



CITY OF WASILLA

290 E. HERNING AVE.
WASILLA, ALASKA 99654-7091
PHONE: (907) 373-9050
FAX: (907) 373-9085

COUNCIL MEMORANDUM NO. 94-68

From: Mayor Stein

Date: September 26, 1994

Subject: Iron Dog

I am forwarding the grant request from the Iron Dog Gold Rush Classic. You will recall that on September 12 business manager Jim Strong briefed the Council on the race.

This project is of the kind which we would normally fund through our "economic development" account as a small economic development project.

With the commitment of the bulk of that account to the capital move, little is available for this project. Other contingency funds include the Council's account which contains \$12,877. Should Council wish to consider an appropriation from the fund balance a draft ordinance is included.

Mr. Strong will be at the October 10 meeting to answer any questions.

Administration respectfully asks Council's direction on this grant request.

John C. Stein, Mayor

Attachment: Packet
September 23, 1994 Letter

2274 MILES
WORLD'S LONGEST
WINTER EVENT

P.O. BOX 871567
WASILLA, ALASKA 99687



SNOWMOBILE RACE
ANCHORAGE - NOME -
WASILLA

PHONE: (907) 373-IRON (4766)
FAX: (907) 373-4761

HONORABLE JOHN STEIN, MAYOR
CITY OF WASILLA
290 E. HERNING AVENUE
WASILLA, ALASKA 99654-7091

RECEIVED
SEP 23 1994 JJS
City of Wasilla, Alaska

Sept. 23, 1994

Dear Mayor Stein:

In reply to your letter of concern regarding Grant request by the Iron Dog Inc. Gold Rush Classic of the City of Wasilla I herewith define the position of the grantee in order to clarify our requests and to justify same.

1. The Gold Rush Classic Race will start and finish in Wasilla over a six or more day period requiring people on duty, fencing, finish line, equipment ect. during this entire period.

We do not have the base of volunteers as does the Iditarod due to our recent growth factor, starting only one year prior. The start of the Race and all activities pertaining to same has previously been in Big Lake with volunteers coming from that area, however the move to Wasilla took away a big part of these volunteers. A new base of volunteers is being generated.

2. With a new Race start/finish location a new trail must be installed with a very substantial and safe start/finish line to withstand wind, hold banners ect. over the entire Race period. There will be posts, both large and small embedded in the ice then taken out after the Race.
3. Security is a big factor for Race related equipment.
4. We must have adequate signage, to notify all of the Race, in the form of large posters, trail signs of a reflective type so that all racers will stay on the given trail plus having posters at all trail or road crossings.
5. The costs as outlined represents equipment required but can be used year after year in most cases. The only personel hiring would be done in areas that require trained

To structure a new organization or event is always costly at best, as I am sure you realize in structuring the Wasilla Police Department. Although the Gold Rush Classic is an eleven year event 1994 was the first real growth year and the move to Wasilla for 1995 is also a new endeavor requiring new and additional expenses in order to produce a safe event of World Class Caliber, which is our goal.

The Gold Rush Classic organization fully expects to bear some additional expenses over and above that outlined in this Grant request plus donating countless man-hours of labor.

Based on my previous experience with the Iditarod the costs as outlined are at a low - cost for signs, trail makers, fencing, start/finish line, and other material necessities.

The Gold Rush Classic operates on a very low administrative budget with all funds directed to the purse other than fuel, trail expenses and the administrative costs which are less than ten (10%) percent of the entire budget.

With this in mind you can see that in order to maintain our status of a World Class Event we must retain a Purse larger than any other snow-mobile race along with the Longest Winter Event in the World. To take \$20,000. out of our purse in one year to make the move to Wasilla could hinder this status.

We ask for the benefit of the Gold Rush Classic Race and the City of Wasilla plus our Great State of Alaska that kind consideration be given our request so that Wasilla can be home to the World's Longest Winter Event and be proud of same.

I Thank You in advance for your kind consideration of this request for \$19,800. Grant to enable this World Class Event to take place in Wasilla.

MOST SINCERELY,



JIM STRONG, BUSINESS MANAGER.



CITY OF WASILLA

290 E. HERNING AVE.
WASILLA, ALASKA 99654-7091
PHONE: (907) 373-9050
FAX: (907) 373-9085

September 7, 1994

Mr. Jim Strong
Business Manager
Gold Rush Classic Iron Dog
P. O. Box 871567
Wasilla, Alaska 99687

Dear Jim:

Thank you for your grant request packet. I assume from the budgeted items that there will be considerable paid (or non-volunteer) time covered by this request. This is contrary to other similar grant requests (i.e., Iditarod) which focused mostly on materials and supplies to support volunteers.

The total grant request is high relative to the recent history of contributions to Iditarod. Those have been \$5,000 per year up to now. \$10,000 was approved for the 1995 Iditarod. Council will likely make this comparison.

I suggest that you present your case briefly in the Persons to be Heard section of September 12 Council meeting and ask for a spot on the agenda September 26. At the September 26 meeting we can forward the written grant proposal including any amendments you believe are appropriate. You may then give Council a detailed report on your plans and ask for action. I will accompany your proposal with a memorandum stating the Administration's recommendations.

Sincerely,

John C. Stein, Mayor

cc: Councilman Sarah Palin (with enclosure)

2274 MILES
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SNOWMOBILE RACE
ANCHORAGE - NOME -
WASILLA

PHONE: (907) 373-IRON (4766)
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RECEIVED

AUG 31 1994

City of Wasilla, Alaska

HONORABLE JOHN STEIN, MAYOR
CITY OF WASILLA
290 E. HERNING AVENUE
WASILLA, ALASKA 99654-7091

RE: The Iron Dog Gold Rush Classic

August 31, 1994

Dear Honorable Mayor Stein:

As a follow-up to our meetings and a letter dated 20th of May 1994 I wish to outline in more detail the plans of the Iron Dog Gold Rush Classic Race to have a Start and Finish of our Race at the Lake Lucille Inn, Wasilla.

The Gold Rush Classic is the Longest Winter Event in the World in distance covered plus now retains the honor of having the Largest Purse in Snowmobile Racing with a \$50,000. First Place Prize.

The positive notoriety of this event is growing very rapidly with our National Coverage of TV and my continued efforts to tell the World about our Race and other Events associated.

This Race is a six day event and the City of Wasilla businesses will realize financial benefits as many who come to see the start will remain for the finish, also at the Lake Lucille Inn. We are having a Sunday start in order to have the benefit of public visibility for a Saturday Finish.

Having the Start and Finish plus an office of the Iron Dog Gold Rush Classic in Wasilla will add considerably to public appeal for visiting by tourist and interested parties as the Gold Rush Classic grows.

The Iron Dog Inc., producer of the Gold Rush Classic Race and other events is a Non-Profit Corp., (501-C-3), with limited means of income and having all monies with the exception of operating costs being directed to the Purse we request the City of Wasilla to underwrite the actual costs other than

volunteer labor or goods donated toward the effort of moving the Race Start and Finish from Big Lake to Wasilla.

I have, through a study made derived at the following as cost, itemized for each category as best as possible as follows:

- 1). Setting up Start and Finish line, installing Start/Finish arch, fencing, pit area, parking, press area, public address system and any other requirements that may be deemed necessary.
= \$ 4,400.00
 - 2). Purchase of fencing, poles and signs to maintain safety and observation areas for spectators on Lake Lucille at the Start and Finish area.
= \$ 3,200.00
 - 3). Construction, cleaning, and actual marking of the trail with both 12"x12" reflective signs plus signs notifying all that a Race is taking place, signs and barriers where necessary at all road crossings. A new trail must be constructed from Lake Lucille to Big Lake which at present will follow the Lucille Creek but with final determination made after the area is snow covered and passible.
= \$ 3,600.00
 - 4). Purchase of all trail signs, poles and lathe for marking the trail.
= \$ 7,400.00
 - 5). Hiring of road/trail crossing guards as well as traffic/parking areas in order to maintain safety and order during the Race.
= \$ 1,200.00
- TOTAL = \$19,800.00**

Our efforts to make this the most outstanding event of it's kind in the World and one that everyone involved in snowmobile recreation and racing will want to be a part of. I am including a most recent Economic Impact Study by the International Snowmobile Industry Association of those registered machines showing the enormous interest and public involvement in snowmobiling as a racing sport and winter entertainment along with other studies previously done.

We Thank You in advance for your kind consideration of our requests and feel certain the Gold Rush Classic will be a very large attraction to our great little city, Wasilla.

MOST SINCERELY,


JIM STRONG, BUSINESS MANAGER.

1995



RACE

★ **WORLD'S LONGEST SNOWMOBILE RACE** ★

ANCHORAGE - NOME - WASILLA

2274 MILES

RACE START: 19 FEBRUARY '95"

\$50,000. 1ST PLACE PRIZE

**PURSE BALANCE: 2ND - 6TH TO BE ANNOUNCED PRIOR TO RACE START
MANUFACTURERS CONTINGENCY PURSES: SKI-DOO = \$15,000.**

OTHERS TO BE ANNOUNCED

BE AN "EARLY SNO-BIRD SIGN-UP" TEAM

BY PAYING 1/2 ENTRY FEE (\$1500) ON OR BEFORE THE

"EARLY SNO-BIRD SIGN-UP NIGHT"

6TH AUGUST '94 AT THE LAKE LUCILLE INN, WASILLA 7:00 PM (NO HOST)

MAIL ENTRY TO: THE GOLD RUSH CLASSIC - P.O. BOX 871567 - WASILLA, AK 99687

FOR INFO CALL: (907) 373-4766

★ **FINAL RACE SIGN-UP NIGHT - 10 DECEMBER '94 -LAKE LUCILLE INN - 7:00 PM** ★

THE IRON DOG GOLD RUSH CLASSIC 1994-95 RACE SEASON

CALENDAR OF EVENTS

- June 14, 1994: Annual membership meeting and installation of 1994-95 Board of Directors.
- August 6, 1994: Early Sno-Bird Sign-up Night and Raffle Drawing. Lake Lucille Inn, Wasilla-7:00 P.M.
- December 10, 1994: Final Sign-up Night at Lake Lucille Inn, Wasilla-7:00 P.M.
- January "95": (Date not confirmed) Gold Rush Classic Fun Day on Lake Lucille with many enjoyable events
- February 12, 1995: Trail Break Crew to leave Lake Lucille to mark the trail to Nome.
- February 17, 1995: Racers meeting at 4:00 P.M. (Location will be announced).
- February 17, 1995: Start Position Drawing Banquet at 6:30 P.M. (Location will be announced).
- February 18, 1995: Race Machine Inspection at Alaska Railroad Warehouse, Anchorage.
- February 19, 1995: Race Start-Anchorage.
- February 19, 1995: Race Re-start-Lake Lucille Inn, Wasilla with 1ST gas stop at Big Lake TESORO.
- February 21 or 22 1995: Half-way Prize Awards Event-Nome, Alaska.
- February 22, 1995: Trophy Class and Trail Ride Class Machine Inspection-Nome, Alaska.
- February 23, 1995: Trophy Class Racers leave Nome at 9:00 A.M.
- February 23, 1995: Trail Rider Class leaves Nome at 10:00 A.M.
- March 4, 1995: Awards Banquet at Lake Lucille Inn, Wasilla (This date may change).
- March 5, 1995: Race Information Headquarters closed.

The Race Information Headquarters will be set up at the Anchorage Westmark Hotel, The Lake Lucille Inn, Wasilla and the Mini Convention Center in Nome at a date to be determined.

ECONOMIC IMPACT OF SNOWMOBILING IN THE UNITED STATES

| | |
|---|-----------|
| Estimated number of snowmobiles in active use | 1,300,000 |
| Estimated new snowmobiles purchased annually | 105,000 |
| Estimated used snowmobiles purchased annually | 105,000 |

* * * * *

Annual equipment purchases:

| | |
|---|-----------------|
| New and used snowmobiles, clothing, parts, accessories and snowmobile repairs | \$1,034,850,000 |
|---|-----------------|

| | |
|--------------------------|--------------|
| State sales tax receipts | \$49,160,000 |
|--------------------------|--------------|

| | |
|--|---------------|
| Annual purchases of gas and oil used in snowmobiles | \$ 99,822,300 |
|--|---------------|

| | |
|-------------------------------|--------------|
| State gasoline tax receipts | \$13,923,000 |
| State sales tax receipts | \$ 1,473,700 |
| Federal gasoline tax receipts | \$14,988,000 |

| | |
|---|---------------|
| Annual expenditures on trips and outings for food, lodging, insurance, etc. | \$499,452,100 |
|---|---------------|

| | |
|--------------------------|--------------|
| State sales tax receipts | \$20,900,000 |
|--------------------------|--------------|

| | |
|-------------------------|--------------|
| State registration fees | \$11,342,200 |
|-------------------------|--------------|

| | |
|--|-----------------|
| TOTAL ANNUAL DIRECTLY RELATED ECONOMIC ACTIVITY | \$1,634,124,400 |
|--|-----------------|

| | |
|--|---------------|
| ANNUAL DIRECT STATE AND FEDERAL TAX AND REGISTRATION FEE RECEIPTS | \$111,786,900 |
|--|---------------|

SOURCES: International Snowmobile Industry Association 1992-1993
snowmobile registration survey; projections from
industry retail sales data; 1992 Profile of U.S.
Snowmobile Owners

ECONOMIC IMPACT OF SNOWMOBILING IN THE UNITED STATES

| | |
|---|-----------|
| Estimated number of snowmobilers | 8,600,000 |
| Estimated number of snowmobiles in active use | 2,000,000 |
| Estimated new snowmobiles purchased annually | 59,000 |
| Estimated used snowmobiles purchased annually | 59,000 |

* * * * *

Annual equipment purchases:

New and used snowmobiles,
snowmobile trailers, clothing,
parts, accessories and
snowmobile repairs \$ 637,475,000

state sales tax receipts 30,280,000

Annual purchases of gas and oil
used in snowmobiles \$ 206,100,000

State gasoline tax receipts 22,138,000
State sales tax receipts 1,912,000
Federal gasoline tax receipts 14,490,000

Annual expenditures on trips and
outing for food, lodging,
insurance, ect. \$ 386,000,000

State sales tax receipts 18,335,000

State registration fees
(revenues to states) 7,181,000

TOTAL ANNUAL DIRECTLY RELATED
ECONOMIC ACTIVITY \$1,229,575,000

ANNUAL DIRECT STATE AND FEDERAL
TAX AND REGISTRATION FEE RECEIPTS 94,336,000

SOURCES: International Snowmobile Industry Association projections
from industry retail sales data: recreation participation
survey of A.C. Nielsen Company: snowmobiler survey of upper
Great Lakes Regional commission, U.S. Department of Commerce.

11/84

This being a 1984 study we must double the amount shown on Directly Related
Economic Activity and Government Tax Receipts should be tripled.

A REPORT TO THE ANCHORAGE ASSEMBLY

Results From The 1993 Anchorage Snowmobile Dealer Survey and
The 1993 Anchorage Resident Snowmobile Rider/Owner Survey

Including A Business Expansion Plan For
The Anchorage Snowmobile Industry

From The
ANCHORAGE SNOWMOBILE CLUB
1993

SUMMARY OF 1993 SNOWMOBILE INDUSTRY SURVEY

1993 SNOWMOBILE RETAIL INDUSTRY PROFILE:

| | |
|--|---------------|
| ANNUAL SALES OF SNOWMOBILES | \$8.8 MILLION |
| Exporting of snowmobiles to buyers outside of Anchorage | \$1.8 MILLION |
| ANNUAL SALES OF TRAILERS | \$0.6 MILLION |
| ANNUAL SALES OF ACCESSORIES | \$1.6 MILLION |
| ANNUAL PAYROLL | \$1.0 MILLION |

1993 SNOWMOBILE OWNER/RIDER PROFILE:

THERE ARE AN ESTIMATED 26,000 SNOWMOBILE OWNERS/RIDERS IN ANCHORAGE

61% HAVE BEEN RIDING 10 OR MORE YEARS

--19% HAVE BEEN RIDING 3 YEARS OR LESS

--20% HAVE BEEN RIDING 4 TO 9 YEARS

36% HAVE TWO (2) SNOWMOBILES IN THEIR HOUSEHOLD

--25% HAVE THREE (3) SNOWMOBILES IN THEIR HOUSEHOLD

--22% HAVE ONE (1) SNOWMOBILE IN THEIR HOUSEHOLD

--17% HAVE FOUR OR MORE (+4) SNOWMOBILES IN THEIR HOUSEHOLD

34% WENT ON MORE THAN TWENTY (+20) SNOWMOBILING OUTINGS LAST SEASON

--41% WENT ON TEN TO TWENTY (10 - 20) OUTINGS LAST SEASON

--19% WENT ON FIVE TO TEN (5 - 10) OUTINGS LAST SEASON

--6% WENT ON LESS THAN FIVE (-5) OUTINGS LAST SEASON

26% RODE OVER 2,000 MILES ON THEIR SNOWMOBILES LAST SEASON

--25% RODE 500 TO 1,000 MILES

--23% RODE 1,000 TO 1,500 MILES

--13% RODE 1,500 TO 2,000 MILES

--13% RODE LESS THAN 500 MILES

46% RODE ZERO MILES IN THE MUNICIPALITY OF ANCHORAGE LAST SEASON

--38% RODE 0 TO 20% OF THEIR TOTAL MILES IN THE MUNICIPALITY

--10% RODE 20 TO 40% OF THEIR TOTAL MILES IN THE MUNICIPALITY

--4% RODE MORE THAN 60% OF THEIR TOTAL MILES IN THE MOA

--2% RODE 40 TO 60% OF THEIR TOTAL MILES IN THE MUNICIPALITY

THE AVERAGE HOUSEHOLD SPENT \$583 ON ACCESSORIES

--92% OF PRICE OF ACCESSORIES WERE SPENT IN ANCHORAGE

--32% OF RESPONDENTS SPENT \$250 TO \$500 ON ACCESSORIES

--28% SPENT OVER \$750

--20% SPENT BETWEEN \$500 AND \$750

--20% SPENT LESS THAN \$250

THE AVERAGE HOUSEHOLD SPENT \$468 ON REPAIRS/MAINTENANCE

--92% OF PRICE OF REPAIRS/MAINTENANCE WERE SPENT IN ANCHORAGE

--43% OF RESPONDENTS SPENT LESS THAN \$250

- 28% SPENT BETWEEN \$250 AND \$500
- 18% SPENT BETWEEN \$500 AND \$750
- 11% SPENT MORE THAN \$750

THE AVERAGE HOUSEHOLD SPENT \$297 ON FUEL FOR SNOWMOBILES

--62% OF PRICE OF FUEL FOR SNOWMOBILES WAS SPENT IN ANCHORAGE

- 30% OF THE RESPONDENTS SPENT BETWEEN \$100 TO \$200
- 25% SPENT OVER \$400
- 19% SPENT BETWEEN \$200 AND \$300
- 14% SPENT BETWEEN \$300 AND \$400
- 12% SPENT LESS THAN \$100

THE AVERAGE HOUSEHOLD SPENT \$442 ON FUEL FOR TRANSPORTATION VEHICLES DIRECTLY INVOLVED IN SNOWMOBILING

--77% OF FUEL FOR VEHICLES TRANSPORTING SNOWMOBILES WAS PURCHASED IN ANCHORAGE

- 36% OF RESPONDENTS SPENT \$150 TO \$300
- 26% SPENT OVER \$600
- 16% SPENT BETWEEN \$300 AND \$450
- 9% SPENT LESS THAN \$150

TOTAL DIRECT ECONOMIC IMPACT: \$32.6 MILLION

THE POTENTIAL

One method used for attempting to determine how a community can be positively impacted by a proposed industry expansion plan is to review how other communities may have benefitted from similar plans. Many other communities across North America currently provide snowmobiling opportunities. Ontario is currently building 4,000 km of new trails and up-grading 6,000 km of existing trails, resulting in a province-wide network of about 35,000 km of trails. This expansion is expected to generate \$10 million in tourism the first year, and \$35 million within five years. Last year alone, 52,000 Ontario residents spent \$241 million on the sport of snowmobiling. The community of Sudbury gained \$15 million from snowmobiling.

Saskatchewan recently completed an economic study of snowmobiling in their area. On the average, snowmobilers spent \$2,035 per person per season, and about \$400 per couple per weekend. These figures EXCLUDE purchases of snowmobiles, trailers, and accessories! The average rider puts 1,906 km (1,185 mi) on their snowmobile per season.

The province of Quebec estimates its snowmobile industry is worth \$250 million annually.

Canada currently has 75,000 km (46,600 mi) of trails for snowmobiling. They estimate 500,000 people enjoy the sport. Snowmobiling injects \$1.0 billion into the Canadian economy annually.

A Colorado study revealed that snowmobilers spent \$26.5 million on their sport in a season. Estimates show \$8.8 million is spent in a season on snowmobile purchases, operation, maintenance, and use-related expenditures.

Montana reports that non-resident snowmobile riders spend \$15.3 million in a season and generate \$3.8 million in payroll for Montana residents. Non-residents spend an average of 3.6 days per snowmobile outing and average 1.5 snowmobile outings. They spend an average of \$410 per person per season on food, lodging, clothing and other items, and an additional \$152 on snowmobile related articles. The snowmobile industry in Montana creates 350 jobs for residents. Resident snowmobilers in Montana spend an average of \$2,125 per person per season. Resident snowmobilers spent \$107.0 million in a season on snowmobiling activities. Residents spend 2.6 days per outing, averaging 8.6 outings per season.

South Dakota studied snowmobiling in the Black Hills area and discovered that for each thirty day period the total spending impact was in the range of \$337,000 to \$448,000. For their three month season, they estimate snowmobiling is worth \$1.0 to \$1.5 million. The amount of expenditures per person per day while snowmobiling is \$33 to \$61 for residents and \$66 to \$72 for non-residents.

Wyoming reports that non-residents spend \$333 per person per outing, or \$63 per day. Residents average \$106 per outing, or \$32 per day. Residents spend 3.36 days per outing while non-residents spend 5.1 days. The annual economic impact is estimated at \$25.7 million.

North Dakota's study of the economics of snowmobiling indicates that the average household spent \$2,407 on snowmobiling in a season. The average household made 19.1 outings in a season.

Washington estimates that snowmobiling households spent over \$13.0 million on snowmobile related expenditures in a season. Resident snowmobilers use snowmobile areas closest to their place of residence. Snowmobilers prefer single use, two-way, loop type trail systems accessing play areas and food, fuel, and lodging services.

In summary, snowmobiling is a major economic boost to state and local economies. The potential for economic benefits to the local Anchorage economy based upon the expansion of the existing industry are various and tremendous. Some of these benefits include making Anchorage a winter-time tourist destination for snowmobiling, increased employment, additional tax base, an increase in the days spent in Anchorage by visitors, increased access to parts of Anchorage and Alaska currently inaccessible to handicapped or non-athletic individuals, additional retail sales and other economic spin-off opportunities.

ECONOMIC IMPACT STUDY made by the Alaska State Snowmobile Club and printed in "THE SNOWRIDER" February 1992 issue.

1990-Snowmobiles sold in Alaska 5,000 ea.

1991-1992 season, Snowmobiles projected sales
in Alaska 7,000 ea.

1990-Snowmobiles in use in Alaska 46,514 ea.

1990-Snowmobiles registered where required 4,427 ea.

1990-Non-Public Highway use tax income to Alaska
from Snowmobile etc. use \$372,112

The above figures are rounded-estimates derived from information received from distributors and government agencies as well as individual Snowmobile Clubs and individuals of same.

These do not show the amounts spent on lodging, food, clothing, repair parts, etc. which is extensive.