

CSL



NASCAR

EXECUTIVE SUMMARY



NASCAR CHICAGO STREET RACE

OVERVIEW OF ESTIMATED ECONOMIC & FISCAL IMPACTS

JULY 1-2, 2023



KEY ASSUMPTIONS

100,000 Attendees

4,000+ Event Personnel in Market

Attendee Origin ^[1]

- **35%** Locals ^[2]
- **26%** Day Trippers
- **39%** Overnights

Out-of-Facility Spending ^[3]

- Locals - **\$75.00**
- Day Tripper - **\$155.00**
- Overnights - **\$330.00**

^[1] Attendee origin based on NASCAR ticket buyer zip code data from past races.

^[2] Locals are those residing within a 90-minute drive of downtown Chicago.

^[3] Based on data from Choose Chicago and CSL

NET NEW IMPACTS TO CITY OF CHICAGO

\$113.8M

TOTAL OUTPUT ^[1]

4,000+

EVENT PERSONNEL IN MARKET

850

FTE JOBS

\$31.4M

PERSONAL EARNINGS ^[2]

\$3.2M

TAX REVENUE

^[1] Represents total direct, indirect, and induced spending

^[2] Earnings generated from new FTE jobs

OTHER KEY HIGHLIGHTS

\$50M+

NASCAR INVESTMENT

EXAMPLE EVENT EXPENSES



CONSTRUCTION



RACE SERVICES



ADMINISTRATIVE



LABOR



F&B/MERCH

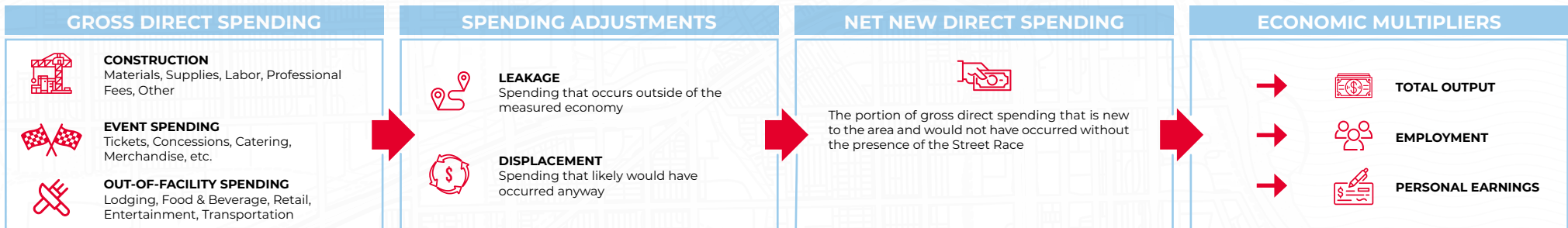
\$8.9M

TOTAL TAX REVENUE TO CITY OF CHICAGO, COOK COUNTY & STATE OF ILLINOIS

24,000

HOTEL ROOM NIGHTS IN CITY OF CHICAGO

STUDY METHODOLOGY



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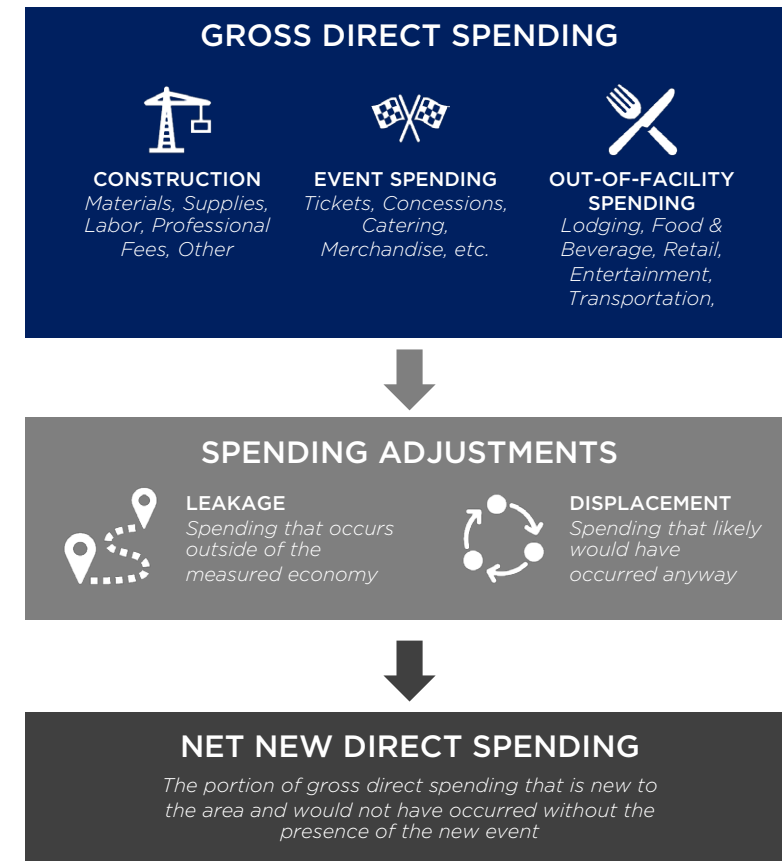
The construction and operation of the proposed CSR will provide quantifiable benefits to the local economy. Quantifiable measurements of the effects that the event could have on the local economy include economic and fiscal impacts, as summarized over the following pages.

DIRECT SPENDING

Direct spending represents the initial primary spending that would occur as a result of the construction and operations of the CSR event. As shown in the graphic to the right, direct spending is generated primarily through three ways: construction, event spending, and out-of-facility spending.

Gross direct spending will flow to various economic entities, including the event, service providers, restaurants, hotel operators, retail businesses, and other such entities. However, some of the spending that occurs in connection with the construction and ongoing operations of the venue will not fully impact the local economy. As such, reductions must be made to gross direct spending to reflect the amount of direct spending associated with the venue that is considered “net new” to the economy. These spending adjustments include adjusting for leakage, the portion of gross direct spending that is likely to occur outside of the measured economy (i.e., City, County), and displacement, the spending that would have likely occurred anyway in the local market without the presence of the event (displacement is often referred to as the substitution effect).

Gross direct spending is adjusted in order to estimate the incremental economic impact benefits generated to the local economy. “Net New” direct spending is calculated by applying these adjustments for leakage and displacement, which represents the portion of gross direct spending that is new to the area and would not have occurred without the presence of the event.



STUDY METHODOLOGY

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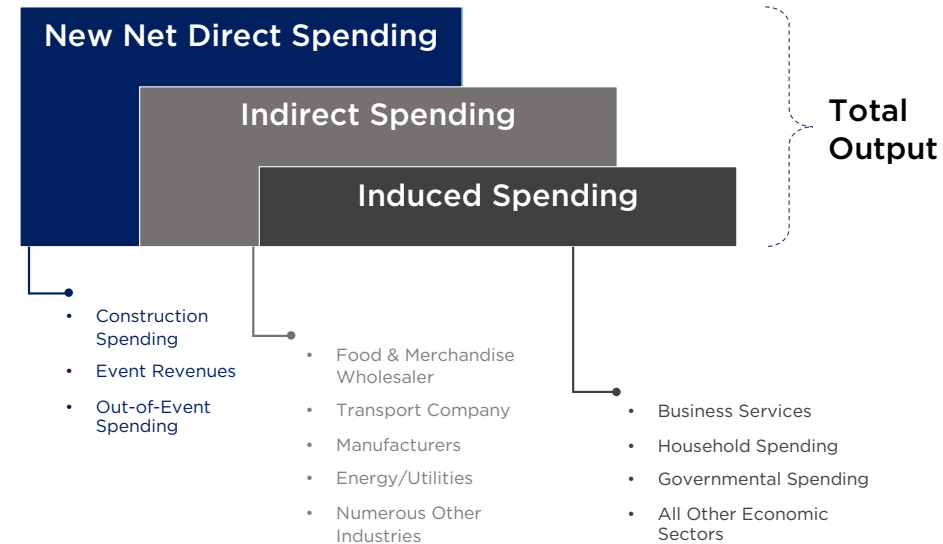


MULTIPLIER EFFECT

Economic impacts are further increased through re-spending of direct spending. The total impact is estimated by applying an economic multiplier to initial direct spending to account for the total economic impact. The total output multiplier is used to estimate the aggregate total spending that takes place beginning with direct spending and continuing through each successive round of re-spending. Successive rounds of re-spending are generally discussed in terms of their indirect and induced effects on the area economy, as follows:

- **Indirect effects** consist of the re-spending of the initial or direct expenditures. These indirect impacts extend further as the dollars constituting the direct expenditures continue to change hands. This process, in principle, could continue indefinitely. However, recipients of these expenditures may spend all or part of it on goods and services outside the market area, put part of these earnings into savings, or pay taxes. This spending halts the process of subsequent expenditure flows and does not generate additional spending or impact within the community after a period of time.
- **Induced effects** consist of the positive changes in spending, employment, earnings and tax collections generated by personal income associated with the operations of the event. Specifically, as the economic impact process continues, wages and salaries are earned, increased employment is generated, and spending occurs in virtually all business sectors.

The graphic to the right illustrates the flow of direct spending through the successive rounds of re-spending, including the indirect and induced effects.



STUDY METHODOLOGY

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MULTIPLIER EFFECT (Cont'd)

Indirect and induced effects are calculated by applying the appropriate multipliers to the net new direct spending estimates. The appropriate multipliers to be used are dependent upon certain regional characteristics and also the nature of the expenditure. Generally, an area which is capable of producing a wide range of goods and services within its borders will have high multipliers, a positive correlation existing between the self-sufficiency of an area's economy and the higher probability of re-spending occurring within the region. If a high proportion of the expenditures must be imported from another geographical region, lower multipliers will result.

The multiplier estimates used in this analysis are based on the RIMS II system, which is a regional economic model developed by the U.S. Bureau of Economic Analysis that is used by investors, planners, and elected officials across the country to accurately assess economic impact, and are specific to Cook County, IL. The specific multipliers used in this analysis are shown in the chart to the right.

Multipliers are applied to direct spending to calculate the following measures of economic impact, as shown in the graphic to the right:

- **Total Output** represents the total direct, indirect, and induced spending effects generated by the CSR.
- **Employment** is expressed in terms of total full-time equivalent (FTE) jobs and includes both full- and part-time jobs.
- **Personal Earnings** represent the wages and salaries earned by employees of businesses impacted by the CSR.

ECONOMIC MULTIPLIERS (COOK COUNTY)			
	Total Output	Employment (FTE)	Personal Earnings
Admissions	1.94	14.71	0.50
Construction	1.86	9.10	0.53
Entertainment	1.94	14.71	0.50
Food and Beverage	1.99	20.14	0.64
Lodging	1.83	10.72	0.45
Office	2.05	12.76	0.62
Other	2.00	19.35	0.65
Parking	1.92	19.60	0.43
Retail	1.89	13.91	0.52
Transportation	1.92	19.60	0.43

*Note: Total Output and Personal Earnings multipliers are applied one-to-one to dollars, whereas Employment multipliers are applied one-to-one to millions of dollars.
Source: RIMS II.*

