

DETROIT GRAND PRIX EVENT PROPOSAL

DNR-SUBMITTED ASSESSMENT AND CONSIDERATION

July 27, 2018

Background

The Detroit Grand Prix dates back to 1982. The race event was held in downtown Detroit for 10 years.

From 1992 to 2001 the event was held on Belle Isle. After a few years, the Grand Prix returned in 2007, 2008, then was brought back from 2012 through 2018. It has been a signature Detroit tradition for over 30 years. The 2019 Grand Prix would represent the 30th event in Detroit's history.

The Detroit Grand Prix has benefited the city and metro area by:

- Being a part of the city's revitalization
- Stimulating tourism, attracting close to 100,000 people each year
- Promoting the city's profile, as a televised worldwide event
- Adding – through the entire event – over \$58 million in total spending to the local economy in 2017
- Providing employment and volunteer opportunities
- Providing educational opportunities to youth in Detroit

The Detroit Grand Prix has benefited Belle Isle Park by:

- Enabling the investment of over \$13.5 million in park enhancements since 2007
- Offsetting maintenance of the west end of the park during the event
- Enabling valued partnerships such as funding for light replacement on the MacArthur Bridge
- Making possible the recurring repairs needed to restore the James Scott Memorial Fountain to seasonal operation
- Refurbishing the Casino building, replacing roadways and sidewalks, making drainage system improvements, adding playscapes and picnic tables, removing unused boat docks at the Boat Club
- Sponsoring free Recreation Passports to residents and senior citizens in Detroit
- Funding equipment for the faith-based startup program "Bringing the Outdoors to the Neighborhood"

The Detroit Grand Prix has affected Belle Isle Park by:

- Disrupting, in varying degrees, the general recreational use of the park's west end for 65 days in 2018 during the emerging late spring season.
- Encumbering the direct access and use for the three-day race weekend and creating car noise during daytime hours.
- Creating visual distractions with barriers, fences, grandstands and other support structures

- Removing selected facilities and areas from the public's ability to reserve those areas for private events.

Summary of public comments

The Department of Natural Resources has accepted public comments since September 2017, when it hosted two public listening sessions.

Major themes in those comments included beliefs that:

- A car race does not belong in a public park
- The Grand Prix was needed to help Belle Isle Park, but is no longer needed now that the state manages the park
- The race negatively affects the natural environment
- The event is great for the city and promotes Detroit worldwide
- The Grand Prix directly provides jobs and helps local businesses such as hotels and restaurants
- The race provides educational opportunities for Detroit youth
- The race provides a unique volunteer opportunity for Detroiters
- The event is good but could be moved to another site like the Detroit Airport or former fairgrounds.
- The event is counter to the DNR's stated mission
- The Grand Prix is a big moneymaker for a few

Evaluation of the proposal

The diversity of outdoor recreation opportunities and spaces available in Michigan's state park and recreation system does lead to a variety of events. Though the Detroit Grand Prix is a unique event among those typically requested in state parks and recreation areas, it is similar in the sense that several events have encumbered public areas in the parks during setup and takedown and for the duration of the events. Some examples:

- Silver Lake State Park – The park located near Hart, Michigan, hosts a robust campground, beach, boat access site and a 450-acre, off-road vehicle area that permits ORVs to ride on the sand dunes seven days a week from April to October. This is one of three in the United States that provide an ORV sand dune experience.

There are several dune ride concessions that we permit tours and riders to use the area. Various special events are held on the site.

- Pontiac Lake Recreation Area – Hydroplane Boat Races. For many years this event was held in August. The long weekend event encumbered the park beach area and for nearly a week for setup and takedown for the race.
- Grand Haven State Park – Professional beach volleyball tournaments are hosted during the summer, as well as 3-on-3 soccer tournaments hosted in the beach area on select weekends.

Grand Haven State Park – Coast Guard Festival. The city of Grand Haven and the Coast Guard have hosted this event since 2002. It typically is held July 27-Aug. 5. This 10-day event uses Grand Haven State Park as part of the greater festival area for support of events that include.

- Car shows
 - An air show
 - Musical performances
 - Boat races
 - A water ski show
 - Running races
 - A carnival
- July 4 Fireworks – Several state parks participate in fireworks shows and associated activities, including the setup and takedown. These include Sterling State Park, Grand Haven State Park, Mears State Park and Belle Isle Park. All have a variety of restrictions for public use.

Michigan state parks host and actively partner on a variety of outdoor recreation activities and experiences in addition to those described above. State parks, harbors and trails are popular destinations that quickly become valuable assets and recognized parts of the communities they serve.

Being collaborative partners and neighbors is part of the DNR’s larger purpose. We are committed to broadening public access to quality outdoor recreation and contributing to the local economy. One recent example: The DNR is working with Oakland County Parks to build a new 250- to 300-acre off-road vehicle park.

All of these efforts are integral to stimulating the economy in Detroit and southeast Michigan, as one of the state of Michigan’s 10 “prosperity regions.”

Grand Prix Event Assessment Summary Issues

1. First key issue – Determine if the proposal to extend the event would be permitted.

Assessment Conclusion Summary

<u>Assessment Key Considerations</u>	<u>Result Summary</u>
1. History of event	1. The event has occurred on Belle Isle since 1982 with a few year gaps. However, the event dates to 1982.
2. Benefits to the park and the city	2. Documented financial - \$58 million in spending for the local economy Brings close to 100,000 visitors a year to Detroit. This is part of the

	<p>continuing goal for the city to stimulate visits to Detroit.</p> <ul style="list-style-type: none"> • The worldwide TV coverage garners an audience in the millions which benefits the city’s image. • Assists in bolstering the SE Michigan prosperity zone designated by the state of Michigan • Engages approximately 1,000 volunteers, including nearly 250 from the City of Detroit
<p>3. Effect on visitors’ park usage</p>	<p>3 The Grand Prix proposes setup 39 days prior to the race, 3 race days and 20 days for loadout totaling 62 days. Of those 62 days, there will be public access to the park features on the west end of the park for 41 days.</p>
<p>4 Public comment</p>	<p>4. Public input has been received since September 2017 as part of the two listening sessions. Between comments, emails and letters there have been hundreds of opinions shared, including a mixture of pro and con messages. This indicates many points of view and perceptions. Since July 13, 2018, the DNR has received nearly 300 emails.</p>
<p>5 The balance of value vs. impact</p>	<p>5. During the Grand Prix, public rentals of spaces are affected. The current estimate for lost rental revenues (based on likely usage) for picnic shelters and other facilities totals \$142,300. The proposed fee would cover that lost opportunity.</p>
<p>6 Environmental assessment</p>	<p>6.</p> <ul style="list-style-type: none"> • The event setup starts after the bird and waterfowl migration occurs. • A bird assessment reveals that song birds and others reside in the flatwoods and east end of the park, as the habitat is more abundant. • There is now a bald eagle nesting on Belle Isle in the flatwoods area. An Audubon Society representative did a timed observation assessment of the eaglet born this spring. There were documented observations done during the actual Grand Prix races and there was no impact reported. The greater impact occurred as

	<p>observers came close to the nest. Also, there was concern raised about the media TV helicopter passing over the nest area.</p> <ul style="list-style-type: none"> • According to DNR wildlife staff there was no real impact to other animals, as they remain in the middle east end of the island, with less development and more natural habitat. There are seagulls and Canada geese and other small animals living in the west end of the park. • In early June the car counter can total over 10,000 car trips to the park. During the three days of the race there are far fewer vehicles going into and around the park. There are approximately 80 race cars. Patrons are bused into the park as well.
<p>7 The Grand Prix proposal for event time frame, future investment in the park and the use fee.</p>	<p>7. Proposal</p> <ul style="list-style-type: none"> • Timeframe to set up and remove – total timeline proposed is 62 days, down from 65 in 2018 and reduced from 95 days in 2015 • Investment contributions to Belle Isle Park for any park DNR priority projects as follows: <ul style="list-style-type: none"> ○ \$50,000 per year ○ \$35,000 per year ○ Dedicated to paddock projects and programming • Note this is new and was not part of the previous agreement with the city of Detroit. • Proposed annual event fee of \$300,000, up from \$200,000 in 2018 and prior to that. • Continuing annual maintenance of landscaping and repairs (to the satisfaction of the DNR) • All barriers, equipment and other structures removed off Belle Isle Park land following the race teardown. Previously, the storage occurred in the park.
<p>8. Loss of park revenue and use of rentable park facilities</p>	<p>8. The proposed fee is \$300,000. This fee offsets the estimated \$142,300 in lost revenue from potential rental of shelters and facilities encumbered by the event.</p>

9. Compatibility with Belle Isle Strategic Management Plan	9. The Belle Isle Strategic Management Plan does recognize that major events are held in the park. It provides for a review that assesses impact and other factors. Due to the history, size and scope of the Grand Prix, the assessment criteria have expanded to include the broader impact on the event including to the city of Detroit. The process included extensive public input that has occurred over 10 months. Any agreement for such an event would include protections to insure the park is protected and that the requirements are completed.
10. Public access during event setup and takedown.	10. In 2018 roads and key features were accessible for approximately 41 out of 65 days.

Recommendation

After a complete review of the proposal, the DNR recommends to allow the Grand Prix to continue using Belle Isle Park as an event venue, with the following changes to their proposal:

Proposed by the Grand Prix	Required by the DNR
39 set-up days, 3 race, 20 break-down days to equal 62 days	Keeping in mind that the Grand Prix’s contract with the City of Detroit allowed for 84 days of set-up, race and break-down time total, the DNR finds the Grand Prix’s proposed timeline acceptable. In 2018 the Grand Prix’s total time on the island was 65 days. Moving to 62 days will reduce this further.
Park use fee- \$300,000	Park use fee – \$310,000
Park Contributions: <ul style="list-style-type: none"> • \$50,000 annual contribution for park needs determined by the DNR • \$35,000 annual contribution for Paddock projects/programming 	\$100,000/year for park priorities determined by the DNR
Continued support for the Grand Premiere to keep aquarium funded, plus the fountain and park improvements.	Same
Access to the park during setup and takedown	Full public access on the roadways and to features of the park would be available 41 of the 62 days the Grand Prix would be on the Island.

Television broadcast helicopter access	To restrict helicopter flights to the west end and race course limits to prevent wildlife disruption in the flatwoods and east end of the park.
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The DNR's total proposed value of the Grand Prix use of Belle Isle is as follows:

\$310,000 annual fee
 \$100,000 annual park investment

Total: \$410,000 fixed annual contribution

In addition, the Grand Prix will continue to host the Grand Prixmiere, which over the last five years has raised an average of \$800,000 annually. The total is dependent on private donations that fluctuate year-to-year.

\$1,210,000 – Estimated total compensation and contribution, including average private donations

NOTE: The DNR Parks and Recreation Division annual operating budget for Belle Isle is \$2.5 million, plus \$1 million for capital improvements.

The Grand Prix fee, investment and fund raising would total \$1.25 million. This represents 34 percent of the entire annual budgeted operating budget.

In 2018, the Grand Prixmiere event generated more \$1 million in funds that were gifted to the Belle Isle Conservancy. Those funds will be used to keep the Belle Isle Aquarium operating free to the public, completing a priority infrastructure project yet to be announced and benefiting the Belle Isle Conservancy. In the future, funds raised through the Grand Prixmiere will be similarly distributed for these purposes, depending on the amount raised each year.