



Agenda

OCCUPANCY TAX ADVISORY BOARD

January 28, 2020 – 10:00 A.M.

CITY HALL COUNCIL CHAMBERS

10:00 a.m.

Regular Meeting

I. Procedures:

- a. Call to Order
- b. Roll Call
- c. Approval of Agenda
- d. Approval of Minutes: November 26, 2019

10:15 a.m.

II. Updates:

- a. SF Lodgers Association
(Keith Kirk, SF Lodgers Association President, dph.sfe.gm@druryhotels.com)
- b. Lodgers Tax & Northern New Mexico Air Alliance
(Randy Randall, TSF Executive Director, rrandall@santafenm.gov, 955-6209)
- c. Short Term Rentals and Access to housing in Santa Fe Report
(Randy Randall, TSF Executive Director, rrandall@santafenm.gov, 955-6209)
- d. TSF Budget Draft review
(Randy Randall, TSF Executive Director, rrandall@santafenm.gov, 955-6209)

11:00 a.m.

III. CVB Activity Reports:

- a. Sales Report
(David Carr, TSF Director of Sales, dacarr@santafenm.gov, 955-6206)
- b. Marketing Report
(Jordan Guenther, TSF Marketing Director, jguenther@santafenm.gov, 955-6212)
- c. TSF Executive Director Report
(Randy Randall, TSF Executive Director, rrandall@santafenm.gov, 955-6209)

11:30 a.m.

IV. Other Matters by the Board

11:45 a.m.

V. Comments from the Audience

12:00 p.m.

VI. Adjournment

The next scheduled meeting will be held on February 25, 2020

Persons with disabilities in need of accommodations, contact the City Clerk's office at 955-6520, five (5) working days prior to meeting date.

RECEIVED AT THE CITY CLERK'S OFFICE

DATE: January 22, 2020

TIME: 1:53 PM

**SUMMARY OF ACTION
OCCUPANCY TAX ADVISORY BOARD
CITY HALL/ COUNCIL CHAMBERS
TUESDAY, JANUARY 28, 2020, 10:00 AM**

<u>ITEM</u>	<u>ACTION</u>	<u>PAGE</u>
CALL TO ORDER		1
ROLL CALL	QUORUM	1
APPROVAL OF AGENDA	APPROVED	1
APPROVAL OF MINUTES	APPROVED	1-2
<u>UPDATES</u>		
SF LODGERS ASSOCIATION	INFORMATION/DISCUSSION	2
LODGERS TAX AND NORTHERN NEW MEXICO AIR ALLIANCE	INFORMATION/DISCUSSION	2-4
SHORT TERM RENTALS AND ACCESS TO HOUSING	INFORMATION/DISCUSSION	4
TSF BUDGET DRAFT REVIEW	INFORMATION/DISCUSSION	4-5
<u>CVB ACTIVITY REPORTS</u>		
SALES REPORT	INFORMATION/DISCUSSION	5
MARKETING REPORT	INFORMATION/DISCUSSION	5-6
TSF EXECUTIVE DIRECTOR REPORT	INFORMATION/DISCUSSION	6-8
OTHER MATTERS FROM THE BOARD	NONE	8
COMMENTS FROM THE AUDIENCE	NONE	8

NEXT MEETING	FEBRUARY 25, 2020	8
ADJOURNMENT	ADJOURNED	8

**OCCUPANCY TAX ADVISORY BOARD
CITY HALL/ COUNCIL CHAMBERS
TUESDAY, JANUARY 28, 2020, 10:00 AM**

I. PROCEDURES

A. CALL TO ORDER

The meeting of the Occupancy Tax Advisory Board was called to order by Chair Rik Blyth, at 10:00 am, on Tuesday, January 28, 2020, at City Hall in the City Council Chambers, Santa Fe, New Mexico.

B. ROLL CALL

MEMBERS PRESENT

Rik Blyth, Chair
Carlos Medina
Keith Kirk
Tohnia Miller
Bonnie Bennett
Alex Fitzgerald, Ex Officio

MEMBERS ABSENT

OTHERS PRESENT

Randy Randall, Tourism Santa Fe Executive Director
Jordan Guenther, Tourism Santa Fe Marketing Director
David Carr, Tourism Santa Fe Sales Director
Elizabeth Martin, Stenographer

C. APPROVAL OF AGENDA

MOTION A motion was made by Ms. Bennett, seconded by Ms. Miller, to approve the agenda as presented.

VOTE The motion passed unanimously by voice vote.

**D. APPROVAL OF MINUTES
NOVEMBER 26, 2019**

MOTION A motion was made by Ms. Bennett, seconded by Ms. Miller, to approve

the minutes as presented.

VOTE The motion passed unanimously by voice vote.

II. UPDATES

A. SF LODGERS ASSOCIATION

Mr. Kirk said we are following back with the Mayor and the City councilors as to where we are on short term rentals and the impact they are having on Santa Fe. Our Association sent a letter asking the Mayor and Councilors to act by January 1st. We are still waiting for an update. We will send an email tomorrow asking where we are with the process. We are happy to help. Some sort of action needs to be taken very soon. We are more than happy to have short term rentals be part of the lodging community, but we want them to operate as hotels have to operate. We added a short term rental person to the Lodgers Board so we are not opposed, we just want it to be fair and balanced. Our new Executive Director is Jeff Mahon. We are looking forward to our next big event joint venture with Meow Wolf and the Hospitality Association to kick off the busy season in Santa Fe. It will be at the end of May or the first of June. It is a fundraiser for the Lodgers Scholarship Fund and a way for Meow Wolf to thank the lodgers for supporting their business as well.

B. LODGERS TAX AND NORTHERN NEW MEXICO AIR ALLIANCE

Mr. Randall said the Lodgers Tax Report is on page 10 of the packet. In reviewing the hotel list there were some hotels who reported late and did not get on this report. There are 19 instances where collections have not been recorded. The two reports are out of balance by \$400,000. In the review of the 19 missing collection numbers from hotels it appeared that accounts for \$350,000. He has identified the issue. He does not think we were down \$12,000 in November. Instead of up \$440,000 he thinks we were up closer to \$800,000. That is good news. It puts us up 10% year over year. On page 11 is the statistics report he puts out. For December it shows a good strong performance year over year. The Rocky Mountain Lodgers Report shows us down 2 points citywide. It appears Buffalo Thunder was down significantly for December. Short term rentals continue to increase. We now have an agreement with Home Away and VRBO to collect lodgers tax for the City. It will go to committees and Council for approval. We expect approval. By April 1st we will begin having them collect lodgers tax on new reservations. We are finding that since VRBO and Home Away started collecting GRT tax they have been calling it lodgers tax and telling owners that is all that is due. We think many are ignoring it. That is an offset to what we are gaining. We think we will get at least \$250,000 in new money out of this contract over the next 8 months.

Chair Blyth asked with Carol Johnson's departure someone is acting in the short term.

Mr. Randall said correct and we are seeing much more activity. There is a focus on it. We are 2 to 3 months away from any real change to the Ordinance, but in the next 2 weeks we will see a significant increase of activity on the current Ordinance. That will give us a chance to see the response to enforcement and we will have a better idea as to the changes for the Ordinances. His issue is we should not have requirements in an Ordinance that we can't enforce and we continue to do that. Another issue he thinks will come up is should short term rentals in commercial areas that are operating within their approved scope of business be treated any differently than short term rentals in residential areas. Should commercial area short term rentals have requirements more similar to hotels. Any feedback we can get on that would be appreciated.

Chair Blyth asked how many of that type are there.

Mr. Randall said we don't know. He would guess out of the 1,600 identified at least 300 would not be in residential areas. Between 300 and 400. Within the next 2 weeks we are supposed to be getting a much better list of short terms rentals operating without permits.

Mr. Medina asked so short term rentals in commercial areas operate the same as those in residential areas.

Mr. Randall said yes. Getting a permit is not required for commercial in the Ordinance. Greg Smith is doing a good job getting his arms around this. He thinks we will see a lot of improvement.

Mr. Randall said with regard to the Air Alliance, they have done a brand new financial impact analysis. The analysis is herewith attached to these minutes as Exhibit "1".

Mr. Randall said this that will be provided to our lobbyist to use if there are any questions about the Airport. It documents the Airport's importance. The Airport expansion is the City's number one request for funds from the Legislature. There is a new flight starting in mid April from American that will go until mid October.

Ms. Bennett asked is this a year old. It says January 2019.

Mr. Randall said that is a typo. It is a recap of 2019. The survey was done in October of 2019. The great news is the flight from LA. The Air Alliance is spending \$100,000 this year on marketing through June 30th. The intent is to maintain the flight. We hope there will be a shift to move some of those dollars to market this particular flight. It is non-stop. We want this to be successful. It needs loads of 80% or greater.

This will document for other airlines that there is sufficient traffic out of LA that would support a flight more than once a week. We would love to have it 3 times a week. It benefits tourism and the film industry in Santa Fe.

C. SHORT TERM RENTALS AND ACCESS TO HOUSING

Mr. Randall said there is no question that short term rentals are driving up the value of real estate in the historic district. As it drives up the values it drives long term rentals up. They are removing properties that could be long term rentals from the market and causing the demand to increase. Both housing and homelessness are key initiatives in the Mayor's administration. We will continue to see a focus on it. There is a lot of work going on behind the scenes in both of those areas. There is a proposed modification to the lodgers tax that would allow the long term rentals to be charged GRT and lodgers tax if they are not for permanent residents. The idea being if someone is renting for a year and if the renter is living and working in Santa Fe, there would not be lodgers tax. If it is not their primary residence and they are not here for a year they would have to pay lodgers tax. This is based on the phenomenon happening in Hobbs and the oil basin where hotels are rented out on a long term basis. There is a Bill in the Legislature where the requirements on lodgers tax for long term rentals would be removed and the City could use the funds as they want. The Lodgers Association is going to try to put those restrictions on. He spoke to Bill Fulgeniti and he is not in favor of the restrictions. It is a slippery slope. As soon as we allow any lodgers tax to be used without restrictions they will come back to try to use other lodgers tax in ways other than described by the lodgers tax enabling legislation.

D. TSF BUDGET DRAFT REVIEW

Mr. Randall said in the packet he provided a copy of Visitors Bureau budget and schedules that go with that and the Convention Center and the schedules that go with that. They are in draft form. This budget simply carries forward this years activity to next year with any additional costs. It is called a maintenance budget. We also added known contract increases we have to do to stay in business. The last pages are a set of items we will submit as proposals. These would be changes to the maintenance budget that are not required, but are desired by the Department.

Mr. Randall reviewed the items they are requesting additional budget for. These items are not included in the budget at this time until they are approved. It is an extra million dollars. If any of you individually or as a group have any input let him know. If you think this sounds good he will represent to Council and staff that it was reviewed and discussed at the OTAB meeting and the Board is in agreement. If you have any questions we will keep this on the agenda for discussion.

Chair Blyth asked this budget is from July 1st to June 30th.

Mr. Randall said yes.

Chair Blyth asked does the City employ an IT Specialist.

Mr. Randall said there are internal IT staff for the City. There are a couple of substantial numbers in both budgets that are taken out of our budget where we pay for City services. Those numbers are not negotiated. They are given to us.

III. CVB ACTIVITY REPORTS

A. SALES REPORT

Mr. Carr reviewed the sales report.

Chair Blyth asked if someone comes in and wants to see Buffalo Thunder or Four Seasons how do you handle that.

Mr. Randall said we let them play in the program. If they are only looking at County properties we would not, but as long as they are looking at City hotels as well we would.

Mr. Kirk asked on the booking report, is that correct that we were down.

Mr. Carr said yes it is. In 2018 we had a strong booking with NGA so we were down 3,000 room nights in 2019. Right now we have done about 6,000 room nights.

Mr. Kirk asked what is your estimate for next year.

Mr. Carr said he would like to see a 3% to 5% increase. We are seeing more turn downs year over year with groups and group sizes being reduced this year.

Chair Blyth said thank you.

B. MARKETING REPORT

Mr. Guenther reviewed the Marketing Report.

Mr. Kirk asked as to media visits, is there any way that when there are media requests for guest rooms donated that you could send back something to us that says who donated the rooms and a thank you for your responses. We need to be transparent especially when we are donating things for free.

Mr. Guenther said if you not getting a response let him know. We implemented

that change.

Mr. Kirk said we never get a response other than you don't need to hold that room. It would be good to see the hotels offering and who was picked.

Mr. Guenther said absolutely. We are working on a report of how each hotel responded and who did not.

Mr. Kirk asked if we are not able to donate at a particular time would you like us to give a definite response.

Mr. Guenther said that helps. We can do better.

C. TSF EXECUTIVE DIRECTOR REPORT

Mr. Randall said Tourism Santa Fe is making a presentation to the Hospitality breakfast group the first of February at the School of Cooking and it is sold out. Not for us, but for the great food. We are moving ahead with the MOU with the County for this year to finish out the year with the Film Office. Next year we expect we will do a four year contract. Eric Witt left the Film Office to do the production of a TV series here in the Santa Fe area. He personally does not think he will be coming back to the Film Office. We will post the position through the County. Jen has done a great job in the interim. If she applies and is the best applicant she will get the job and we will find a replacement for her. We have awarded a \$35,000 contract to Claire Hurtell on producing Literature Week for Santa Fe. It will take place the 3rd or 4th weekend of October. We need to make sure we schedule the first one when it can be successful. They will be the main producers of this one. We will be reproducing the 2019 Annual Report on tourism in Santa Fe hopefully at the end of February.

Mr. Randall handed out a report for the year showing where the primary visitors to Santa Fe came from. That report is herewith attached to these minutes as Exhibit "2".

Mr. Randall said we are about to enter into a contract with a company called See Source. It allows us to fence the City with a GO fence so that we can get the zip codes for visitors and produce this kind of report. We can GO fence the County, the historic district, the Airport, and downtown to see visitor usage. It is exciting information to have available to any of our tourism partners. We hope to have the actual number of visitors who come to Santa Fe annually. We hope to have it in place by the end of February or the first of March.

Chair Blyth asked if you are able to do zip codes can you capture New Mexico as well and the regions of New Mexico.

Mr. Randall said yes we will.

Mr. Medina asked what does it take to GO fence a business.

Mr. Randall said he is going to have to call See Source today. Clearly we will keep one flexible fence that we can move around such as Ft. Marcy to access Zozobra information and Wine and Chili then we can move it to another site. As to a business, we can GO fence a business. We get 6 included with our contract. It is \$100 a month beyond that. We could make it available if a business would reimburse us. He is not quite sure how that would work. If it is not a nonprofit we have to worry about the Anti-Donation Clause so clearly the business would have to pay for it. They should pay beyond our cost due to administration costs. They say we will be able to see hotels versus short term rentals.

Ms. Bennet said looking at the breakdown it seems about the same. Do you see any shifts.

Mr. Randall said Austin has jumped up higher. We can put together a history for a couple of years.

Mr. Guenther said it is mostly the same markets.

Mr. Randall said with See Source they add two years of history for a up front charge. This data is collected on us all the time. They buy the data from a 3rd party provider and we will get that. We did GO fence New Years Eve and there were some errors in it. It is still new technology. The owner of the company was a 14 year Mayor of Ogden, Utah. He understands the needs for the data. He is excited about it.

Mr. Kirk asked how do the cities rank up with our marketing efforts or State marketing efforts. Is there any correlation.

Mr. Randall said with the exception of New York and LA they are all priority markets of the State.

Mr. Guenther said Chicago is seasonal.

Mr. Randall said we need to find out if we can GO fence the State then we would be able to see what we are getting that the rest of the State is not getting. We are not sure we can do that affordably. There is a good chance we could get the State to do that. He has to prove it out. The cost is under \$20,000 a year as it is now.

Mr. Randall said we think we have come up with a solution for late night transportation at the Airport. Santa Fe Valet has been meeting the flights and providing free service. We are going to enter into a an agreement with then to guarantee them \$105.00 a night. The Airport has gotten a commitment from them through the balance

of the fiscal year. It will be a contract with Airport. This morning the Mayor mentioned that last week he attended the annual Conference of Mayors in Washington, DC. One of the most significant items discussed was human trafficking. Apparently there is a link to our hotels. He asked us to look into developing a human trafficking task force that would determine a training program for our hotels to spot human trafficking and awareness such as signage in bathrooms to let people know if they can get away we can help them and if you detect human trafficking what can be done. His intent is to take it to the Santa Fe Lodgers. Lifelink has a program dealing with human trafficking and he will get information on that. He will bring this to the Lodgers Association to see how we can move that ahead. We will work with properties in the County and Pojoaque as well to make sure we are doing something positive,

Mr. Kirk said our company has a nationwide program such as that. He will find out if the training we do could be rolled out by the City. It is basic training.

Mr. Randall said that would be great. We have to teach people how to identify it and what to do about it.

Mr. Fitzgerald said the Lifelink program is called Sojourners.

Ms. Bennett asked what is the expectation of how long we will keep all the paperwork we have been given for the OTAB grant.

Mr. Randall said there is no obligation to keep any of it.

IV. OTHER MATTERS FROM THE BOARD

None.

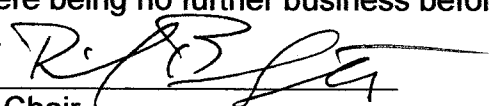
V. COMMENTS FROM THE AUDIENCE

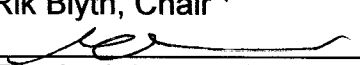
None.

VI. NEXT MEETING FEBRUARY 25, 2020

VII. ADJOURNMENT

There being no further business before the Board the meeting adjourned at 11:30 am.


Rik Blyth, Chair


Elizabeth Martin, Stenographer

→
JANUARY
2019

ECONOMIC & FISCAL IMPACT ANALYSIS OF THE SANTA FE REGIONAL AIRPORT

PRESENTED TO:

FLY SANTA FE
121 AVIATION DR.
SANTA FE, NM 87507



PRESENTED BY:



OTAB
Exhibit "1"
2

P.O. Box 1506
SANTA FE, NM 87504
505.989.8500
SOUTHWESTPLANNING.COM

Contents

EXECUTIVE SUMMARY	2
PROJECT DESCRIPTION & METHODOLOGY	4
AIRPORT FACILITIES & OPERATIONS IMPACTS.....	6
ANNUAL FACILITIES & OPERATIONS DIRECT OUTPUT SPENDING IMPACT.....	6
ANNUAL FACILITIES & OPERATIONS INDIRECT, AND INDUCED OUTPUT SPENDING IMPACT	6
ANNUAL FACILITIES & OPERATIONS EMPLOYMENT & PAYROLL IMPACT.....	7
ANNUAL FACILITIES & OPERATIONS FISCAL IMPACT.....	8
VISITOR FLIER SPENDING IMPACTS	10
ANNUAL VISITOR FLIER SPENDING DIRECT ECONOMIC IMPACT.....	10
ANNUAL VISITOR FLIER SPENDING INDIRECT AND INDUCED IMPACT	11
VISITOR FLIER SPENDING EMPLOYMENT IMPACT	12
VISITOR FLIER SPENDING FISCAL IMPACT	13
PLANNED IMPROVEMENT IMPACTS	14
PLANNED IMPROVEMENTS DIRECT ECONOMIC IMPACT	14
PLANNED IMPROVEMENTS SECONDARY IMPACTS	14
PLANNED IMPROVEMENT SPENDING EMPLOYMENT IMPACT	15
PLANNED IMPROVEMENTS FISCAL IMPACT.....	16
SUMMARY OF ECONOMIC & FISCAL IMPACTS	17
SPENDING IMPACTS.....	17
EMPLOYMENT IMPACTS	18
FISCAL IMPACTS.....	20
5-YEAR ECONOMIC AND FISCAL IMPACT FORECASTS	22
5-YEAR SPENDING IMPACT FORECAST	22
5-YEAR PAYROLL IMPACT FORECAST.....	23
5-YEAR FISCAL IMPACT FORECAST	24

Executive Summary

The Santa Fe Regional Airport, a full-service international airport, is operated and managed by the City of Santa Fe. To demonstrate the tangible impact that the airport has on the City of Santa Fe, Santa Fe County, and the State of New Mexico, Fly Santa Fe commissioned Southwest Planning & Marketing (SWPM) to conduct an economic and fiscal (tax) impact analysis of the airport.

Data was gathered from multiple sources, including the airport and the City of Santa Fe, the New Mexico Department of Transportation Aviation Division (2017 New Mexico Airport System Plan Update), the U.S. Department of Labor, the U.S. Bureau of Transportation, the New Mexico Department of Tourism, IMPLAN, and a survey of resident and visitor fliers out of the Santa Fe Regional Airport conducted by SWPM in October 2019. The data was compiled to determine the direct impact of operations, employment, visitor flier spending, and planned airport improvements and expansion. Multipliers, as benchmarked and acquired from appropriate sources, were used to estimate the induced and indirect impact of the direct spending and employment on the local economy.

The research and analysis yielded the following results:

- ✓ Direct spending from airport facilities and operations output, direct payroll, and direct visitor flier spending in 2019 was estimated to be \$104,942,002. Direct spending on planned improvements in 2020/2021 is projected to be \$13,500,000.
- ✓ In addition to direct spending, every dollar spent has a ripple effect on the local economy. This ripple effect is measured using appropriate multipliers to yield indirect and induced spending. The 2019 total indirect and induced airport-related spending was estimated to be \$45,661,694. Indirect and induced spending on planned improvements in 2020/2021 is projected to be \$5,400,000.
- ✓ Total 2019 combined direct, indirect, and induced spending resulting from the Santa Fe Regional airport was estimated to be \$150,603,696. The total combined direct, indirect, and induced spending impacts on planned airport improvements in 2020/2021 is projected to be \$18,900,000.
- ✓ An estimated 1,527 jobs were generated in 2019 resulting from airport operations, including all direct, indirect, and induced jobs from operations and sources of spending, including visitor flier spending. Over two hundred (215) direct, indirect and induced jobs are projected to be generated during 2020/2021 when the airport undertakes planned improvements.

• • •

- ✓ An estimated \$74,544,849 in payroll was generated in 2019 resulting from the airport, including all direct, indirect, and induced jobs from operations and sources of spending. Nearly ten million (\$9,966,964) in payroll is projected to be generated during 2020/2021 when the airport undertakes planned improvements, including all direct, indirect, and induced jobs.
- ✓ 2019 gross receipts tax (GRT) and lodgers' tax generated by spending on airport facilities and operations, payroll, and visitor fliers was estimated to be \$13,657,166 (\$12,458,224 in GRT plus \$1,198,941 in lodgers' tax), with \$2,860,777 in GRT accruing to the City of Santa Fe, \$2,030,229 to Santa Fe County, and \$7,567,218 to the State of New Mexico. Nearly \$1.6 million (\$1,594,688) in GRT is projected to be generated during 2020/2021 when the airport undertakes planned improvements.
- ✓ The 2019 State of New Mexico income tax generated from the airport (all operations and spending, including indirect/induced) was estimated to be \$3,652,698. Nearly half a million (\$488,381) in income tax is projected to be generated during 2020/20 when planned airport improvements are undertaken.
- ✓ The estimated total 5-year spending impact generated by all airport-related spending and secondary impacts (including airport improvements) is projected to be \$807,363,226.
- ✓ The total 5-year payroll impact generated by all airport-related spending and secondary impacts (including airport improvements) is projected to be \$400,235,422, resulting in an estimated \$19,611,536 in State of New Mexico income tax.
- ✓ The estimated 5-year GRT impact of all airport-related spending and secondary impacts (including airport improvements) is projected to be \$73,094,746, with \$15,343,362 accruing to the City of Santa Fe, \$10,888,838 accruing to Santa Fe County, and \$40,585,667 accruing to the State of New Mexico. Estimated 5-year lodgers' tax impact is projected to be \$6,276,879.

Project Description & Methodology

To demonstrate the tangible impact that the airport has on the City of Santa Fe, Santa Fe County, and the State of New Mexico, Fly Santa Fe commissioned Southwest Planning & Marketing (SWPM) to conduct an economic and fiscal (tax) impact analysis of the airport. This report summarizes the results of that analysis; a related marketing/flier analysis is submitted under separate cover.

The following steps were taken to conduct the economic and fiscal impact analysis:

- ✓ Develop the methodology and model.
- ✓ Conduct research and acquire data needed to complete the analysis.
- ✓ Benchmark existing relevant multipliers and recommend the appropriate ones to use for the Santa Fe Regional Airport impact estimations.
- ✓ Conduct an analysis of the primary (direct) and secondary (indirect/induced) facilities/operational economic impacts and fiscal (tax) impacts of the Santa Fe Regional Airport, including job impacts.
- ✓ Analyze the data and summarize the findings in a written report.

Data was gathered from multiple sources, including the airport and the City of Santa Fe, the New Mexico Department of Transportation Aviation Division (2017 New Mexico Airport System Plan Update), the U.S. Department of Labor, the U.S. Bureau of Transportation, the New Mexico Department of Tourism, IMPLAN, and a survey of resident and visitor fliers out of the Santa Fe Regional Airport conducted by SWPM in October 2019.

The data was compiled to determine the direct impact of operations, employment, visitor flier spending, and planned airport improvements and expansion. Multipliers, as benchmarked and acquired from appropriate sources, were used to estimate the induced and indirect impact of the direct spending and employment on the local economy.

Finally, the fiscal (tax) impact was calculated by applying local and state tax rates to the estimated direct, indirect, and induced spending impacts.

Economic & Fiscal Impact Analysis of the Santa Fe Regional Airport

• • •

The following multipliers were used to determine the induced and indirect impacts:

- ✓ Facilities & Operations Spending: 1.55¹ (IMPLAN)
- ✓ Facilities & Operations Payroll: 1.46² (IMPLAN)
- ✓ Visitor Flier Spending & Planned Expansion: 1.40³ (IMPLAN)
- ✓ Facilities & Operations Employment Multiplier: 1.65⁴ (IMPLAN)
- ✓ Employment Effect: 11.4⁵ (employment effect is the number of jobs generated per \$1 million in spending in the local economy)

*Please note: While this analysis constitutes a study of the economic and fiscal impacts of the Santa Fe Regional Airport using nationally accepted and longstanding fiscal and economic approaches and models and available data, the estimates and projections contained herein are just that – estimates and projections – and are purposefully conservative. All dollars are presented in 2019 constant dollars unless otherwise noted.

¹ New Mexico Airport System Plan Update, New Mexico Department of Transportation Aviation Division, November 2017.

² New Mexico Airport System Plan Update, New Mexico Department of Transportation Aviation Division, November 2017.

³ Economic Impact of Tourism in New Mexico 2018, Tourism Economics, September 2019.

⁴ New Mexico Airport System Plan Update, New Mexico Department of Transportation Aviation Division, November 2017.

⁵ New Mexico Airport System Plan Update, New Mexico Department of Transportation Aviation Division, November 2017.

Airport Facilities & Operations Impacts

Annual Facilities & Operations Direct Output Spending Impact

Total output spending includes spending by the Santa Fe Regional Airport as well as by onsite private firms involved in maintenance, sales of goods, and other services pertaining to the airport. Data was unavailable for the private firms; therefore, the total 2019 output spending was estimated by utilizing total output spending for the Santa Fe Regional Airport from the New Mexico Department of Transportation Aviation Division Aviation Division's 2017 New Mexico Airport System Plan Update, adjusted for economic growth. Using this methodology, the airport's 2019 total annual direct output spending was estimated to be \$24,565,952.

2019 Santa Fe Regional Airport Economic & Fiscal Impact Analysis Estimated Direct Spending			
Year	Growth ⁶	Annual Spending Growth	Total Annual Spending
2014			\$22,579,000 ⁷
2015	0.7%	\$158,053	\$22,737,053
2016	2.1%	\$474,159	\$23,211,212
2017	2.1%	\$474,159	\$23,685,371
2018	1.9%	\$429,001	\$24,114,372
2019	2.0%	\$451,580	\$24,565,952

Annual Facilities & Operations Indirect, and Induced Output Spending Impact

To calculate the indirect and induced impact of total direct output spending, the IMPLAN multiplier of 1.55 was applied, yielding an estimated indirect and induced impact of \$13,511,274.

Indirect/Induced Impact of Facilities & Operations Spending	
Category	Spending
Total Direct Spending	\$24,565,952
Induced/Indirect Multiplier	1.55
Induced/Indirect Impact	\$13,511,274

⁶ Consumer price index growth.

⁷ Total estimated annual Santa Fe Regional Airport spending output (airport output directly plus output by related private businesses) from the New Mexico Department of Transportation Aviation Division Aviation Division's 2017 New Mexico Airport System Plan Update.

• • •

The 2019 total estimated direct, indirect, and induced impact from facilities and operations spending output was \$38,077,226.

Total Direct Spending Economic Impact	
(Direct Spending + Induced/Indirect)	
\$38,077,226	

Annual Facilities & Operations Employment & Payroll Impact

Direct annual employment by the Santa Fe Regional Airport and related private companies was estimated at 148 jobs. Further, the indirect and induced impact of the jobs was estimated to be 96 jobs, for a total annual employment benefit of 244 jobs.⁸

2019 Santa Fe Regional Airport Economic & Fiscal Impact Analysis	
Estimated Direct, Indirect, & Induced Employment	
Direct Employment	148
Employment Multiplier	1.65
Indirect and Induced Employment	96
Total Employment	244

Direct 2019 payroll for the Santa Fe Regional Airport and related private companies was estimated at \$10,413,508. Further, an estimated \$4,790,214 was generated in indirect and induced payroll as a result of direct payroll.⁹

2019 Santa Fe Regional Airport Economic & Fiscal Impact Analysis	
Estimated Direct, Indirect, & Induced Payroll	
Direct Payroll	\$10,413,508
Spending Multiplier	1.46
Indirect and induced Payroll	\$4,790,214

⁸ New Mexico Airport System Plan Update, New Mexico Department of Transportation Aviation Division, November 2017, unadjusted.

⁹ New Mexico Airport System Plan Update, New Mexico Department of Transportation Aviation Division, November 2017, adjusted for growth.

Economic & Fiscal Impact Analysis of the Santa Fe Regional Airport

• • •

The total direct, indirect, and induced economic impact of payroll was estimated at \$15,203,722.¹⁰

Total Payroll Economic Impact
(Direct Spending + Induced/Indirect)
\$15,203,722

Annual Facilities & Operations Fiscal Impact

Based on the estimated direct, indirect, and induced output spending resulting from facilities and operations, and payroll from facilities and operations, an estimated \$773,388 in gross receipts tax revenue will be paid to the City of Santa Fe, \$548,856 to Santa Fe County, and \$2,045,735 to the State of New Mexico.

2019 Santa Fe Regional Airport Economic & Fiscal Impact Analysis					
Total Estimated Direct Spending Fiscal Impact					
Tax Rate	Direct Spending	City	County	State	Total Taxes
		1.9375%	1.3750%	5.1250%	8.4375%
Direct Output	\$21,615,287 ¹¹	\$418,796	\$297,210	\$1,107,783	\$1,823,790
Indirect and Induced Output	\$13,511,274	\$261,781	\$185,780	\$692,453	\$1,140,014
Indirect and Induced Payroll	\$4,790,214	\$92,810	\$65,865	\$245,498	\$404,174
Total	\$39,916,774	\$773,388	\$548,856	\$2,045,735	\$3,367,978

Additionally, it is estimated that \$510,262 will be paid in 2019 in state income tax resulting from facilities and operations spending on payroll.

Estimated State Income Tax	
Total Direct Payroll	\$10,413,508
State Income Tax Rate ¹²	4.9%
Estimated State Income Tax	\$510,262

¹⁰ New Mexico Airport System Plan Update, New Mexico Department of Transportation Aviation Division, November 2017, adjusted for growth.

¹¹ Direct Output less the airport's non-payroll expenses, as direct spending by the Santa Fe Regional Airport is not subject to GRT (per the City of Santa Fe).

¹² Assumes employees earn \$24,000 or more annually.

Economic & Fiscal Impact Analysis of the Santa Fe Regional Airport

• • •

It is estimated that the total 2019 fiscal impact generated by airport facilities and operations (including related onsite private businesses) is \$3,878,240.

Estimated Total City, County, and State Tax Impact	
City Direct Spending Gross Receipts Tax	\$773,388
County Direct Spending Gross Receipts Tax	\$548,856
State Direct Spending Gross Receipts Tax	\$2,045,735
State Income Tax	\$510,262
Total City, County, and State Taxes	\$3,878,240

Visitor Flier Spending Impacts

Annual Visitor Flier Spending Direct Economic Impact

In 2018, 116,591 flights departed from Santa Fe Regional airport. According to the U.S. Bureau of Transportation, 29,860 of these flights originated in Santa Fe. Based on this, it is estimated that 74.4% of the outgoing traffic were visitor fliers. In the survey of fliers conducted by SWPM in October 2019, the visitor flier rate was 70.6%. For the purposes of this economic impact analysis, SWPM opted to utilize the estimated visitor flier rate of 74.4% based on the U.S. Bureau of Transportation data rather than the survey visitor flier rate because the data from the U.S. Bureau of Transportation data is annualized.

By applying the estimated percentage of visitor fliers to total inbound fliers, it is estimated that there were 85,837 total visitors to Santa Fe that flew into the Santa Fe Regional Airport in 2018.

2019 Santa Fe Regional Airport Economic & Fiscal Impact Analysis Calculation of Visitors Flying into Santa Fe Regional Airport¹³	
Flight Itineraries Originating from Santa Fe Regional Airport ¹⁴	29,860
Total Enplanements at Santa Fe Regional Airport	116,591
% of Resident Fliers	25.6%
% of Visitor Fliers	74.4%
Total Deplanements at Santa Fe Regional Airport	115,372
Total Estimated Visitor Flier Deplanements	85,837

The average party size for visitor fliers was 1.9.¹⁵ By dividing the estimated annual number of inbound visitor fliers by their average party size, it is estimated that 45,177 visitor flier parties arrived via the Santa Fe Regional Airport in 2018. This number of visitor flier parties was utilized to extrapolate visitor flier spending impact in 2019.

Visitor Flier Average Party Size	Annual In-Bound Visitor Fliers	Estimated Visitor Flier Parties
1.9	85,837	45,177

¹³ All data based on commercial flight data from 2018.

¹⁴ Flight itineraries based on U.S. Bureau of Transportation data.

¹⁵ Based on Southwest Planning & Marketing survey of fliers in October 2019.

Economic & Fiscal Impact Analysis of the Santa Fe Regional Airport

• • •

Visitor fliers that responded to the survey conducted by SWPM in October 2019 were asked about their per party spending while in Santa Fe. These parties spent an average of \$1,074 on lodging, \$427 on food/meals/beverages, \$189 on transportation/fuel (while in New Mexico), \$132 on outdoor recreation, \$186 on attractions/entertainment, and \$466 on shopping/miscellaneous/other, for a total spent per visitor flier party of \$2,474.¹⁶ By multiplying the estimated total number of visitor parties to New Mexico by spending per party, it is estimated that airport visitor fliers spent a total of \$80,376,050¹⁷ during their trips in 2019.

2019 Santa Fe Airport Economic & Fiscal Impact Analysis Annual Visitor Flier Spending Per Party							
	Lodging*	Food/Meals/ Beverages	Transportation/ Fuel	Outdoor Recreation	Attractions/ Entertainment	Shopping/ Miscellaneous/ Other	Total
	\$1,074	\$427	\$189	\$132	\$186	\$466	\$2,474
Unadjusted	\$48,520,494	\$19,290,736	\$8,538,523	\$5,963,413	\$8,402,991	\$21,052,654	\$111,768,809
Adjusted*	\$17,127,734	\$19,290,736	\$8,538,523	\$5,963,413	\$8,402,991	\$21,052,654	\$80,376,050

*Total lodging spending reduced by included lodgers' and gross receipts tax and the proportion of visitor fliers that did not spend the night and/or spent a reduced number of nights in Santa Fe.

Annual Visitor Flier Spending Indirect and Induced Impact

Visitor spending resulted in an additional \$32,150,420 in indirect and induced spending impact.

Indirect/Induced Impact of Visitor Expenditures	
Category	Spending
Total Direct Spending	\$80,376,050
Induced/Indirect Multiplier	1.4
Induced/Indirect Impact	\$32,150,420

The total direct, indirect, and induced impact of visitor flier spending was \$112,526,470.

Total Economic Impact (Direct Spending + Induced/Indirect)
\$112,526,470

¹⁶ Results are within 7% of spending reported on the Tourism Santa Fe visitor survey conducted in 2015.

¹⁷ Total lodging spending was reduced by included lodgers' and gross receipts tax and the proportion of visitor fliers that did not spend the night and/or spent a reduced number of nights in Santa Fe.

Visitor Flier Spending Employment Impact

As a result of visitor flier spending, additional jobs are created to meet the demand created by that spending. For each \$1,000,000 spent in the local economy, an estimated 11.4 jobs are created: the employment effect.¹⁸ By applying the employment effect to visitor flier spending, it is estimated that a total of 1,283 jobs were created as a result of visitor flier spending in the local economy.

2019 Santa Fe Regional Airport Economic & Fiscal Impact Analysis Estimated Jobs Created by Visitor Flier Spending	
Employment Effect Per \$1M in Spending	11.4
Annual Direct Visitor Flier Spending	\$80,376,050
Jobs Created by Direct Visitor Flier Spending	916
Indirect and Induced Visitor Flier Spending	\$32,150,420
Jobs Created by Indirect and Induced Visitor Flier Spending	367
Estimated Total Jobs Created By Visitor Flier Spending	1,283

The U.S. Bureau of Labor Statistics publishes average incomes by geographic region and occupation. Based on this data and estimated total jobs created by visitor flier spending, it is estimated that \$59,341,127 in payroll is generated annually by jobs created as a result of visitor flier spending.

2019 Santa Fe Airport Economic & Fiscal Impact Analysis Estimated Payroll from Visitor Flier Spending	
Average Wage - All Santa Fe Occupations	\$46,259 ¹⁹
Jobs Created by Direct Visitor Flier Spending	916
Estimated Payroll from Direct Jobs	\$42,386,519
Jobs Created by Indirect and Induced Visitor Flier Spending	367
Estimated Payroll from Indirect and Induced Jobs	\$16,954,608
Total Estimated Payroll From Visitor Flier Spending	\$59,341,127

¹⁸ New Mexico Airport System Plan Update, New Mexico Department of Transportation Aviation Division, November 2017.

¹⁹ U.S. Bureau of Labor Statistics May 2018.

...

Visitor Flier Spending Fiscal Impact

Based on estimated direct, indirect, and induced visitor flier spending, an estimated \$2,180,200 in gross receipts tax (GRT) revenue accrued to the City of Santa Fe, \$1,547,239 to Santa Fe County, and \$5,766,982 to the State of New Mexico for a total \$9,494,421 in GRT. The total estimated tax impact of visitor flier spending, including \$1,198,941 in lodgers' tax, is \$10,693,362.

2019 Santa Fe Airport Economic & Fiscal Impact Analysis						
Total Estimated GRT & Lodgers' Tax Generated by Visitor Fliers						
Tax Rate	Direct Spending	Lodgers' Tax	City	County	State	Total Taxes
	N/A	7%	1.9375%	1.3750%	5.1250%	8.4375%
Lodging*	\$17,127,734	\$1,198,941	\$331,850	\$235,506	\$877,796	\$2,644,094
Food and Meals	\$19,290,736		\$373,758	\$265,248	\$988,650	\$1,627,656
Transportation, Fuel, etc.	\$8,538,523		\$165,434	\$117,405	\$437,599	\$720,438
Outdoor Recreation	\$5,963,413		\$115,541	\$81,997	\$305,625	\$503,163
Attractions/Entertainment	\$8,402,991		\$162,808	\$115,541	\$430,653	\$709,002
Shopping/Misc	\$21,052,654		\$407,895	\$289,474	\$1,078,949	\$1,776,318
Indirect & Induced Visitor Spending Impact	\$32,150,420		\$622,914	\$442,068	\$1,647,709	\$2,712,692
Total	\$112,526,470	\$1,198,941	\$2,180,200	\$1,547,239	\$5,766,982	\$10,693,362

*Total lodging spending reduced by included lodgers' and gross receipts tax and the proportion of visitor fliers that did not spend the night and/or spent a reduced number of nights in Santa Fe.

In addition to the GRT and lodgers' taxes, state income tax is paid on the payroll resulting from jobs created by visitor flier spending. An estimated total of \$2,907,715 is generated annually in State of New Mexico income tax.

2019 Santa Fe Airport Economic & Fiscal Impact Analysis		
Visitor Flier Spending State Income Tax Impact		
	Payroll	State Income Tax
		4.9%
Direct Payroll	\$42,386,519	\$2,076,939
Indirect and Induced Payroll	\$16,954,608	\$830,776
Total	\$59,341,127	\$2,907,715

Planned Improvement Impacts

Planned Improvements Direct Economic Impact

The Santa Fe Regional airport currently has two planned improvement projects: an improvement to their parking lot and a terminal expansion. The improvements are planned for 2020 and 2021.

The total cost of the improvements is estimated to be \$18,000,000.

2019 Santa Fe Regional Airport Economic & Fiscal Impact Analysis Direct Impact of Planned Improvements	
Parking Lot Improvements	\$4,000,000
Terminal Expansion	\$14,000,000
Total Direct Improvements	\$18,000,000
<i>*Estimated expansion impacts will occur between 2020 and 2021 as one-time impacts. All data based on rough estimates provided by the City of Santa Fe.</i>	

Planned Improvements Secondary Impacts

After adjusting for estimated economic leakage,²⁰ the total amount of the direct improvement spending that will impact the local economy is \$13,500,000. Based on that post-leakage figure, the indirect and induced impacts of spending on the planned improvements are estimated at to be \$5,400,000.

2019 Santa Fe Regional Airport Economic & Fiscal Impact Analysis Economic Impact of Planned Improvements	
Total Direct Improvements	\$18,000,000
Estimated Economic Leakage	25%
Total Improvement Impact After Leakage	\$13,500,000
Indirect and induced Multiplier	1.4
Indirect and induced Improvements Spending	\$5,400,000

The total direct, indirect, and induced impact of the planned improvements is estimated at \$18,900,000 (after economic leakage).

Total Economic Impact of Planned Improvements (Direct Spending + Induced/Indirect)
\$18,900,000

²⁰ Economic Leakage occurs when a portion of a project's spending goes to out-of-county firms for materials or other goods and services; it is estimated that 25% of spending on airport improvement will be sourced outside of Santa Fe County based on SWPM experience with numerous projects pertaining to the economic impact of construction projects in the county.

• • •

Planned Improvement Spending Employment Impact

Using the previous employment effect, it is estimated that a total of 215 jobs will be created in the local economy (excluding direct construction employment²¹) as a result of spending on the planned improvements. This impact will last between 2020 and 2021 while the improvement spending is ongoing.

2019 Santa Fe Regional Airport Economic & Fiscal Impact Analysis Estimated Jobs to be Created in the Local Economy by Planned Improvements	
Total Improvements After Leakage	\$13,500,000
Employment Effect	11.4
Jobs Created by Direct Improvement Spending	154
Indirect and Induced Improvements Spending	\$5,400,000
Jobs Created by Indirect and Induced Improvement Spending	62
Total Jobs Created By Improvements	215

Further, it is estimated that a total of \$9,966,964 in payroll will result from the jobs created in the economy by the planned improvement spending.

2019 Santa Fe Airport Economic & Fiscal Impact Analysis Estimated Payroll from Planned Expansion	
Jobs Created by Direct Improvement Spending	154
Average Wage - All Santa Fe Occupations	\$46,259 ²²
Estimated Payroll from Direct Jobs	\$7,119,260
Indirect & Induced Jobs Created by Improvement Spending	62
Average Wage - All Santa Fe Occupations	\$46,259
Estimated Payroll from Indirect and Induced Jobs	\$2,847,704
Total Estimated Payroll From Improvement Spending	\$9,966,964

²¹ Job creation estimates do not include direct construction employment during improvements, as the number and types of positions and related wages were not available; as such, the impact estimates contained herein are conservative.

²² U.S. Bureau of Labor Statistics May 2018.

...

Planned Improvements Fiscal Impact

Based on the estimated direct, indirect, and induced impact of the planned improvements, an estimated \$366,188 in gross receipts tax revenue will be paid to the city, \$259,875 to the county, and \$968,625 to the state. The total estimated GRT impact of the planned improvements is \$1,594,688.

2019 Santa Fe Regional Airport Economic & Fiscal Impact Analysis					
Total Estimated Direct Spending on Improvements Tax Impact					
Tax Rate	Direct Spending	City	County	State	Total Taxes
		1.9375%	1.3750%	5.1250%	8.4375%
Direct Improvements After Leakage	\$13,500,000	\$261,563	\$185,625	\$691,875	\$1,139,063
Indirect and Induced Improvements	\$5,400,000	\$104,625	\$74,250	\$276,750	\$455,625
Total	\$18,900,000	\$366,188	\$259,875	\$968,625	\$1,594,688

Over the course of the improvements, it is estimated that a total of \$488,381 will be paid to the State of New Mexico in state income taxes resulting from jobs created in the economy by spending on planned improvements.

2019 Santa Fe Airport Economic & Fiscal Impact Analysis		
Planned Expansion State Income Tax Impact		
	Payroll	State Income Tax
		4.9%
Direct Payroll	\$7,119,260	\$348,844
Indirect & Induced Payroll	\$2,847,704	\$139,537
Total Payroll Taxes	\$9,966,964	\$488,381

Summary of Economic & Fiscal Impacts

Spending Impacts

Including direct spending from facilities and operations output, direct payroll, and direct visitor flier spending, total direct 2019 spending impact resulting from the Santa Fe Regional Airport was estimated to be \$104,942,002. Direct spending on planned improvements in 2020/2021 is projected to be \$13,500,000.

2019 Santa Fe Regional Airport Economic & Fiscal Impact Analysis Direct Spending Summary	
Direct Spending from Airport Output (annual) (2019)	\$24,565,952
Direct Visitor Flier Spending (annual) (2019)	\$80,376,050
Spending on Planned Improvements After Leakage (2020/2021)	\$13,500,000

An additional estimated \$45,661,694 in indirect and induced impact will result from the direct spending on facilities and operations output, direct payroll, and direct visitor flier spending in 2019. Indirect and induced spending on planned improvements in 2020/2021 is projected to be \$5,400,000.

2019 Santa Fe Regional Airport Economic & Fiscal Impact Analysis Indirect and induced Spending Summary	
Indirect and induced Spending from Output (annual) (2019)	\$13,511,274
Indirect and induced Visitor Flier Spending (annual) (2019)	\$32,150,420
Indirect and induced Spending on Planned Improvements (2020/2021)	\$5,400,000

The total direct, indirect, and induced spending from facilities and operations output, direct payroll, and direct visitor flier spending impacts in 2019 was estimated to be \$150,603,696.

Total 2019 Direct, Indirect/Induced Spending (Direct Spending + Induced/Indirect)
\$150,603,696

• • •

The total direct, indirect, and induced spending impacts on planned improvements in 2020/2021 is projected to be \$18,900,000.

Total 2020/2021 Direct, Indirect/Induced Spending on Planned Improvements
(Direct Spending + Induced/Indirect)
\$18,900,000

Employment Impacts

An estimated 1,527 jobs were generated in 2019 resulting from airport operations, including all direct, indirect, and induced jobs from operations and sources of spending, including visitor flier spending. Over two hundred (215) jobs are projected to be generated during 2020/2021 when the airport undertakes planned improvements.²³

Santa Fe Regional Airport Economic & Fiscal Impact Analysis Estimated Direct, Indirect, & Induced Employment	
Direct Employment from Facilities & Operations	148
Indirect and Induced Employment from Facilities & Operations	96
Direct Jobs Created by Visitor Flier Spending	916
Indirect and Induced Jobs Created by Visitor Flier Spending	367
Total Operations + Visitor Flier Spending Annual Employment (2019)	1,527
Direct Employment from Airport Improvements	154
Indirect and Induced Employment from Airport Improvements	62
Total Airport Improvements Project Employment (2020/2021)	215
Total Employment (2019 + One-Time Improvement Related)	1,742

²³ Excluding airport improvements-related construction employment as previously noted.

Economic & Fiscal Impact Analysis of the Santa Fe Regional Airport

• • •

An estimated \$74,544,849 in payroll was generated in 2019 resulting from airport operations, including all direct, indirect, and induced jobs from operations and sources of spending, including visitor flier spending. Nearly ten million (\$9,966,964) in payroll is projected to be generated during 2020/2021 when the airport undertakes planned improvements.

Santa Fe Airport Economic & Fiscal Impact Analysis Estimated Direct, Indirect, & Induced Payroll	
Direct Payroll from Facilities & Operations	\$10,413,508
Indirect & Induced Payroll from Facilities & Operations	\$4,790,214
Direct Payroll from Visitor Flier Spending	\$42,386,519
Indirect & Induced Payroll from Visitor Flier Spending	\$16,954,608
Total Operations + Visitor Flier Spending Annual Payroll (2019)	\$74,544,849
Direct Payroll from Improvements	\$7,119,260
Indirect & Induced Payroll from Improvements	\$2,847,704
Total Airport Improvements Project Payroll (2020/2021)	\$9,966,964
Total Payroll (2019 + One-Time Improvement Related)	\$84,511,813

Economic & Fiscal Impact Analysis of the Santa Fe Regional Airport

• • •

Fiscal Impacts

The total 2019 gross receipts tax (GRT) and lodgers' taxes generated by spending on facilities and operations, payroll, and visitor fliers was estimated to be \$13,657,166 (\$12,458,224 in GRT plus \$1,198,941 in lodgers' tax). It is estimated that \$2,860,777 in GRT accrued to the City of Santa Fe, \$2,030,229 to Santa Fe County, and \$7,567,218 to the State of New Mexico. Nearly \$1.6 million (\$1,594,688) in GRT is projected to be generated during 2020/2021 when the airport undertakes planned improvements.

2019 Santa Fe Airport Economic & Fiscal Impact Analysis						
Total Estimated GRT & Lodgers' Tax Generated by Santa Fe Regional Airport						
Impact Category	Spending	Lodgers' Tax	City	County	State	Total Taxes
		7%	1.9375%	1.3750%	5.1250%	8.4375%
Direct Applicable Facilities & Operations Output	\$21,615,287		\$418,796	\$297,210	\$1,107,783	\$1,823,790
Indirect & Induced Facilities & Operations Output	\$13,511,274		\$261,781	\$185,780	\$692,453	\$1,140,014
Direct Visitor Spending	\$80,376,050	\$1,198,941	\$1,557,286	\$1,105,171	\$4,119,273	\$7,980,671
Indirect & Induced Visitor Spending	\$32,150,420		\$622,914	\$442,068	\$1,647,709	\$2,712,692
	Total Operations + Visitor Filer Spending GRT & Lodgers' Tax					\$13,657,166
Direct Improvements	\$13,500,000		\$261,563	\$185,625	\$691,875	\$1,139,063
Indirect & Induced Improvements	\$5,400,000		\$104,625	\$74,250	\$276,750	\$455,625
	Total Improvements Spending GRT (Projected 2020/2021)					\$1,594,688
Total		\$1,198,941	\$3,226,965	\$2,290,104	\$8,535,843	\$15,251,853

Economic & Fiscal Impact Analysis of the Santa Fe Regional Airport

• • •

The 2019 State of New Mexico income tax impact was estimated to be \$3,652,698. Nearly half a million (\$488,381) in income tax is projected to be generated during 2020/20 when the planned improvements are undertaken.

2019 Santa Fe Airport Economic & Fiscal Impact Analysis		
Income Tax Summary		
	Payroll	State Income Tax 4.9%
Payroll from Facilities & Operations	\$15,203,722	\$744,982
Payroll from Visitor Flier Spending	\$59,341,127	\$2,907,715
Total Income Tax from Operations/Visitor Flier Spending		\$3,652,698
Total Income Tax from Improvements (2020/2021)	\$9,966,964	\$488,381
Total Income Tax	\$84,511,813	\$4,141,079

5-Year Economic and Fiscal Impact Forecasts

5-Year Spending Impact Forecast

Total direct, indirect, and induced spending was projected utilizing inflation forecasts²⁴ to anticipate the 5-year spending impact resulting from the airport. The planned improvements are assumed to begin at the start of Quarter 3, 2020, and end at the end of Quarter 4, 2021; spending was allocated accordingly. Based on this data, the estimated total 5-year spending impact of the airport is projected to be \$807,363,226.

2019 Santa Fe Airport Economic & Fiscal Impact Analysis 5-Year Spending Impact Forecast						
Year	2019	2020	2021	2022	2023	5-Year Total
Direct Spending - Facilities & Operations	\$24,565,952	\$25,130,969	\$25,708,981	\$26,300,288	\$26,905,194	\$128,611,384
Indirect & Induced Spending - Facilities & Operations	\$13,511,274	\$13,822,033	\$14,139,940	\$14,465,158	\$14,797,857	\$70,736,261
Direct Spending - Visitor Fliers	\$80,376,050	\$82,224,699	\$84,115,867	\$86,050,532	\$88,029,694	\$420,796,843
Indirect & Induced Spending - Visitor Fliers	\$32,150,420	\$32,889,880	\$33,646,347	\$34,420,213	\$35,211,878	\$168,318,737
Direct Impact - Planned Improvements	\$0	\$4,500,000	\$9,000,000	\$0	\$0	\$13,500,000
Indirect and Induced Spending - Planned Improvements	\$0	\$1,800,000	\$3,600,000	\$0	\$0	\$5,400,000
Projected Inflation		2.3%	2.3%	2.3%	2.3%	
Total Spending	\$150,603,696	\$160,367,581	\$170,211,135	\$161,236,191	\$164,944,624	\$807,363,226

²⁴ USDA US Inflation Forecast (projected % change in consumer price index).

• • •

5-Year Payroll Impact Forecast

By applying projected inflation to payroll estimates, the total 5-year payroll impact of the airport and all secondary impacts is projected to be \$400,235,422.²⁵

2019 Santa Fe Airport Economic & Fiscal Impact Analysis						
5-Year Payroll Impact Forecast						
Year	2019	2020	2021	2022	2023	5-Year Total
Direct Payroll - Facilities & Operations	\$10,413,508	\$10,653,019	\$10,898,039	\$11,148,693	\$11,405,113	\$54,518,373
Indirect & Induced Payroll - Facilities & Operations	\$4,790,214	\$4,900,389	\$5,013,098	\$5,128,399	\$5,246,352	\$25,078,452
Direct Payroll Generated from Visitor Flier Spending	\$42,386,519	\$43,361,409	\$44,358,721	\$45,378,972	\$46,422,688	\$221,908,309
Indirect & Induced Payroll Generated from Visitor Flier Spending	\$16,954,608	\$17,344,564	\$17,743,489	\$18,151,589	\$18,569,075	\$88,763,324
Direct Payroll Created by Planned Improvements Spending	\$0	\$2,373,087	\$4,746,173	\$0	\$0	\$7,119,260
Indirect & Induced Payroll Created by Planned Improvements	\$0	\$949,235	\$1,898,469	\$0	\$0	\$2,847,704
Projected Inflation		2.3%	2.3%	2.3%	2.3%	
Total Payroll	\$74,544,849	\$79,581,702	\$84,657,989	\$79,807,653	\$81,645,229	\$400,235,422

²⁵ Assumes the same timetable for the planned improvements as was described in the 5-year spending forecast.

5-Year Fiscal Impact Forecast

The estimated 5-year GRT impact of airport-related spending²⁶ and secondary impacts is projected to be \$73,094,746, with \$15,343,362 accruing to the city, \$10,888,838 accruing to the county, and \$40,585,667 accruing to the state. Estimated 5-year lodgers' tax impact is projected to be \$6,276,879.

2019 Santa Fe Airport Economic & Fiscal Impact Analysis Total Estimated GRT & Lodgers' Tax 5-Year Forecast						
Year	Spending Applicable to GRT	Lodgers' Tax 7%	City 1.9375%	County 1.3750%	State 5.1250%	Total Taxes 8.4375%
2019	\$147,653,031	\$1,198,941	\$2,860,777	\$2,030,229	\$7,567,218	\$13,657,166
2020	\$157,349,050	\$1,226,517	\$3,048,638	\$2,163,549	\$8,064,139	\$14,502,843
2021	\$167,123,178	\$1,254,727	\$3,238,012	\$2,297,944	\$8,565,063	\$15,355,745
2022	\$158,077,212	\$1,283,586	\$3,062,746	\$2,173,562	\$8,101,457	\$14,621,350
2023	\$161,712,987	\$1,313,108	\$3,133,189	\$2,223,554	\$8,287,791	\$14,957,641
Total	\$791,915,458	\$6,276,879	\$15,343,362	\$10,888,838	\$40,585,667	\$73,094,746

Further, the estimated 5-year state income tax impact is projected to be \$19,611,536.

Total Estimated Income Tax 5-Year Forecast		
Year	Payroll	State Income Tax 4.9%
2019	\$74,544,849	\$3,652,697.59
2020	\$79,581,702	\$3,899,503.39
2021	\$84,657,989	\$4,148,241.46
2022	\$79,807,653	\$3,910,575.00
2023	\$81,643,229	\$4,000,518.23
Total	\$400,235,422	\$19,611,536

²⁶ Spending less the airport's non-payroll expenses, as direct spending by the Santa Fe Regional Airport is not subject to GRT (per the City of Santa Fe).

TOURISM SANTA FE

December

2019

2019

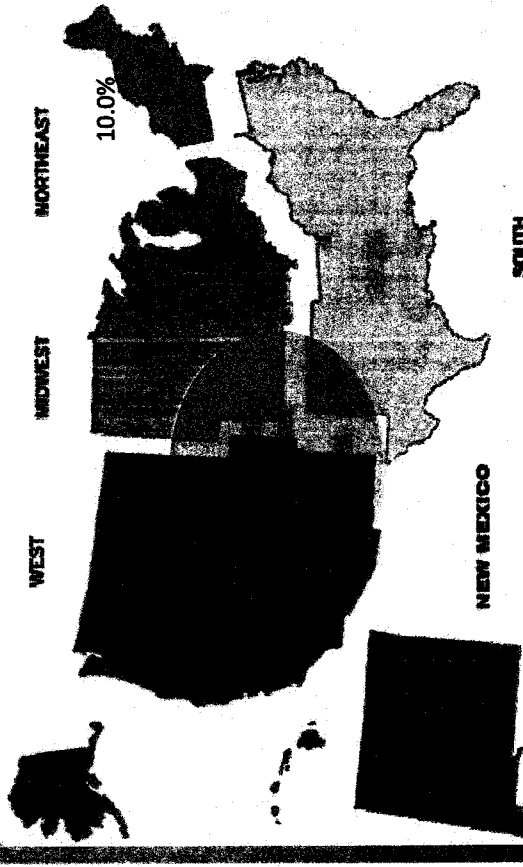
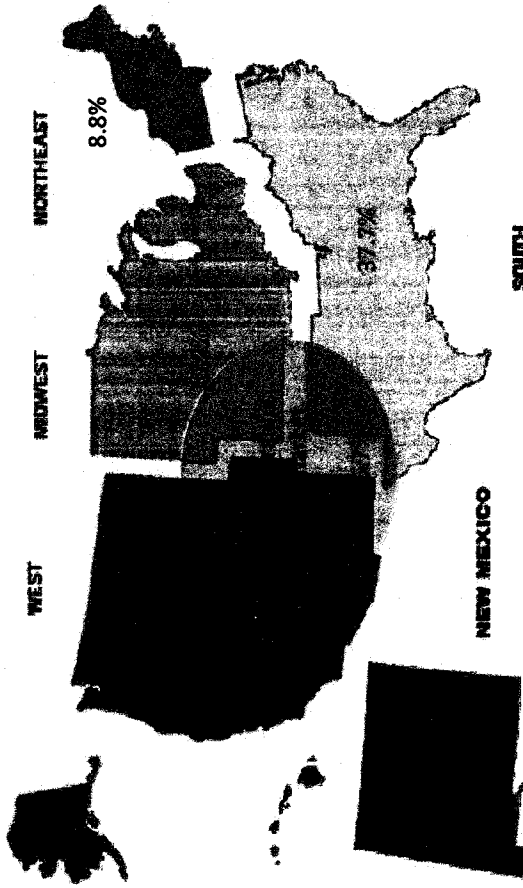
Monthly Overall Data

Year To Date

Rank	City	%	Rank	State	%	Rank	City	%	Rank	State	%
1	Albuquerque	7.1%	1	TX	31.9%	1	Albuquerque	5.4%	1	TX	23.1%
2	Austin	4.2%	2	CA	15.1%	2	Denver	3.1%	2	CO	15.3%
3	Denver	2.6%	3	CO	13.6%	3	Austin	2.5%	3	CA	12.9%
4	Dallas	2.2%	4	AZ	5.3%	4	Dallas	2.3%	4	AZ	5.2%
5	Houston	2.1%	5	NY	2.8%	5	Houston	1.8%	5	NY	3.7%
6	San Antonio	1.6%	6	FL	2.7%	6	New York	1.3%	6	FL	3.1%
7	El Paso	1.3%	7	OK	2.6%	7	Colorado Springs	1.2%	7	OK	2.8%
8	Los Angeles	1.2%	8	IL	2.1%	8	El Paso	1.1%	8	IL	2.5%
9	New York	1.0%	9	WA	1.8%	9	San Antonio	1.0%	9	WA	2.1%
10	Colorado Springs	1.0%	10	MA	1.6%	10	Los Angeles	1.0%	10	MA	1.7%

December 2019

Year to Date



The "driving radius" includes all of Arizona and Colorado. It reaches most of Utah (including Salt Lake City), Half of Wyoming (including Cheyenne), and includes half of Nebraska, Kansas, Oklahoma and Texas. The radius into Texas does not include Austin, San Antonio, Houston or Dallas.