Agenda - Executive Policy Committee - July 14, 2004

Report - Standing Policy Committee on Public Works - July 6, 2004

Item No. 5 Investigation into the possibilities for the development of a Motor Sport Park in Winnipeg
File ST-4

STANDING COMMITTEE RECOMMENDATION:

On July 6, 2004, the Standing Policy Committee on Public Works concurred in the administrative recommendation and submits the following to Council:

1. That the City of Winnipeg not enter directly into the motor sport park business (no direct development and/or operation) and that the portion of the June 23, 2003 Council Motion pertaining to the possibility for the development of a motor sport park in Winnipeg be filed.

2. That the Administration continue to monitor related developments and assess opportunities to address cruising and street racing issues.

3. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

For the information of Council, the Standing Policy Committee on Public Works also referred the matter to the Standing Policy on Protection and Community Services and the Standing Policy Committee on Property and Development.

Agenda - Executive Policy Committee - July 14, 2004

Report - Standing Policy Committee on Public Works - July 6, 2004

DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On July 6, 2004, the Standing Policy Committee on Public Works concurred in the administrative recommendations and further, the Standing Policy Committee on Public Works referred the matter to the Standing Policy on Protection and Community Services and the Standing Policy Committee on Property and Development.

COUNCIL:

On April 24, 2004, Council concurred in the recommendation of the Standing Policy Committee on Public Works and adopted the following:

1. That the administrative report dated March 23, 2004, be received as information.

2. That no additional parking restrictions be implemented within Kildonan Park for 2004.

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On April 14, 2004, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Public Works and submitted the matter to Council.

STANDING COMMITTEE RECOMMENDATION:

On April 6, 2004, the Standing Policy Committee on Public Works concurred in the recommendation contained in the administrative reported, dated March 23, 2004 and submitted the matter to the Executive Policy Committee and Council.

COUNCIL:

On March 24, 2004, Council granted a thirty (30) day extension of time for the Standing Policy Committee on Public Works to report back on enhanced traffic management and/or enforcement in problem areas, and further, that the Administration be requested to report back on the possibility of installing “No Parking” signs along portions of the roadway in Kildonan Park.

Council further granted a one hundred and twenty (120) day extension of time to the Standing Policy Committee on Public Works to report back on the possibilities for the development of a motor sport park in Winnipeg including costs, capital and operating funding, projected revenues, location, size and other considerations; and to identify any other potential solutions.

Agenda - Executive Policy Committee - July 14, 2004

Report - Standing Policy Committee on Public Works - July 6, 2004

DECISION MAKING HISTORY (Continued):

COUNCIL:

On October 22, 2003, Council granted a sixty (60) day extension of time for the Standing Policy Committee on Public Works to report back on the matter.

STANDING COMMITTEE RECOMMENDATION:

On October 7, 2003, the Standing Policy Committee on Public Works requested that a sixty (60) day extension of time be granted in order for the Administration to report back on the matter.

On July 8, 2003, the Standing Policy Committee on Public Works referred the matter to the Administration to convene a high level committee comprising of, but not limited to the following departments: Planning, Property and Development, Winnipeg Police Service, Community Services and Public Works.

COUNCIL:

On June 25, 2003, Council ruled automatic referral of the following motion to the Standing Policy Committee on Public Works:

WHEREAS the Parks and Open Space Division of the Public Works Department has been working with the Winnipeg Police Service for solutions to the cruising/vehicle congregating/street racing problems on Portage Avenue, in Kildonan Park and various other locations;

THEREFORE BE IT RESOLVED that the Administration be directed to:

1. consider enhanced traffic management and/or enforcement in problem areas;

2. investigate the possibilities for the development of a motor sport park in Winnipeg including costs, capital and operating funding, projected revenues, location, size and other considerations;

3. identify any other potential solutions;

and report back within 90 days to the Standing Policy Committee on Public Works and that the Standing Policy Committee on Public Works consult with the Standing Policy Committee on Protection and Community Services and the Standing Policy Committee on Property and Development.

ADMINISTRATIVE REPORT

Re: Investigation into the possibilities for the development of a Motor Sport Park In Winnipeg

For Submission To: Standing Policy Committee on Public Works

Original Report Signed By: Acting Director of Public Works

Report Date: June 25, 2004

Recommendations:

1. That the City of Winnipeg not enter directly into the motor sport park business (no direct development and / or operation).

2. That the Administration continue to monitor related developments and assess opportunities to address cruising and street racing issues.

REPORT SUMMARY:

Key Issues:

- No other municipal government was found to be in the motor sport park business and the Administration concurs with this position for the City of Winnipeg.

- Police Departments in some municipalities support "street legal racing programs" at private race facilities and participate in the programs to interact with youth and adults interested in cruising and street racing. Programs for youth at these facilities have assisted in reducing street racing.

- Rough estimates, for illustration and discussion purposes only, are that a private operator would likely have to invest upwards of $4.25 million in an initial phase to develop a motor sport park. Total estimate is $6.64 million.

- A private operator is currently piloting "acceleration trials" at the former St. Andrews airstrip and the Administration will monitor this and other developments to determine the extent to which it may provide opportunities to alleviate cruising and street racing.

IMPLICATIONS OF THE RECOMMENDATION(S):

General Implications:

[X] None
[ ] For the organization overall and/or other departments
[ ] For the community and/or organizations external to the City
[ ] Involves a multi-year phase in process

Comment(s):

Policy Implications:

[X] No
[ ] Yes

Comment(s):

Environmental Implications:

[X] No
[ ] Yes

Comment(s):

Human Resource Implications:

[X] No
[ ] Yes

Comment(s):

Financial Implications:

[X] Within approved current and/or capital budget
[ ] Current and/or capital budget adjustment needed

Comment(s):

REASON FOR THE REPORT:

On June 25, 2003, Council directed the Administration to consider enhanced traffic management and/or enforcement in problem areas; investigate the possibilities for the development of a motor sport park and identify any other potential solutions; and report back to the Standing Policy Committee on Public Works and for subsequent consultation with the Standing Policy Committees on Protection and Community Services and Property Development.

HISTORY:

On March 9, 2004, the Standing Policy Committee on Public Works recommended to Council that a 30-day extension be granted to report back on enhanced traffic management and enforcement in problem areas; and that a 120-day extension be granted to report back on the possibilities for the development of a motor sport park.

On April 13, 2004, Standing Policy Committee on Public Works received, as information, an administrative report on enhanced traffic management and enforcement to control vehicle cruising, congregating and street racing, on Portage Avenue, in Kildonan Park and various other locations in the City of Winnipeg.

DISCUSSION:

The development of a motor sport park in Winnipeg has been identified by the Winnipeg Police Service as one potential critical contributor to the reduction of vehicle cruising, congregating and street racing. In recent years, these activities caused noise and other public disorder complaints along Portage Avenue and in Kildonan Park on Sunday nights late April to August. Street racing has occurred, to some extent, for over 50 years but has grown in popularity in the last few years and continues to occur at various locations and times all around the city.

In 2002, the Winnipeg Police Service formed a task force to better address street racing and cruising and, in addition to enhanced enforcement activities, began to implement prevention and intervention strategies. These initiatives included working with Polo Park Mall to close the parking lot on Sundays and the development of a citizen patrol made up of members from car clubs and/or the community to be “the eyes and ears” for the Police Service.

Benchmarking of Other Cities

The following was gathered from 3 cities who have made use of some form of motor sport park.

1. Calgary, Alberta

Race City Motor Sport Park, a private facility, runs its “Secret Street” on Friday nights. The intent of Secret Street is to provide an opportunity for street racers to race their vehicles in a safe environment, in the interest of reducing the amount of racing on the streets of Calgary. Officials say the program has assisted in reducing street racing.

2. San Diego, California

The parking lot of Qualcomm Stadium, a private facility, has been converted to a drag strip on designated evenings with controlled conditions; appropriate safety measures for both racers and spectators; and police and paramedic presence. This initiative, which received political and police support coupled with increased fines for street racing, has diminished the magnitude of the problem.

3. Saskatoon, Saskatchewan

The Saskatchewan International Raceway, a private facility, located on the outskirts of the City, runs its “Street Legal” events on specific evenings, which cater to the street racing culture. The Saskatoon Police Service, as part of their “Street Legal Racing Program”, have built a race car and compete against the racers at the track. They use this interaction with the youth as an opportunity to educate them as to the perils of illegal street racing; drug and alcohol abuse; and impaired driving. It was found that since its inception, street racing has been reduced by 80%.

Motor Sport Park Concept

No other municipal government was found to be in the motor sport park business and the Administration concurs with this position for the City of Winnipeg. However, one option for the development of a motor sport park could be for the City of Winnipeg to sell or lease land to a private interest who could enter into a management agreement to develop and operate a facility. The following outlines a generic motor sport park concept and rough estimate to identify the obligations that a private operator would likely have to address in making a business case.

A motor sport park facility could consist of two major phases requiring approximately 30 hectares or more land.

1. Racing Strip and Associated Amenities
   - One eighth mile, two lane racing strip complete with concrete safety barriers, staging area, sequential starting lights, and time board
   - “Burnout” area with concrete barriers
   - Spectator area with bleachers to accommodate 900 people
   - Concession/washroom facilities

- Spectator parking for 400 vehicles
- 600 car parking area for vehicle displays – “Show and Shine”
- Site lighting to accommodate evening racing
- Site fencing, entrance kiosk, spotter’s booth, and sound system

2. Vehicular Cruising and Recreational Park Component
   - Two lane perimeter road with provisions for parking along the majority of roadway
   - Pathways for in-line skating, cycling, walking, and jogging
   - Large grassed open field area(s)
   - Picnic shelters
   - Picnic tables; barbeques; benches
   - Associated landscaping

Estimated Capital Development Cost

o Phase 1 development cost:	$ 4.25 million
o Additional phase(s) of development:	$ 2.39 million
o Total estimated capital cost:	$ 6.64 million

The total estimated capital construction cost of a motor sport park is $6.64 million. (See Appendix 1 for the detailed cost breakdown).

Estimated Annual Operating Costs

In order to determine estimated annual operating costs, certain assumptions have been made as follows:

- The facility could operate from April 15th to October 15th of each year
- The facility could operate 3 days per week (Fri – Sun) plus on statutory holidays (81 days per year)
- The hours of operation could be 7:00 p.m. to 2:00 a.m.
- The facility could be rented out for daytime events such as car club “show and shines” on a “cost plus” basis
- Twelve (12) seasonal staff (including security) would be required to operate the facility
- A paramedic/ambulance service would be on standby at the site

The estimated annual operating cost of the Phase 1 development is $964,000 (see Appendix 2).

Estimated Annual Revenues

In order to determine estimated annual revenues, certain assumptions have been made as follows:

- Racing fees could be $25.00 per vehicle per day
- Spectator admission fees could be $6.00 per person
- Revenues could be generated from on-site billboard advertising, concession, and corporate sponsorship

The estimated annual revenues are approximately $800,000 (see Appendix 2).

Note to all Estimates

All cost and revenue estimates are provided for illustration and discussion purposes only and may be subject to substantial change based on actual location, program elements, and a more comprehensive target group analysis.

Location

Any potential site must be readily accessible by road and well away from any residential development. Potential locations would be City-owned former landfill sites. As a result of their environmental shortcomings, such parcels of land are considered of limited marketability. However, these sites would be suitable for this application provided that they were adequately sized, accessible, and an appropriate distance from residential areas.

The Planning, Property and Development Department identified 13 parcels of vacant City-owned land that could be considered for the location of a motor sport park. Some of these parcels were adjacent to or former landfill sites. (See Appendix 3 for complete list of sites.)

Safety and Liability Issues

A well-controlled racing environment is paramount in ensuring that any risks associated with this activity are minimized. A private operator would have to ensure that racers produce a valid driver's license. Those under the age of 18 years would require consent from a parent or guardian. All vehicles would have to be licensed, insured, and registered. Written consent to race would have to be provided by the registrant of the vehicle, if someone other than the racer owns it. Further, all vehicles would be required to pass a strict safety inspection before being allowed to race. Precautions would also have to be taken to ensure that spectators are well protected and unable to access the racetrack.

The City would require that a private operator obtain special risk insurance underwritten by a specialty insurer. These insurers provide risk assessment services and normally get involved in the design and operating parameters of the facility.

Manitoba Public Insurance Corporation (MPIC) has indicated that Autopac coverage excludes racing. As such, racing participants would not be covered for damage to their cars. Further, the drivers themselves would not be covered for bodily injury under MPIC's Personal Injury Protection Plan. A private operator would have to take this factor into consideration.

Legal Issues

The City's Legal Services Division has indicated that the City of Winnipeg has the legal authority to lease or sell land appropriately zoned for the potential private establishment of a motor sport park within the City, and the authority to approve a management agreement for the development and operation, if so desired.

Former St. Andrews Airport Site

A private operator is currently running a driving program at the old St. Andrews airstrip and piloting several nights of "acceleration trials". As well, this operator attended a community meeting held on the Portage Avenue cruising issue. Depending on the interest shown, this operator may expand his program to assist in meeting the needs of cruisers and street racers.

Conclusion

This report provides basic information on the issues surrounding the potential for the development of a motor sport park. The Administration will continue to monitor related development to determine the extent to which they may alleviate cruising and/or street racing.

Financial Impact

The Department Controller concurs that there will be no Financial Impact Statement prepared as this report is for information only.

Financial Impact Statement **Date:** June 18,2004

Project Name: Motor Sport Park

COMMENTS:

There is no financial impact as this report is for information only. The recommendation is that The City not enter directly into the Motor Sport Park Business.

"Original signed by Darcy Stewart, CA"
Manager of Finance & Administration

Approved by Divisional Accountant Trainee:

6046

IN PREPARING THIS REPORT, THERE WAS CONSULTATION WITH AND CONCURRENCE BY:

Planning, Property and Development Department:
Real Estate Division
Planning and Land Use Division

Corporate Services Department:
Legal Services Division

Corporate Finance Department:
Risk Management Branch

Water and Waste Department:
Solid Waste Division

Winnipeg Police Service

THIS REPORT SUBMITTED BY:

Department:	Public Works
Division:	Parks and Open Space
Prepared by:	Don Budinsky, Manager of Parks and Open Space…986-2675
Processed by:	Christie Bachynski…986-3995
File No.	Investigation into the possibilities for the development of a Motor Sport Park in Winnipeg

Appendix 1

The estimated generic construction cost of a potential phase 1 motor sport park

1.	1/8 mile track (1/4 mile in length – 2 lanes – 6” reinforced concrete)	$215,600
2.	Staging area (6” reinforced concrete)	12,500
3.	Return road (heavy duty asphalt)	31,600
4.	Burnout area (6” reinforced concrete)	8,800
5.	Spectator are (gravel including bleachers & fencing)	47,600
6.	Concession / Washroom area (light duty asphalt)	10,500
7.	Car display area (heavy duty asphalt) – 600 cars	315,900
8.	Spectator parking lot (heavy duty asphalt) – 400 cars	210,600
9.	Site lighting / hydro	250,000
10.	Spotter’s booth (including timing / sound systems)	31,500
11.	Fire protection (well, holding tank and pump house)	70,000
12.	Concession / Washroom building	200,000
13.	Entrance / Ticket kiosk	3,200
14.	Site grading (4 hectares)	30,000
15.	Misc. items (concrete barriers / site fencing / portable toilets)	128,100
16.	Site grading	255,000
17.	Land drainage system	136,000
18.	Water service / irrigation	160,000
19.	Hydro / park lighting	265,000
20.	Asphalt roadway	200,000
21.	Asphalt pathways	100,000
22.	Sod and topsoil	150,000
23.	Park furniture	25,000
24.	Fencing	50,000
25.	Trees and shrubs	50,000
		$2,956,900
	Contingency @ 25%	739,225
		$3,696,125
	Professional Fees @ 15%	554,420
	Total:	$4,250,545

Additional phases of development

1.	Asphalt roadway	$450,000
2.	Walkways / paths	200,000
3.	Washroom / picnic shelter	225,000
4.	Sod and topsoil	300,000
5.	Park furniture	70,000
6.	Fencing	100,000
7.	Trees and shrubs	319,000

	$1,664,000
Contingency @ 25%	416,000
	$2,080,000
Professional Fees @ 15%	312,000
Total:	$2,392,000
Grand Total:	$6,642,545

Appendix 2 – Estimated Operating Costs and Revenues

Estimated Annual Operating Costs

1.	Staff Salaries		$274,000
2.	Equipment		8,000
3.	Material		22,000
4.	Lighting/Hydro		15,000
5.	Building custodial/repair		8,000
6.	Water		8,000
7.	Paramedic/ambulance stand-by		25,000
8.	Liability Insurance		62,000
			$422,000
		Contingency 10%	42,000
			$464,000
	Debt servicing costs on $3.75 million; assuming $500,000 direct investment		500,000
		Total	$964,000

Estimated Annual Revenues

1.	Racing fees (based on 11,150 vehicles/year)	$279,000
2.	Spectator admission fees (bases on 44,600 patrons/year)	268,000
3.	Concessions revenues	53,000
4.	Advertising and corporate sponsorship	50,000
5.	Special events	100,000
6.	Other rentals/programs	50,000
		$800,000

Expenses	$964,000	These figures are for illustration and discussion
Revenue	$800,000	purposes only and may vary significantly
Projected loss	($164,000)	depending on an actual business plan.

Appendix 3 – List of Vacant Parcels of City-owned Land with potential for a Motor Sport Park

1. Agricultural land on the west side of Waverley St. south of the Perimeter Hwy. as shown on Misc. Plan No. Riel 8626/2.
2. Parcel bounded by Plessis Rd. to the west; St. Joseph Rd. to the south; and Navin Rd. to the north.
3. Parcel south of the Perimeter Hwy. bounded by Seniuk Rd to the north; St. Mary's Rd. to the north-west; and Two Mile Rd. to the south-east as shown on Misc. Plan No. 10859.
4. Property bounded by Grassmere Rd. to the north; and McPhillips St to the west as shown on Misc. Plan No. 8523/2.
5. Property in West St. Paul on the north-west corner of Main St. and PTH 101 as shown on Misc. Plan No. 10929.
6. Summit Road Landfill Site as shown on Misc. Plan No. ASBA 9444.
7. Parcel south of the Perimeter Hwy. bounded by Waverley St. to the east; Rue Des Trappistes to the south and Brady Rd. to the west as shown on Misc. Plan No. APFG 5234/4K.
8. Property bounded by Rue Des Trappistes to the north; and Two Mile Rd. to the east as shown on Misc. Plan No. Riel 8807.
9. Property bounded by Youville Rd. to the north; and PTH 101 to the east as shown on Misc. Plan No. 7962/15.
10. Parcel of land bounded by Govt. Rd. Allowance to the east as shown on Misc. Plan No. 2505/1.
11. West End Lagoon Site as shown on Misc. Plan No. APFG 7912.
12. Parcel bounded by Charleswood Rd. to the west; and just north of Four Mile Rd. to the south as shown on Misc. Plan No. APFG 7977
13. Property bounded by Govt. Rd. Allowance to the west; and power transmission line west of McPhillips St. to the east as shown on Misc. Plan No. M-1393-7.