

The Corporation of the City of Elliot Lake
REPORT R&C 2016-04

Report of the Manager of Recreation & Culture
For the Consideration of Council

**RE: 17th Annual Hi-Rail Leasing North Shore Challenge Drag
Race Report**

OBJECTIVE

To present Council with the results of the 2016 Hi-Rail Leasing North Shore Challenge Drag Races held the July 15th - 17th, 2016 at the Elliot Lake Airport.

RECOMMENDATION

That Report R&C 2016-04 of the Manager of Recreation & Culture dated 31st August 2016, be received.

Respectfully Submitted



Jocelyne Labreche
Manager Recreation & Culture

Approved



Wendy Rowland
Director of Community Services

August 31st, 2016

BACKGROUND

The City of Elliot Lake City Council has requested a formal report in September regarding the results of the 17th Annual Hi-Rail Leasing North shore Challenge Drag Race.

ANALYSIS

The 2016 Hi-Rail Leasing North Shore Challenge Drag Races was considered a success. Conservative estimates put the crowds slightly down from previous years with approximately 2,133 people in attendance. These numbers are attributed to children under 10 years of age which were down by 452. The paid attendance was up with 1852 in 2016 compared to 1832 in 2015. With the registration in the Pro Classes being up this is indicative that our event attracts the serious racers and this number will continue to increase as the attitude and response during and following the event has been a very positive one.

Admissions	2014	2015	2016
Drivers	260	300	299
Admissions (Includes Youth)	1641	2555	2123
Attendance (Paid)	1408	1832	1852

FINANCIAL IMPACT

The cost is up due to full staffing costs being included this year and have not been included in previous years. The 2016 Drag Race Committee was committed to keeping the costs down.

Maintaining cash donations to volunteer groups for assisting with the event continues to be a successful way of recruiting and organizing volunteers. We recommend the continuance of this practice as it is also a means for the Municipality to support our local charitable organizations.

Description	2014 Actual	2015 Actual	2016 Actual
Admission - Tickets	-55,740	-49,796	-55,192
Beverage	-9,794	-7,814	-6,909
Food Vendors	-3,800	-4,800	-5,200
Registration	-53,900	-63,845	-61,495
Advertising Revenue	-30,250	-27,667	-27,249
Miscellaneous Revenues	-3,286	-2,749	-2,430
Total Revenues	-156,770	-159,828	-158,476
Distributed Wages	26,511	25,218	29,512
Permit Fees	75	400	475
General Stationery & Office			124
Equipment Supplies	5,017	4,798	931
Recreational Supplies	1,154	1,900	2,736
Canteen/Concession Supplies	6,601	5,713	4,557
Sundry Expenses	6,722	4,896	4,090
Travel	27	78	160
Ancillary Services - bus, ambulance	4,087	3,736	3,988
Entertainment - On Track	20,949	7,200	6,000
Entertainment - Off Track	7,479	8,033	10,699
Postage	257	42	52
Advertising & Promotions	29,134	28,003	21,119
Printing	609	1,694	304
Contracted Services	57,559	54,559	58,601
Security	11,345	10,913	7,551
Vehicle & Equipment Rental	1,900	4,561	3,265
Volunteer Expenses	1,994	1,750	2,733
Insurance	11,586	6,066	5,939
Grants & Donations	11,500	13,500	12,000
Prizes - Trophies	948	837	903
Prizes - Cash	33,950	33,150	35,475
Vehicle & Machinery Rentals	12,321	8,770	11,970
Courier and Delivery	46	23	18
Administration Costs (553 admin hours 10 Staff)			17,079
Total Expenses	254,049	226,157	240,280
TOTAL	97,279	66,329	81,804

LINKS TO STRATEGIC PLAN

Support the local Business Community.

SUMMARY

From an overall operations perspective the event ran exceptionally well. The Drag Race Event generates a notable economic impact for the City of Elliot Lake and there is definitely no doubt that the Drag Race is a beneficial event within the City of Elliot Lake.

2016 North Shore Hi Rail Challenge Drag Races: Survey Summary & Estimated Economic Impact Results



Prepared by: Ashten Vlahovich
Economic Development Coordinator

2016 Drag Race Survey Summary

A HiRail North Shore Challenge Drag Race survey was developed by the Economic Development department through research on sport tourism events, and the Canadian Sport Tourism Alliance. The survey was developed to attempt to measure the economic impact the 2016 HiRail North Shore Challenge Drag Races had on the Municipality of Elliot Lake, as well as any tourism impact it may have had. The survey was created using Survey Monkey, a web based survey company that takes real time data and analysis of results.

Throughout the weekend of July 16, 17, 18, multiple surveyors toured the Airport Drag way randomly approaching attendees and completing the survey with them on iPads. The data was entered in real time online, and stored on the SurveyMonkey.com website, within the City's account. The data was then retrieved for analysis.

Assumptions made for survey data analysis:

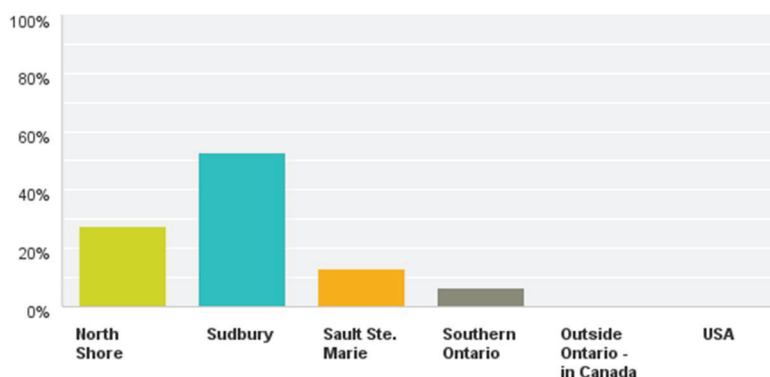
- That survey results are adult attendees
- That survey results are a representation of 1104 adult attendees (from final gate numbers)
 - Sample size 130
 - Confidence level 95% + or - 10

Attendee Information

1. 100% of attendees specifically came to Elliot Lake to attend the drag races
 - a. Of which 8% of people have never been to Elliot Lake before, while 92% are returning visitors
2. 60% of attendees travelled from out of town of which;
 - a. 53% were from Sudbury
 - b. 27% from the North Shore
 - c. 13% from Sault Ste. Marie
 - d. 7% from Southern Ontario

Q4 Where have you travelled from?

Answered: 62 Skipped: 68



Travel and Accommodation

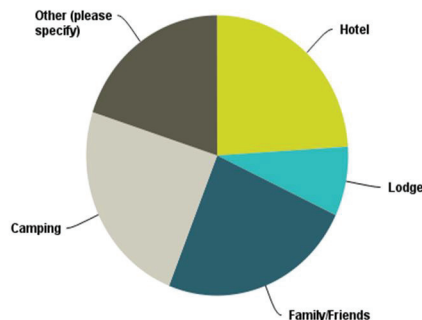
3. 36% of attendees from out of town stayed overnight, while 64% made day trips.
4. 66% of attendees who stayed overnight stayed between 2-3 nights in varying accommodations
5. It is assumed that 56% of attendees who stayed overnight booked paid accommodations.

Accommodations booked by attendees included;

- a. 24% hotel
 - b. 24% family/friends
 - c. 24% camping
 - d. 8% lodge
6. 64% of attendees made day trips to attend the drag races of which;
 - a. 55% made 1 day trip
 - b. 16% made 2 day trips
 - c. 29% made between 3-5+ trips to attend

Q7 What accommodations were booked?

Answered: 25 Skipped: 105

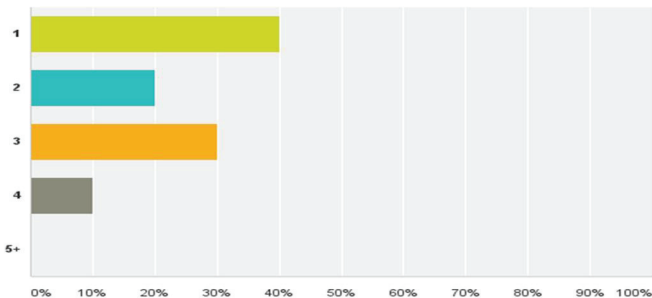


Tourism

7. Although attendees travelled specifically for the drag races, 36% of attendees planned on spending extra nights in Elliot Lake for leisure/visiting family friends, etc.
8. Of those 36%;
 - a. 40% stayed one extra night
 - b. 30% stayed 3 extra nights
 - c. 20% stayed 2 extra nights
 - d. 10% stayed 4 extra nights

Q11 In total, how many extra days are you spending in Elliot Lake for leisure/pleasure/visiting?

Answered: 10 Skipped: 120



Spending

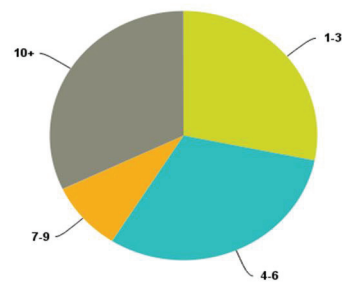
9. General spending was measured within 9 different categories by asking attendees about their spending habits in Elliot Lake during/for the Drag race weekend.
 - a. 66% spent on Restaurant/Bars/Fast Food in town
 - b. 25% spent on groceries
 - c. 61% spent on merchandise at event
 - d. 14% spent on other retail in Elliot Lake
 - e. 38% spent on car expenses (Gas etc.) In Elliot Lake
 - f. 11% spent on Taxi services
 - g. 38% spent at the LCBO/Beer Store in Elliot Lake

Event Information

10. 70% of attendees have been to the Drag Races before while 30% were newcomers this year
- Of the 70%, over 30% of attendees have been attending for 10+ years
 - 31% between 4-6 years
 - 28% between 1-3
 - 9% between 7-9 years

Q15 You said this wasn't your first time at the drag races, how many have you attended in the past?

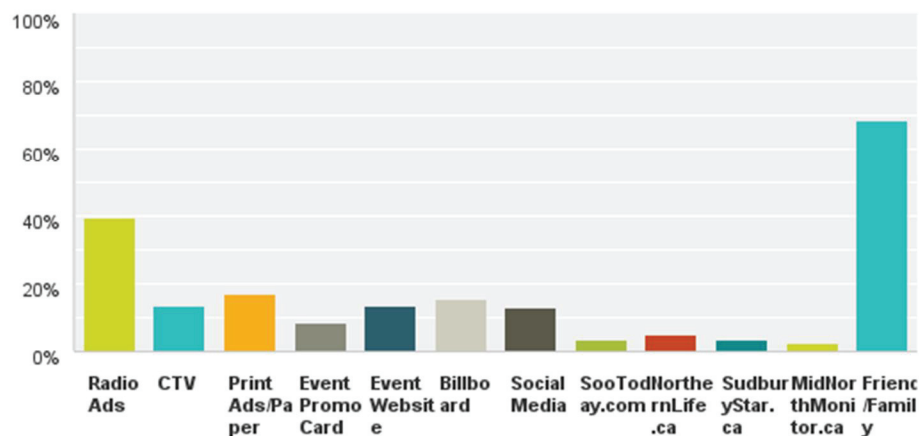
Answered: 78 Skipped: 52



11. What attracted attendees to the races were surveyed by car racing, on track/off track entertainment, kids activities or all of the above. While most attendees were attracted for the highlight event of car racing (68%), about 20% of people were attracted for all the events listed above throughout the drag race weekend.
12. Overall all types of marketing and media were seen by attendees however the top 5 ways attendees heard of the drags were; *(note this question allowed multiple answers so each answer is based out of 100%)*
- Friends/Family – 68% of attendees heard through
 - Radio Ads – 32%
 - Print Ads/paper – 17%
 - Billboard – 15%
 - CTV and Website – 14% each

Q17 How did you hear of the event? Please detail all that apply

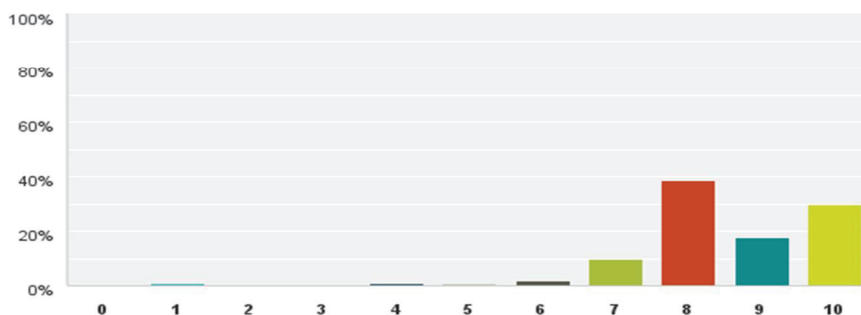
Answered: 117 Skipped: 13



13. Attendees were asked on a scale of 0-10 (0 being you would not attend again, and 10 being excellent) their overall experience of the drag races
- 30 % rated the overall experience at 10
 - 18% rated the overall experience at 9
 - 39% rated the overall experience at 8
 - Remaining 15% ranged from 7-1
 - 0% of attendees responded they would not attend again

Q18 On a scale of 0-10 (0 being you would not attend again - 10 being excellent) how would you rate your overall experience at the 2016 Hi Rail North Shore Drag Race Challenge?

Answered: 114 Skipped: 16



Economic Impact

Using data and assumptions from the Drag Race Survey, an Economic Impact analysis was developed using the Ministry of Tourism, Culture and Sports' 'Tourism Regional Economic Impact Model'. The Impact model allows you to enter the Census division of the community, in this case Algoma, and then the number of attendants to event, the percentage of attendees who stayed overnight or made day trips, and the average days spent over night. The econometric model then calculates the overall impact the 2016 drag races had on the Algoma Region.

Assumptions inputted into the Tourism Regional Impact Model included;

- All attendees were used including; Adult day/weekend/VIP, Child day/weekend/VIP and Youth 10& under Free = 1469
- Drivers and Pit crews were not included in calculation
- Percentage of those who made day trips and stayed overnight was used from the survey results: 64% Same day visitors, 36% stayed overnight

Overall estimated economic impact to the Algoma region over the three day event was **\$244,315**. This includes visitor spending within Tourism and supported industry related expenses. The detailed report is attached for more detailed information.

The Economic Impact of 2016 Hi Rail Northshore Challenge Drag Race Report in Algoma District in 2016

**This report was generated by
the Ontario Ministry of Tourism, Culture and Sport TREIM model**

September 14, 2016

Note: The Ministry of Tourism, Culture and Sport does not take any responsibility for inputs that the user has provided, nor for the interpretation of the results.

1. Introduction

This report provides an estimate of the economic impact that 2016 Hi Rail Northshore Challenge Drag Race Report is expected to have on Ontario's economy, in terms of Gross Domestic Product, employment and taxes generated. The analysis is based on the following information the user has provided to the MTCS Tourism Regional Economic Impact Model:

Number of Visitors for Activity (or Event) of Type Festivals/Fairs

Origin	Same Day		Overnight	
	Total Number of Visitors	Percent of Visitors' Origin	Percent of Visitors' Origin	Average Length of Stay (nights)
Ontario	1,469	64.00%	36.00%	2
Rest of Canada	0	0.00%	0.00%	0
USA	0	0.00%	0.00%	0
Overseas	0	0.00%	0.00%	0
Total	1,469			

Given that the detailed breakdown of spending by the above visitors on category, such as transportation, accommodation, etc. is not available from the user, the TREIM utilized the average expenditure of visitors in Algoma District with characteristics closest to those provided by the user from Statistics Canada's Travel Survey of Residents of Canada and the International Travel Survey to generate the detailed spending as followings (in dollars):

Travel Services	\$0
Public Transportation	\$227
Private Transportation - Rental	\$885
Private Transportation - Operation	\$38,864
Local Transportation	\$267
Accommodation	\$9,457
Food & Beverage - At Stores	\$12,135
Food & Beverage - At Restaurants/Bars	\$46,309
Recreation & Entertainment	\$65,734
Retail - Clothing	\$27,968
Retail - Other	\$42,470
Total	\$244,315

The user also has selected the following parameters:

- The visits take place in Algoma District in 2016
- The impact is to be shown for Algoma District and for Rest of Ontario
- Induced impacts of household spending are included
- Induced impacts of business investment are included
- The economic environment is as follows:

Baseline	2012	2013	2014	2015	2016
Ontario Real GDP (%change)	2.13%	2.25%	1.81%	2.14%	2.46%
Ontario CPI (%change)	2.13%	1.69%	2.10%	2.01%	1.83%
Ontario Population (%change)	0.92%	0.73%	0.69%	0.77%	0.96%
Ontario Unemployment Rate	7.68%	7.35%	7.24%	6.89%	6.63%
Government of Canada 3 month T-Bill Rate	0.94%	1.10%	2.52%	2.91%	3.80%

2. Summary of Findings

Table 1. Economic Impacts of 2016 Hi Rail Northshore Challenge Drag Race Report in Algoma District in 2016 (in dollars)

	Algoma District	Rest of Ontario
Total Visitors' Spending	\$ 244,315	
Gross Domestic Product (GDP)		
Direct	\$ 94,966	\$ 0
Indirect	\$ 27,350	\$ 6,347
Induced	\$ 22,775	\$ 3,845
Total	\$ 145,091	\$ 10,192
Labour Income		
Direct	\$ 61,487	\$ 0
Indirect	\$ 19,593	\$ 4,564
Induced	\$ 14,467	\$ 2,685
Total	\$ 95,547	\$ 7,249
Employment (Jobs)		
Direct	2	0
Indirect	0	0
Induced	0	0
Total	2	0
Direct Taxes		
Federal	\$ 23,065	\$ 0
Provincial	\$ 25,630	\$ 0
Municipal	\$ 145	\$ 0
Total	\$ 48,840	\$ 0
Total Taxes		
Federal	\$ 39,328	\$ 1,976
Provincial	\$ 33,519	\$ 1,528
Municipal	\$ 402	\$ 28
Total	\$ 73,250	\$ 3,532

Table 2. Economic Impacts of 2016 Hi Rail Northshore Challenge Drag Race Report in Algoma District on GDP by industry (in dollars)

Industry	Impact on Algoma District		Impact on Rest of Ontario	
	Direct GDP	Total GDP	Direct GDP	Total GDP
Crop and Animal Production	\$ 0	\$ 493	\$ 0	\$ 151
Forestry, Fishing and Hunting	\$ 0	\$ 54	\$ 0	\$ 30
Mining and Oil and Gas Extraction	\$ 0	\$ 167	\$ 0	\$ 81
Utilities	\$ 0	\$ 1,955	\$ 0	\$ 242
Construction	\$ 0	\$ 3,667	\$ 0	\$ 295
Manufacturing	\$ 0	\$ 4,306	\$ 0	\$ 1,924
Wholesale Trade	\$ 0	\$ 4,178	\$ 0	\$ 848
Retail Trade	\$ 16,229	\$ 21,582	\$ 0	\$ 708
Other Transportation and Warehousing	\$ 2,167	\$ 3,633	\$ 0	\$ 741
Ground Passenger Transportation (excl. Rail)	\$ 362	\$ 652	\$ 0	\$ 60
Information and Cultural Industries	\$ 1,686	\$ 4,136	\$ 0	\$ 652
Other Finance, Insurance, Real Estate and Renting and Leasing	\$ 0	\$ 7,710	\$ 0	\$ 1,401
Car Renting and Leasing	\$ 488	\$ 619	\$ 0	\$ 45
Owner Occupied Housing	\$ 0	\$ 4,255	\$ 0	\$ 250
Professional, Scientific and Technical Services	\$ 0	\$ 3,488	\$ 0	\$ 709
Other Administrative and Other Support Services	\$ 0	\$ 1,959	\$ 0	\$ 348
Travel Agencies	\$ 0	\$ 0	\$ 0	\$ 0
Education Services	\$ 0	\$ 265	\$ 0	\$ 21
Health Care and Social Assistance	\$ 0	\$ 932	\$ 0	\$ 208
Arts, Entertainment and Recreation	\$ 24,177	\$ 24,834	\$ 0	\$ 152
Accommodation Services	\$ 10,337	\$ 10,519	\$ 0	\$ 216
Food & Beverage Services	\$ 13,500	\$ 14,278	\$ 0	\$ 432
Other Services (Except Public Administration)	\$ 450	\$ 1,935	\$ 0	\$ 227
Operating, Office, Cafeteria, and Laboratory Supplies	\$ 0	\$ 0	\$ 0	\$ 0
Travel & Entertainment, Advertising & Promotion	\$ 0	\$ 0	\$ 0	\$ 0
Transportation Margins	\$ 0	\$ 0	\$ 0	\$ 0
Non-Profit Institutions Serving Households	\$ 1,857	\$ 2,966	\$ 0	\$ 108
Government Sector	\$ 2,205	\$ 3,611	\$ 0	\$ 237
Net Indirect Taxes on Production	\$ 0	\$ 168	\$ 0	\$ 10
Total	\$ 94,966	\$ 145,091	\$ 0	\$ 10,192

Appendix:

The Economic Impact of Visits in Algoma District and other Ontario regions: since no Ontario region is economically self-sustaining, in order to produce the goods and services demanded by its visitors, it will need to import some goods and services from other regions. As such, some of the economic benefits of the visitors' spending in Algoma District will spill over to other Ontario regions, such as the one you have selected as "additional". If the second column of Table 1 contains only zeros, then that means that Algoma District does not trade with that region.

Gross Domestic Product (GDP): value of goods and services produced by labour and capital located within a country (or region), regardless of nationality of labour or ownership. This GDP is measured at market prices. Tourism GDP refers to the GDP generated in those businesses that directly produce or provide goods and services for travelers.

Direct impact: refers to the impact generated in businesses or sectors that produce or provide goods and services directly to travelers, e.g. accommodations, restaurants, recreations, travel agents, transportation and retail enterprises etc. Direct impact on GDP, employment and tax revenues is also called tourism GDP, tourism employment and tourism tax revenues.

Indirect impact: refers to the impact resulting from the expansion of demand from businesses or sectors directly produce or provide goods and services to travelers, to other businesses or sectors.

Induced impact: refers to the impact associated with the re-spending of labour income and /or profits earned in the industries that serve travelers directly and indirectly.

Employment: refers to number of jobs, include full-time, part-time, seasonal employment, as well as both employed and self-employed.

Federal tax revenues: include personal income tax, corporate income tax, commodity tax (GST/HST, gas tax, excise tax, excise duty, air tax and trading profits) and payroll deduction that collected by the federal government.

Provincial tax revenues: include personal income tax, corporate income tax, commodity tax (PST/HST, gas tax, liquor gallonage tax, amusement tax and trading profits) and employer health tax that collected by Ontario provincial government.

Municipal tax revenues: include business and personal property taxes that collected by the municipalities. Collection, however, does not follow immediately the consumption or production of goods and services in a municipality by visitors (as is the case with HST or personal income taxes). Rather, these taxes show the percent of the total property taxes collected by a municipality that can be attributed to tourism because of tourism's contribution to the economic activity of the municipality and hence its tax base.

Industry: The industry follows Statistics Canada's North America Industry Classification System (NAICS) Input-Output small aggregation industry classification.