary Event Revenue

- **RV rentals**
- **Feed & Shavings sales**
- **Barn stall rental**
- **Sponsorship program**

Revenue Sources:  
• Due to Events being produced

## Consumer Spending Economic Impact

**Consumer spending in the immediate area due to event activity**

**148,300 attendance**

**11,800 horses**

**186 Use Days**

Customers:  
• 75% of contracts Equine  
• 21% of contracts = multi-year  
• 3.5% date turnover



# 5 Year Strategic Plan



- Implement updated rate and fees ( in process)
- Issue RFP food & bev concessionaire (in process)
- Assess vendor rates and update in event contracts ( in process)
- Add RV units and dump stations ( in process, Council action ,8.2.2023)
- Increase barn stall capacity
- Implement revised booking policy
- Install new digital marquee & incorporate into Sponsorship program
- Develop Master Site Plan
- RFP for restaurant, front of Chapman Arena
- Develop formal sponsorship program
- Enhance HPEC marketing and branding program
- Institute new process for charged support services
- Every 5-yr independent Economic Impact Study
- Explore a parking program
- Update HPEC Strategic Plan in FY 28

# Financial Position

## 5 year: 2019 - 2023



The following schedule shows the last five years of revenue and expenses for HPEC:

	FY18/19	FY19/20	FY20/21	FY21/22	FY22/23
<b>Revenues</b>	611,862	504,219	778,035	1,122,194	1,169,476
<b>Expenses</b>	1,296,435	1,327,772	1,304,559	1,616,880	1,915,526
<b>Net Operating Income (loss)</b>	(684,573)	(823,553)	(526,523)	(494,687)	(746,049)
<b>Recovery %</b>	47%	38%	60%	69%	61%
<b>Debt</b>	288,928	294,495	294,185	290,232	295,223
<b>Capital</b>	148,831	471,677	13,979	552,467	242,273
<b>Net Loss</b>	(1,122,332)	(1,589,726)	(834,687)	(1,337,386)	(1,283,545)
<b>Recovery %</b>	35%	24%	48%	46%	48%

**Refer to Town's Financial Department detail:  
Deficit and annual subsidized expense to  
this operation relative to cost  
recovery calculations.**

**Operations** w/o capital exp

**5 yr: Revenue:** 1.9x increase

**5 yr: Expense:** 1.5x increase

# Short-Term Recommendations: Maximize the Venue

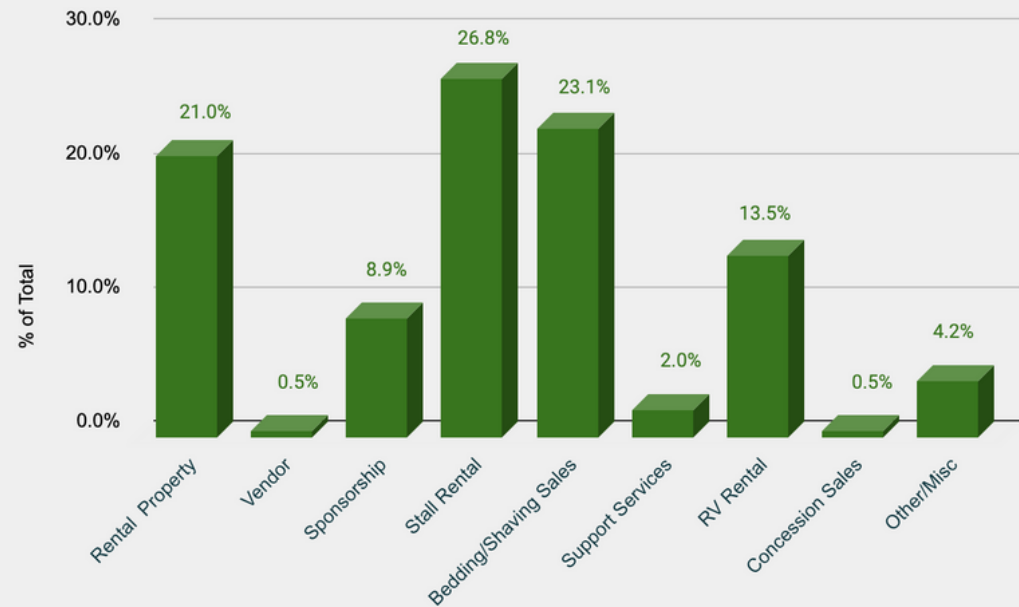
- Formal Booking Policy
- Annual analysis on rates and fees
- RFP for annual food & beverage sales.
- RFP for full service restaurant in HPEC front lot.
- Formal Sponsorship, & Marquee on road front
- Increase RV unit capacity
- Increase Barn Stall Capacity
- Marketing & Brand Awareness Plan
- Master Site Plan Design



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## HPEC: Revenue Sources

HPEC Revenue Sources: Prior 2 yr Average- Actual: (% of total)



HPEC Revenue Streams: 2 yr average

Booking policy, analysis on Rates & Fees, RFP on Food & Bev sales underway;



# 5 Year Strategic Plan



## Conclusion:

- This plan is intended to assist management to achieve more events being produced, increase cost recovery to operations, provide the community and visitors quality events, and continue to have a positive impact on the Town of Queen Creek.
- HPEC is in a unique position to capitalize on the growth in the community, growth in equine event industry, and continue the outstanding reputation that the staff & facility has garnered over the past 14 years.
- This plans outlines a conservative measured approach to maximize use & activity that includes revenues, retaining existing events & attracting new events.
- The next 4 years will exemplify to the market that The Town of Queen Creek and management of HPEC is committed to the future.





**HORSESHOE PARK**  
&  
EQUESTRIAN CENTRE

# Thank You



Strategic Plan 2023- 2028

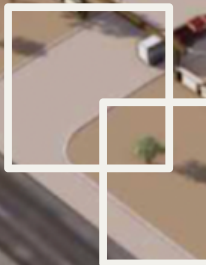
David Solum, GM, HPEC



**4D Production, LLC**  
Consultant

Brian Dygert, Principal

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## Rates & Fees: analysis and recommendation

### 2022- 2024 HPEC Rates and Fees:

Asset	Fy 21-22	FY 22-23	FY 23-24	Recommended	% increase over prior year
Chapman Arena	950	950		\$1,200	26.3%
Az Cutting Arena	750	750		\$1,000	33.3%
A 2, A 4	600	600		\$600	-
Support Services				\$45/hr or \$350/d	new
RV Rental	30/night		\$35/night	\$35	-
Stall Rental	\$17.50 /\$10		\$18/ \$15	\$20 / \$15	11.1%
Bedding/Shaving	\$10/bag		\$11	Market rate	-
Vendor	\$25/\$50	\$50/\$100 / event		\$100/event	-
Concessions (F & B )	\$100/day	\$100/day		RFP % of Gross	



## Comparison of revenue effect for proposed rates and fees (FY 22-23 rental units #) compared to FY 21-22 Rates:

HPEC Rates & Fees	Current Rate FY21-22	Rental #/yr	Proposed Rate	Current Approx Rev at #/yr	Revenue to be realized w/ proposed rate
Chapman Arena	\$950	102	\$1,200	\$96,900	\$122,400
Az Cutting Arena	\$750	100	\$1,000	\$75,000	\$100,000
A2, A4	\$600	137	\$600	\$82,200	\$82,200
Support Services	\$300	91	\$350.00	\$8,100	\$31,850
RV	\$25	195	\$30	\$4,875	\$5,850
Stalls	\$25	4201	\$35	\$105,025	\$147,035
Shavings	\$11	17971	\$11.00	\$197,681	\$197,681
Vendor	\$50	486	\$100	\$24,300	\$48,600
<b>TOTAL</b>				<b>\$594,081</b>	<b>\$735,616</b>
Total % Change					23.82%

**This chart is for comparison only.** Straight line approach to look at rates current against proposed rates using units rented per year. Negotiated rates and terms are common and to be expected per business situation. This comparison is analysis only for proposed rates effect on revenue using the current volume of rented units.

**Note:** Support Services current, approx \$300/event : Proposed is \$350/day

Stalls are current: \$15/stall on first night + \$10/stall 1x clean out fee : Proposed \$20/stall first night + \$15/stall 1x clean out fee

Shavings are at market price and should remain on annually adjusted market price

Vendors are currently charged per event and should remain at per event.



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National Venue Industry averages: (19 venues nationally from 14 states).

	Average # units	Average Rental/day	Rental Range/day
Coliseum	1	\$1,882	\$900 - \$5,000
Covered Arena(s)	1.5	\$1,007	\$400 - \$2,000
Outdoor Arena(s)	4.5	\$457	\$150 - \$1,000
RV Capacity	150	\$33	\$15 - \$60
Stall Capacity	927	\$24	\$12 - \$45

[retrieved from: 4D Production LLC, updated July 2022]



This chart looks at year over year for the same top four associations. This chart illustrates approved events nationally along with membership for each association (2022 over 2021).

Approved Events/Shows 2022:2021	Events % Change yr over yr	Members : % Change yr over year
AQHA	4.70%	0.90%
APHA	-1.00%	-3.10%
USEF	-1.50%	122.70%
PRCA	12.90%	4.60%

4D Production LLC: compiled June 2023 from Annual Reports from each industry association.

The general market in the equine and rodeo industry is seeing a vast amount of energy, enthusiasm and positive activity at the event level. The industry, in terms of event production, is returning to almost equal levels compared to 2019 (pre-pandemic). This is illustrated in the charts above by looking at sanctioned events. Horses registered and memberships are key indicators as these predict the next 3-5 years of industry commitment and activity. The cumulative 3-4 year average for AQHA, APHA, and USEF is a 9.4% increase in horses registered.

Membership is also a direct indicator to activity and entry commitment per event per year. Exhibitors and participants at sanctioned events must be current members. The equine horse show industry is an exhibitor driven industry.

The Professional Cowboy Rodeo Association (PRCA) is a fan driven series of livestock sports activity. They look at rookie professional cards and permits issued as an indicator of growth. The PRCA 2022 annual report summary is below.

2022 PRCA Annual Report | pages: 2 of 3 / 28

**PROFESSIONAL COWBOY RODEO ASSOCIATION**

**IMPRESSIVE PAST RESULTS WHILE KEY INDICATORS REVEAL CONTINUED GROWTH**

**VERIFIED 2022 FACTS**

- INCREASED Membership by **5%**
- INCREASED Entries by **15%**
- INCREASED Permits by **33%**
- INCREASED Approved Events by **22%**
- INCREASED Total Payouts by **20%**

**"On the financial side, we saw our best year ever. Payout in 2022 took a 20 percent jump. It is the first year we eclipsed \$50 million in total payout during the regular season. We had a record NFR payout in 2022 with nearly \$11 million and our total payout reached more than \$60 million. It was a very successful year."**  
- TOM GLASSIE, CEO, PRCA

**"There has never been a better time to be in ProRodeo. With renewed interest in the western lifestyle, record attendance at local rodeos nationwide and record revenues, our organization and membership are stronger than ever. The future looks very bright."**  
- JACOB CRAWLEY, BOARD CHAIRMAN, AL GARY STAM

PEDE.COM | Community | JULY 7 - 16, 2023