

**2013 LODGING TAX SERVICES AGREEMENT
BETWEEN KITTITAS COUNTY AND WASHINGTON STATE HORSE PARK**

This Contract, dated January 23, 2013 is made and entered into by and between KITTITAS COUNTY ("County") and WASHINGTON STATE HORSE PARK ("Contractor").

WHEREAS, the purpose of this Agreement is to provide for activities and expenditures designed to increase tourism,

NOW THEREFORE, in consideration of the terms and conditions contained herein, or attached and incorporated and made a part hereof, the County and the Contractor mutually agree as follows:

Section 1. Scope of Work.

- a. Contractor shall provide the services and staff described in its **Application for Lodging Tax Funds** submitted to the Lodging Tax Advisory Committee, attached hereto as **Exhibit "A."**
- b. Except as otherwise specifically provided in this Agreement, Contractor shall furnish the following as required to perform the services, described in Paragraph (a) above, in accordance with this Agreement: Personnel, labor and supervision; technical, professional and other services. All such services, property and other items furnished or required to be furnished, together with all other obligations performed, or required to be performed, by Contractor under this Agreement are collectively referred to herein as "Services."
- c. In relation to facilities operations, Contractor warrants that after June 30, 2013, the lodging tax funds shall be used only for the operation of facilities in which the County or applicable city has an ownership interest.
- d. Contractor warrants that after June 30, 2013, the lodging tax funds shall be confined to the actual marketing of special events and festivals designed to attract tourists.
- e. Contractor shall commence, perform and complete such Services in accordance with any and all attachments to this Agreement.

Section 2. Payment.

- a. As full compensation for satisfactory performance of the Contractor's Services, the County agrees to pay Contractor the sum of seventeen thousand five hundred dollars (\$17,500).
- b. Additional payment terms: The County will make payment to the Contractor only on a reimbursement basis, as receipts for any items including marketing and/or advertising are submitted to the County, not to exceed the sum of seventeen thousand five hundred dollars (\$17,500).
- c. Funds under this Contract which are disbursed for operations as opposed to marketing of special events and/or festivals designed to attract tourists, or used for the support of the

operations and capital expenditures of tourism-related facilities owned by non-profit organizations, shall be completed and the Contractor's request for reimbursement completed and received by the County on or before June 15, 2013 in order to receive reimbursement on or before June 30, 2013.

Section 3. Performance by Contractor.

- a. Contractor shall not (by contract, operation of law or otherwise) delegate or subcontract performance of any Services to any other person or entity without the prior written consent of the County. Any such delegation or subcontracting without the County's prior written consent shall be voidable at the County's option.
- b. Contractor shall at all times be an independent contractor and not an agent or representative of the County with regard to performing the Services. Contractor shall not represent that it is, or hold itself out as, an agent or representative of the County. In no event shall Contractor be authorized to enter into any Agreement or undertaking for or on behalf of the County. It is understood that the Contractor and the Contractor's staff and employees are not employees of the County and are not, therefore, entitled to any benefits provided employees of the County.
- c. Contractor shall comply with all applicable laws, ordinances, rules, regulations, orders, licenses, permits, and other requirements, now or hereafter in effect, of any governmental authority (including, but not limited to, such requirements as may be imposed upon the County and applicable to Services). Contractor shall furnish such documents as may be required to effect or evidence such compliance. All laws, ordinances, rules, and orders required to be incorporated into agreements of this character are incorporated into this Agreement by this reference. Contractor agrees to obtain all required licenses and permits, and further agrees to keep them in full force and effect during the term of this Agreement.
- d. The County and the Contractor agree that in fulfilling the terms and conditions of this Agreement neither shall discriminate on the basis of race, creed, color, national origin, age, sex, marital status, or the presence of a physical, sensory, or mental handicap.
- e. The Services shall at all times be subject to inspection by and approval of the County, but the County's making (or failure or delay in making) such inspection or approval shall not relieve Contractor of its responsibility to perform the Services in accord with this Agreement, notwithstanding the County's knowledge of defective or non-complying performance, or the substantiality or ease of discovering the same. Contractor shall provide the County with sufficient, safe, and proper facilities and equipment for such inspection and free access to such facilities.
- f. This contract is subject to review by any Federal or State auditor. Contractor shall promptly furnish the County or its designee, or such Federal or State auditor with such information related to the Services as may be requested by the applicable governmental entity. Contractor shall preserve and maintain all financial records and records relating to performance of Services under this Agreement for six (6) years after contract termination. For such duration after the County makes final payment of compensation due hereunder, Contractor shall provide the County access to (and the County shall have the right to examine, audit and copy, with or without notice) all of Contractor's books, documents,

papers and records related to the Services or this Agreement.

- g. Contractor understands and acknowledges that Contractor is solely responsible for its own reporting and accounting of all state, federal, social security, and local taxes, of every nature, arising from Contractor's performance of this Agreement. All compensation received by the Contractor will be reported to the Internal Revenue Service at the end of the calendar year in accord with the applicable IRS regulations.

Section 4. Release, Indemnity, and Hold Harmless.

The County assumes no liability for the Contractor's actions under this Agreement. Contractor releases and shall defend, indemnify, and hold harmless the County, its officers and employees, agents, representatives, attorneys and/or volunteers, from and against all claims, costs, liabilities, damages, and expenses, (including, but not limited to, reasonable attorney fees) which arise or may arise or be alleged to arise out of or by reason of this Agreement including:

- Any fault, negligence, strict liability or product liability of Contractor in connection with the Services for this Agreement;
- Any lien asserted upon any property of the County in connection with the Services for this Agreement;
- Any failure of Contractor, or of the Services, to comply with any applicable law, ordinance, rule, regulation, order, license, permit and other requirement, now or hereafter in effect, of any governmental authority; or
- Any breach of or default under this Agreement by Contractor.

Section 5. Compliance with Public Records Law.

- a. In compliance with Washington's public records law, the County will retain copies of any documents associated with this Agreement, which may be required by law unless legally exempt from such retention, for any applicable legally required retention period.
- b. In the event a public records request is made to the County for documents created in relation to this Agreement, should legal uncertainty arise regarding the disclosability of any documents under federal or state public records laws, the County shall provide notice to Contractor pursuant to Washington's public records act, chapter 42.56 RCW, to allow Contractor to seek a court injunction.
- c. The County specifically shall not be liable to Contractor for the County's release under public records laws of any documents not protected by trademark, copyright or other law.

Section 6. Industrial Insurance Waiver.

With respect to performance of this Agreement and as to any claims against the County, its Additional Insureds, officers, agents and employees, the Contractor expressly waives its immunity under Title 51 of the Revised Code of Washington, the Industrial Insurance Act, for injuries to Contractor's employees

and agrees that the obligations to indemnify, defend and hold harmless provided in this Agreement extend to any claim brought by or on behalf of any employee of the Contractor. **This waiver is mutually negotiated by the parties to this Agreement.**

Section 7. Insurance and Endorsements.

- a. The County may require through a request in writing that the Contractor provide the County with a certificate, binder, or policy of liability insurance, acceptable to the County in an amount specified by the County.
- b. Such liability insurance shall be such as will protect Contractor, its employees, agents and representatives, from all claims, losses, harm, costs, liabilities, damages and expenses arising out of personal injury (including death) or property damage that may result from performance of the Services or this Agreement, whether such performance is by Contractor or any of its employees, agents or representatives.
- c. Should the County require such liability insurance, the Contractor agrees to provide proof of insurance prior to commencing performance of this Agreement.
- d. Copies of the County's written request and the insurance documents provided by Contractor shall be attached to this Agreement and by this reference will be made part hereof.
- e. Where insurance is requested by the County, all liability insurance policies shall be endorsed to include the County as an Additional Insured and shall stipulate that the insurance afforded by the policies shall be primary insurance, and that any insurance, self-insured retention, deductibles, or risk retention trusts maintained or participated in by the Parties shall be excess and not contributory to any other insurance maintained by the County. Contractor shall furnish the County a certificate of insurance with Endorsement as evidence that the required policies are in full force and effect.

Section 8. Termination.

The County may, by written notice thereof to Contractor, terminate this Agreement as to all or any portion of the Services not yet performed, whether or not Contractor is in breach or default. Upon receiving such notice of termination, Contractor shall, except as otherwise directed by the County, immediately stop performing the Services to the extent specified in the notice. In the event the County terminates the Contractor's Services, the Contractor is obligated and hereby agrees to refund to the County all monies paid for Services not yet rendered by the Contractor, if any, as of the date of the notice of termination.

Section 9. Miscellaneous.

- a. Contractor shall not (by contract, operation of law or otherwise) assign this Agreement or any right or interest in this Agreement without the County's prior written consent.
- b. This Agreement embodies the entire Agreement between the County and Contractor, and supersedes any and all prior oral or written communications, proposals, conditions, promises,

representations, or understandings regarding the Services. No change, amendment or modification of any provision of this Agreement shall be valid unless set forth in a written amendment to the Agreement signed by both parties.

- c. Notice for any purpose under this Agreement, except service of process, shall be given by the Contractor to the Kittitas County Commissioners and the Kittitas County Auditor, 205 W 5th Ave, Suites 108 and 105, Ellensburg, WA 98926. For all purposes under this Agreement, any notice by the County to the Contractor shall be given to the Contractor's address provided on the signature page. Notice may be given by delivery or by depositing in the U.S. Mail, first class, postage prepaid, certified mail, return receipt requested.
- d. The section and paragraph headings of this Agreement are for reference convenience only and are not intended to restrict, affect or be of any weight in interpreting or construing the provisions of such sections or paragraphs.
- e. This Agreement may be executed in one or more counterparts and by facsimile, each of which will be deemed an original, but all of which together will constitute one and the same instrument.
- f. Contractor warrants to the County that the individual signing on Contractor's behalf has the requisite power and authority to enter into and to perform Contractor's obligations under this Agreement. Contractor further warrants to the County that Contractor has made no misrepresentation or misleading statement in connection with this Agreement, and is not in violation of any applicable law, ordinance, or regulation the consequence of which will or may materially affect Contractor's ability to perform its obligations under this Agreement.
- g. If any term or condition of this Agreement or the application thereof to any person(s) or circumstances is held invalid, such invalidity shall not affect the other terms, conditions or applications which can be given effect without the invalid term, condition or application. To this end, the terms and conditions of this Agreement are declared severable.
- h. The exclusive venue for any action brought to enforce this Agreement or any of its terms shall be in Kittitas County, State of Washington.

KITTITAS COUNTY

BOARD OF COUNTY COMMISSIONERS

CONTRACTOR

Chair

[Print Name]

Vice Chair

Commissioner

[Address]

[Telephone]

ATTEST: _____

Julie Kjorsvik, Clerk of the Board

APPROVED AS TO FORM:

Deputy Prosecuting Attorney

7/8/2012

Kittitas County
Hotel/Motel Tax Fund Grant Request 1st _____ 2nd _____ 3rd _____
KITTITAS COUNTY BOARD OF COMMISSIONERS**Applicant: Washington State Horse Park ("WSHP")**

501c3 TIN 91-1537522

Formally established 1996; Park opened 2010

Physical address: 102 Douglas Munro Blvd. Cle Elum, WA 98922

Mailing and billing address: P.O. Box 2078, Woodinville, WA 98072

Phone 877-635-4111

Leslie Thurston, Executive Director

director@wahorsepark.org

Mission: To build, promote, operate and sustain the premier destination for horse activities in the Pacific Northwest.

Project Name: 2013 Horse Park and Local Interests Promotions Campaign

To continue building awareness and enthusiasm throughout the regional horse community for the Horse Park and attractions of the surrounding area. We have found that visitors to the Park are impressed with their experiences there, and that an important segment of users are more inclined to return and stay longer when they are aware of the lodging, dining, shopping and sports/cultural options available to them close by.

Geographic Area Served: Washington, Oregon, Idaho, Montana, California, BC

Project Period: 2013 Calendar Year

Requested funding \$17,500

Other funding sources applied for:

We hope to be able to directly benefit from the City of Cle Elum's Lodging Tax Fund once the Council decides which Chamber of Commerce (local or County) will receive those funds.

WSHP received a grant of \$20,000 from the Kittitas County Lodging Tax Fund in March 2012, and \$45,000 in 2011.



Leslie Thurston, Authorizing Signature

10-25-12

1. Project Description – Please describe in detail including, specifically how will the County funds be used.

The WSHP is seeking \$17,500 to execute a targeted annual advertising and marketing program to attract visitors and organized events to the Park for 2-7 day visits, and to promote local community attractions. Our goal is to book larger shows of 100+ horses that run 2-4+ days thereby causing more visitors to stay overnight. Overnight stays increase Park revenues from stall, RV camper hook-up and day use fees, and increase opportunities for larger numbers of visitors to patronize local businesses for goods and services. Despite a difficult economic climate that has depressed the number of entries in many events and caused some organizers to cancel altogether, we've made excellent progress toward this goal in 2012, thanks in part to our marketing efforts using grant funds from the County's Hotel/Motel Tax Fund. We've been successful in attracting several medium size shows (80 to 200 horses) that run for several days, and are less attractive to one-day events that tend to be more price sensitive. We've had about 4,800 visitors this year, a 13% increase over 2011, and a great percentage of them are from outside the County (94% versus 75% in 2011) and the average event has lasted more days. We want to continue the trends indicated below by the number of Overnights required of participants, and more importantly, the significant leverage of larger shows on the number of Visitor Nights Locally.

It must be noted, however, that the number and type of larger competitions the Park can host is limited by the pace of on-going facilities build-out and funds available to keep expanding, so we are not forecasting a repeat of the explosive growth in visitor expenditures that we've been able to generate in 2012.

Metric	2011	2012	2013
Total number of different events	22	25	30
# one-day events	13	6	6
# 2-day events	2	8	12
# 3-6 day events	7	11	12
# Visitors (riders, spectators, etc.)	4,260	4,800	5,500
Visitors who reside outside Kittitas County	75%	94%	95%
Overnights during multi-day events	22	38	42
Visitor nights excluding County residents	2,100	10,077	12,000
Visitor nights in lodging (excludes 15% campers)	1,785	8,565	10,200
# Lodging rooms booked (assume 1.5 people/room)	1,340	6,424	7,650
Overall economic impact of visitors (\$136/night)	\$285,600	\$1,370,500	\$1,632,000
# Jobs created (16 jobs/\$1m economic impact)	4	22	26

WSHP is the only non-profit, all-disciplines equestrian venue in Washington State. It was established in Cle Elum to be the central hub for state horse activities and to grow facilities to eventually host regional and national equestrian events and formal competitions. The Park generally attracts a well-resourced audience that will patronize local business establishments for the comfort of them and their horses.

Based on an economic study of major state horse parks/venues conducted by Central Washington University ("CWU") most recently in 2006, equestrian activities draw riders plus an average of 2.3 other people (including trainers, grooms, friends, spectators and event staff) per horse, we therefore use a multiplier of about 3 people for each horse entered in an event. Our experience with activities at the Park since opening in 2010 suggests that this assumption is reasonable.

Kittitas County funding will enable WSHP to conduct a variety (listed below) of promotion activities that will result in attracting more individuals and groups to the Park, and acquainting them with the surrounding area and its amenities. Promotions will lead to increased bookings for group events and individual riders, therefore bringing out-of-area people to the community who would not otherwise visit.

We also need to focus more sharply on engaging the local community and businesses with Park activities and gaining greater support for its operations and continued expansion. The Park has the capability of becoming a significant economic engine with wide-reaching benefits even beyond the local community, but the relationships necessary for making that happen efficiently are not yet well understood and functioning.

Specifically, funds will be used to:

1. **Produce and mail the second annual Park Progress Report** to increase awareness and excitement among event organizers and participants by reporting on continuing Park improvements, user testimonials and other developments.
2. **Build a Registration and Information Kiosk in the main parking area that effectively highlights local options for lodging, restaurants, and services** and functions as a central gathering place for those visiting the Park.
3. **Cover reasonable and necessary travel costs for the Executive Director to visit some areas of the state to promote the Park and to better understand the market in terms of other equine facilities and discipline needs.** There are 2-3 targeted overnight trips that need to be made in state, Idaho and into BC to visit several competition facilities recommended by (potential) Park users. In addition, these funds would cover costs for the annual League of Agricultural and Equine Centers association meeting in January attended by the leaders of the country's most successful equine venues; this group is an extremely valuable resource for understanding what has worked successfully elsewhere and shortening our learning curve to sustainability.
4. **Promote continued expansion of horse community engagement through ongoing mailings to horse enthusiasts and equine industry leaders and businesses** promoting the Park and the local attractions and amenities of the area.
5. **Support a continuing print advertising campaign** for the Park in four different horse related magazines read by regional equestrians.
6. **Underwrite promotion of the statewide Fun Ride**, an annual 2-day event held at WSHP that attracts over 300 recreational riders who come to experience the trails, compete for prizes, and enjoy a community-wide party with proceeds benefiting Park operations.

Many of the competitions we've hosted since opening in 2010 have become annual events. With acceptable local amenities and attentive WSHP services, these activities will return year after year. It is our goal, with the help of the Hotel/Motel Tax Fund, to maximize Park use from April 1 through October 31st holding a mixture of single-day and multi-day events on weekends, and hosting recreational riding and learning clinics during the week.

Our constituency for the Park is horse owners from around the State. As a growing competition venue we are also beginning to bring in visitors from around the western U.S. and Canada. Based on zip code data we collected in 2012, we estimate that 6% of Park users were from Kittitas County, 86% were from elsewhere in Washington, and 8% were from other western States and Canada.

2. Is this project part of a cooperative effort between organizations and/or multiple jurisdictions within Kittitas County? Explain. Also, what kind of local monetary support exists for this project? (Please be as specific as possible; include names of communities and group contributions)

One of the primary reasons for locating WSHP in Cle Elum was to create a working relationship among horse people on both sides of the Cascades and bring them together. WSHP is continually developing cooperative partnerships with the main organizations guiding the various horse disciplines and with 4-H and Pony Clubs. This year the Park received \$47,000 of cash and materials from Equestrians Institute, \$21,000 from the Northwest Region Pony Clubs to help with facilities build-out, a shoeing shed worth approximately \$7,500 from the Farriers Association of Washington and a variety of smaller donations from other horse groups. Our priority in building partnerships is to add amenities at the Park and increase its use, which in turn promotes and benefits local business.

From within the county, in 2012 we sold 41 Season Trail Passes to local Park members so they could ride the trails an unlimited number of times; those Passes and Memberships generated \$4,920 in revenue. We estimate there was another \$2,500 generated by local day users and \$7,900 from day users outside Kittitas County.

In total the Park raised \$150,000 from shows and competitions this year, and another \$148,000 in memberships, sponsorships, donations and grants. This doesn't include the value of in-kind donations and volunteerism, from local and regional businesses and individuals, both of which have been substantial. The Park has received thousands of hours of volunteer labor onsite and doing other tasks throughout this year, and we need to continue and expand the ranks of those generous supporters.

WSHP also enjoys supportive and cordial relations with the Cle Elum town government, and Chambers of Commerce of Cle Elum and Roslyn, and more recently and actively with the Kittitas County Chamber. The Park is becoming recognized as a local community resource and was called upon twice as a back-up evacuation site for livestock rescued from regional wildfires in September. However, much remains to be done to integrate the Park into the local community and leverage the mutual opportunities that would afford, and that is a primary goal for 2013.

The following local businesses and constituent groups have been 2012 financial supporters of the WSHP, and we are about to begin our local sponsorship campaign for 2013 to maintain support from these and other businesses:

Cle Elum Farm and Home	Stewart Lodge	Encompass Engineering
Cle Elum Hardware and Rental	Rotary	Beau's Pizza
Rent-Me-Rentals	Cascade East Veterinary Clinic	Puget Sound Energy
MF Williams Construction	Kittitas Conservation Trust	Best Western- Sno-Cap Lodge
Cle Elum Chamber of Commerce	Cabin Creek Electric	Cashmere Bank
Bickford Ford, Snohomish	Grant Mechanical	Backcountry Horsemen
Cowboy Mounted Shooters	Luft Trailer Sales	Kittitas Pony Club
Sterling Savings Bank	Suncadia	Stuart Range Pony Club
Mavericks	Mac-A-Bee Oddities	too Trick Pony Photography
City of Cle Elum	Ellensburg Cement	Flying Horseshoe Ranch
EconoLodge	Ruby's	MTH Septic
Potelco	Sunset Cafe	Bator Lumber
John Deere	Cle Elum Bakery	Cottage Cafe

The 112 acres for the Park was donated by Suncadia. It was transferred to the City of Cle Elum and then leased back for \$1.00 a year for a renewable 99 year lease.

3. Relevance to all of Kittitas County– How will this project help with promoting Kittitas County tourism?

The WSHP is a destination drawing people to the area that probably would not otherwise stay in Cle Elum/Roslyn and Ellensburg or experience the beauty of Kittitas County. They come to participate in planned horse related activities occurring on the Park grounds. Many of those activities require staying in the area 1-4+ days and it's our expectation that as the Park calendar grows we will attract larger events of longer duration. While our recreational riders tend to be more local and less affluent, our clientele for events are generally mid-to-upper income people who will patronize community businesses if they are visiting. Through its activities, the Park is an economic engine by attracting tourists and their spending while creating local jobs. As these people become acquainted with the area, some are returning as independent visitors and expand their activities in the County.

Horse parks in other states have grown to a point of attracting tens of thousands of people each year. Investment by Kittitas County at this time will help WSHP continue growing which will directly benefit Northern Kittitas County.

The horse community works through word-of-mouth. Attracting visitors to the WSHP through promotion and the hosting of competitions and events is creating "buzz" about the Park and the community. Riders are always looking for new places to take their horses and new events to enter. Promotion is building on itself as the Park becomes more well-known and respected. Visitors for events are returning as individuals and families. Local businesses will benefit from repeat customers who get in

the habit of returning to their favorite amenities. Its important to note that during our largest and longest events, there were no hotel vacancies in Cle Elum, the wait for service in local restaurants was long and the farm and home store sold out of several items. Local proprietors have commented on the impact of the Park this season and particularly during those periods.

4. Please describe the target market for this event or project – who are you trying to attract?

In addition to the large and diverse trail riding community across the state, we want to attract all equine groups and disciplines who compete throughout Northwest Region –Northern California to British Columbia and East to Montana. This is an audience that already exists but they are currently going elsewhere for events because we haven't had the facility.

Our target market is middle to upper income horse owners as well as those other non-riders who follow as trainers, grooms, friends and spectators for events and competitions. People in the horse community have better than average disposable income, enjoy the out of doors and natural beauty, and are known to seek comfortable accommodations and good restaurants. Care for their horses and equipment also suggest that they are well used to purchasing an array of goods and services wherever they are for horse events. In addition, spouses, friends and others who accompany the riders are often actively looking for things to do locally to occupy themselves during events. The Park is drawing a fairly sophisticated and well-off clientele from areas around the state that have robust retail environments, and local businesses need to offer quality goods and services at competitive prices if they are to attract these people and their discretionary dollars.

5. Need –What are the problems/challenges that this project will address?

- **For the community:** Expansion of the WSHP will bring more tourists to Cle Elum/Roslyn creating more economic activity leading to more jobs. Tourism is an environmentally clean business. The WSHP is creating a venue that has by its nature a low environmental impact and fits well into the culture and ethos of the community. Currently the Park has 1 fulltime and 1 seasonal employee, but we also had to hire a number of hourly workers at peak periods during this season, and that trend will continue. We have had a difficult time finding people locally willing and able to do physical labor at \$12/hour, and we hope that through better engagement we can eliminate that problem.
- **For local business:** Increase visitor traffic drawn to multi-day activities will patronize local businesses and services leading to growth, possibly expansion, and greater financial security. In some cases demand is already testing local capacities and abilities to respond to customer expectations.

- **For the Park:** The hotel motel funds used for marketing, promotion and advertising will increase visitor attendance and the number of events that the Park will host. Through fees, increased activities will enable Park expansion and support ongoing operations.

6. Will the project increase occupancy in hotels, motels, RV parks, and campgrounds within Kittitas County? Please provide projections. Include evidence for your projections (i.e. show your work).

Yes, significantly, as reflected on the chart on page 2. The number and types of events are a reflection of the activities calendar for each year, and the number of visitors is estimated by the number of horses competing. The CWU economic study estimates 3 people per horse (participants, trainers, grooms, spectators, event staff, etc.) visit the community. The percentage of visitors who reside outside the County is based on actual zip codes for the participants in all events and day users at the Park., The number of overnights and visitor nights are also a reflection of the size and duration of specific activities hosted each season. The CWU study estimates that the typical average attendee will spend \$136.00 per person at local businesses. The number of "lodging rooms booked" is derived from the % participants residing outside the County, less an estimated %15 of those who camp rather than stay in hotels, and an assumption that a room is shared by 2 people (as opposed to a single) about 75% of the time. The overall economic impact is the CWU estimate of \$136/person times the number of visitor nights excluding County residents. Finally, the estimated number of jobs created (directly and indirectly) is based on the CWU assumption of 16 jobs for every \$1m of economic impact.

Many local business owners have already noted that increased visitor traffic to the Horse Park and the related demand for goods and services is translating into revenues for their restaurants, shops, lodging establishments, gas stations, grocery stores, etc.

For 2013, with the support of this grant for our marketing and promotion plan we expect to increase visitor nights to 12,000 contributing over \$1.6 million to local revenues.

7. Will the project increase sales tax revenue to the County? Please provide projections. Include evidence for your projections (i.e. show your work).

Estimating 12,000 overnight visitors (in 2013) spending an average of \$136.00 (CWU study) suggests that Kittitas will reap over \$146,880 (9%) in increased sales tax revenues.

8. Time Frame – Please explain steps you will take to implement this project and the dates on which you expect to accomplish each step.

We seek funding to continue the momentum we've achieved through the grant funds awarded in 2011 and 2012. Much of our marketing infrastructure is now in place and with 2013 support WSHP will be able to focus on a more limited array of initiatives. Projects will begin upon notification of the funds. Full implementation will depend on the level of funding granted by Kittitas County. All projects listed in this application are things that can be accomplished before Dec. 31, 2013.

Timeframe:

1. **January:** attend League of Agricultural and Equine Centers meeting, plan other trips to key equine venues
2. **February:** meet with Chamber(s) of Commerce representatives to design methods and materials for promoting area lodging, restaurants, and services with Park event organizers and visitors
3. **March:** finalize design of Visitors Kiosk to be built and ready when the Park opens for the season
4. **April:** launch promotional campaign to attract participants to the Fun Ride in June
5. **May :** develop content for the second annual Progress Report brochure
6. **Throughout 2013:** continue mailings to trainers, barn owners and other key individuals throughout the state, and judicious advertising placements, to raise awareness about and support for the Park

9. Can your organization demonstrate the ability to sustain operational capacity subsequent to completion of and separate from this project? If no, please explain why. If yes, please provide proof.

Everything proposed here is part of our organizational development strategy for the Park. We intend to implement this program, but without Kittitas County participation that process will be slower. The organization can survive whether or not it is a 2013 grant recipient. However, our ability to bring about a positive impact for local businesses will be limited by the scope and pace of the activities requested for funding.

The CWU study makes the following projections based upon fully built-out facilities which will depend upon an aggressive promotion and fundraising campaign and several more years to achieve.

- The direct spending by exhibitors and spectators are estimated to be \$7,334,838.
- Using the employment multiplier of 16 jobs per million dollars of direct expenditures, 143 jobs will be created by the Horse Park in the future.

10. Accomplishments – How will you measure the success of this project? Please be specific as to performance indicators that will be used to measure your success.

Success will be measure in four ways:

- Did we do what we proposed? Partial success will be measured in terms of completing planned and budgeted projects.
- Did our plans lead to more visitors to the area? We will track the number of events, attendance at events, and total visitors to the WSHP.
- Do Park revenues reflect larger and longer shows, and more overall visitors?
- What are event organizers and visitors saying about enjoyment o the local area and their experiences with local businesses?

11. Future Support – Please explain what plans exist to allow this project to become self-sustaining. Include any plans for ticket sales, event sponsors, and other cost-recovery models.

We have come to more-fully understand that the Park must continue to expand its competition facilities and user amenities in order to attract larger, longer and more diverse shows, and to become a major first-class competition venue as its mission states. That is when long term sustainability will be achieved. That puts great pressure on Park management to continue investing available funds in capital improvements, tools and equipment, and labor to maintain customer service levels. And our user groups want to invest their funds in the Park for these specific purposes and benefits too.

Our goal for 2013 is to continue raising funds through private foundation grants, business sponsorships, and individual donations from supporters. We are intensifying our efforts to raise unrestricted funds to support overall operations. However, given the many priorities for philanthropic giving to WSHP, it is highly doubtful that we will be able to undertake the range of marketing and business development efforts described in this project without County support.

12. Does your organization have a legally constituted Board of Directors?

Yes, the Washington State Horse Park Authority and the Washington State Horse Park Foundation are both non-profit 501c3 organizations. The current boards include the following members:

- Todd Trewin - President
- Mark Christopher CPA
- Ron Dotzauer
- Daniel Farber – State Parks and Rec Representative
- Max Forsgren
- Sheridan Jones
- Martha McCready CPA
- Lothar Pinkers
- Representative Judy Warnick
- Mitch Williams
- Steve Wiltfang

13. Attachments – Please attach a copy of your current year's budget.

You must include this in order to be considered.

14. Does your organization have evidence of independent financial review? Please include most recent audit report or letter of independent verification. You must include this in order to be considered.

We have two CPAs serving on the board, one of whom is a partner in Moss Adams. They have reviewed our books and approved their accuracy. A more formal review is currently underway and will be completed by early 2013.



**WASHINGTON STATE
HORSE PARK**

2013 Events Calendar – Preliminary To-Date @10-24-12

Under Discussion – Not for Distribution

DATES/#DAYS	EVENT
April 1	Park Opens - Day Use
April - 2	Adult Riders Spring Fling (derby)
April - 2	ACTHA Ride
May - 3	EI Dressage, Jumping Schooling Show, Hunter Pace
June - 2	Foundation Fun Ride (Sept. 2011)
June - 1	Stirrups and Irons 4-H Show
June - 3	EI Combined Driving Competition, Pleasure Pace
June - 14	Swift Water Invitational and Alpine Hunter Jumper Shows
June - 4	Buck Brannaman Clinic
June - 1	King County 4-H Working Rancher Clinic
June - 1	ACTHA Ride
July - 4	Henrik Dressage Clinic
July - 3	C rated Hunter/Jumper Show
Aug. - 1	ACTHA Ride
Aug. - 3	Cowboy Mounted Shooters State Championships
Aug. - 3	Northwest Reined Cow Horse Show
Sept. - 3	Region V Arabian Trail Group
Sept. - 3	EI Event Derby and Schooling Show
Sept. - 1	ACTHA Ride
Oct. - 1	Stuart Range Pony Club Clinic
Oct. 31	Park Closes for Season

WSHP
2013 Operating Budget
(excludes Capital Building)

Income		
Dues and Contributions	175,000	
Funds from Operations	175,000	
County Hotel Motel Funding	17,500	
Total Income	367,500	
Expense		
Park staff, facilities and operations	175,000	
Advertising & Promotion		
Travel to other equine venues	4,500	<i>State and LAEC annual meeting</i>
Travel to Association Meetings	2,500	<i>Equine Clubs and Associations, barn groups</i>
Advertising	6,000	<i>Equine publications - regional</i>
Brochures – Progress Report	4,000	<i>4 color-15,000 pieces</i>
Local area kiosk	6,000	<i>Community promotion onsite – 4 sided</i>
Fun Ride Promo/other onsite events	3,000	<i>For region-wide distribution</i>
Flyers and posters	2,000	<i>For promoting the events calendar</i>
Regional Direct Mail	2,500	<i>On-going indiv.mailings targeted to Equine li</i>
Total Advertising & Promotion	30,500	Request from KC Lodge Tax Grant = \$17,000
Fundraising		
Campaign Expenses	20,000	
Membership Mgmt Software	5,000	
Events and Merchandise	12,500	
Total Fundraising	37,500	
Other Operating Expenses		
Website maintenance	3,500	
Insurance and Banking	6,000	
Meetings	2,000	
Accounting (Audit)	3,500	
Admin (Executive Director)	75,000	
Travel, etc.	3,500	
Telephone, Printing, Postage	11,000	
Total Other Operating Expenses	104,500	
Total Expenditure	347,500	
Net Income (Expense)	20,000	

