



Market and Financial Feasibility Report for the Cowlitz County Event Center

September 16, 2016

Submitted by:



September 16, 2016

Mr. Joe Phillips, Executive Director
Longview Public Development Authority
1525 Broadway
Longview, Washington 98632

Dear Mr. Phillips:

Markin Consulting is pleased to submit the attached market assessment, financial feasibility and economic impact study report for improved equestrian facilities at the Cowlitz County Event Center (CCEC).

The analysis presented in this report is based on estimates, assumptions and other information developed from industry research, input provided by the project representatives and stakeholders, surveys of potential facility users and analysis of competitive/regional facilities and communities. The sources of information, the methods employed and the basis of significant estimates and assumptions are stated in this report. Although we believe that the information and assumptions set forth in this report constitute a reasonable basis for the estimates of usage and potential financial results, the achievement of any estimate may be affected by fluctuating economic conditions and the occurrence of other future events that cannot be anticipated. Therefore, the actual results achieved will vary from the estimates and such variations may be material.

This report is to be used for facility planning of the CCEC Equestrian Facilities only. It is not to be used for any other purpose. This report is not to be used in conjunction with any public or private offering of securities, debt, equity or other similar purpose where it may be relied upon to any degree by any person other than the client, nor is any third party entitled to rely upon this report, without first obtaining the prior written consent of Markin Consulting.

The terms of our engagement are that we have no responsibility to update this report or to revise the estimates because of event and transactions occurring subsequent to the date of this report.

Sincerely,



Rod Markin, President

**COWLITZ COUNTY EVENT CENTER STUDY
MARKET AND FINANCIAL FEASIBILITY STUDY**

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PROJECT DESCRIPTION

BACKGROUND AND OBJECTIVES

This report was prepared for the Longview Public Development Authority (the PDA) by Markin Consulting and Equine Facility Design. It details the results of our market analysis and financial and economic impact assessment of improved equestrian facilities for both equestrian and non-equestrian events at the Cowlitz County Event Center (the CCEC), located in Longview, Washington, referred to as the CCEC Equestrian Facilities.

It is expected that the CCEC Equestrian Facilities would be used for local, state and regional equine events, small animal shows, other related equestrian uses, as well as non-equine events and activities as supported by the market.

The objectives of the study were to:

- Determine the level of potential market demand (niches and target markets) for equine and non-equine event facilities at the CCEC, on the basis of potential market position, competition, unsatisfied demand segments, community needs, support services, site location, appropriate mix and sizing of facilities, and other factors
- Recommend facility improvements needed to successfully attract and retain the target markets, on the basis of the potential market support, community needs, support services, and competition for event facilities (the Recommended Facilities)
- Prepare a range of improvement/construction costs for the Recommended Facilities
- Assess the financial and economic impacts of the Recommended Facilities

APPROACH

Markin Consulting and Equine Facility Design, in conducting the market demand, financial feasibility and economic impact analysis for the CCEC Equestrian Facilities, performed the following work steps:

- Toured the CCEC facilities and general area of Longview and surrounding area to assess location factors and their impacts on potential events, activities and facility needs
- Researched and analyzed the impact of demographic and economic trends of Cowlitz County and surrounding areas on potential non-equine event demand for the CCEC Equestrian Facilities
- Researched and assessed the quality and quantity of community resources (lodging, retail outlets, restaurants, attractions, etc.) in Longview and Kelso and surrounding areas that would appeal to, and support, potential users of the CCEC Equestrian Facilities
- Identified, researched and assessed facilities (local and regional) that would be considered competition for potential events and activities at the CCEC Equestrian Facilities in Longview
- Conducted research, analyses, interviews and surveys of potential users of the CCEC Equestrian Facilities to identify levels of interest in hosting their event at the CCEC Equestrian Facilities, event size and duration, time of year and facility/service needs
- Developed estimates of potential uses of the CCEC Equestrian Facilities and recommended facility components necessary to successfully attract and retain the identified target markets (the Recommended Facilities) and prepared an estimated range of costs related to developing the Recommended Facilities
- Prepared estimates of the revenues and expenses associated with operating and maintaining the recommended CCEC Equestrian Facilities
- Prepared estimates of the potential annual economic impacts associated with operating the recommended CCEC Equestrian Facilities and the events held in the facilities

CONDITIONS OF THE STUDY

This report is to be used for facility planning of the CCEC Equestrian Facilities only. It is not to be used for any other purpose. This report may not be referred to or included in any prospectus, or as a part of any offering or representation made in connection with the sale of securities to the public.

Although we believe that the information and assumptions set forth in this report constitute a reasonable basis for the estimates of usage, the achievement of any estimate may be affected by fluctuating economic conditions and the occurrence of other future events that cannot be anticipated. Therefore, the actual results achieved will vary from the estimates and such variations may be material. The terms of our engagement are that we have no responsibility to update this report or to revise the estimates because of event and transactions occurring subsequent to the date of this report.

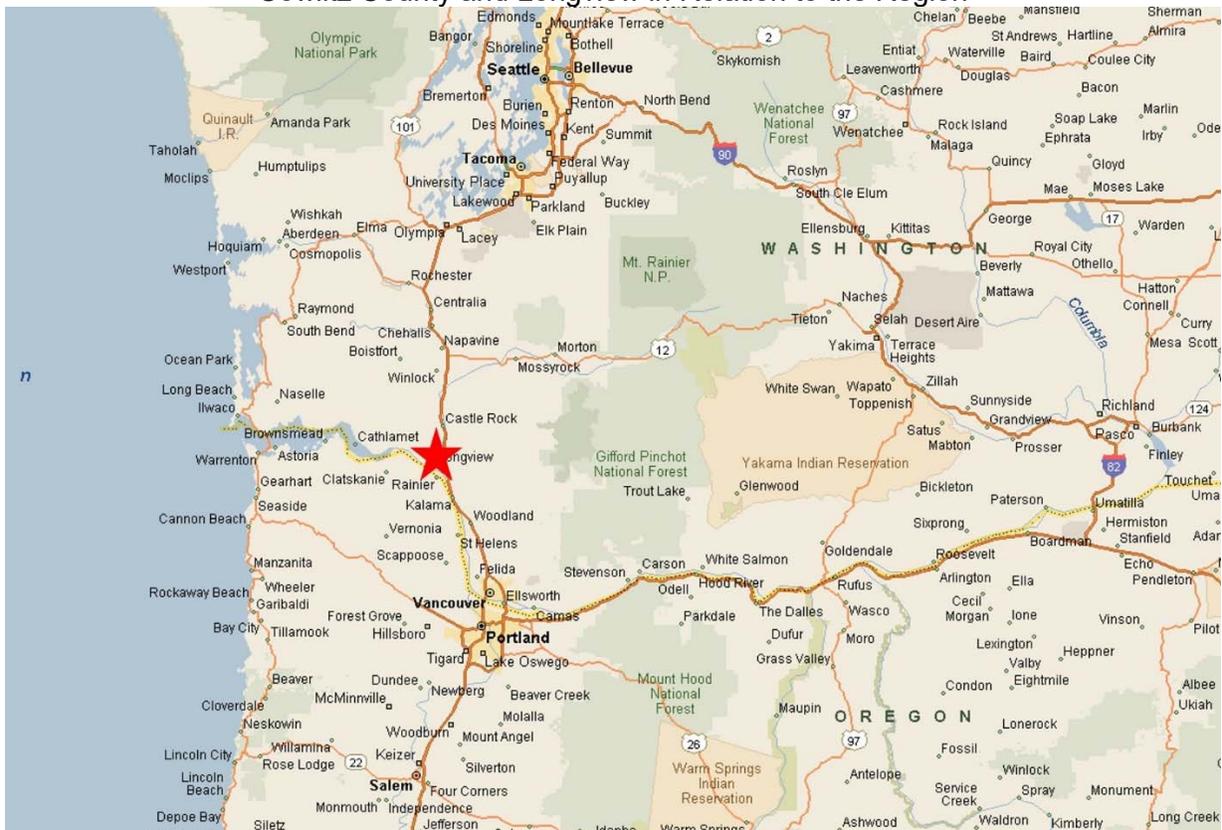
FACTORS AFFECTING DEMAND FOR FACILITIES

The demand for event facilities is dependent on a number of factors – location, facilities, demographic and economic trends, community resources, and competitive and comparable facilities. This section presents an overview of these factors in relation to the CCEC Equestrian Facilities.

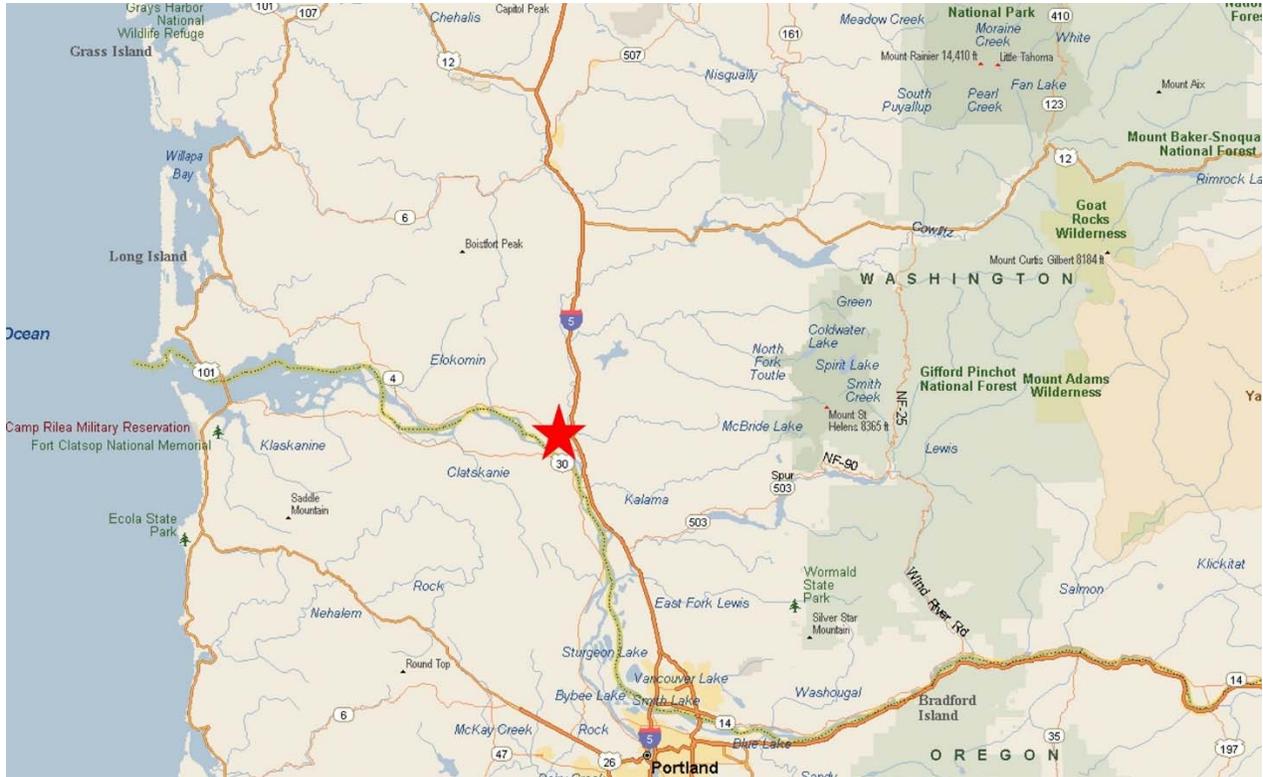
SITE LOCATION ASSESSMENT

Cowlitz County is located in southwestern Washington, about 50 miles northwest of the Washington-Oregon border near Portland, Oregon and about 70 miles south of Olympia, Washington. The City of Longview is situated in the south-central part of Cowlitz County, bordering the City of Kelso.

Cowlitz County and Longview in Relation to the Region



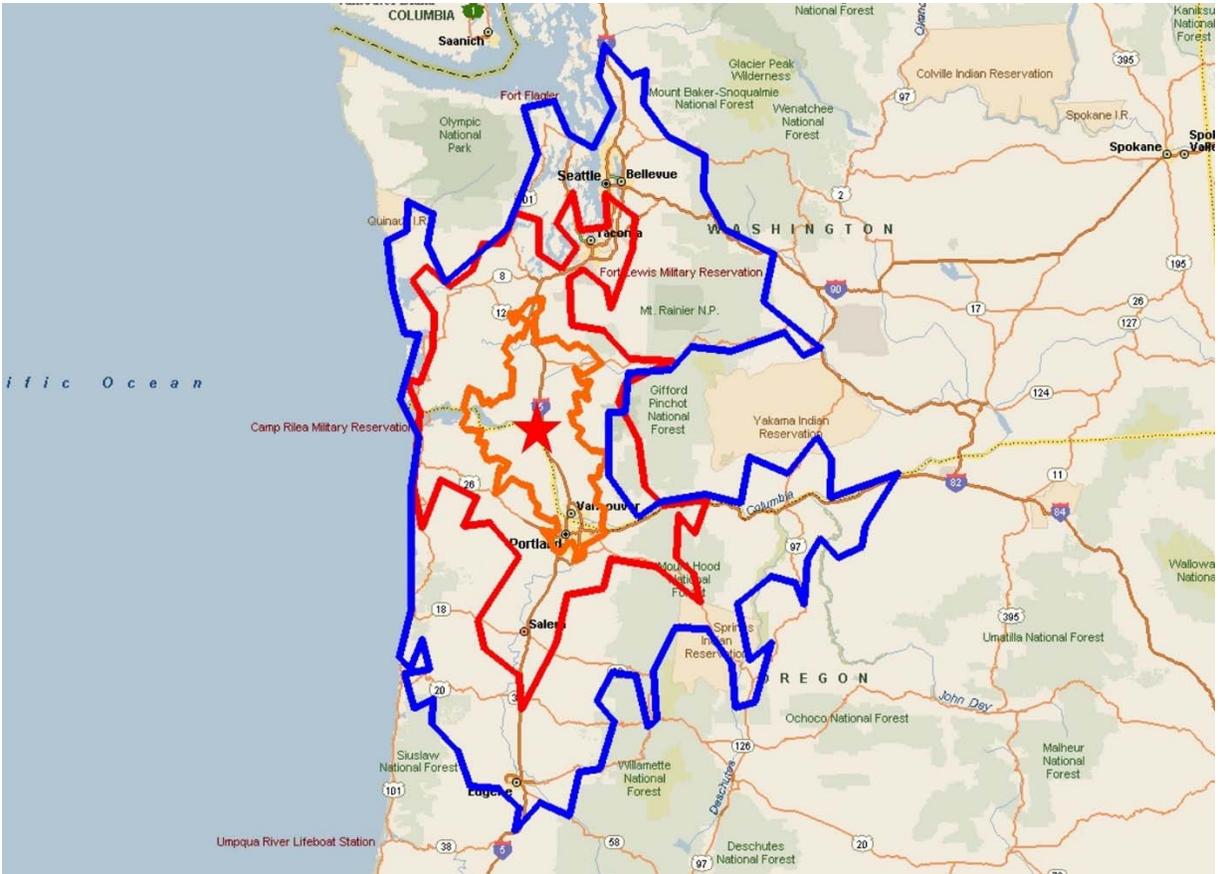
Regional access to the Longview area is principally via Interstate 5 from the north and south and Ocean Beach Highway (State Route 4) from the west, as show in the map below.



The table below shows the approximate distances and drive times to Longview from cities within the region.

	Miles	Drive Time
Ridgefield, WA	30	33 minutes
Chehalis, WA	39	40 minutes
Vancouver, WA	41	40 minutes
Portland, OR	49	57 Minutes
Tacoma, WA	96	1 hour 36 minutes
Salem, OR	95	1 hour 40 minutes
Albany, OR	118	2 hours 2 minutes
Eugene, OR	158	2 hours 37 minutes
Yakima, WA	167	3 hours 6 minutes

The map below shows the relationship of Longview, Washington to the region, in terms of 1-hour, 2-hour, and 3-hour drive times.



As indicated in the map, the Longview area is easily accessed by a significant portion of southwestern and western Washington residents, as well as northern Oregon residents, living within a 2 to 3-hour drive of Longview.

COWLITZ COUNTY EVENT CENTER FACILITIES

The Cowlitz County Event Center facilities consist of various buildings, structures and spaces available for staging a variety of events, including the annual Cowlitz County Fair, conventions and conferences, animal shows, equine events and spectator events. The aerial below shows these aspects of the CCEC.



- | | |
|------------------------------|---------------------------------|
| A Conference Center | N Rodeo Announcers Booth |
| B Log Cabin | O Grandstands |
| C Floral | P Open Beef Barn |
| D Agriculture | Q Swine Barn |
| E FFA | R Sheep Barn |
| F 4-H Dog | S Goat Barn |
| G WSU Extension | T Indoor Horse Arena |
| H Concession Stand #1 | U VCS Building |
| I Concession Stand #2 | V Warm-Up Arena |
| J Concession Stand #3 | W 4-H Arena |
| K Small Animal Barn | X RV Camping |
| L 4-H Beef Barn | Y Rodeo Arena |
| M Poultry Barn | Z Parking |

For purposes of this study, the facilities to be addressed in the assessment include the Indoor Arena, warm-up arena, 4-H arena, grandstand and rodeo arena, RV camping area and the various livestock barns – all considered “South End” facilities. The South End is anchored by the Indoor Arena. Following is an overview of some of the principal buildings, structures and spaces on the South End.

Indoor Arena

The Indoor Arena is a metal-skinned building with a 100' x 200' dirt ring, metal and wood-panel stalls, a concessions stand, restrooms and large mezzanine level overlooking the dirt arena.

Indoor Arena



Dirt Ring in Indoor Arena



Stalls in the Indoor Arena



The horse stalls were in very poor condition during the May 2016 site visit. Since that time, volunteers have removed all of the stalls along the north wall and replaced them with new wood stalls. The doors of the south side stalls were replaced, as well. Plans are for the mezzanine level to be removed this winter, according to management of the CCEC. The ceiling insulation in the stall aisle way is in need of repair/replacement, with many ripped and missing areas.

Uses of the Indoor Arena include WAHSET District practices, Cascade West horse events, dog agility, dog conformation/obedience shows, dog rat hunt events, 4-H, NW Blacksmith Association conference, circus, Hilander Pony Club shows and barrel/gaming horse shows. Due to the lack of adequate stalls, horse events have mostly been limited to single-day events.

Warm-Up Arena

Adjacent to the Indoor Arena, this metal-pipe fenced, open warm-up arena is approximately 70' x 160'. There is an entry door off the warm-up arena into the Indoor Arena.

Warm-Up Arena



4-H Arena

Not far from the Indoor Arena is a 115' x 225' open arena maintained and used by Cowlitz County 4-H.



RV Camping Area

At the very southern end of the CCEC is a large grass area for RV parking, with electric and water access for 55 rigs.



Grandstand and Rodeo Arena

East of the Indoor Arena is the Grandstand and Rodeo Arena. The Grandstand has seating for about __ people

Grandstand and Rodeo Arena



Animal Barns

The South End has a number of animal/livestock barns used during the annual Cowlitz County Fair and for some non-Fair events. These barns are, for the most part, open-sided with metal roofs and wood frames.

Animal/Livestock Barns



Parking Areas

There is a parking area on the north side of the Indoor Arena and to the south of the Warm-Up Arena for trailers, trucks and other vehicles.

Parking Areas



Event Usage

Management of the CCEC provided revenue and event records for the calendar years 2014 – 2016 for use of the South End facilities – with emphasis on the Indoor Arena. We reviewed and arranged the event data by year, event type and revenue contribution, presented in the following table. The table includes revenue generating events only.

Event	Start Date	End Date	Event Days	Client	Event Type	Location	Revenue
Cascade American Pit Bull Terri	2/14/2014	2/16/2014	3	Cascade American Pit Bull Terrier Club	Dog Event	Indoor Arena	\$786.00
Columbia Agility Trial	3/14/2014	3/16/2014	3	Columbia Agility Team	Dog Event	Indoor Arena	\$786.00
Columbia Agility Team - NADAC	5/2/2014	5/4/2014	3	Columbia Agility Team	Dog Event	Indoor Arena	\$816.00
Columbia Agility Team - Dog Agili	10/24/2014	10/26/2014	3	Columbia Agility Team	Dog Event	Indoor Arena	\$756.00
Cascade American Pit Bull Terrie	11/27/2014	11/30/2014	4	Cascade American Pit Bull Terrier Club	Dog Event	Indoor Arena	\$1,111.00
CAPBTC Dog Confirmation & Wei	2/6/2015	2/8/2015	3	Cascade American Pit Bull Terrier Club	Dog Event	Indoor Arena,Goat	\$820.00
Columbia Agility Trial	3/13/2015	3/15/2015	3	Columbia Agility Team	Dog Event	Indoor Arena	\$801.00
Columbia Agility Team - NADAC	5/1/2015	5/3/2015	3	Columbia Agility Team	Dog Event	Indoor Arena, Parkin	\$786.00
Labor Day Barn Hunt	9/4/2015	9/7/2015	4	Janet Oatney & Ron Dunn	Dog Event	Indoor Arena	\$1,240.00
Dogapawlooza	9/18/2015	9/19/2015	2	Dogapawlooza	Dog Event	Sw Grassy Lot, Indo	\$665.00
Cascade American Pit Bull Terrie	11/25/2015	11/29/2015	5	Cascade American Pit Bull Terrier Club	Dog Event	Indoor Arena, Barn	\$1,136.00
Cascade American Pit Bull Terrie	2/12/2016	2/14/2016	3	Cascade American Pit Bull Terrier Club	Dog Event	Indoor Arena, Barn	\$891.00
Columbia Agility Trial	3/11/2016	3/13/2016	3	Columbia Agility Team	Dog Event	Indoor Arena	\$1,531.00
River Rat Barn Hunt	4/8/2016	4/10/2016	3	Janet Oatney & Ron Dunn	Dog Event	Indoor Arena	\$900.00
Columbia Agility Agility Trial	4/29/2016	5/1/2016	3	Columbia Agility Team	Dog Event	Indoor Arena	\$1,336.00
Dog Show	8/10/2016	8/14/2016	5	National Basenjjs Show	Dog Event	Indoor Arena, Mt. St.	\$2,900.00
Cascade American Pit Bull Terrie	11/23/2016	11/27/2016	5	Cascade American Pit Bull Terrier Club	Dog Event	Indoor Arena, Barn	\$1,141.00
Easy Riders Gaming Show	9/28/2013	4/19/2014	7	Easy Riders	Horse Show	Indoor Arena	\$1,785.00
Cascade West	11/3/2013	4/13/2014	6	Cascade West - Karen Askin	Horse Event	Indoor Arena	\$1,500.00
Cascade West - Winter Series	11/2/2014	4/4/2015	6	Cascade West - Karen Askin	Horse Event	Indoor Arena	\$1,500.00
Hippology - Statewide 4-H Horse	4/12/2014	4/12/2014	1	WSU Cooperative Extension	Horse Event	Indoor Arena	\$250.00
Susan Clogston Wild Horses	5/9/2014	5/10/2014	2	Susan Clogston	Horse Event	Indoor Arena	\$450.00
Cascade West	5/18/2014	8/31/2014	2	Cascade West - Karen Askin	Horse Show	Indoor Arena, Grand	\$1,400.00
Easy Riders	6/6/2014	6/27/2014	2	Easy Riders	Horse Event	Indoor Arena	\$500.00
Alan Pace Last Ride	6/8/2014	6/8/2014	1	Alan Pace Last Ride	Horse Event	Indoor Arena	\$150.00
Easy Riders Game Show	9/20/2014	6/5/2015	10	Easy Riders	Horse Event	Indoor Arena	\$2,484.36
West Quarter Horses	9/21/2014	9/21/2014	1	Barb West	Horse Event	Indoor Arena	\$390.00
Performance show	1/25/2015	1/25/2015	1	Hilander Pony Club	Horse Event	Indoor Arena	\$320.00
Hilander Pony Club	2/22/2015	2/22/2015	1	Hilander Pony Club	Horse Event	Indoor Arena	\$330.00
Horse Event	4/17/2015	4/19/2015	3	Hanna Tilson - Joel Conner event	Horse Event	Indoor Arena	\$835.00
Cascade West	5/17/2015	7/11/2015	3	Cascade West - Karen Askin	Horse Event	Grandstand Arena, Indoor Arena	\$850.00
Easy Riders	9/26/2015	3/26/2016	6	Easy Riders	Horse Event	Indoor Arena	\$1,550.00
Cascade West - Game Series	10/4/2015	4/3/2016	7	Cascade West - Karen Askin	Horse Event	Indoor Arena	\$1,750.00
Hilander Pony Club show	1/23/2016	1/23/2016	1	Hilander Pony Club	Horse Event	Indoor Arena	\$310.00
Hilander Pony Club show	2/20/2016	2/20/2016	1	Hilander Pony Club	Horse Event	Indoor Arena	\$320.00
Game Show and Barrel Race Se	10/16/2016	4/16/2017	7	Cascade West - Karen Askin	Horse Event	Indoor Arena	\$2,800.00
Cascade Pygmy Goat Assn.	5/30/2014	6/1/2014	3	Cascade Pygmy Goat Association	Livestock Show	Indoor Arena, Parking Lot	\$1,103.20
Cascade Pygmy Goat Associatio	10/9/2015	10/11/2015	3	Cascade Pygmy Goat Association	Livestock Show	Sw Grassy Lot, Indoor Arena	\$718.15
NW Blacksmith Association Con	5/14/2014	5/18/2014	5	NW Blacksmith Association	Conference	Parking - Indoor Arena	\$11,366.04
Training Exercises	5/27/2014	5/27/2014	1	Cowlitz County Sheriffs Office	Other	Grandstand Arena, Indoor Arena	\$1,100.00
Joel Conner event	6/13/2014	6/15/2014	3	Hanna Tilson - Joel Conner event	Horse Clinic	Indoor Arena	\$1,016.69
Hanna Tilson - Joel Conner even	10/17/2014	10/19/2014	3	Hanna Tilson - Joel Conner event	Horse Clinic	Indoor Arena	\$835.00
4-H Outreach Spring Day Camp	4/10/2015	4/10/2015	1	WSU Cooperative Extension	Education	Indoor Arena	\$400.00
Hanna Tilson - Joel Conner even	9/11/2015	9/13/2015	3	Hanna Tilson - Joel Conner event	Horse Clinic	Indoor Arena	\$894.21
Jordan Circus	4/2/2014	4/3/2014	2	Jordan Circus	Circus	Indoor Arena	\$3,351.22
Jordan Circus	4/1/2015	4/2/2015	2	Jordan Circus	Circus	Indoor Arena	\$2,718.15
Mike Welch Motorsports	6/19/2015	6/21/2015	3	Mike Welch Motorsports	Motorsport Event	Grandstand Arena, Indoor Arena	\$13,231.91
Helping Heroes - Benefit Concer	6/23/2016	6/25/2016	3	Helping Heroes - Benefit Concert	Concert	Grandstand Arena, Indoor Arena	\$4,050.00

Horse Events

The Indoor Arena is used for a variety of equestrian uses – both paid and free uses. Free uses include WAHSET practices and 4-H club usage. Paid uses (2014-2016) include:

- Cascade West Productions (Barrel Racing)
- Easy Riders
- WSU Cooperative Extension (4-H)
- Highlander Pony Club
- West Quarter Horse
- Clinics

Because of the lack of stalls, almost all horse events are single-day uses with only two events in the past 3 years using the Indoor Arena for multi-day events.

Consensus input from representatives of the Cascade West productions, Easy Riders, WAHSET and Cowlitz County 4-H Included:

- Footing in Indoor Arena in unsuitable
- Indoor Arena is too small
- Need at least 100 - 120 stalls for multi-day shows
- Need staging area (covered/enclosed) at entrance to arena ring
- Need improved restroom facilities and show office
- Need wash racks
- North parking lot needs to be replaced
- Need one of the covered arenas
- If doing penning, roping ranch horse – livestock holding area is required
- Improve ventilation in Indoor Arena

Dog Events

Over the past 3 years, five different organizations have staged events at the CCEC – all using the Indoor Arena and other spaces. These organizations are:

- Cascade American Pit Bull Terrier Club (CAPBTC)
- Columbia Agility Team
- Dogapawlooza
- National Basenji's Show
- River Rat Barn Hunt

Other than the National Basenji's Show, the other organizations have been recurring uses of the CCEC facilities, with average event rental revenues of about \$1,160 per show, according to CCEC records.

Interviews with representatives of the CAPBTC, Dogapawlooza, and River Rat Barn Hunt revealed the following consensus issues with the South End facilities:

- Parking lot adjacent to north side of Indoor Arena needs to be repaired and drainage issues resolved
- Need more electrical plugs on outside of Indoor Arena kick wall
- Overall, Indoor Arena is in need of significant improvements, including show office and restrooms

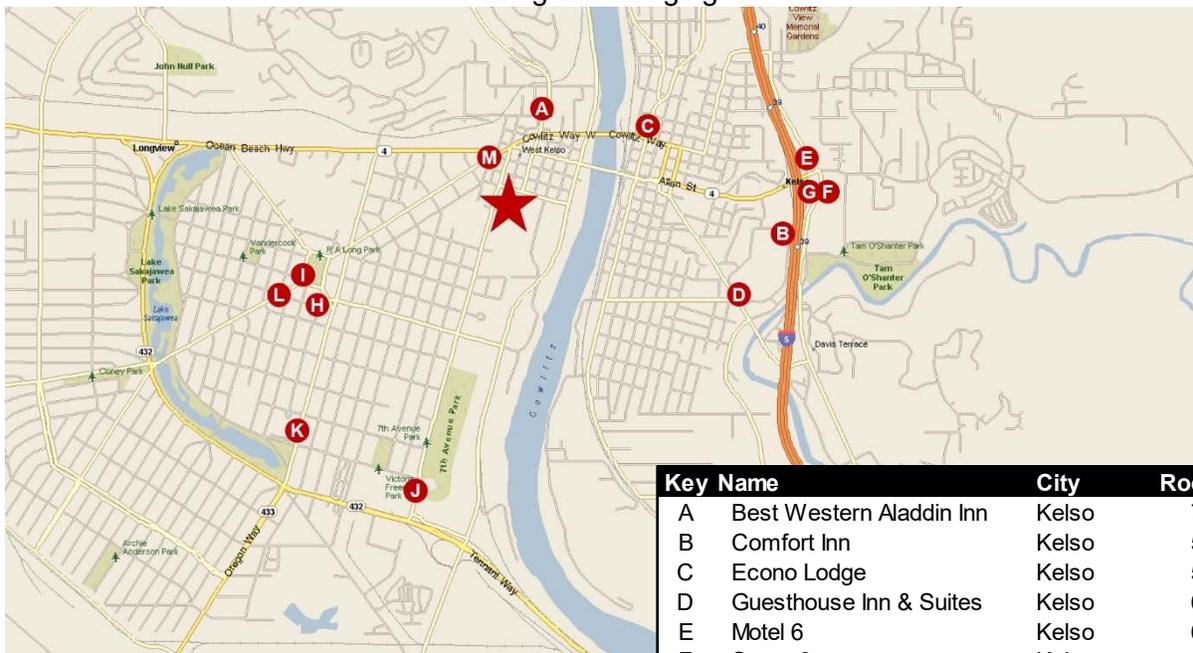
COMMUNITY RESOURCES

This section presents an overview of the availability of lodging, shopping, restaurants and other support services available in the Longview area.

Hotel/Motels

The Longview/Kelso area has 13 principal hotels/motels that account for just over 700 lodging rooms. The map below shows the proximity of the area hotels to Cowlitz County.

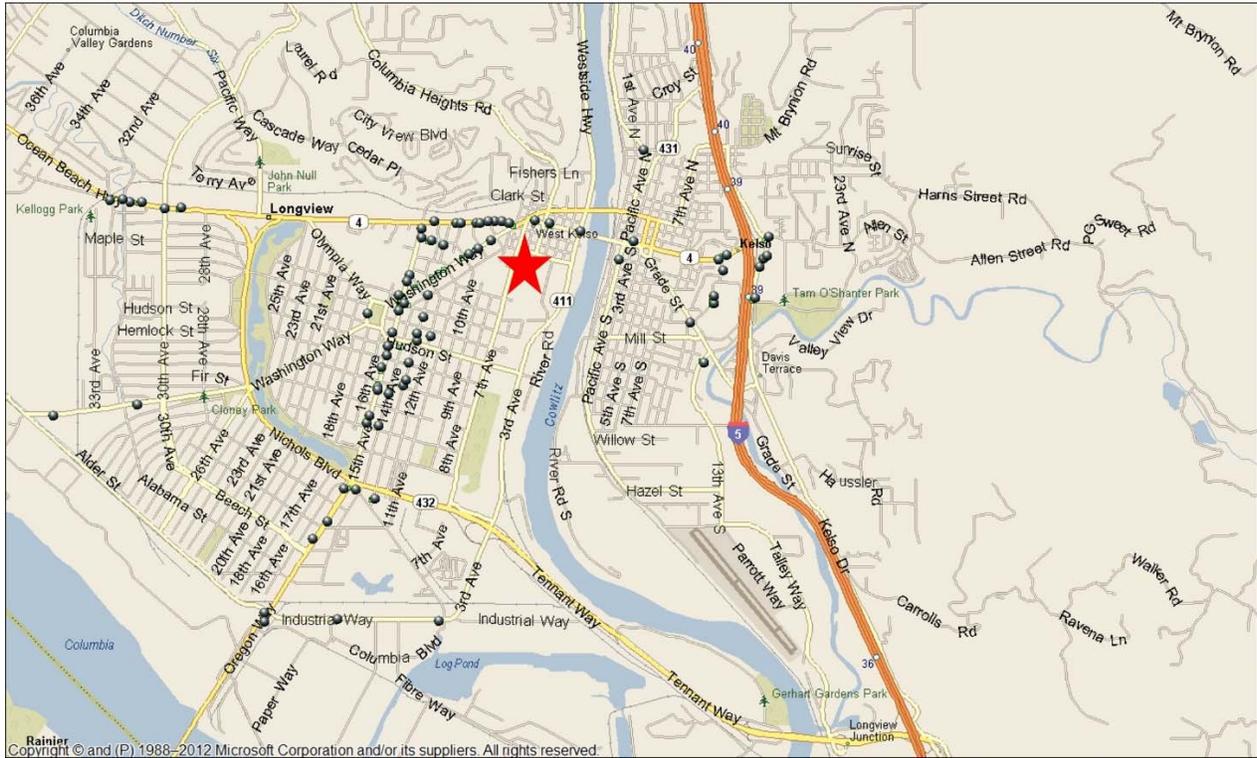
Longview Lodging



Key	Name	City	Rooms
A	Best Western Aladdin Inn	Kelso	77
B	Comfort Inn	Kelso	57
C	Econo Lodge	Kelso	51
D	Guesthouse Inn & Suites	Kelso	60
E	Motel 6	Kelso	63
F	Super 8	Kelso	87
G	The Red Lion Hotel	Kelso	161
H	Hudson Manor Inn	Longview	25
I	Monticello Hotel	Longview	21
J	Quality Inn & Suites	Longview	50
K	Traveler's Inn	Longview	34
L	Town Chalet Motel	Longview	16
M	Town House Motel	Longview	28
	Total		730

Eating and Drinking

The Longview area has a variety of locally-owned and national chain eating and drinking establishments. The map below shows the proximity of the CCEC to general locations of restaurants, cafes and bars in Longview and Kelso.



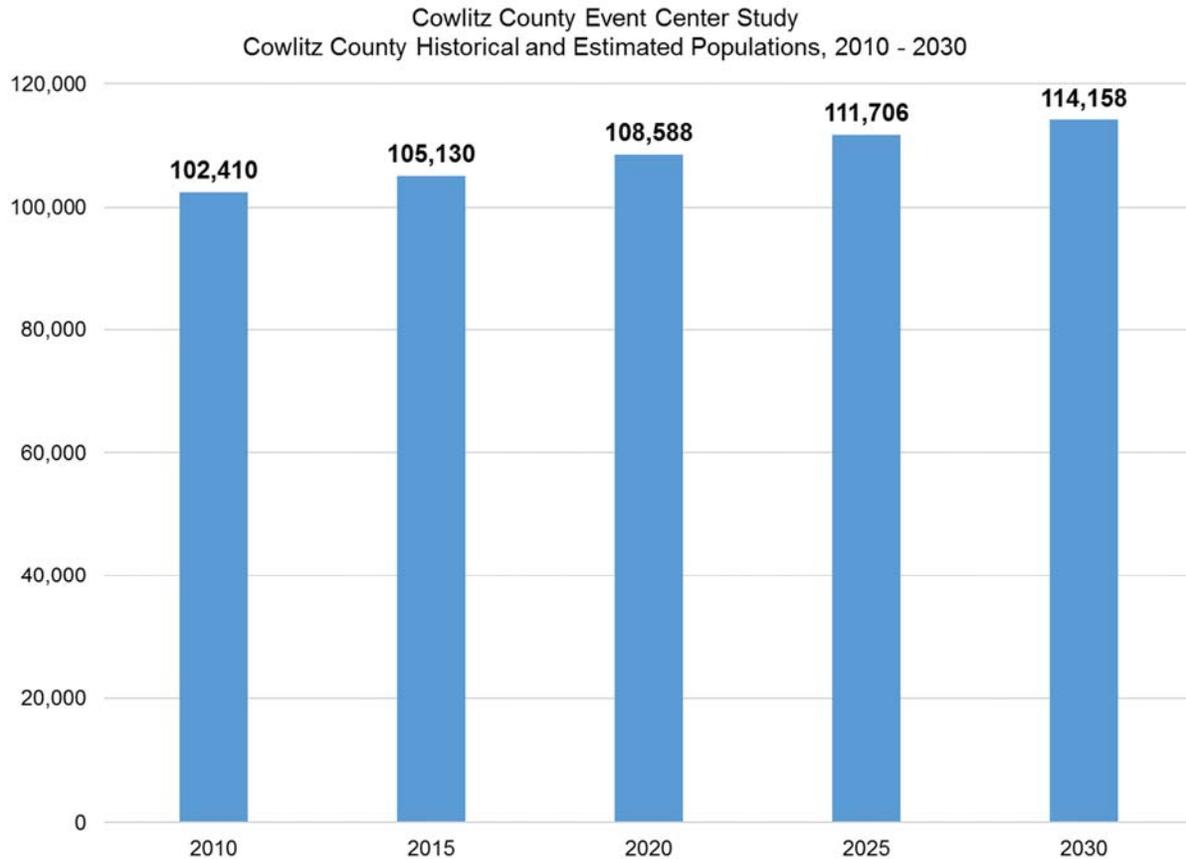
DEMOGRAPHIC AND ECONOMIC TRENDS

According to management of the CCEC, the market area for non-equestrian events that appeal to local residents is limited to the County of Cowlitz. The economic and demographic trends of the Longview/Cowlitz County area can have an impact on the nature and number of non-equine events and activities that could be successfully staged at the CCEC Equestrian Facilities. Trends for these market areas include the historical, current and projected populations, households, age segmentations, household incomes and ethnicity. Characteristics included the socio-economic segmentation of the households in the market areas to identify consumer spending trends, media interests, disposable income and other key factors.



Population Trends

The chart below presents the population trends for the years 2010, 2015 and 2020 of Cowlitz County.



Source: Washington State Office of Financial Management, 2012

Cowlitz County's population is estimated to increase by about ½ of 1 percent between 2010 and 2030, according to the Washington State Office of Financial Management.

Age Trends

The table below shows the age distribution of Cowlitz County’s population. Overall, there appears to be slight declines (historically and prospectively) in the 0 - 14 age segment, the 15 - 24 age segment, the 35 - 44 age segment, the 45 - 54 age segment and the 55 - 64 age segment. All other age segments are either stable or growing, as a percentage of total ages, with a significant increase in the persons age 65 and older.

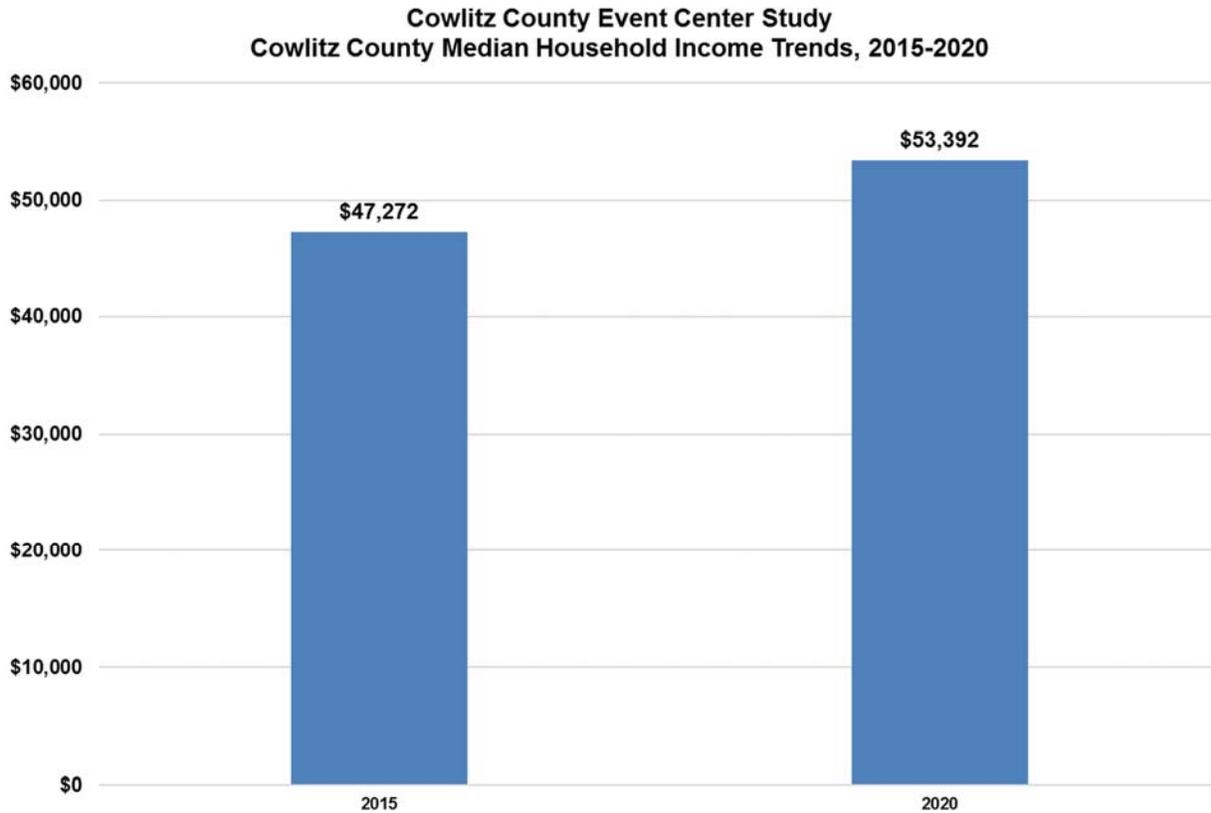
**Cowlitz County Event Center Study
Population Distribution Trends - Cowlitz County**

Cowlitz County	Ages						
	0 - 14	15 - 24	25 - 34	35 - 44	45 - 54	55 - 64	65+
2010	<u>19.8%</u>	<u>12.5%</u>	<u>11.4%</u>	<u>12.3%</u>	<u>14.7%</u>	<u>13.8%</u>	<u>15.4%</u>
2015	<u>18.8%</u>	<u>12.3%</u>	<u>11.7%</u>	<u>11.8%</u>	<u>13.0%</u>	<u>14.4%</u>	<u>18.0%</u>
2020	<u>18.3%</u>	<u>11.2%</u>	<u>12.3%</u>	<u>11.7%</u>	<u>12.0%</u>	<u>13.9%</u>	<u>20.5%</u>

Source: ESRI 2016

Median Household Incomes

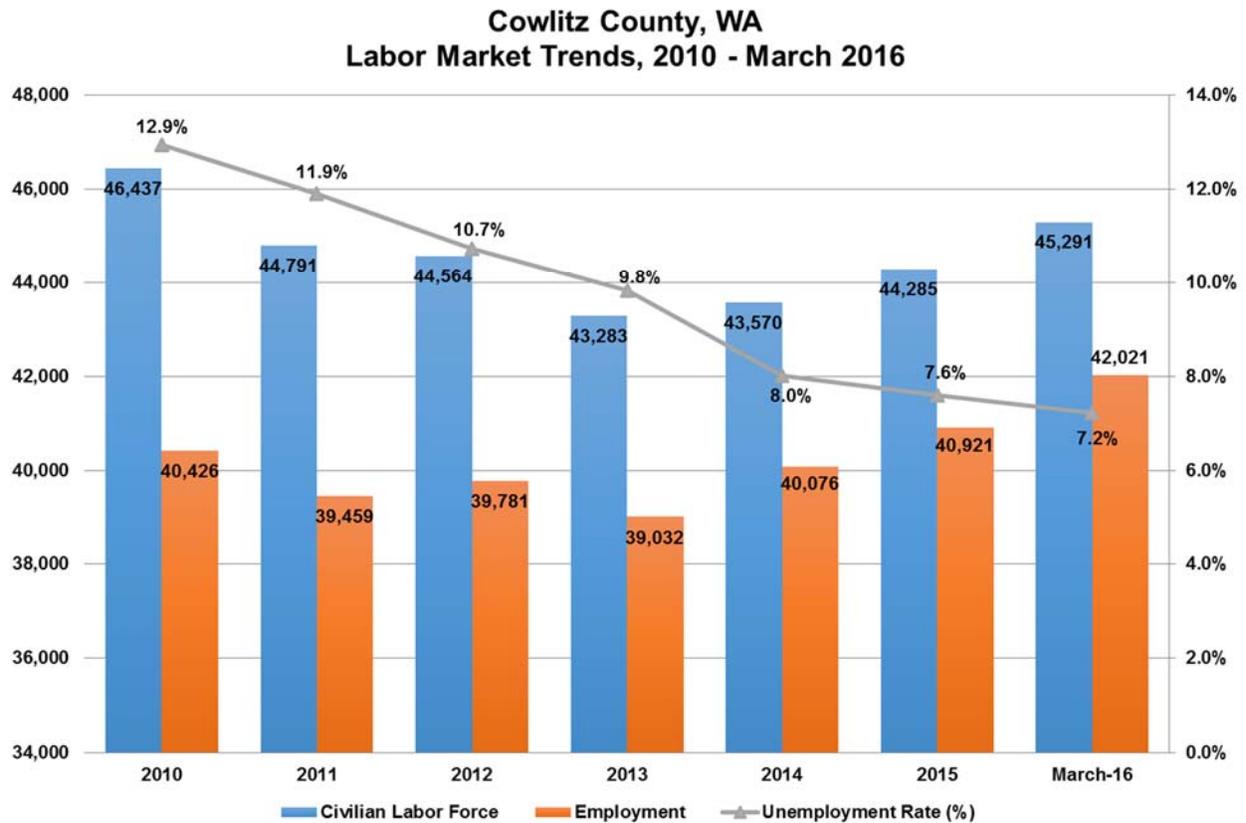
As shown in the chart below, according to ESRI data, the median income of Cowlitz County households was estimated at \$44,272 in 2015 and projected to increase to \$53,312 by 2020. In comparison, the 2014 median household incomes for the State of Washington and the United States were \$61,366 and \$53,657, respectively. According to data published by the State of Washington, Cowlitz County itself was ranked 28th (out of 39 counties) in 2013 median household income.



Employment Trends

Labor Force

According to the U.S. Bureau of Labor Statistics, the size of the labor force in Cowlitz County declined from 46,437 in 2010 to a low of 43,283 in 2013 before increasing to 44,285 in 2015; while, during the same time period, the number of persons employed increased from 40,426 to 42,021 mirroring the national recession trends. The chart below illustrates the changes in Cowlitz County’s labor force and unemployment rates for the years 2010 to March 2016.



Tapestry LifeMode Summary Groups

Looking beyond population, household and income statistical data, we used socioeconomic and demographic data produced by ESRI Inc., called Tapestry, to better understand the unique characteristics of the CCEC’s market. Tapestry, ESRI’s market segmentation system, classifies neighborhoods into 65 segments based on their socioeconomic and demographic, business and market potential data. To increase the versatility and analytical value of Tapestry, segments are organized into 14 LifeMode Summary Groups with similar demographics and consumer patterns. Areas with the most similar characteristics are grouped together and areas showing divergent characteristics are separated.

The table below resents the number of households in Cowlitz County, by Tapestry LifeMode Group, and the percentage make-up of the LifeMode Groups.

**Cowlitz County Event Center Study
Tapestry LifeMode Analysis - Households**

Cluster	Cowlitz County	
	Number of HH	Percent
Family Landscapes	4,253	10.43%
GenXurban	8,774	21.52%
Cozy Country Living	11,506	28.22%
Ethnic Enclaves	196	0.48%
Middle Ground	6,684	16.39%
Senior Styles	3,715	9.11%
Rustic Outposts	1,208	2.96%
Midtown Singles	2,262	5.55%
Hometown	1,646	4.04%
Next Wave	<u>530</u>	<u>1.30%</u>
	<u>40,774</u>	<u>100.00%</u>

Exhibit A presents an overview of ESRI’s Tapestry product.

The five largest Summary Groups in the County, in descending order, are Cozy Country Living, GenXurban, Middle Ground, Family Landscapes and Senior Styles, which represent about 86% of all households in the county. A brief description of each of these five largest LifeMode Groups within Cowlitz County is presented below.

LifeMode Group	Percent of Market
<p><u>Cozy Country Living</u></p> <p>Empty nesters in bucolic settings Largest Tapestry group, almost half of households located in the Midwest Homeowners with pets, residing in single-family dwellings in rural areas; almost 30% have 3 or more vehicles and, therefore, auto loans Politically conservative and believe in the importance of buying American Own domestic trucks, motorcycles, and ATVs/UTVs Prefer to eat at home, shop at discount retail stores (especially Walmart), bank in person, and spend little time online Own every tool and piece of equipment imaginable to maintain their homes, vehicles, vegetable gardens, and lawns Listen to country music, watch auto racing on TV, and play the lottery; enjoy outdoor activities, such as fishing, hunting, camping, boating, and even bird watching</p>	28.22%
<p><u>GenXurban</u></p> <p>Gen X in middle age; families with fewer kids and a mortgage Second largest Tapestry group, comprised of Gen X married couples, and a growing population of retirees About a fifth of residents are 65 or older; about a fourth of households have retirement income Own older single-family homes in urban areas, with 1 or 2 vehicles Live and work in the same county, creating shorter commute times Invest wisely, well-insured, comfortable banking online or in person News junkies (read a daily newspaper, watch news on TV, and go online for news) Enjoy reading, photo album/scrapbooking, playing board games and cards, doing crossword puzzles, going to museums and rock concerts, dining out, and walking for exercise</p>	21.52%

Source: ESRI, 2016

LifeMode Group	Percent of Market
<p><u>Middle Ground</u></p> <p>Lifestyles of thirtysomethings Millennials in the middle: single/married, renters/homeowners, middle class/working class Urban market mix of single-family, townhome, and multi-unit dwellings Majority of residents attended college or attained a college degree Householders have ditched their landlines for cell phones, which they which they use to listen to music (generally contemporary hits), read the news, and get the latest sports updates of their favorite teams Online all the time: use the Internet for entertainment (downloading music, watching YouTube, finding dates), social media (Facebook, Twitter, LinkedIn), shopping and news Leisure includes night life (clubbing, movies), going to the beach, some travel and hiking</p>	<p>16.39%</p>
<p><u>Family Landscapes</u></p> <p>Successful young families in their first homes Non-diverse, prosperous married-couple families, residing in (second lowest) suburban or semirural areas with a low vacancy rate Homeowners (80%) with mortgages (second highest %), living in newer single-family homes, with median home value slightly higher than the U.S. Two workers in the family, contributing to the second highest labor unemployment force participation rate, as well as low Do-it-yourselfers, who work on home improvement projects, as well as their lawns and gardens Sports enthusiasts, typically owning newer sedans or SUVs, dogs, latest technology and savings accounts/plans, comfortable with the Eat out frequently at fast food or family restaurants to accommodate their busy lifestyle Especially enjoy bowling, swimming, playing golf, playing video games, watching movies rented via Redbox & taking trips to a zoo or theme park</p>	<p>10.43%</p>

Source: ESRI, 2016

LifeMode Group	Percent of Market
<p><u>Senior Styles</u></p> <p>Senior lifestyles reveal the effects of saving for retirement Households are commonly married empty nesters or singles living alone; homes are single-family (including seasonal getaways), retirement communities, or high-rise apartments More affluent seniors travel and relocate to warmer climates; less affluent, settled seniors are still working toward retirement Cell phones are popular, but so are landlines Many still prefer print to digital media: Avid readers of newspapers, to stay current Subscribe to cable television to watch channels like Fox News, CNN, and The Weather Channel Residents prefer vitamins to increase their mileage and a regular exercise regimen</p>	<p>9.11%</p>

Source: ESRI, 2016

Demographic and Economic Trend Summary

The recent and projected demographic and economic trends of Cowlitz County indicate a slow growth area with an aging population, low discretionary income potential and higher than average unemployment rates – all indicating limited demand for non-equestrian events and activities.

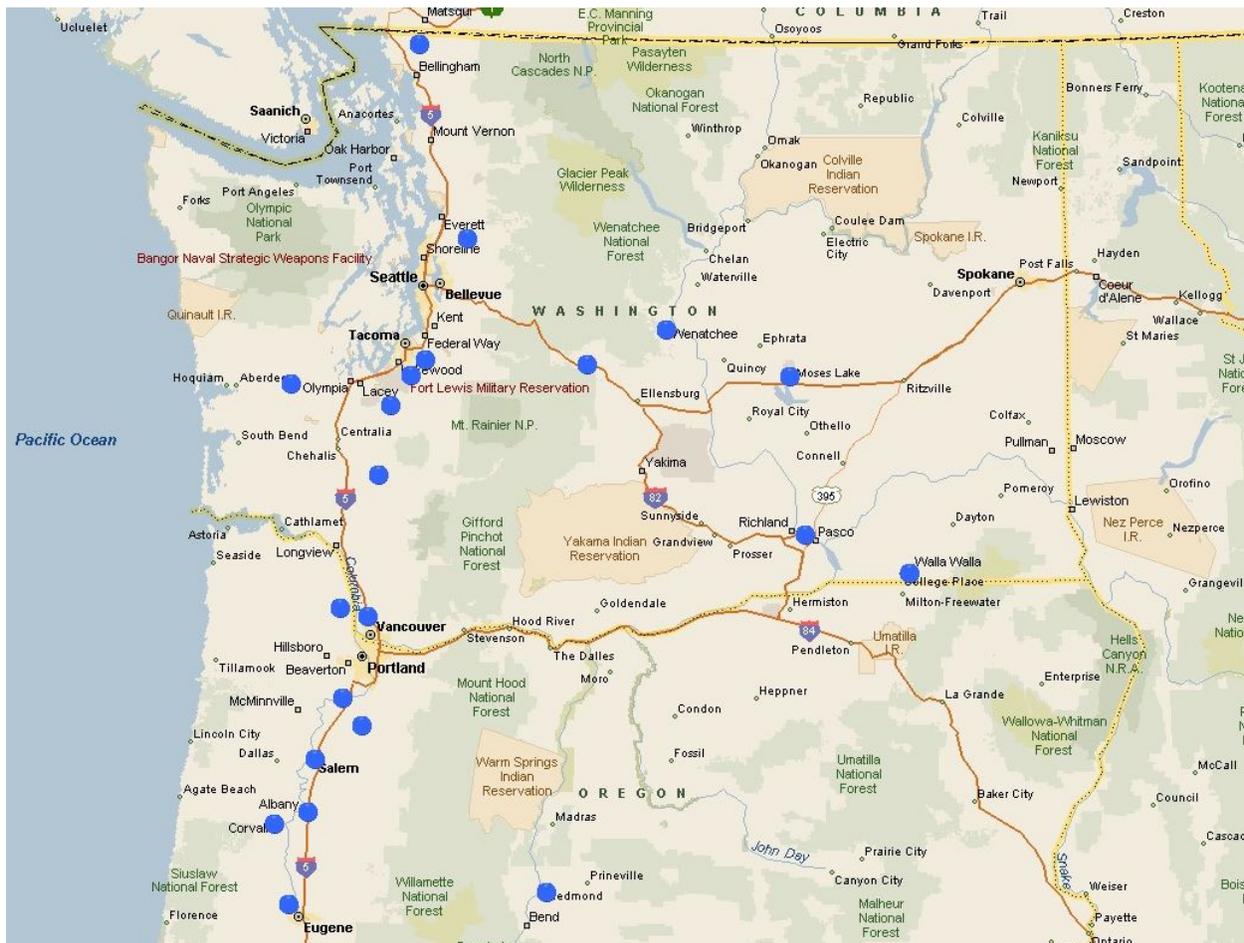
PACIFIC NORTHWEST HORSE SHOW TRENDS

To help assess the possible demand for improved/expanded equestrian event facilities at the Cowlitz County Event Center, research of both Washington and Oregon horse shows was performed. The research included the websites of both show facilities and horse clubs in Washington and Oregon.

Facilities and Shows

The region has a significant number of horse show facilities, ranging from small facilities that can only accommodate single-day events to large, multi-dimensional facilities that host sizeable multi-day shows. These facilities are both privately and publicly owned. The map below shows the locations of the principal horse show facilities in Washington and Oregon where the majority of horse shows/events are held – both single-day and multi-day shows.

Principal Horse Show Facilities in Washington and Oregon



As shown in the above map, most of the principal horse show facilities in Washington and Oregon are along or just off the Interstate 5 corridor. In addition to those shown in the map, almost every county fairground in the Washington and Oregon (like Cowlitz County) is used by 4-H clubs, local riding, breed and western clubs for practices and local shows/events.

The table below presents a summary of the number of horse shows, horse show days (event days) and the average number of days per show for principal Washington and Oregon horse facilities, using the 2016 show schedules (except as noted) from websites¹ for these facilities. Exhibits B and C present the detailed shows and show days used to compile the following data.

**Cowlitz County Event Center Study
Horse Facilities and Show Data for 2016**

Facility	Location	Number of Shows	Number of Show Days	Average Days Per Show
Washington				
Appleatchee Riders	Wenatchee, WA	18	31	1.7
Clark County Expo Center	Ridgefield, WA	9	24	2.7
Evergreen Equestrian Center	Monroe, WA	24	88	3.7
Grant County Fairgrounds	Moses Lake, WA	12	42	3.5
Grays Harbor Fairgrounds	Elma, WA	7	13	1.9
Lynden Horse Expo	Lynden, WA	14	35	2.5
Puyallup Fairgrounds	Puyallup, WA	5	13	2.6
Rocky Top Arena*	Salkum, WA	20	20	1.0
Stewart's Arena	Yelm, WA	13	13	1.0
T.R.A.C. Center	Pasco, WA	5	13	2.6
Tacoma Unit 1	Spanaway, WA	25	83	3.3
Walla Walla Fairgrounds	Walla Walla, WA	14	44	3.1
Washington State Horse Park	Cle Elum, WA	<u>9</u>	<u>30</u>	<u>3.3</u>
		<u>175</u>	<u>449</u>	<u>2.6</u>
Oregon				
Benton County Fairgrounds	Corvallis, OR	6	10	1.7
Deschutes County Fair and Expo	Redmond, OR	11	37	3.4
Hunter Creek Equestrian Park	Wilsonville, OR	6	28	4.7
Linn County Expo Center	Albany, OR	14	48	3.4
Oregon Horse Center	Eugene, OR	38	107	2.8
Oregon State Fairgrounds	Salem, OR	4	11	2.8
Para Hevea Equine Facility	Para Hevea, OR	5	8	1.6
Strobel's Arena	Scappoose, OR	<u>6</u>	<u>13</u>	<u>2.2</u>
		<u>90</u>	<u>262</u>	<u>2.9</u>

*2015

Source: Listed Facilities' Website, Markin Consulting

For Washington, the top 3 horse show facilities (based on the number of shows and show days) are Evergreen Equestrian Park, Tacoma Unit 1 and Walla Walla Fairgrounds. For Oregon, the top 3 horse show facilities are Oregon Horse Center, Linn County Expo Center and Deschutes County Fair and Expo. As shown in the table, a significant number of horse shows are held at facilities in Washington compared to Oregon. The average length of these horse shows range from 2.6 to 2.9 days per show. These shows do not include trail rides or cross country events.

According to representatives of Washington-based horse clubs, the lack of quality facilities in the SW part of the state, combined with the high demand for existing horse show facilities and the resulting inability to rent facilities, has forced WA clubs to stage shows at Oregon facilities.

¹ Based on our review of horse facility web sites, horse club websites and discussions with various facility representatives, we noted that not all horse show events were listed at the websites, though most of them were. This was most evident for the Clark County Expo Center.

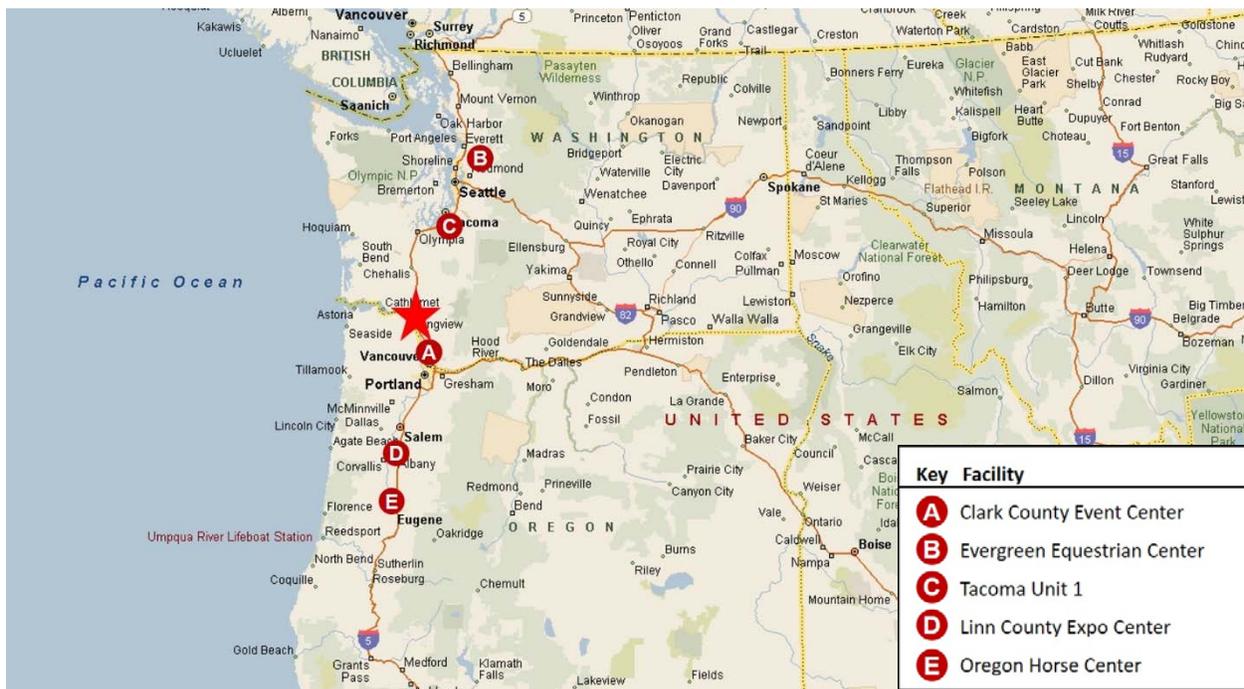
COMPETITIVE AND COMPARABLE FACILITIES

Based on our review of horse show facility trends, we identified a number of potentially competitive equine facilities and event facilities that are used to stage events and activities similar to those identified for the CCEC Equestrian Facilities. For purposes of our assessment, we researched horse show and fairground facilities in Washington and Oregon that host significant numbers or sizes of horse shows and competitions, as well as other relevant types of competitive event facilities.

Horse Show Facilities

Based on our research, several horse show facilities were identified within Washington and Oregon that would be likely competition for the CCEC Equestrian Facilities. The following map shows the locations of these facilities in relation to the CCEC Equestrian Facilities.

Competitive Horse Show Facilities



Following is a brief overview of these horse show facilities. Exhibit D presents a summary comparison of key aspects of these horse show facilities.

Clark County Event Center

The Clark County Event Center, located in Ridgefield, WA, is comprised of a variety of event venues, including horse show facilities. The Dr. Jack Giesy Arena is the principal venue for horse shows. This dirt floor indoor equestrian arena can seat up to 225 people and allows for horse shows and other types of shows. Adjacent to the arena is a stall barn to be used during events. During horse shows, a warm-up arena is available for use. For longer events, RV sites are available. The facilities for horse shows include:



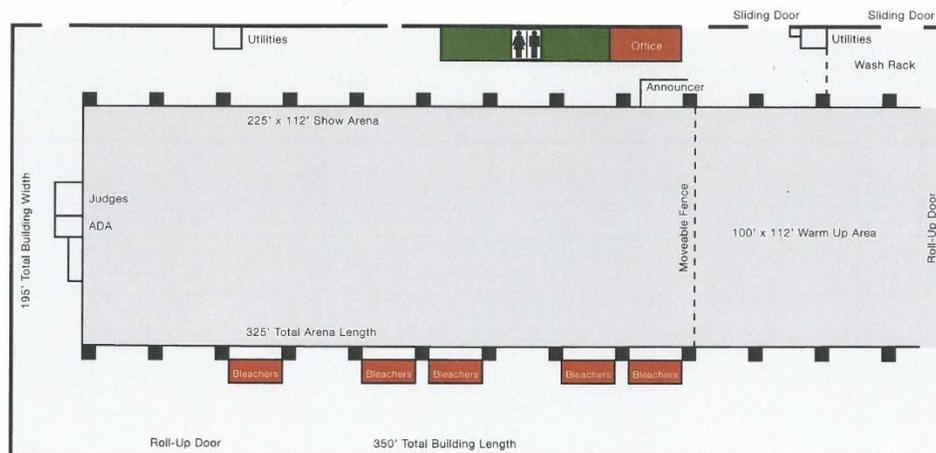
- 225' x 112' indoor arena
- 100' x 112' warm up arena
- 150 stalls with 25 portable stalls



Horse Events held in 2016 at this facility include WAHSET horse shows, Hunter Jumper, Barrel Racing, Dressage shows, among others.

The Dr. Jack Giesy Arena rents for \$695 per day including some operational costs, depending on the type of event and the needs associated with said event. For horse shows, stalls can be rented at \$19 per day. RV Sites are also available for \$20 per day.

Jack Giesy Arena Layout/Features



Evergreen Equestrian Center

The Evergreen Equestrian Park, which is part of the Evergreen State Fairgrounds, is a facility in Monroe, WA that hosts a significant number of equestrian events. At this facility, there are numerous arenas in which horse events and the like are staged. The main arena is a 60,000 sq. ft. facility with an indoor arena, 2,734 bleacher seats, restrooms, show office, announcers stand and clubroom. Key features of the horse show facilities include:



- 26,000 square foot indoor arena ring
- 100' x 200' covered arena
- Three uncovered outdoor rings – 130' x 220', 128' x 254', and 73' x 162'
- 402 box stalls, with wash racks
- Lunging areas
- Restrooms with shower facilities
- 104 RV sites

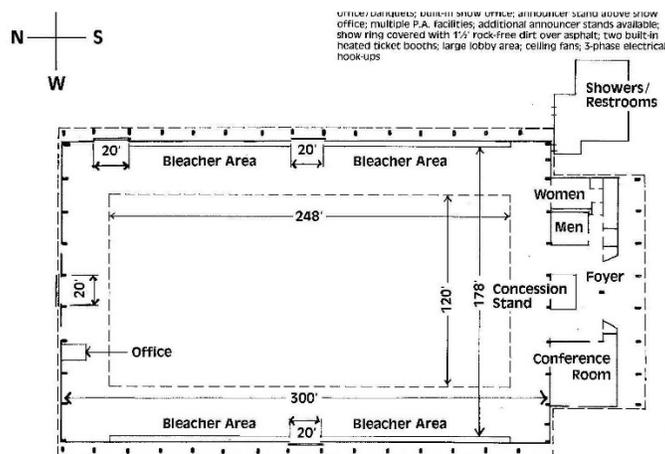


Horse events at the Evergreen Equestrian Park for 2016 include Arabian breed horse shows, Paint Horse shows, 4-H shows, WA Reining Horse shows, Hunter/Jumper shows, USEF shows, and WA ST horse shows.

The indoor arenas can be rented with packages that include other parts of the Park. The largest of the packages include all of the arenas and the lunging areas for \$1,350. The second largest package includes the indoor area and the outdoor arena for

\$1,000. These packages require a minimum of 120 horse stalls rented over two nights. For these events, 402 stalls can be rented at \$16 per day. RV sites range from \$20 per night (no utilities) to \$30 per night (full utilities).

Evergreen Equestrian Park Main Arena Layout/Features



Linn County Expo Center

The Linn County Expo Center is a major equestrian show facility located in Albany, Oregon, just off Interstate 5. Horse show facilities at the Expo Center include the Calapooia Arena, a large indoor arena, and Cascade Livestock Pavilion which is set for stalling. Principal features of the horse show facilities at this facility include:

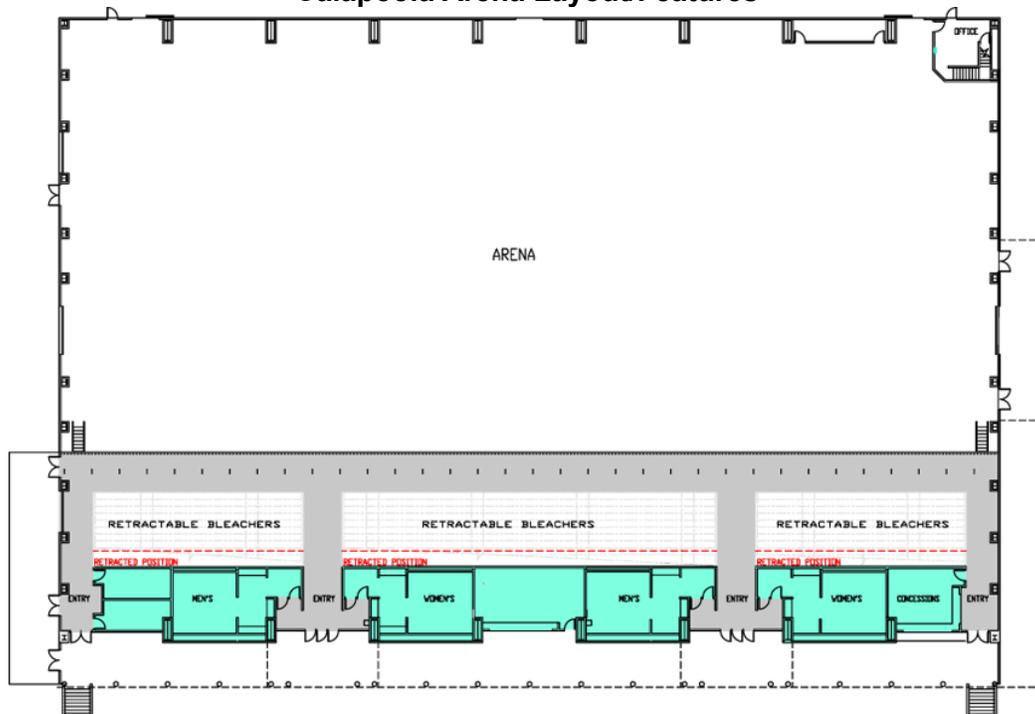
- 180' x 270' indoor arena – Calapooia Arena
- 100' x 210' covered arena – Cascade Livestock Pavilion
- 100' x 210' warm up ring
- 192 indoor stalls (Cascade Pavilion)
- 96 outdoor/covered stalls
- 67 RV sites (electric/water)



In 2016, Horse shows at this facility include Washington State, WA Reining Horse show, Arabian Breed shows, Hunter/Jumper shows, USEF shows, 4-H shows, Paint Horse shows, and others.

Pricing for particular items were not able to ascertained by management.

Calapooia Arena Layout/Features



Oregon Horse Center



Located in Eugene, OR, this privately owned facility hosts a variety of horse events. With four different large arenas, this facility is versatile in the options for equine events with the ability for overnight stay in their RV sites. These facilities include:

- 116' x 185' Silverado Arena (dirt floor)
- 120' x 200' The Logan Arena (warm up)
- 145' x 200' The Rodeo Arena (outdoor)
- 100' x 300' Emerald Arena (enclosed)
- 110' x 220' Prairie Arena (small show arena)
- 300+ Stalls
- RV sites on site

The Oregon Horse Center produces Mountain Trail Competitions, Open Breed Shows, Arabian Competitions, Mule and Donkey Shows, Gaming Events and much more. In addition, this facility was host to multiple events including Oregon Quarter Horse Association, NWRCHA, Hunter Jumpers, NWMHC, South Valley OHSET, Oregon Morgan Classic, Western States Stock Horse Versatility, Dog Agility and more.



For the RV sites, overnight stays are \$20 per night. For the other facilities, requests for pricing of these facilities were declined by management.



Tacoma Unit 1

Located in Spanaway, WA, Tacoma Unit 1 is a multi-building facility hosting a wide variety of horse shows. These facilities include:

- 100' x 200' indoor arena
- 50' x 100' covered arena
- 190' x 290' outdoor arena
- 288 stalls
- 20+ RV sites (water, electric)



In 2016, this facility will have hosted 25 horse shows with 83 total show days (3.3 days per show). Shows include WAHSET district meets, Pinto Horse shows, Miniature Horse, Arabian, Morgan, cowboy dressage, schooling shows and clinics.

The indoor arena can be rented for \$450 per day. The covered arena is included in this price. Stalls can be rented for \$18 per day and the RV sites can be rented for \$20 per night.



Competitive Facilities Summary

Based on the review of competitive equine and other event facilities, we noted the following:

- There are a significant number of equestrian show facilities in Washington and Oregon, with the larger facilities being publicly owned and operated (except for the Oregon Horse Center).
- The most competitive horse show facilities for the proposed CCEC Equestrian Facilities are located along/near the Interstate-5 corridor and include Washington facilities in Monroe, Spanaway, Ridgefield and Oregon facilities in Albany and Eugene.
- A horse show/event facility in Longview would need to match the quality of competing facilities yet have a comparable rate structure.
- According to representatives of a number of Washington-based horse clubs, the lack of quality facilities (and busyness of existing facilities) in the SW Washington area have resulted in moving their shows to Oregon facilities.

ASSESSMENT OF POTENTIAL USES

RESEARCH AND INTERVIEWS

To gather specific information about interest in improved horse show facilities at the Cowlitz County Event Center, as well as facility requirements, we conducted interviews and surveys of horse clubs and associations, horse event promoters and local area stakeholders.

Horse Clubs, Associations and Shows

During the course of the study, 22 horse clubs, associations and shows in Washington and Oregon were surveyed/interviewed. The key focus of the interviews and surveys was to identify:

- General interest in hosting event(s) in the Longview area
- Facility needs for events and activities

A listing of the clubs, associations and shows involved in the interview and survey process is presented below.

**Cowlitz County Event Center Study
Washington and Oregon Horse Clubs Surveyed/Interviewed**

Cascade Horse Shows	Pinto Horse Association of Western WA
Cascade Pinto Horse Association	SW Washington Paint Horse Club
Clark County Executive Horse Council	USPC Northwest Region
Oregon Barrel Racing Association	Washington Arabian Horse Association
Oregon Cutting Horse Association	Washington Barrel Racing Association
Oregon High School Rodeo Association	Washington Cutting Horse Association
Oregon Pinto Horse Association	Washington State Hunter Jumper Association
Oregon Quarter Horse Association	Washington State Paint Horse Association
Oregon Reining Horse Association	Washington State Quarter Horse Association
Pacific Northwest Paint Horse Club	Washington State Reining Horse Association
Pacific Rim Arabian Horse Association	Westside Team Penning Club

We utilized both on-line survey request and mail surveys, including 2nd and 3rd requests. Exhibit E presents a sample of the survey questions submitted to these organizations.

RESEARCH AND INTERVIEWS (CONTINUED)
Horse Clubs, Associations and Shows

We received responses from 5 of the 22 surveyed horse clubs/associations that indicated an interest in using horse show/event facilities in Longview. A summary of the responses of these interested clubs/shows is presented below.

Cowlitz County Event Center Study
Summary of Interested Horse Clubs and Shows Via Surveys and Interviews

Horse Club/Show	Where Currently Held	Month	Number of Days	Number of Arenas/Rings ⁽¹⁾	Number of Stalls/Day	Number of RV Sites
Washington State Quarter Horse						
Event 1	New Show	May	3	3	125	NR
Event 2	New Show	July	5	3	200	75-99
SW Washington Paint Horse						
Event 1	Linn County Fairgrounds	May	3	3-4	175	75-99
Event 2	Evergreen Equestrian Park	July	3	3-4	135	NR
Event 3	Clark County Fairgrounds	September	2	2	50	0-24
Pacific Rim Arabian						
Event 1	Grays Harbor Fairgrounds	April	3	3-4	120	25-49
Event 4	Grays Harbor Fairgrounds	October	3	3-4	130	25-49
Washington Barrel Racing						
Event 1	Rocky Top Arena	April	2	2	50	25-49
Event 2	Appleatchee Riders	August	2	2	50	25-49
Event 3	Davenport, WA	September	2	2	50	25-49
Cascade Pinto						
Event 1	Tacoma Unit	May	3	3-4	270	60-75
Event 2	Tacoma Unit	July	3	3-4	270	60-75
Event 3	Tacoma Unit	July	3	3-4	270	60-75

NR = No Response

⁽¹⁾ Includes warm-up rings

As shown in the table, these five clubs/associations represent 13 events and 37 event days.

We also had phone interviews with local (Cowlitz County) representatives of horse clubs and associations and Washington-based equestrian stakeholders that all indicated a strong need in the Longview area to support the WAHSET District 3 meets, rising demand for speed events, dressage and breed shows.

Other opportunities for the proposed CCEC Equestrian Facilities that were identified include llama/alpaca shows, small animal/livestock shows, additional horse clinics and general community needs for large indoor space.

POTENTIAL USAGE

On the basis of the demand factors affecting demand for the CCEC Equestrian Facilities, interviews with current and potential users, and research of regional events, we believe the following events and activities could be successfully attracted to and retained at new/improved CCEC Equestrian Facilities. We have presented a low scenario and high scenario, in terms of the number of events and activities. These estimates are based on a stabilized year of operation, considered the third complete year after opening new/improved CCEC Equestrian Facilities.

**Cowlitz County Event Center Study
Incremental Event Potential for Equestrian Facilities**

Event Type	Number of Events/Rentals	Number of Event Days	Average Number of Stalls
Horse/Animal Events			
Single Day Shows	10-14	10.0-14.0	N/A
State-Based Shows	15-21	38.5-51.5	120-140
In-House Produced Shows	3-3	7.5-7.5	140-145
Llama/Alpaca Show	1-2	2.5-5.0	130-150
Small Animal/Livestock Shows	1-2	2.0-4.0	N/A
Clinics	4-6	4.0-6.0	N/A
Consumer Events	2-4	4.0-8.0	N/A
Community Uses	<u>3-5</u>	<u>3.0-5.0</u>	N/A
	<u>39-56</u>	<u>71.5-101.0</u>	

Based on the smaller population in the Longview market area, lower incomes of households within this market and significant non-equine event facilities in the Ridgefield and Vancouver market areas, the new event potential for the proposed CCEC Equestrian Facilities would be more focused on equestrian and animal/livestock events than non-equine events. As both the facility develops and the market area grows and improves, more non-equine events could be added.

FACILITY RECOMMENDATIONS

To successfully attract and retain the potential events and uses shown on the previous pages, the following minimum facilities are recommended.

Indoor Arena

- | | |
|--|---|
| <ul style="list-style-type: none"> ▪ Dirt-floor ring, 120' x 240' ▪ Seating for up to 500 people ▪ Fully enclosed ▪ Large blade fans | <ul style="list-style-type: none"> ▪ Show office ▪ Restrooms with showers ▪ Vendor exhibit space ▪ Concessions area |
|--|---|

Other Arenas

- | | |
|--|---|
| <ul style="list-style-type: none"> ▪ Covered 4-H ring with lights ▪ Adjacent warm-up ring, 80' x 150' min. | <ul style="list-style-type: none"> ▪ Portable bleacher seating |
|--|---|

Stalling

- | | |
|---|---|
| <ul style="list-style-type: none"> ▪ 120 to 160 stalls (10' x 12' min) ▪ Wash racks | <ul style="list-style-type: none"> ▪ Water bibs and electrical outlets |
|---|---|

Other Areas

- | | |
|--|--|
| <ul style="list-style-type: none"> ▪ Parking trailers and vehicles across 7th Avenue | <ul style="list-style-type: none"> ▪ 50 RV sites on the grounds (water access and electric 20/30/50 amps) |
|--|--|

Equine Facility Design prepared the following sketch of a possible layout of the recommended facilities.



CONSTRUCTION COST ESTIMATES

Equine Facilities Design, a Portland-based equestrian facilities architectural firm, and Markin Consulting prepared estimates of the potential costs of constructing the Recommended Facilities. These costs are based on general construction methods and do not reflect any special or extraordinary site development or other unanticipated costs. Construction cost estimates are intended to give a range of building costs, are based on either gross building square footages or costs per unit, and are given without the benefit of a detailed facilities program and architectural and engineering drawings. These costs are based on visual observations, allowances, historic data and local cost indicators. Neither Markin Consulting nor Equine Facilities Design make any representation as to the accuracy of these estimates as they relate to facilities that may be built at the Cowlitz County Event Center.

**Cowlitz County Event Center Study
Estimated Construction Budget**

Component	Quantity	Unit	Cost Per Unit		Total Cost	
			Low	High	Low	High
Indoor Arena Demolition	26,000	sf	\$5	\$10	\$130,000	\$260,000
New Indoor Arena	38,000	sf	\$65	\$75	2,470,000	2,850,000
Covered Warm-Up Arena	12,600	sf	\$20	\$25	252,000	315,000
Covered 4-H Arena	33,560	sf	\$18	\$20	604,000	671,000
Existing Barns + Stalls	114	stalls	\$1,500	\$1,800	171,000	205,000
New Stall Barns	9,200	sf	\$35	\$40	322,000	368,000
New Stalls	46	stalls	\$1,200	\$1,300	55,000	60,000
RV Elect/Water Upgrades	50	hook-ups	\$2,500	\$3,000	<u>125,000</u>	<u>150,000</u>
Subtotal					\$4,129,000	\$4,879,000
Contingency			15%	20%	<u>619,000</u>	<u>976,000</u>
Subtotal					\$4,748,000	\$5,855,000
Soft Costs			10%	12%	<u>475,000</u>	<u>703,000</u>
Total Estimated Construction Budget					<u>\$5,223,000</u>	<u>\$6,558,000</u>

These costs do not include any parking, road ways and other infrastructure improvements that may be required, depending on the ultimate layout of the Recommended Facilities.

FINANCIAL IMPACTS

This section presents the projected cash flows before debt service for the recommended facilities for the proposed Cowlitz County Event Center Equestrian Facilities

The projection of revenues and expenses, and assumptions herein, represent incremental revenues and expenses associated with operating the recommended facility components. The projected incremental revenues and expenses are based on (1) the projected utilization of the Recommended Facilities, recommended rental rates and operating policies presented in this document, (2) the estimated revenues that could be realized from operating the Recommended Facilities and (3) the estimated expenses associated with operating the Recommended Facilities. There will usually be differences between the estimated and actual results because events and circumstances frequently do not occur as expected, and those differences may be material.

The projections of cash flow, before debt service, for the Recommended Facilities are presented on page 45. These projections are presented in current year dollars.

RECOMMENDED RENTAL RATES

Based on the rental rate schedule of competitive facilities, as well as discussions with potential users, we have developed a proposed rental rate structure for the Recommended Facilities, as shown in the table below.

**Cowlitz County Event Center Study
Proposed Pricing of Facilities**

Facility	Rental Rates
Indoor Arena	
Horse and animal shows/clinics	\$800 per day
Non-horse/animal events	\$1,000 per day plus utilities
Covered 4-H Arena	
Events with indoor arena rental	\$200 per day
Events without indoor arena rental	\$400 per day
Warm-up	Included with Rental
Stalls	\$20 per night for state shows \$30 per night for self-produced shows \$10 haul-in fee for no-stall rental
RV Sites (water/electric)	\$25 per night

MARKETING AND OPERATING APPROACH

The proposed CCEC Equestrian Facilities would have strong competition with other event facilities in western Washington and northern Oregon.

Consequently, for the CCEC Equestrian Facilities to successfully attract and retain the events presented on the previous pages, management of the Equine and Expo Center must commit to a high degree of focus, energy and resources to market the facilities and provide top-end customer service.

To that end, we believe that the event potential for the CCEC Equestrian Facilities can only be achieved by hiring additional full-time staff, including:

- **Marketing assistant**, focused on equestrian events, to be responsible for assisting in marketing the CCEC Equestrian Facilities
- **Event Coordinator** to oversee event set-up, coordination and cleanup and maintenance of the facilities.
- **Event staff** for set-up and maintenance items related to events

Based on potential number of events and activities, these incremental staffing requirements are expected for the operations of the CCEC Equestrian Facilities under both the low and high scenarios.

PROJECTED INCREMENTAL OPERATING REVENUES AND EXPENSES

The table below presents the potential incremental operating revenues generated by events and activities for the recommended CCEC Equestrian Facilities and potential incremental expenses associated with the operations of the CCEC Equestrian Facilities, assuming a low scenario and high scenario, in terms of the number of events and activities.

Cowlitz County Event Center Study
Projected Incremental Operating Revenues and Expenses
Stabilized Year of Operations

	Low Scenario	High Scenario	Average
Operating Revenues			
Building rental income	\$57,000	\$84,000	\$71,000
Stall rental income	138,000	199,000	169,000
Concession income	13,000	21,000	17,000
Camping income	36,000	48,000	42,000
Bedding income	18,000	27,000	23,000
Advertising and sponsorships	<u>25,000</u>	<u>35,000</u>	<u>30,000</u>
Total revenues	<u>287,000</u>	<u>414,000</u>	<u>352,000</u>
Operating Expenses			
Salaries, wages & benefits	172,000	172,000	172,000
Utilities	15,000	20,000	18,000
General & administrative	5,000	8,000	7,000
Supplies	10,000	15,000	13,000
Repairs and maintenance	10,000	15,000	13,000
Marketing and promotion	5,000	8,000	7,000
Travel	5,000	8,000	7,000
Contracted labor	12,000	18,000	15,000
Contractual services	<u>15,000</u>	<u>20,000</u>	<u>18,000</u>
Total expenses	<u>249,000</u>	<u>284,000</u>	<u>270,000</u>
Net cash before debt service	<u>\$38,000</u>	<u>\$130,000</u>	<u>\$82,000</u>
<u>Sensitivity Analysis</u>			
Impact if revenues are 10 percent higher	<u>\$67,000</u>	<u>\$171,000</u>	<u>\$117,000</u>
Impact if revenues are 10 percent lower	<u>\$9,000</u>	<u>\$89,000</u>	<u>\$47,000</u>

INCREMENTAL OPERATING REVENUES

This section presents the underlying assumptions for the incremental operating revenues shown on the previous page.

Building Rental Income

Building rental income consists of revenues received for renting the indoor arena and other arenas of the recommended CCEC Equestrian Facilities for the new events and activities shown on the page 40. For single day shows, it is assumed that only the covered 4-H arena and warm-up arena are rented. For multi-day shows, it is assumed that the indoor arena, covered 4-H arena and covered warm-up arena are rented.

Stall Rental Income

Stall rental income is generated by participants of horse shows boarding their horses each night during an event, as well as additional stalls for tack and storage by participants. For the projected horse events at the recommended CCEC Equestrian Facilities, stall rental income is calculated by multiplying the number of stalls in each scenario by the number of event days and by a rate of \$20 per stall for renter-produced shows and \$30 per stall for in-house produced shows. For single day events, a haul-in fee of \$10 per horse is charged.

Concession Income

With the potential volume of events for the recommended CCEC Equestrian Facilities, it is possible that the CCEC contract its concession operations with an independent food service company. The concessionaire would operate the food and beverage concessions for all events and activities held at the CCEC Equestrian Facilities. It is assumed that the CCEC Equestrian Facilities would receive 30 percent of the gross concession sales (net of sales tax). The net per capita concession sales for all events are assumed to range between \$2.00 and \$3.50, depending on the nature of the event.

Camping Income

Camping income is expected to be generated from participants camping during the various events. For purposes of the projections, it is assumed that the rate for RV spaces would be \$25 per night.

Bedding Income

It is assumed that the CCEC would sell bedding for all multi-day horse shows, would net \$3.00 per bale (after cost of sales personnel and delivery to the stall), and that an average of 3 bales of bedding would be sold per stall for multi-day events.

Advertising and Sponsorships

Advertising and sponsorship revenues results from the sale of space for signage to businesses or organizations for advertisement or promotion and exclusive event sponsorships.

INCREMENTAL OPERATING EXPENSES

This section presents the underlying assumptions for the operating expenses shown on page 45.

Salaries, Wages and Benefits

As discussed on page 44, the necessary staffing levels for the recommended CCEC Equestrian Facilities include a marketing assistant, event coordinator and event personnel for set up and clean up, as well as maintenance. The recommended staffing levels and related wages, taxes and benefits (in 2016 dollars) for operating the CCEC Equestrian Facilities in the third year of operations are as follows:

Cowlitz County Event Center Study Estimated Incremental Personnel Costs

Staff Position	Amount
Marketing Assistant	\$40,000
Event Coordinator	35,000
Event staff	<u>48,000</u>
	\$123,000
Benefits @ 40% of payroll	<u>49,000</u>
Total Personnel Costs	<u>\$172,000</u>

Utilities

Utility costs include electricity, gas, water, sewer and trash removal for the operation of the recommended CCEC Equestrian Facilities.

General and Administrative Expenses

General and administrative expenses cover the estimated incremental costs of operating the CCEC Equestrian Facilities, including property insurance, supplies, travel, postage, telephone, equipment rentals and other costs.

Supplies

Supply costs include supplies used in the incremental operation and maintenance of the facilities, such as rest room supplies and those supplies used in cleaning and maintaining the facilities.

Repairs and Maintenance

Repairs and maintenance costs include the cost of normal repairs and maintenance of the facilities; not extraordinary costs associated with new facilities.

Marketing and Promotion

These costs include the incremental production of brochures, marketing materials, travel and tours, mailing and other costs associated with advertising and promoting the CCEC Equestrian Facilities.

Travel

These costs include the travel related expenses to attract horse clubs and association and other events to visit the facility for tours, as well as for the facility manager and/or marketing assistant to visit shows in progress in the region.

Contracted Labor

These costs include temporary labor and payroll taxes for cleaning stalls after horse shows are completed, based on estimated times per stall and local labor rates.

Contractual Services

It is assumed that the CCED would contract for certain incremental services associated with operating and maintaining the facilities, such manure haul-away, equipment rentals and special services.

ECONOMIC IMPACTS

This section of this report presents the approach and methodology used to develop estimates of the potential economic and fiscal impacts of visitors to the Longview market area resulting from operations of and events and activities held at the proposed CCEC Equestrian Facilities.

APPROACH

Economic impacts are generally described as the amount of expenditures that occur in a defined geographic area, including subsequent re-spending of the initial expenditures. These impacts are referred to as **expenditure impacts**. A portion of the expenditure impacts is paid to local residents in the form of salaries and wages, referred to as **earnings impacts**. Similarly, the amount of earnings paid from the expenditures represent jobs to local residents – the number of jobs referred to as **employment impacts**. Lastly, certain expenditures made in the local economy by out-of-area visitors, as well as the operation itself, generate benefits in the form of state and local taxes – referred to as **fiscal impacts**.

Expenditure Impacts

The expenditure impacts of an operation like the proposed CCEC Equestrian Facilities will consist of two components - (1) incremental expenditures of the CCEC Equestrian Facilities operations and (2) expenditures by non-local event participants and event producers. The expenditures of the CCEC Equestrian Facilities operations consist of salaries and wages, purchases of goods and services, and capital additions. Salaries and wages include full and part time employees. Purchases of goods and services include utilities, supplies, materials, personal services and other expenditures.

Non-local participant and event promoter expenditures represent those expenditures made by persons/businesses residing outside of Cowlitz County for lodging, food and beverage, retail purchases, transportation, entertainment and other expenditures. Expenditures of patrons living within the impact area are not included because those expenditures merely reflect a redistribution of money within the impact area, and they do not represent incremental impacts.

The approach used to estimate the economic and fiscal impacts of the proposed CCEC Equestrian Facilities, as an employer, business and attractor uses generally accepted economic principles. Fundamentally, these expenditures generate impacts through the following:

- **Direct Impacts** are those changes in the flow of dollars and employment in the local economy that result directly from annual operating expenditures of the CCEC Equestrian Facilities and incremental spending by non-local users and event participants on such items as lodging, retail, meals and the like.
- **Indirect Impacts** are created by (1) investment or spending of CCEC Equestrian Facilities suppliers whose goods and services are used in its project, process or service and (2) household income changes (created by direct and indirect effects on wages and employment) which lead to further spending throughout the city, county and regional economies.

Indirect impacts (expenditures, earnings and employment) are quantified through an economic phenomenon known as the multiplier. The multiplier concept, based on the input/output economic theory, recognizes that there is a continued flow of money within and outside of a given area. Money is spent in successive rounds within a community, thus creating an economic impact in excess of the original direct expenditures.

Markin Consulting uses the Regional Input-Output Modeling System (RIMS II)² developed by the U.S. Department of Commerce, Bureau of Economic Analysis (BEA) to estimate the indirect expenditures, earnings and employment resulting from the direct expenditures. RIMS II contains multipliers for all industries listed by the BEA's four-digit Standard Industrial Classification (SIC) such as hotels and lodging places, eating and drinking establishments, retail trade, utilities, business services, amusements and household wages. The RIMS II multipliers relevant to this analysis are output, earnings and employment.

The output multiplier represents the total dollar change in output (total expenditures) that occurs for each additional dollar of output (direct expenditures). The output multiplier includes the initial direct expenditure to which the multiplier is applied, except for the household multiplier (salaries and wages). For example, an output multiplier of 1.30 for hotels and lodging places means that for each \$1.00 spent for lodging, an additional \$0.30 is spent by the lodging establishment and supporting industries (wages, goods and services, capital improvements). The \$1.00 is the **direct impact**, the \$0.30 is the **indirect impacts** and \$1.30 is the **total economic impact**.

Earnings Impacts

A part of the initial expenditures and resulting indirect impacts result in the payment of salaries and wages to local residents. As an example, out of the revenues received by the CCEC Equestrian Facilities in operating its facilities, it will pay for incremental labor costs in the form of salaries and wages, referred to as **earnings**. In addition, as a result of the expenditures of operating the facilities, a portion of those expenditures will result in earnings to persons employed by utility companies, insurance companies and other businesses.

Similarly, a portion of the initial expenditures of non-local participants and event producers for lodging, meals and other items will be paid to workers in the hotel, restaurant, retail and other industries in the form of earnings. RIMS II has an earnings multiplier that is applied to the initial impacts to estimate the amount of the initial and indirect impacts that is paid out in earnings to local residents.

The earnings multiplier represents the estimated total (direct and indirect) salaries and wages that result from each additional dollar of direct expenditure. Assuming an earnings multiplier of .3253 for lodging places, for every dollar spent by tourists for lodging, just over 32.5 cents is paid to regional households in earnings. These earnings are paid to employees of the hotel (direct) and to employees of businesses and industries that support the lodging industry (indirect).

² See Exhibit E for a narrative description of the RIMS II Modeling System.

Employment Impacts

Similar to the earnings impacts, the RIMS II model has specific multipliers that estimate the number of jobs supported for each \$1 million of expenditures in any given industry. In the case of the CCEC Equestrian Facilities, in addition to the number of jobs estimated to operate its facilities, there will be jobs in the local community that are supported from the operating expenditures of the CCEC Equestrian Facilities as well as a result of the initial expenditures of non-local participants and event producers. These impacts are expressed in terms of the number of jobs supported.

The employment multiplier represents the number of jobs that regional industries provide, both directly and indirectly, for each \$1 million of output (direct expenditures) of a given industry. Continuing the hotel example, if the employment multiplier for lodging is 11.4, then for every \$1 million dollars spent by patrons for lodging, 11.4 jobs are required - both at the lodging facility and at local businesses supporting the hotel such as the utility company, telephone company, laundries, delivery services, and others.

Fiscal Impacts

Expenditures made by non-local participants and event producers of the proposed CCEC Equestrian Facilities for lodging, retail and other purchases will generate local and state taxes – referred to as fiscal impacts.

METHODOLOGY

Operating Impacts

As presented earlier, the economic impacts associated with the recommended CCEC Equestrian Facilities will result from its operations and expenditures of non-local participants and event producers. To estimate the initial expenditures of the operations of the proposed CCEC Equestrian Facilities, we use the projected operating expenses of the facilities (shown on page 44) and make adjustments for estimated operating expenditures that would be made to non-local suppliers of goods and services. The resulting local incremental expenditures of the CCEC Equestrian Facilities are applied to the appropriate RIMS II multipliers and added to the estimated revenues, salaries and number of jobs related to operating the CCEC Equestrian Facilities.

Non-Local Participant and Promoter Expenditures

To estimate the range of initial expenditures of horse and animal show participants/attendees, the number of non-local visitor days is first calculated by multiplying the number of shows, event days per show and the number of people estimated per event. The resulting range of visitor days is then adjusted to account for only non-Cowlitz County visitors. The resulting non-local visitor days are then multiplied by the estimated daily spending, by type.

Using the number of incremental horse and animal shows and respective number of event days and attendance potential, the total number of visitor days is estimated to range between 13,200 (Low Scenario) to 20,100 (High Scenario).

We used data developed in previous economic impact studies we have conducted to prepare an appropriate estimate of average daily spending, by type, by non-local participants and attendees. In the previous studies, we conducted surveys of participants and promoters of horse and livestock shows to gather expenditure data for specific shows. We used a composite of the results of those survey results, adjusted for the general lodging rates in the Longview/Cowlitz County area.

Below are the daily expenditure estimates of non-local participants of horse and animal shows used in the economic impact analysis.

**Cowlitz County Event Center Study
Daily Spending Per Person of Non-Local Participants**

Expenditure Type	Amount
Lodging	\$45.00
Meals	35.00
Transportation	20.00
Entertainment	10.00
Retail	7.00
Materials/Supplies	2.50
Other	<u>0.50</u>
Total	<u>\$120.00</u>

Using the assumed range of non-local participants/attendees (10,164 to 16,020 visitor days) and the average daily spending by non-local participants, the resulting initial expenditures made by these participants are estimated to range from \$1,219,000 to \$1,922,000.

To estimate the initial expenditures of horse and livestock show producers, it is assumed that the amount spent in the local area by these promoters would average \$7,500 per event, excluding the cost of renting the CCEC Equestrian Facilities. These expenditures include lodging, meals, materials and supplies and other expenditures made in the local area during the show. Based on the projected 16 to 22 third party horse and livestock shows for the CCEC Equestrian Facilities, the initial expenditures of show producers are estimated to range from \$120,000 to \$165,000.

Together, the estimated range of initial expenditures in Longview/Cowlitz County by non-local participants and show promoters is \$1,823,000 to \$2,839,000.

Appropriate RIMS II multipliers (Exhibit F) were used to estimate the total impacts associated with non-local participants and event promoters.

ESTIMATED ANNUAL IMPACTS

The table below summarizes the estimated annual incremental economic impacts associated with operating the proposed CCEC Equestrian Facilities, based on the estimated revenues and costs of operations (page 44). It also presents the estimated economic impacts to the Cowlitz County area from horse and animal show participants and show promoters, as presented on page 52.

As shown in the table below, the operations of the recommended CCEC Equestrian Facilities, including events held at its facilities, are estimated to have a \$2,456,000 to \$3,647,000 annual economic impact to the Cowlitz County area. Of that amount, between \$741,000 and \$1,023,000 represent wages and salaries paid to (1) employees of the CCEC Equestrian Facilities, (2) employees of other businesses in the County that provide goods and services to the proposed CCEC EF, and (3) employees of hotels, restaurants, shops, retail outlets, service stations and other businesses that serve out-of-area visitors – supporting between 22 and 33 full-time jobs in Cowlitz County.

**Cowlitz County Event Center Study
Estimated Annual Economic Impacts**

Impact Source	Low	High
<u>Horse and Animal Shows</u>		
Initial Expenditures	\$1,339,000	to \$2,087,000
Induced Impacts	<u>484,000</u>	to <u>752,000</u>
Total Annual Impacts	<u>\$1,823,000</u>	to <u>\$2,839,000</u>
Earnings	<u>\$479,000</u>	to <u>\$744,000</u>
Jobs Supported	<u>17</u>	to <u>27</u>
<u>Operations</u>		
Initial Expenditures	\$287,000	to \$414,000
Induced Impacts	<u>346,000</u>	to <u>394,000</u>
Total Annual Impacts	<u>\$633,000</u>	to <u>\$808,000</u>
Earnings	<u>\$262,000</u>	to <u>\$279,000</u>
Jobs Supported	<u>5</u>	to <u>6</u>
<u>Total Impacts</u>		
Initial Expenditures	\$1,626,000	to \$2,501,000
Induced Impacts	<u>830,000</u>	to <u>1,146,000</u>
Total Annual Impacts	<u>\$2,456,000</u>	to <u>\$3,647,000</u>
Earnings	<u>\$741,000</u>	to <u>\$1,023,000</u>
Jobs Supported	<u>22</u>	to <u>33</u>

ESTIMATED FISCAL IMPACTS

State and local sales taxes are collected for retail sales, fuel purchases, lodging, restaurant and other similar expenditures. Below are the various state and local tax rates for Washington and Cowlitz County.

**Cowlitz County Event Center Study
State, City and County Tax Rates**

Type of Tax	Rate
State sales tax	6.50%
City sales tax	0.30%
County sales tax	1.20%
County lodging tax	3.00%
State fuel tax	\$0.494 per gallon

Based on the estimated local expenditures of event promoters and participants, ranging between \$1,823,000 and \$3,839,000, the estimated fiscal impacts are as shown below.

**Cowlitz County Event Center Study
Estimated Potential State and Local Taxes**

Type of Tax	Low	High
State sales tax	<u>\$80,400</u>	<u>\$125,300</u>
City sales tax	<u>\$3,700</u>	<u>\$6,000</u>
County sales tax	<u>\$14,800</u>	<u>\$23,100</u>
County lodging tax	<u>\$13,700</u>	<u>\$21,600</u>
State fuel tax - diesel	<u>\$18,300</u>	<u>\$29,000</u>

FUNDING OPTIONS

Research of funding sources that might be available to help finance the estimated costs of the Recommended Facilities revealed the following relevant funding sources:

- Grants and Loans
- General obligation bonds
- Revenue bonds
- Public Facilities District Tax

Following is an overview of these funding mechanisms. We make no representations as to the practical use of any of these options.

Grants and Loans

Local, state and federal grants and loans may be available to pay for a variety of aspects of this project from infrastructure to the entire facility. The potential economic impacts can be an important determinant in securing this type of funding. At a federal level, the United States Department of Agriculture Rural Development has a Community Facilities Direct Loan and Grant Program that could be tapped. Funds for this program can be used to “purchase, construct, and/or improve essential community facilities.” Fairgrounds and similar facilities qualify under this program. The USDA also has a Rural Economic Development Loan and Grant Program that might be applicable for the proposed CCEC Equestrian Facilities.

General Obligation Bonds

General obligation bonds (GO Bonds) represent debt issued by a governmental entity that will be repaid from the general tax revenues of the entity. The effect of issuing GO Bonds is generally an increase in local property taxes. The governmental entity is required to obtain voter approval through an election to issue GO Bonds. These may be appropriate when there is broad support within the resident community for the project supported by GO bonds, for example if the perceived benefits are highly valued by Cowlitz County taxpayers.

Revenue Bonds

Revenue bonds are issued by a governmental entity to finance income-producing projects and are secured for repayment by a specific dedicated revenue stream, typically the net revenues generated by the income-producing activity. These bonds do not obligate the governmental entity. Generally, some type of additional collateral is required, such as a letter of credit or insurance. Based on the projected cash flows, shown on page 45, this type of financing method would not be appropriate for the recommended CCEC Equestrian Facilities

Public Facilities District Tax

A possible source of future funding is the re-direction of the public facilities district tax to finance the recommended CCEC Equestrian Facilities. This could be accomplished by the refinancing of existing debt (or refunding) plus additional funds (to the extent excess tax receipts exceed the amount needed to pay back the existing debt balance) to pay for the recommended CCEC Equestrian Facilities.

Exhibits

Methodology Statement: Esri Data—Tapestry™ Segmentation

An Esri® White Paper
March 2013



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Methodology Statement: Esri Data—Tapestry Segmentation

An Esri White Paper

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Methodology Statement: Esri Data—Tapestry Segmentation

For more than 30 years, companies, agencies, and organizations have used segmentation to divide and group their markets to more precisely target their best customers, prospects, citizens, residents, members, and donors. Segmentation systems operate on the theory that people seek others with tastes, lifestyles, and behaviors similar to their own—"like seeks like." These behaviors can be measured, predicted, and targeted. Segmentation explains customer diversity, describes lifestyle and lifestages, and incorporates a wide range of data.

Tapestry™ Segmentation represents the fourth generation of geodemographic market segmentation systems that began with the first mass release of machine-readable, small-area data from the 1970 Census. The availability of hundreds of variables for thousands of neighborhoods was both irresistible and daunting for marketers. What they needed was a structure—a way to create information from an overwhelming database. Market segments provide that structure, a system for classifying consumers by using all the variables that can distinguish consumer behavior, from household characteristics like income and family type to personal traits such as age, education, or employment and even to housing choices.

Tapestry Segmentation classifies US neighborhoods into 65 distinct market segments. Neighborhoods with the most similar characteristics are grouped together, while neighborhoods showing divergent characteristics are separated. Tapestry Segmentation combines the "who" of lifestyle demography with the "where" of local neighborhood geography to create a model of various lifestyle classifications or segments of actual neighborhoods with addresses—distinct behavioral market segments.

Statistical Methods

Cluster analysis is the generic approach used to create a market segmentation system. There are a number of different techniques or clustering methods that can be applied to identify and classify market types. Each technique has its strengths and weaknesses. Previous generations of Tapestry Segmentation have been built using a combination of techniques, such as the iterative partition K-means algorithm to create the initial clusters or market segments, followed by application of Ward's hierarchical minimum-variance method to group the clusters. The combination has provided a complementary match of the strengths of each technique. Tapestry Segmentation combines the traditional with the latest data mining techniques to provide a robust and compelling segmentation of US neighborhoods. Esri developed and incorporated these data mining techniques to complement and strengthen traditional methods to work with large geodemographic databases. Robust methods are less susceptible to extreme values, or outliers, and are therefore crucial to small-area analysis. The traditional methodology of cluster analysis has a long track record in developing market segmentation systems. Complementary use of data mining techniques and implementation of robust methods enhance the effectiveness of traditional statistical methodology in developing Tapestry Segmentation.

For a broader view of consumer markets, cluster analysis was again used to develop the Tapestry Segmentation summary groups. Summary groups are ideal when users want to work with fewer than 65 segments. The 65 segments are combined into 12 LifeMode groups based on lifestyle and lifestage. The 11 Urbanization groups present an alternative way of combining the 65 segments based on the segments' geographic and physical features such as population density, size of city, location relative to a metropolitan area, and whether they are part of the economic and social center of a metropolitan area.

Data Used to Build Tapestry Segmentation

Cluster analysis techniques are essentially heuristic methods that rely on exploratory procedures to arrive at stable and optimal solutions. The key to developing a powerful market segmentation system lies in the selection of the variables used to classify consumers. US consumer markets are multidimensional and diverse. Using a large, well-selected array of attributes captures this diversity with the most powerful data available. Data sources include Census 2000; Census 2010; the American Community Survey; Esri's demographic updates; Experian's INSOURCESM consumer database; and consumer surveys, such as the Survey of the American Consumer from GfK MRI, to capture the subtlety and vibrancy of the US marketplace.

Selection of the variables used to identify consumer markets begins with data that includes household characteristics such as type (single person or family), income, relationships (single or multigenerational), and owner/renter status; personal traits such as age, sex, education, employment, and marital status; and housing characteristics like home value or rent, type of housing (single family, apartment, or townhouse), seasonal status, and owner costs relative to income. In essence, any characteristic that is likely to differentiate consumer spending and preferences is assessed for use in identifying consumer markets.

The selection process draws on Esri's experience in working with the 1980, 1990, and 2000 censuses and includes a range of multivariate statistical methods, in addition to factor analysis, principal components analysis, correlation matrices, and graphic methods. Selecting the most relevant variables is critical to defining homogeneous market segments; however, determining the most effective measure of each variable is equally important. Is income best represented by a median, an average, or an interval? Would household or disposable income best measure actual buying power? In the end, selection was narrowed to more than 60 attributes to identify and cluster US neighborhoods by market type.

From the neighborhood or block group level, Tapestry Segmentation profiles enable the comparison of consumer markets across the country by state, metropolitan area, county, place, census tract, ZIP code, and even congressional districts.

Verification Procedures

Verification procedures follow the creation of the segments to ensure their stability and validity. Replicating the segments with independent samples checks stability. Validity is checked through characteristics that are not used to generate the segments. Linking Tapestry Segmentation to the latest consumer survey data is the critical test. A market segmentation system must be able to distinguish consumer behavior—spending patterns and lifestyle choices—as expected. Esri verifies the efficacy of its Tapestry Segmentation markets against the consumer surveys from GfK MRI, which include nearly 6,000 product and service brands in 550 categories, along with readership of hundreds of magazines and newspapers, Internet usage, TV viewership by channel and program, radio listening, and use of Yellow Pages. The validity check provides the answer to the most important question: Does it work? It works.

J10176

Database Update

Tapestry data is updated annually with current totals from Esri's demographic updates. For more information about Tapestry Segmentation, visit esri.com/tapestry or call 1-800-447-9778.

**Esri's Data
Development Team**

Led by chief demographer Lynn Wombold, Esri's data development team has a 30-year history of excellence in market intelligence. The combined expertise of the team's economists, statisticians, demographers, geographers, and analysts totals nearly a century of data and segmentation development experience. In addition to Tapestry Segmentation, the team also develops Updated Demographics, Consumer Spending, Market Potential, and Retail MarketPlace datasets, which are now industry benchmarks. For more information about Esri® data, visit esri.com/data.



Esri inspires and enables people to positively impact their future through a deeper, geographic understanding of the changing world around them.

Governments, industry leaders, academics, and nongovernmental organizations trust us to connect them with the analytic knowledge they need to make the critical decisions that shape the planet. For more than 40 years, Esri has cultivated collaborative relationships with partners who share our commitment to solving earth's most pressing challenges with geographic expertise and rational resolve. Today, we believe that geography is at the heart of a more resilient and sustainable future. Creating responsible products and solutions drives our passion for improving quality of life everywhere.



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**Cowlitz County Event Center Study
Horse Shows at Facilities in Washington**

Name of the Facility	Location	Name of Show	Number of Days
Lynden Horse Expo	Lynden, WA	NWRA Reining Horse Show	2
		Whatcom County 4H Horse Leaders	2
		PNPHC SoC Paint Horse Show	2
		BC Morgan and Open Horse Show	3
		NWRA Reining Horse Show	2
		Cowgirl Classic Reined Cow Horse Show	3
		District 2 WAHSET Show	4
		Regional Vaulting Show	2
		Burkwood Hunter Jumper Show	2
		WBRA Speedhorse Shoot Out & Futurity	3
		Whatcom County 4H Horse Leaders	3
		WWU Equestrian Horse Show	2
		Nooksack Valley Riders	1
		Burkwood Hunter Jumper Show	4
			<u>35</u>
		T.R.A.C Center	Pasco, WA
Sandcup Barrel Racing	3		
Barrel Racing National 4D	4		
NWRCHA	3		
WSTR - Broken Spur	1		
	<u>13</u>		
Evergreen Equestrian Center	Monroe, WA	Region 5 Arabian Show	5
		WA Paint Horse Show	3
		4-H Summer Show	3
		Peruvian Horse Show	3
		7 C-Fair Morgan Horse Show	1
		WA St Quarter Horse Show	7
		Sno Co Western Games Horse Show	3
		Barrel Racing	5
		WSQHA Youth Benefit Schooling Show	2
		NW Heritage Arabian Horse Show	3
		WA ST Spring Inaugural Horse Show	6
		WA ST Spring Hunter Clasing Horse Show	6
		Daffodil Arabian Spring Duel Horse Show	3
		Key Classic Benefit Horse Show	4
		WA ST High School Equestrian Competitions	3
		WSQHA Trophy Circuit Horse Show	3
		WA Reiner's Horse Show	3
		C-Fair Charity Horse Show	5
		WA ST Quarter Horse Emerald Show	4
		WA ST Hunter & Jumper Show	5
		O-Mok-See Horse Show	3
		WA ST Hunter/Jumper October Classic Horse Show	4
		4-H Fall Horse Show	3
		Sno Co Western Games	1
	<u>88</u>		
Grays Harbor Fairgrounds	Elma, WA	Daffodil Arabian Horse Association	1
		GH Mounted Posse Gaming	2
		Pacific Rim Arabian Horse Show	4
		4D Barrel Racing Event	2
		Rough Stock Rodeo	1
		GH Mounted Posse Gaming	1
		GH Mounted Posse Sorting	2
	<u>13</u>		
Puyallup Fairgrounds	Puyallup, WA	Country Corner All Breed Horse Shows (3)	6
		Washington Sportsmen's Show	5
		4-H Spring Extravaganza	2
	<u>13</u>		

**Cowlitz County Event Center Study
Horse Shows at Facilities in Washington**

Name of the Facility	Location	Name of Show	Number of Days
Applegate Riders	Wenatchee, WA	WBRA Show Barrels Division	2
		Dressage Show Performance Division	1
		RHANW Show Outside Rentals	2
		4-H Applegate 4H	2
		WAHSET Benefit Show Outside Rentals	1
		Arabian Horse Show Outside Rentals	1
		WRHA Show Outside Rentals	1
		Team Sorting Competition	1
		WAHSET District 1 (2)	2
		Pony Club Rally	2
		Team Sorting 3 Man Sort	2
		Games PSHA (4)	8
		Roping Labor Day	3
		Barrel Racing	<u>3</u>
	<u>31</u>		
Grant County Fairgrounds	Moses Lake, WA	Cutting Horse Association	4
		CBBRC Classic Race	6
		PNWIC	3
		Washington Cutting Horse	3
		NW Mini Horse & Shetland Ponies	3
		WAHSET District 5	8
		Grand County Sherrif's Posse Play Date	2
		NW Quarter Horse Bronze Classic	3
		Best of Barrels	3
		WA National Barrel Horse Association	3
		Washington Cutting Horse Association	3
		Columbia Basin Barrel Racing Club Classic Race	<u>1</u>
			<u>42</u>
Clark County Expo Center	Ridgefield, WA	Interstate Games Meet	3
		Ft Vancouver Dressage Horse Show	3
		4-H Horse Leaders Horse Show	4
		Columbia River Appaloosa Open Horse Show	1
		Spring Hunter Jumper Horse Show	4
		Winter Woolies Horse Show	2
		BTM Barrel Racing	2
		WAHSET District 3 Meet 1	3
		Winter Woolies Open Horse Show	<u>2</u>
			<u>24</u>
Stewart's Arena	Yelm, WA	4-D Jackpot - 5-D Saddle Series (13)	13
Tacoma Unit 1	Spanaway, WA	T/U Schooling Show	9
		WAHSET District 4 (3)	12
		WAHSET District 6 (3)	8
		Pinto Horse of WW (3)	9
		Cascade Arabians	5
		NW Mini & Shetland Alliance	3
		Cascade Pinto (2)	6
		Tall Timber Circuit	2
		Pacific Northwest Drill Teams	2
		NW Miniature Horse	3
		NW Classic	3
		Washington Ladies Riding Club	3
		Evergreen Minis	3
		WA State Horsemen Yea Club	2
		Cowboy Dressage	2
		PNW Morgans	3
		Tacoma Lariettes Halloween Show	1
Buck Brannaman Clinic	<u>7</u>		
	<u>83</u>		
Washington State Horse Park	Cle Elum, WA	3rd Annual Cle Elum Rounup	3
		Equine Trail Sports Competition (3)	6
		NW Reined Cow Horse Show	2
		Jackpot Cow & Horse Show/Practice	2
		Pacific Crest Hunter Jumper Show	5
		Alpine Preview Hunter Jumper Show	6
		Swiftwater Invitational Hunter Jumper Show	<u>6</u>
	<u>30</u>		

**Cowlitz County Event Center Study
Horse Shows at Facilities in Washington**

Name of the Facility	Location	Name of Show	Number of Days
Rocky Top Arena	Salkum, WA	Barrel Racing* (20)	<u>20</u>
Walla Walla Fairgrounds	Walla Walla, WA	Team Penning (10)	10
		Best of Barrels Only (8)	8
		Team Roping Jackpot (3)	3
		Walla Walla Community College Ferrier Club Barrel	1
		College Rodeo	3
		SEW NWQHA Barrel Race	1
		Barrel Daze	3
		Quarter Horse Show	1
		NIQHA Show	3
		QH Show	3
		Pink Ribbon Classic Horse Show	2
		MacMurdo Horse Show	2
		VGBRA Autumn Daze	2
		Cowboy Dressage	<u>2</u>
Total			<u>449</u>

**Cowlitz County Event Center
Horse Shows at Facilities in Oregon**

Name of the Facility	Location	Name of Show	Number of Days
Strobel's Arena	Scappoose, OR	Ryan Lovendahl Barrel Clinic	2
		Brenda/Lynne Mays Barrel Clinic	2
		2016 Award Series	3
		Jackpot Barrel Races	2
		Jackpot Barrel Races	1
		Cascade West Jackpot Barrel Races	<u>3</u>
			<u>13</u>
Linn County Expo Center	Albany, OR	OHSET North Valley	4
		OHSET Willamette District (2)	8
		NW Buckskin Club Horse Show	2
		Northwest Horse Fair	3
		Oregon Paint Horse Show	3
		Oregon Pinto Breeders Horse Show	3
		NW Buckskin Club Horse Show	2
		Southwest Washington Paint Horse	3
		Summer Jubilee Open Horse Show	2
		Linn County 4-H Horse Fair	7
		Oregon Pinto Breeders Horse Show	3
		Zone 1 Paint Horse Show	5
		Pacific Coast Pinto Zone 1 Alliance	<u>3</u>
			<u>48</u>
Benton County Fairgrounds	Corvallis, OR	Benton County Fair & Rodeo	4
		OSU Stock Horse Club	1
		4-D Barrel Racing	<u>2</u>
		OSU Equestrian Drill Team (2)	<u>2</u>
		Beaver State Can Racers	<u>1</u>
			<u>10</u>
Dechutes County Fairgrounds	Redmond, OR	Central Oregon High School Equestrian Meet #1	3
		Central Oregon High School Equestrian Meet #2	4
		Central Oregon High School Equestrian Meet #3	3
		High Desert Horse Expo	2
		Cantastic Barrel Race Series	1
		Oregon High School Equestrian Championships	4
		Oregon Reining Horse Show	4
		Cowboy Mounted Shooting Association Horse	4
		Far West Morgan Horse Show	4
		4-H Camp Horsemanship	4
4-H Horse Fair	<u>4</u>		
			<u>37</u>

**Cowlitz County Event Center
Horse Shows at Facilities in Oregon**

Name of the Facility	Location	Name of Show	Number of Days
Oregon Horse Center	Eugene, OR	BRN4D Regional Finals Qualifier	3
		7th Annual OHC Ice Breaker Schooling Show	2
		Cottage Grove OHSET	2
		Barrels and More	2
		South Valley Oregon High School Equestrian Meet	3
		OHC Mountain Trail Schooling Show	3
		Oregon Quarter Horse Association Sweetheart Classic	3
		UMPQUA Valley High School Rodeo	3
		Oregon Horse Center Spring Perfection	2
		South Valley OHSET Meet #2	3
		March Mountain Trail Schooling Show	2
		OQHA March Show	3
		NWRCHA Cow Horse Classic	3
		OHC Ralley in the Valley	4
		South Valley OHSET Meet #3	3
		OQHA April Show	3
		AHBAO Spring Classic	3
		Western States Stock Horse Versatility Competition (3)	9
		Team NW Equestrian Hunter Jumper Show	4
		AHACO Arabian Show	3
		Emerald Valley Miniature Horse Show	4
		Oregon Rally Roundup 2016	2
		Eugene Pony Club End of the Year Show	2
		Eugene Pro Rodeo	3
		Oregon Morgan Classic	3
		Mountain Ranch Horse	2
		Oregon Welsh Pony and Cob Society	3
		2016 Firecracker Finals Barrel Race	1
		Clinton Anderson Three Day Fundamental Clinic	3
		Mountain Ranch Horse	3
		Oregon Horse Center Firecracker Barrel Race	2
		OQHA September Show	4
		Northwest Saddlebred Association Fall Classic	4
		OHC Arabian Fall Classic	3
		OHC Spooktacular Open Show	2
OHC NW Mountain Trail Championships	<u>3</u>		
	107		
Oregon State Fairgrounds	Salem, OR	Oregon Dressage Society (3)	9
		Mt. Hood Miniature, Gypsy, and Drum Horse Show	<u>2</u>
			11
Para Hevea Equine Facility	Para Hevea, OR	BTM Roping	2
		OFEA Schooling	2
		Colt Starting Challenge USA	2
		Clackamas County Sherriff's Posse Brn4D Barrel	1
		AHBAO 8th Annual Fall All Breed	<u>1</u>
			8
Hunter Creek Equestrian Park	Wilsonville, OR	The Oregon Trail (OHJA)	5
		Early Summer Classic (OHJA)	5
		Country Classic Preview (OHJA)	4
		The New County Classic (OHJA)	5
		Oregon Summer Classic (OHJA)	4
		NW Spectacular (OHJA)	<u>5</u>
			28
Total			<u>262</u>

**Cowlitz County Event Center Study
Competitive Horse Facilities Summary**

Facility Description	Linn County Expo Center Albany, OR	Clark County Event Center Ridgefield, WA	Tacoma Unit 1 Spanaway, WA	Evergreen Equestrian Center Monroe, WA	Oregon Horse Center
<u>Indoor Arena</u>	Calapooia Arena	Dr. Jack Giesy Arena	Main Covered Arena	Indoor Arena	Silverado Arena
Daily Rate	ND	\$695-\$795	450*	950*	ND
Indoor Ring Size	180' X 270'	112' X 225'	100' X 200'	140' X 240'	116' x 285'
Floor Surface	Special Composite	Dirt		Dirt Over Concrete	Dirt
Seating Capacity		225	1,000	2,734	500
<u>Other/Covered Arena</u>	Cascade Livestock Pavilion	None	Curtis Arena	Outdoor Arena	The Logan Arena/Prairie Arena
Daily Rate	ND		Included w/ Indoor Arena	\$450	ND
Ring Size	100' X 210'		50' X 100'	100' X 200'	120' x 120', 110' x 220'
<u>Outdoor Arena</u>	None	None	Outdoor Arena	None	The Rodeo Arena
Daily Rate			N/A		ND
Ring Size			190' X 290'		145' x 300'
Seating Capacity					6,500
<u>Warm Up Ring</u>					Emerald Arena
Daily Rate	ND	Included with Arena	Included w/ Indoor Arena	\$350	ND
Size	100' X 210'	100' X 112'	100' X 120'	130' x 220', 128' x 254', 73' x 162'	100' x 300'
Stalls	Yes				
Enclosed Stalls		150	288	402	300
Daily Rate	ND	\$19	\$18.00	\$16, +\$6 bales	ND
Portable Stalls	192	25	N/A	N/A	N/A
Daily Rate	ND	\$19	N/A	N/A	N/A
Wash Racks	Yes		Yes	Yes	
<u>RV Facilities</u>					
Number of spaces	67	ND	20+	104	ND
Daily Rate	ND	\$20	\$20	\$20-\$30	ND
Type of Hook-ups	Electric, Water	Limited Electrical	Electric, Water	Electric, Water	
* = See Notes			\$250 Daily Cleaning Charge	\$1,350 - Arena Package (All Arenas and Lunging areas) \$1,000 - Indoor Arena 100 & Outdoor Covered. Both with minimum 2 day rental and 120 stalls	

Source: Listed Facilities Website/Interview
ND = Not Disclosed

Cowlitz County Event Center Survey

Horse Club/Assoc. _____

Contact Name _____

Contact Phone _____

The CCEC is currently being assessed as to the possible upgrading of its horse show facilities. As a part of this assessment, Markin Consulting is evaluating the feasibility of making significant improvements or building new horse show facilities that could be used for a variety of horse shows and events, including breed shows, reinings, ropings, penning, barrel racing, hunter/jumper, dressage, ranch horse, clinics and the like. The facilities are envisioned to include facilities and support amenities for multi-day horse events – indoor arena, outdoor and covered arenas, warm-up areas, stalls, trailer parking, RV sites, etc.

1. In that regard, in general, would your organization be interested in holding horse shows at such a facility in Longview? If not, tell us why not. Then mail back this page in the enclosed envelope.

2. If interested, describe nature of event(s) that you would be interested in staging in Longview, including number of participants (on average) and number of horses, number of event days.

	<u>Event 1</u>	<u>Event 2</u>	<u>Event 3</u>
Month/Date	_____	_____	_____
Number of event days	_____	_____	_____
Average number of participants	_____	_____	_____
Average number of horses	_____	_____	_____
Where currently held	_____	_____	_____

3. Describe Facilities and Services Needed for the Event(s)

	<u>Event 1</u>	<u>Event 2</u>	<u>Event 3</u>
Number of stalls (per night)	_____	_____	_____
Indoor arena	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
Size of indoor arena ring	_____	_____	_____
Covered arena	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
Size of covered arena ring	_____	_____	_____
Warm-up arena(s)	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
Number of warm-up areas	_____	_____	_____
Concessions stand	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
RV hook-ups	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
Number of RV hook-ups	_____	_____	_____
Is hotel/motel lodging required?	Yes <input type="checkbox"/> No <input type="checkbox"/>	How many rooms are needed? _____	
What other services or amenities are needed?	_____		

**Cowlitz County Event Center Study
RIMS II Multipliers Used In Analysis**

RIMS II Category #	Industry	Final-Demand Multiplier		
		Output	Earnings	Employment
<u>Multipliers Used For Expo Center Operations</u>				
6	Utilities	1.2117	0.1011	1.7327
7	Construction	1.4444	0.3662	7.1660
27	Wholesale trade	1.3007	0.3083	5.2558
63	Other services	1.4333	0.4182	10.8685
323110	Printing	1.3972	0.3112	7.9499
H00000	Household industry	1.3972	0.3112	7.9499
<u>Multipliers Used For Visitor Expenditures</u>				
31	Other retail	1.3652	0.3701	12.3885
60	Amusements and entertainment	1.2817	0.2314	10.8917
61	Accommodation	1.3149	0.3253	11.3681
62	Food services and drinking places	1.3970	0.3728	16.6606
63	Other services	1.4333	0.4182	10.8685

Source: RIMS II, Bureau of Economic Analysis