

Richmond Times-Dispatch

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Friday, March 27, 2009 |

Study: RIR generates \$467 million in economic activity



DEAN HOFFMEYER/TIMES-DISPATCH

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Published: March 27, 2009

ECONOMIC IMPACT OF RIR:

- [Read the Executive Summary](#)

Richmond International Raceway generates \$467 million in economic activity annually for the state and the Richmond area, according to a study released yesterday by The Washington Economics Group Inc.

The impact comes from the income paid to workers, taxes that are generated and money spent during events.

The 1,000-acre Richmond Raceway Complex in Henrico County just north of the city includes a three-quarter-mile racetrack surrounded by grandstands with 112,029 seats. The complex, formerly home to the State Fair of Virginia, also has six buildings with more than 300,000 square feet of space for meetings and exhibitions.

"These numbers speak loud and clear, and we are happy to make such a positive impact on Virginians across the commonwealth," said RIR President Doug Fritz. "We're proud to be a part of the Virginia economic engine."

The track stages NASCAR events -- Sprint Cup and Nationwide -- in May and September and an IndyCar Series event, the SunTrust Indy Challenge, in June. The complex also hosts trade shows, concerts, festivals and corporate meetings.

The two NASCAR race weekends each account for \$168.5 million, according to the study. The IndyCar race generates nearly \$53 million and other events at the Richmond Raceway Complex account for \$77 million.

Virginia Lt. Gov. Bill Bolling, on hand for the news conference at the state Capitol, said the \$85 million in tax revenue and more than 7,700 jobs generated by RIR give Virginians "85 million reasons why we love Richmond International Raceway and 7,700 more reasons why we love these permanent jobs."

Bolling added that even though Bristol Motor Speedway is in Tennessee, it is only a few miles from the Virginia line and its two NASCAR events have had a significant impact on the commonwealth's economy, particularly with lodging and discretionary spending.

Henrico County Manager Virgil R. Hazelett said having the facility in the county is a boon in difficult times.

The county's Department of Finance said RIR brings revenue into the county in the form of hotel, property and sales taxes -- revenue especially welcome now. In the past year the county has lost Circuit City, with LandAmerica and Qimonda soon to follow.

"We have to keep the economy moving, and RIR brings jobs and revenue we need," Hazelett said.

The complex's success goes beyond what the report shows, said R. Jon Ackley, an economics professor at Virginia Commonwealth University who teaches and writes about the business of NASCAR.

The national attention garnered from being on national television three times a year and the 200-plus media members who attend the race and write about it focuses attention on the area.

"That's a position that doesn't necessarily translate into dollars," he said.

Philip Porter, a professor of economics specializing in sports at the University of South Florida, said the numbers should be taken with a grain of salt.

Porter -- who has studied and written about the economics of the Olympics, Super Bowl and World Series -- argues that impact studies based on events that happen once or twice a year don't account for the amount of money that leaves an area once an event is over.

That doesn't mean there aren't benefits to an area, they just aren't as great as studies makes them seem, Porter said.

How long RIR can maintain the \$467 million-per-year pace is unclear. The track is feeling the effects of a sour economy.

Last fall the track did not sell out its Sprint Cup race -- partly because the race was delayed a day by Tropical Storm Hanna. It was first time in 34 races that RIR had not sold out a NASCAR Sprint Cup event.

Charles K. Yaros, who helped write the study for The Washington Economics Group, said attendance is sure to be an issue this year and that it's unlikely the area will see \$467 million this year.

"You will see a drop-off in 2009," he said. "It's going to be a rough year."

To encourage people to come the May event, RIR has lowered some ticket prices, has encouraged area hotels to keep race-weekend prices in check and has collaborated with AirTran Airways to secure a discount for fans flying in for the race.

Details are available on the track's Web site: <http://www.rir.com>.

Fritz said yesterday that it will be a challenge to sell out next month's Crown Royal Presents the Russ Friedman 400.

"We are optimistic [the May 2 race] is going to be a sellout," Fritz said. "What we've seen so far, people are hanging on to their money and are likely to spend less at the racetrack."

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Track impacts

International Speedway Corp. owns 12 NASCAR Sprint Cup Series venues. Economic-impact studies for seven of those tracks found the following annual impact figures:

Daytona International Speedway: \$1.9 billion

Richmond International Raceway: \$467 million

Talladega Superspeedway: \$407 million

Homestead-Miami Speedway*: \$248 million

Kansas Speedway*: \$243 million

Martinsville Speedway: \$170 million

Darlington Raceway*: \$54 million

* Hosts only one Sprint Cup race annually. The others host two.

SOURCE: International Speedway Corp.