

# ESTIMATING THE IMPORTANCE OF A LONG ISLAND DRAG STRIP



PREPARED BY  
UNITED STATES MOTORSPORTS ASSOCIATION



# EXECUTIVE SUMMARY

The United States Motorsports Association (USMA), prepared this report to evaluate the impact a new drag racing facility could have on Long Island. It highlights the benefits of a new drag racing facility both economic and social, which are described throughout the report. Data was collected from a number of reliable sources to support the report's conclusions.

Long Island has an estimated current population of 7.8 million, the most populated island of any state or territory in the U.S. In fact, Long Island is one of the most populated islands in the world. There are no drag racing facilities currently in operation on Long Island. With this large population, a new facility will certainly attract many participants, as well as race fans residing close by, who currently travel off the Island for motorsports competition and entertainment.

More importantly, a facility will generate new local revenue, a significant economic benefit for the Island. Race track spending will support the local economy through ticket sales, restaurants, service stations, hotels, and other retail services. Similar to a minor league baseball park, the track will impact the local economy for a minimum of eight months annually.

A Long Island drag strip facility will provide other community benefits. One of them will be providing a legal place to race for young adults, keeping them off public streets. Programs like "Beat the Heat" teach young adults about traffic safety and have reduced illegal racing in communities where they have been implemented. The community will be educated about the consequences of Illegal Street Racing, distracted driving and driving under the influence.

The USMA report describes other benefits of a drag racing facility. It will serve as a multi-use venue hosting car shows, fairs, community festivals and many other non-racing events. Charities and nonprofits will benefit from this new Long Island entertainment venue.

It is recommended a partnership be developed including elected officials, Suffolk County economic development professionals and community leaders. The partnership should identify possible venue locations, developers and financing options, both private and public.

We strongly encourage the public to review this report. All data can be used to advocate for a new facility on Long Island. The USMA recommends the partnership be organized now to begin the process. USMA staff is available to assist in explaining the report's findings and working with the partnership on the next steps.

# REPORT PURPOSE

The purpose of this report was to examine the economic and socioeconomic impacts of a Drag Strip on Long Island.

The report focused on the development of a methodology for evaluating economic estimates and on telling the story of how a Long Island race track would impact the community in a real sense.

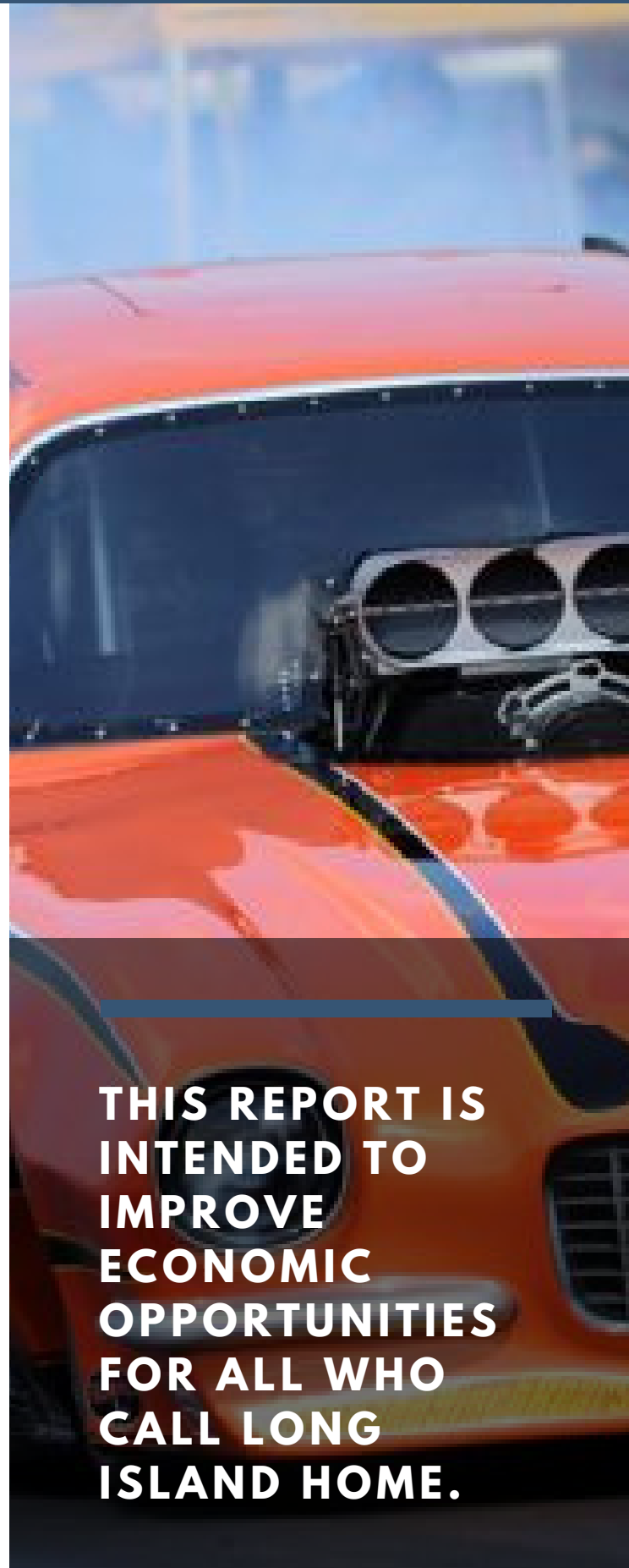
The report begins with a look into other existing race tracks with a similar size, scope and geographic location. It is intended to be educational in nature and provide a snapshot overview to aid community leaders, citizens, investors and others who will be impacted by the track.

The ultimate goal of this process was to develop a clear report that can be utilized by the community for consideration of the Long Island Race Track project.

This report is an estimate of direct benefits to the community and does not focus on the racetrack's internal private business benefits. There are other reports to benefit the track and provide details for potential investment and business planning purposes.

Through reports such as this, the Long Island community can understand essential data and concepts, so that businesses and policy makers can meet challenges, engage in discussion and partner to develop solutions.

The USMA is committed to working with our partners and implementing the actions necessary to build on the strengths of this report and to improve economic opportunities for all who call Long Island home.



**THIS REPORT IS  
INTENDED TO  
IMPROVE  
ECONOMIC  
OPPORTUNITIES  
FOR ALL WHO  
CALL LONG  
ISLAND HOME.**



# MOTORSPORTS MEANS BUSINESS

## A LONG ISLAND DRAG STRIP WOULD PROVIDE CONSISTENT LONG TERM ECONOMIC PROSPERITY

*If you placed a pin on the Throgs Neck bridge, [the main bridge to Long Island] and made a radius of 150-miles, you would encircle more than 10% of the total population of the United States. This makes Long Island a one-of-a-kind opportunity. When the surrounding cities and suburbs are calculated, there are more than 25 Million people in this market.*

By every measure, the results of this report are impressive. Currently, there is no market as large as Long Island in the entire United States without at least one drag racing complex. Most regions the size of Long Island have multiple tracks. The USMA research team took a comprehensive and in-depth look into this event-related business and how it would effect Long Island residents and businesses.

What we learned is that a Dragstrip is a tremendous opportunity to bring significant and consistent spending to Long Island. When race teams come to town most of their expenditures are away from the race track, eating at local restaurants, staying in local hotels and taking extra days before or after the racing event to visit local sites and tourist attractions.

**Unlike traditional sports, racers spend a great deal more time and money in the communities they visit.**

This report found the average race team member spends an estimated \$115 per person per day outside of the race track itself. We also discovered over 68% of race teams travel from outside the county they reside in to reach the tracks where they participate.

The racing market in and around Long Island and the Northeast is in demand for more track locations. Long Island is positioned to fill that void and reap significant economic benefits. In addition, this report concluded Long Island would benefit from hosting non-racing events at the track. Fairs, concerts, first-responder/military training, car shows and more will add to overall visitor spending.



"We own and operate a race engine facility that employs 22 people on Long Island. We service customers worldwide as well as on Long Island."

- Long Island Business Owner, Vinny Budano



## ESTIMATED ECONOMIC & COMMUNITY CONTRIBUTIONS OF A LONG ISLAND RACE TRACK

A Long Island track would host an average of 84 event days bringing in 328,138 visitors annually - the track will produce \$17,665,585 in Annual Spending when all sources are considered. Construction spending is estimated to be \$18 Million. Community benefits include: dramatically lowered illegal street racing; charitable contributions; additional tax revenue; and more overall economic activity on Long Island through racing and non-racing events.



# ECONOMIC IMPACTS OF A LONG ISLAND MOTORSPORTS COMPLEX

## A LONG ISLAND DRAGSTRIP WOULD STRENGTHEN THE SOCIAL FABRIC OF THE COMMUNITY

Due to the general nature and perceptions of a "race track" being in the community, it was important to examine social and economic factors to better understand how the combination of both will impact both local residents and businesses.

In other words, what is life like with a race track in your town?

This report focused on event-related spending outside the race track to determine local community value including merchants such as hotels, restaurants, gas stations and retail stores.

It demonstrates how a Long Island Drag Strip will be a valuable economic driver. A new industry will be inserted into the community supporting jobs, generating government revenue, and becoming a significant contributor to Long Island tourism.

Every weekend across all 50-States, racing generates billions of dollars in economic activity, supports millions of jobs, feeds thousands of small businesses and supports the economic landscape of mostly rural areas.

**"There's no reason why I should be leaving Long Island to see a race. We need revenue in this county, and this is just the thing we need."** - Legislator Robert Trotta, Smithtown



**OVER  
300K ANNUAL  
VISITORS**

**17+ MILLION  
IN ANNUAL  
SPENDING**



## **MOST REVENUE COMES FROM OUT OF TOWN RACERS, LEAVING MONEY CIRCULATING INTO THE ECONOMY FOR SEVERAL MONTHS.**

Racing is unique, attracting a visitor to the venue for only one reason, racing. Dollars spent by racers while traveling is new revenue the area would not otherwise receive. Racers view the town they are racing in as their temporary "place of business". Unlike traditional sports drawing from mostly area residents, the majority of race teams are traveling from other towns. Even ones based relatively close by will often stay at or near the track during the event due to long day schedules.

The USMA interviewed race teams about their spending behaviors and also interviewed businesses including hotels, gas stations and restaurants around existing race tracks. The overall goal was to discover what the meaningful impacts are to a region with a race track. We identified a Motorsports complex as a viable platform for creating a source of new revenue directly into the local economy.

## **How will Long Island Race Track dollars be re-spent?**

Consider the example of a race team that comes to town from another county or state. They stop into the local grocery store to stock up on a few days worth of groceries. They spend \$300 at the store. That purchase initiates a complex sequence of income and spending by both the business who received the additional revenue and the individuals who are employed by the business.

Following the purchase, a portion of the \$300 is used to pay the cashier. The Cashier then re-spends some of that money on repair services at their home. The repair service person spends some of that money to pay rent. The repair business spends some of that money to hire another employee, and so on.

Race teams, fans and the track itself will bring into this economic flow an estimated \$17,665,585. The money inserted into the economy will stay within the local economy for an estimated average of 3-6 months.



# THE TRACK

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## LONG ISLAND'S RACE TRACK IS A POWERFUL PLATFORM FOR VISITOR SPENDING

A Long Island Race Track would be a valued member of the business community. The track would employ people locally and purchase goods and services. It would be a venue for non-racing events and promote the Long Island region.

**“Long Island has a great number of motorsport enthusiasts who enjoy automobile gatherings, swap meets, and racing. Their desire for a location to race locally is sincere. A great number of them spend an incredible amount of money crossing NYC bridges, paying exorbitant tolls, filling hotels and restaurants in other states.”**

**"The Suffolk County Legislature began a committee to try and identify a suitable location for them and the economic activity they bring. I eagerly anticipate the results of their work to keep this economic activity here on Long Island."**

**- Councilman & Deputy Supervisor  
Dan Panico - District 6 Brookhaven**



A Long Island Motorsports Complex could be viewed similarly to a minor league baseball team in terms of it's level within the sport. However, racing has much higher levels of spending and more out of town visitors.

Racers who attend the track come from diverse backgrounds and income levels. A large portion work in construction or other trades such as engineering or mechanics. Fans are also a diverse group in drag racing. A Long Island track would provide low cost family friendly entertainment.



# RACE TRACK SPENDING



Researchers collected data from seventeen tracks and surveyed current track owners and managers to measure total annual spending per facility. Strict criteria for existing tracks to review was set to accurately reflect the size and scope of the track proposed on Long Island. All data was analyzed and categorized by expenditures. Averages were taken of the data with high-mid-low averages. While tracks have many expenses we listed some of the expenditures below occurring on an annual basis and having direct impacts on the local community. All track spending is not represented.



Initial Construction  
Over 5-Years  
**18 MILLION**  
**+LAND**

A Race Track on Long Island will provide rewarding employment for more than just the track. The venue will also directly support construction workers, maintenance contractors, caterers, food/beverage distributors, accountants, insurance professionals, dry cleaners, hotels, restaurants and an array of occupations and businesses spanning many industries.

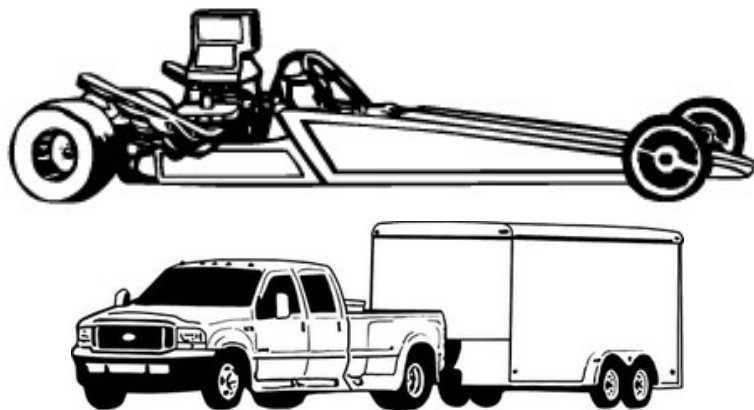
# RACE TEAM SPENDING

Researchers collected detailed expense data from race teams using 3 tier levels. Tier 1 was identified as a more professional level team with an average of 7 team members traveling to events. Tier 2 teams had an average of 5 team members traveling to events, but traveled to the same, or in many cases even more events than Tier 1 teams. Tier 3 teams were more localized, often bringing a street legal car to the track and typically not staying overnight or more than 1 night in a hotel. Tier 3 spend less and don't stay as long, but attend the track more frequently.

**Race Teams spend more money and stay longer. Racing is in-part about experiencing the area around the track.**

There is racing activity taking place in all 50-States, 52-weekends per year across the nation. Race teams are unlike most tourists. Areas around race tracks enjoy the benefit of event related spending behaviors of racers. For example, part of the racing experience is leaving your town and visiting another one. Racers explore the areas they visit and enjoy eating out, staying in hotels and visiting local attractions. It is estimated each individual racer will spend \$115.45 per day per event, beyond the cost of admission and racing entry fees.

**Race Teams should be viewed as small businesses coming into town regularly consuming all types of services and adding to Long Island tourism.**



**\$115.45 Estimated Spending  
Per Race Team Individual Per Day  
Outside the Race Track**

**TOTAL ANNUAL  
SPENDING OUTSIDE THE TRACK  
BY OVER 60K RACE TEAM  
PARTICIPANTS - \$7,360,500**

**Hotels.....\$3,024,000**

**Grocery/retail.....\$2,327,220**

**Eating out.....\$1,092,420**

**Fuel.....\$916,860**



# RACE FAN SPENDING

68% of fans attending a race will travel 30-60-miles or less. The remainder will typically travel no more than 150-200 miles. Less than 12% will stay overnight in the area except for larger events. However, 78% of people who attend races indicate the race event being the only reason they traveled to the community. Racing is unique in that race fans are seeking a very specific form of entertainment. **The majority of fans stated if they were planning to attend a race event that was canceled, they would not use that time or money for other entertainment within the same area.**

43% of race fans stated they arrive at least 1 hour prior to a race event start time. Of those 57% eat out, stop for gas near the track or visit a local attraction before or after attending the event. Race days often total 5-8 hours in length. This means race fans are consuming at least 2 meals during the day. They typically like to experience at least one of these meals outside the track before or after the racing event.

**If Long Island does not have a race track not only will it fail to attract new dollars, it will also lose discretionary spending of its own residents, who will travel elsewhere for a racing experience.**

These figures demonstrate the economic impact of a Long Island race track. In its truest sense the track will attract new out of the area visitors, who spend money. Without a race track, Long Island fails to attract new dollars and loses discretionary spending of residents who travel elsewhere for a racing experience.

**\$29.17 Estimated Spending Per Race Fan Per Event Outside the Race Track. Estimated Fan Attendance 220,338 Annually.**

**TOTAL ANNUAL SPENDING OUTSIDE THE TRACK: \$6,427,259**



# DRAG RACING IS ON THE RISE



**The most noteworthy change in drag racing over the last five years is arguably the rise of street/strip racers. Inspired by popular TV shows and the growing Pro Touring racing movement. The street/strip market represents some 40% of racing businesses today.**

**Over 60% of PRI Survey respondents told us sales will rise in 2019, against 34% who expect to hold steady and only 5% who anticipate a decline.**

*- Performance Racing Industry - Race Market Data Report*

Drag racing has come a long way from its roots in the 40's and 50's. Today, drag racers use high tech machines, safety gear and track safety equipment to compete in a well controlled environment. Automakers are building into their OEM vehicles track and performance packages, which is contributing to a rise in owning multi-purpose vehicles driven to work and the race track.

According to "Newsday's, "What Long Island Drives" database, there are nearly 2-million cars on Long Island. According to Experian, muscle car sales have risen more than 35% over the last nine years and there are now more of these vehicles on the road than there have been in decades. Ford reports sales of the Mustang are up nearly 40%, one of the most common cars used for drag racing.

While drag racing is still primarily purpose built racing vehicles, the influx of street cars in need of a place to race is growing rapidly. Professionally run sanctioning organizations such as NHRA, IHRA, and NMCA have all experienced growth over the past five plus years.



# NON RACING EVENTS AND THEIR BENEFITS TO THE COMMUNITY

## LONG ISLAND RACE TRACK CREATES OPPORTUNITIES FOR MORE THAN JUST RACING

The Long Island Racing Complex should be viewed as more than a racing only venue. Race tracks across America benefit their communities through hosting a variety of public and private non-racing events.

Long Island would have a facility capable of conducting first responder, natural disaster, and terrorism training. EVOC Police, Fire and Military training can be conducted at the track as well.

Other events that benefit the community would include: Fairs; Festivals; Athletic Events; Swap Meets; Family Drive In Movie Nights; Concerts; Dealership Demos; Car Shows, Corporate Training; and other events requiring a large controlled space and unique accommodations only a track can provide.

Several of these events would bring in travelers from outside the region or state. These groups would require additional outside services like catering, equipment rentals, and hotel stays.

**107,800 ESTIMATED  
ADDITIONAL VISITORS  
FOR NON-RACING EVENTS**

**ADDITIONAL ESTIMATED  
\$3,144,526 IN ANNUAL  
SPENDING OUTSIDE THE  
TRACK FROM NON-  
RACING VISITORS**

**36% OF TRACK VISITOR  
SPENDING FROM  
NON-RACING EVENTS**

# TRACK = SAFER STREETS



## A LONG ISLAND DRAGSTRIP CAN DRAMATICALLY DECREASE ILLEGAL STREET RACING.

"Beat the Heat" Program Curbs Illegal Street Racing

In a study by Arnett and colleagues, 59% of high school boys and 36% of high school girls reported they had raced another car in the past year. Almost 400 people were killed last year alone in illegal street racing incidents. 53% of those deaths were not the drivers. 27% were passengers, 6% were pedestrians, and 5% were spectators.

Nationwide, a program called "*Beat the Heat*" aims to change these statistics. They interact with nearly 2-Million kids each year at a variety of events. The impact is showing results. For example, police in Florida's Palm Beach County had launched an anti-street-racing enforcement unit. Soon after, Beat the Heat started nearby. Within two months the police department was able to disband the enforcement unit since kids began racing at the track, not on public streets. **The research is clear. A Long Island Dragstrip will dramatically decrease illegal drag racing and therefore make the entire community safer.**

**A Long Island track may help prevent injuries and save lives by training and educating teenage drivers and their parents about the importance of safe and responsible driving.**

Programs such as B.R.A.K.E.S. (Be Responsible and Keep Everyone Safe), a national and highly recognized teen car control program, have stated they would bring these programs to Long Island if there was a proper location. A Pro-Active Driving Curriculum needs a tracks controlled environment to teach teens a higher level of training by addressing driving situations responsible for many traffic collisions. A Long Island Track could host events that teach new drivers



collision avoidance techniques, increased focus, car control and weather driving conditions. Nearly all Major Insurance companies have lowered rates for teens who have completed more in-depth driving schools. Statistics from these insurance companies show reductions in crashes, injuries and deaths. Long Island can be a leader in teen driver safety.



# ECONOMIC COMPARISON U.S. OPEN VS. RACE TRACK

Perception is not always reality. For the purpose of a comparison research example, we reviewed the recent U.S. Open held on Long Island and compared its spending numbers to a Long Island Drag Strip. This analysis was not completed to favor one event over the other. Instead, this comparative is highlighted to show the value of a Long Island Race Track and its long term significant economic benefits.



The U.S. Open Golf Tournament attracted 35,000 spectators daily. Total spending related to the U.S. Open was estimated to be \$120 million. This tournament will not return to Long Island anytime in the foreseeable future. The one-time special event creates a "Crowding Effect". A Crowding Effect is when visitors displace people who would have been there otherwise in a popular vacation spot like the Hamptons. Another factor is "leakage," in which money spent on the tournament does not stay on Long Island.



A Long Island track would bring in an estimated 300K-400K visitors annually, spending an estimated total of \$17+ million on Long Island. Due to the nature and location of the track there is virtually no "Crowding Effect". Money spent by visitors attending events also has very little leakage. It's a direct impact to the nearby community. When all factors are considered it's estimated that a Long Island track will equate to a U.S. Open every 5-years. Year after year Long Island will have a secure and consistent source of visitor spending.

## A RACE TRACK IS A CLEAR WINNER FOR LONG ISLAND.

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### U.S. OPEN

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**120 Million in Spending**  
**\$0 Impact Next 5-Years**  
**Crowding Effect**  
**Economic Leakage**

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### L.I. TRACK

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**17 Million in Spending**  
**\$85 Million Next 5-Years**  
**No Crowding Effect**  
**No Economic Leakage**



# RACING COMMUNITY CARES

As we researched other tracks for this report it was clear each have enormous charitable impacts on their communities. The Motorsports community has a strong sense of "family" that runs deep into the fabric of the racer and fan. Racers care about the communities they race in. While charitable contributions are not factored into the economic impact measures of this report, it was clear through our research a Long Island track would generate increased charitable financial donations.

Through a survey, we asked race fans if while attending a race, would they be willing to donate \$5 or more to charitable causes without even knowing what the cause was for. 34% responded yes. When asked about a cause they were passionate towards, the percentage donating \$5 or more rose to 81%. We were able to estimate through this data a Long Island Race Track could generate \$707,894 in local and regional charitable donations annually.

**47% of race fans and competitors likely to donate \$5 or more at the track towards charitable causes.**







## TOP CONCERNS OF THE COMMUNITY

**Today's racers are environmentally and sound conscious.**

The USMA works with race tracks all across the country. The most frequent topics are "Sound" and "Environmental" concerns. Racing did have it's day when sound and environmental issues were not a high priority. Today's racers are environmentally and sound conscious. Track and Sanctioning organization regulations are strict. Companies like Safety-Kleen specialize in recycling all fluids and chemicals. **No chemicals are allowed to be spilled or disposed of without high standards of care and processing.**

Massive growth of suburbs and more highway expansion has resulted in major advances in sound technology. Race tacks can limit and control sound through strategically placed wall barriers, race car traffic direction, and proper planning to highly regulate sound. In addition, the race cars themselves have advancements in technology dramatically limiting sound decibels. **Yes, racing is louder than traditional sports, but most tracks in the United States are able to mitigate sound issues for nearby residents and co-exist without concerns or complaints.**





## COMMUNITY AND TRACK PARTNERSHIP

Unfortunately, racing can have negative perceptions such as being loud, dirty, economically poor, etc. These perceptions simply are not reality. Education and Communication is key to a successful race track and community partnership. Race fan or not, community leaders and residents should be informed of the economic benefits and any other concerns. Responsible race tracks work with the community to address these concerns and develop amicable solutions.


This might include the track designating a night time cut off for sound, and a track hosted town hall annually to address and discuss any public concerns. We found through our research that successful track/community partnerships are not the minority, but rather the majority across America. The one commonality is "good-communication" and a "give and take" compromising approach by both the community and the track.

**Successful track/community partnerships are not the minority but rather the majority across America.**



**Education and Communication is key to a successful race track and community partnership.**

# ABOUT THIS REPORT



**A KEY  
COMPONENT OF  
THIS REPORT  
WAS TO FOCUS  
ON NON-  
RESIDENT  
VISITORS WHO  
BRING NEW  
SPENDING TO  
LONG ISLAND**

To derive the most reliable data, report methodology was composed of an analysis of evaluation techniques that have been used over the past few decades. The evaluation centered on three key steps:

- 1) Comparison Analysis of seventeen-existing racetracks determined to be similar in size and scope to a proposed Long Island Track.
- 2) Industry Expert Analysis and Input from current track owners, managers and promoters.
- 3) Race fan and Race team interviews and surveys related to their spending behaviors.

A key component of the report was to focus on spending by non-resident visitors, who actually spend money in the local and regional economy beyond the race track itself. USMA staff took into consideration percentages of those who would already be spending equal portions of money in the community without a race track and excluded them from the calculations.

Data was collected through a combination of anonymous surveys; private personal interviews; customized questionnaires; online interactions; social sharing research; and observational research at live events to calculate reliable estimates. The most important findings are outlined in this report.



# CONCLUSION

A Race Track on Long Island can be a catalyst for economic development and positive growth if the setting and motivations between community and track owners are aligned. It is our independent belief the size and market of Long Island provides an outstanding opportunity for the area to develop a race track. The track would be a stable economic driver, while providing tremendous local, regional and statewide benefits to both the economy and the community overall.

## ADVANTAGES OF A LONG ISLAND RACE TRACK

- New economic revenues & visitor spending
- Elevate community notoriety & pride
- Stimulate business & job growth
- Reduction in illegal drag racing & safer teen drivers
- Race track to serve as a multi-purpose venue

**328,138 Annual Visitors**  
**\$17,665,585 Annual Spending**





## WHAT WE DO?

The United States Motorsports Association is a Non-Profit Organization working to advocate for all forms of grassroots racing across all 50-States. We work to educate the public about the benefits of Motorsports and build relationships between the racing community and local, state, and federal government. Our focus is to provide tools and resources that support all forms of competitive racing.



## RESEARCH REPORTS

As a racing industry leader, racing group, business, citizen or elected official you need action oriented research information to help advocate or make critical decisions. The USMA provides reports that demonstrate the economic, social and educational value of racing in the community.



## PROTECTING AND PROMOTING GRASSROOTS RACING

Visit online: [www.UnitedStatesMotorsports.com](http://www.UnitedStatesMotorsports.com)



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Dear Long Island Drag Racing Club, Corp.

United States Motorsports Association (USMA) is pleased to submit this report in order to provide a review of the economic and socio-economic validity of the proposed dragstrip and motorsports complex on Long Island. Pursuant to USMA's agreement with your organization we have independently quantified the proposed race track project and analyzed potential opportunities as highlighted in this report.

USMA has no responsibility to update this report for events and circumstances occurring after the date of this publication. The findings presented reflect analyses of primary and secondary sources of information. Since no track currently exists, some of the estimates and analyses presented in this report are based on trends, evaluations, averages and expert assumptions, which can result in differences between the projected results and the actual results. USMA sources are deemed to be reliable, but cannot guarantee their accuracy. Since events and circumstances frequently do not occur as expected, those differences may be material.

This report is intended for your internal use and should not be used for underwriting or as a stand alone document for investment. We have enjoyed serving you and working on this report. We believe a Long Island Race Track will serve and benefit the racing industry and the community where the track is located. We look forward to providing you with continuing service and support.

Sincerely,

United States Motorsports Association

**ON APRIL 16, 2019 AT 1:00PM THIS REPORT WAS COMPLETED AND  
DELIVERED AND IS FOREVERMORE THE SOLE PROPERTY OF:  
LONG ISLAND DRAG RACING CLUB, CORP.**