

THE NEXT GENERATION OF HOSPITALITY IN HORSETOWN USA

The Feasibility of a Western-Style Resort



A HERITAGE OF HOSPITALITY

Norco enjoys a rich tradition as a tourist destination, with a world-class resort hotel shaping the City's history.

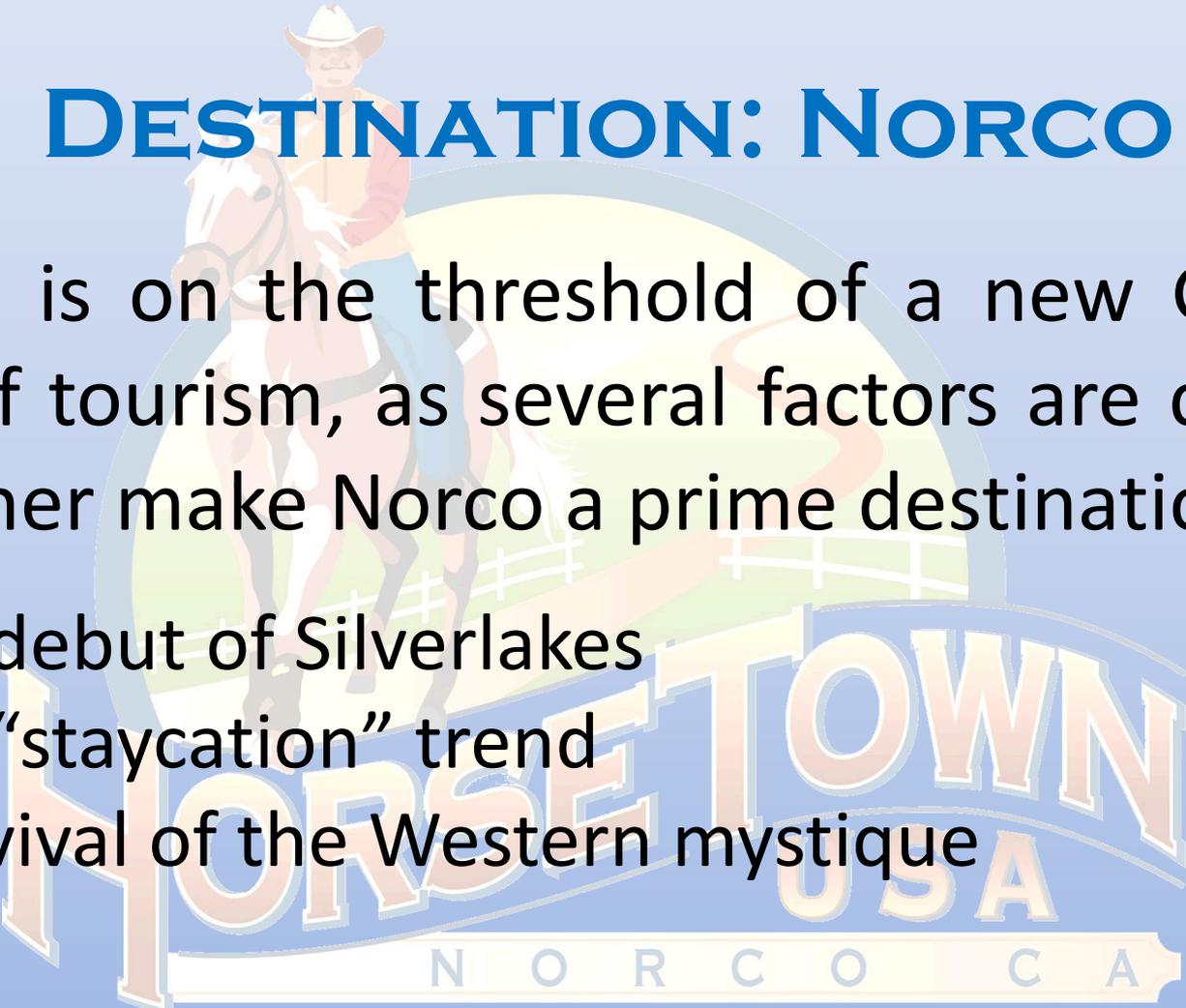


THE NORCONIAN

When the lavish Norconian opened its doors in 1929, Norco emerged as a popular destination. The full-service resort was favored by celebrities looking to escape Hollywood without violating a rule limiting travel to within two hours of the set.



DESTINATION: NORCO

A large, semi-transparent watermark logo is centered on the slide. It features a cowboy on a horse in the foreground, a sunset in the background, and the text 'HORSE TOWN USA' in a stylized font. Below this, the letters 'N O R C O C A' are arranged in a horizontal line, resembling a wooden sign.

Norco is on the threshold of a new Golden Age of tourism, as several factors are coming together make Norco a prime destination:

- The debut of Silverlakes
- The “staycation” trend
- A revival of the Western mystique

MILLIONS OF PROSPECTIVE GUESTS

Located just 50 miles from downtown Los Angeles, Norco has the opportunity to capitalize on literally millions of prospective guests looking for a unique weekend away from the city.



STRATEGIC LOCATION

Strategically located on the I-15 Freeway, Norco is a convenient, no-hassle destination for residents of Greater Los Angeles, Orange County and San Diego.



THE “STAYCATION” TREND

- In a challenging economy with high gas prices and air fares, Americans are vacationing closer to home. This trend is even more prevalent in Southern California.
- Even when the economy recovers, travel experts predict staycations will remain popular, allowing vacationers to remain relatively close to their offices and family members.
- Staycations eliminate the hassles of airport security, exhausting road trips and credit card shock.

THE MYSTIQUE OF THE WEST

- The West is not just a place, but an entire culture represented in every American art form, from painting to cinema.
- The more urbanized our nation becomes, the more its citizens are attracted to the legends and mystique of the American West.
- For some families, a Western experience is a way of reconnecting with old-fashioned values.
- For other travelers, it represents a novelty they are eager to experience.

NORCO, A SURVIVOR

Much of Southern California has been paved over, and there are very few authentic Western communities that have survived the stampede of urbanization. Norco is one of the survivors.



AUTHENTICITY

Unlike other so-called “Western” communities, where Western facades are plastered on buildings to create an artificial theme, Norco is the real deal.



HORSETOWN USA

Norco, which has been branded as “Horsetown USA,” has some serious Western credentials.

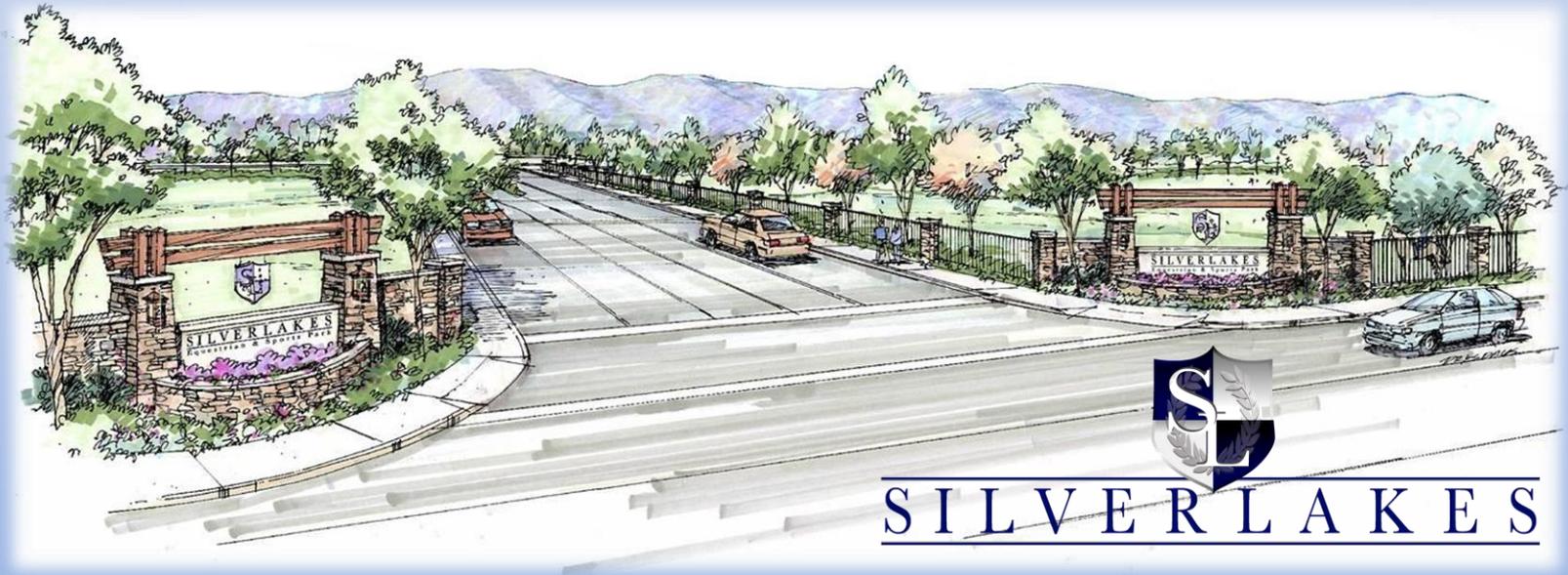


HORSETOWN HAPPENINGS

- George Ingalls Equestrian Event Center, with two major arenas, hosts big league rodeos, horse shows and clinics
- Silverlakes Equestrian & Sports Park, opening in 2012, will be a world-class venue drawing 550,000 visitors in its first year
- The City has more than 140 miles of horse trails
- Norco is filled with acclaimed breeders, trainers and riding associations
- Horsetown USA has been featured on national television as one of the nation's premier equestrian communities

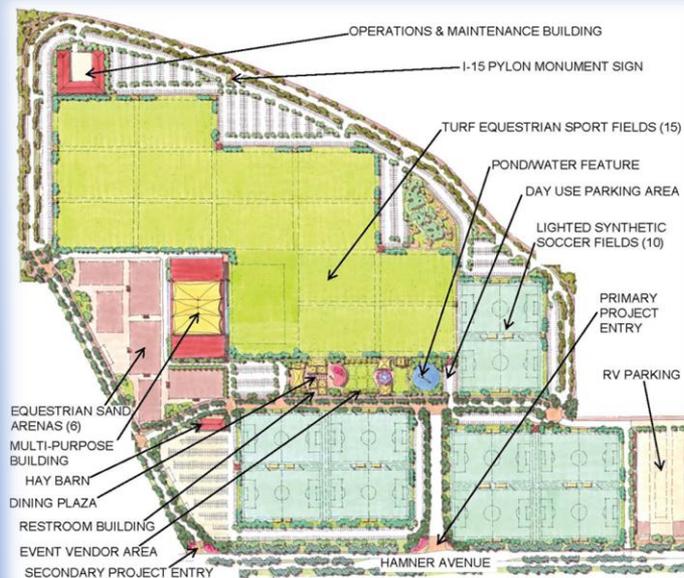
THE IMPACT OF SILVERLAKES

Silverlakes Equestrian and Sports Park is one of the primary drivers of Norco's emergence as a travel destination.



WORLD-CLASS

The 122-acre venue will be a world-class facility drawing national and international equestrian competitions, as well as major soccer and other field sport events with iconic sponsors such as Nike.



FUELING DEMAND

In its first year of operation, 550,000 spectators and participants will pour into Silverlakes. Norco must be prepared.



HOTEL DEMAND

By its fifth year of operation, Silverlakes will create demand for more than 80,000 room nights!

That figure does not account for organic growth of demand. When the economy improves, both business and leisure travel will accelerate.

A RANGE OF PROPERTIES

The demand created by Silverlakes and Norco's emergence as a tourist destination will create opportunities for a variety of hospitality properties:

- Bed & Breakfast Inns
- Western Boutique Hotels
- Full-Service Western Resort
- Western Guest Ranch

BED & BREAKFAST

Requiring the lowest capital and staffing requirements, a B&B can have as few as three rooms and can occupy a converted home. Sixth Street would be an attractive location for a Western-themed B&B, subject to rezoning.



WESTERN BOUTIQUE HOTEL

Requiring minimal acreage to accommodate 25-60 rooms or suites, a Western-style boutique hotel would be in great demand.



WESTERN RESORT CONCEPT

Norco can support a low-density, moderate to high-end resort hotel, which would include the following characteristics:

- Low-profile, eco-friendly buildings
- 50-250 guestrooms, suites, cabanas or casitas
- A strong equestrian orientation
- Meeting rooms for community and business use
- Extensive high-end amenities
- Distinctive Western architecture that reflects the community



PROSPECTIVE RESORT AMENITIES

- Horseback riding with access to 140 miles of trails
- Golfing privileges at Hidden Valley Golf Club
- Swimming
- Spa
- Fine Dining
- Banquet/Meeting Rooms
- Business Center
- Children's Programs
- Horse Trailer Parking



PROPOSED SITE

An expansive site in Norco's southeastern quadrant is the ideal location for a Western resort. A natural valley, it connects with the City's horse trails, is adjacent to championship-caliber golf and offers excellent access.



REPRESENTATION OF ACTUAL SITE

CURRENT STATUS

- With 429 acres, it is the largest undeveloped site in the City of Norco
- A scenic valley isolated from urban activity and noise, the site is unparalleled
- The Norco Conservancy is dedicated to preserving the land as open space, but does not object to a low-impact hospitality project

VARIATION: THE GUEST RANCH

A variation on the full-service Western resort is the guest ranch, or “dude ranch.”



GUEST RANCHING

This concept, which is most prevalent in the Rocky Mountain region, usually houses guests in cabins, rather than larger hotel-like structures, and is heavily oriented toward equestrian activities. Meals are often prepared at campfires. These provide a more intensive Western experience, but can be upscale.



PROS & CONS OF GUEST RANCH

(VS. FULL-SERVICE RESORT)

Pros:

- Lower impact on environment
- Less expensive to develop
- More compatible with open space

Cons:

- Generates less revenue
- Has fewer amenities for community use (e.g. meeting rooms)
- Draws from a more limited pool of travelers

COMMUNITY BENEFITS

OF RESORT OR GUEST RANCH

- A resort/guest ranch accommodates visitors to Norco while generating additional interest
- Puts Norco on the tourist map, elevating its stature as a destination
- Generates revenue from transient occupancy tax (TOT), potential resort fees and sales tax at restaurant(s)
- Offers a relatively low-impact development option, consistent with current zoning and compatible with conservation efforts
- Attracting a niche clientele, a resort or guest ranch will not directly compete with traditional hotels in Norco

THE CHALLENGE

The greatest challenge is in identifying a creative, forward-thinking developer with adequate capitalization.

INVEST IN NORCO

Norco, Horsetown USA, represents an exciting frontier for a motivated, innovative hotel developer.

To tour sites or meet with Norco community leaders, contact:

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