

The Comprehensive Economic Impacts of the VIRginia International Raceway (VIR)

Submitted to:



April 19, 2018

I. Executive Summary

- The Washington Economics Group, Inc. (WEG) has been retained by VIRginia International Raceway (VIR) as independent consultants to estimate the quantifiable economic impacts associated with the ongoing operations of VIR on the Commonwealth of Virginia economy, as well as the local Region consisting of Halifax County, Pittsylvania County and the independent City of Danville.
- VIR hosts important events in motor racing throughout the year, along with many non-race events. The races and other events that take place at this facility generate **quantifiable** economic benefits on an ongoing (annual) basis through track operating and maintenance expenditures, and expenditures by visitors to VIR coming from outside the local Region. VIR's multifaceted activities also include a destination resort, an onsite industrial park and other automobile-related activities.
- In addition to these significant and **quantifiable** benefits, VIR provides important *unquantifiable* "externality benefits" to Virginia and the local Region. Among these are the significant contributions to Virginia's strong global brand as a professional sports and entertainment leader in the U.S., adding to the tourism and entertainment portfolio of the local Region. Additionally, events at VIR are broadcast and reported through radio, print and internet media outlets, elevating the awareness and reputation of the Commonwealth of Virginia and the Region.
- As shown in Tables ES-1 below and ES-2 on the following page, the annually recurring economic activities of VIR generate a significant **\$237 million** in Total Economic Impact each year within the Commonwealth of Virginia, **with \$197 million or 83 percent of the impacts occurring within the local Region.**

**Table ES-1. Summary of the Economic Impacts
on the Commonwealth of Virginia Generated by the Ongoing Operations of VIR**

Impact on:	Direct	Indirect & Induced	Total Impact
Employment (Jobs)	2,865	755	3,620
Household Income (\$ Millions)	\$62	\$37	\$99
GDP (Value Added \$ Millions)	\$74	\$64	\$138
Federal, State & Local Fiscal Revenues (\$ Millions)	--	--	\$35
Total Economic Impact (\$ Millions)	\$129	\$108	\$237

Note: Total may not equal the sum of all due to rounding. See Appendix II for Glossary of Economic Terms.

Source: *The Washington Economics Group, Inc. (WEG)*

**Table ES-2. Summary of the Economic Impacts
on the Local Region Generated by the Ongoing Operations of VIR**

Impact on:	Direct	Indirect & Induced	Total Impact
Employment (Jobs)	2,876	667	3,543
Household Income (\$ Millions)	\$59	\$20	\$80
GDP (Value Added \$ Millions)	\$69	\$35	\$105
Federal, State & Local Fiscal Revenues (\$ Millions)	--	--	\$29
Total Economic Impact (\$ Millions)	\$129	\$68	\$197

Note: Total may not equal the sum of all due to rounding. See Appendix II for Glossary of Economic Terms.

Source: *The Washington Economics Group, Inc. (WEG)*

- Of the \$197 million in Total Economic Impact generated locally, an estimated **\$53 million** of the impact takes place in Halifax County, **\$45 million** in Pittsylvania County and over **\$99 million** in the City of Danville. These positive impacts are principally generated by out-of-Region visitor spending attracted by VIR.

**Table ES-3. Estimated Economic Impacts Within
Halifax County, Pittsylvania County and the City of Danville**

Measure:	Halifax County	Pittsylvania County	City of Danville
Percent of Regional Impact	27%	23%	50%
Employment (Jobs)	952	808	1,782
Household Income (\$ Millions)	\$21.5	\$18.2	\$40.2
GDP (Value Added \$ Millions)	\$28.1	\$23.9	\$52.6
Federal, State & Local Fiscal Revenues (\$ Millions)	\$7.9	\$6.7	\$14.8
Total Economic Impact (\$ Millions)	\$53.1	\$45.0	\$99.3

Sources: U.S. Census, American Community Survey (ACS) and The Washington Economics Group, Inc. (WEG)

- **Approximately 270,000 total visitors attend race and non-race events held at VIR each year with over 90 percent coming from outside the local Region, and staying for multiple days within the local Region.** As a result, the economic impact of out-of-Region visitor spending is significant, annually contributing over \$197 million in Total Economic Impact to the Region (Halifax and Pittsylvania Counties and the City of Danville). **Close to 90 percent** of the \$197 million Total Economic Impact of VIR is associated with the out-of-Region visitor spending it attracts to the two Counties and the City.