

HB 267

# Tourism Recovery Package



# HB 267 Endorsements

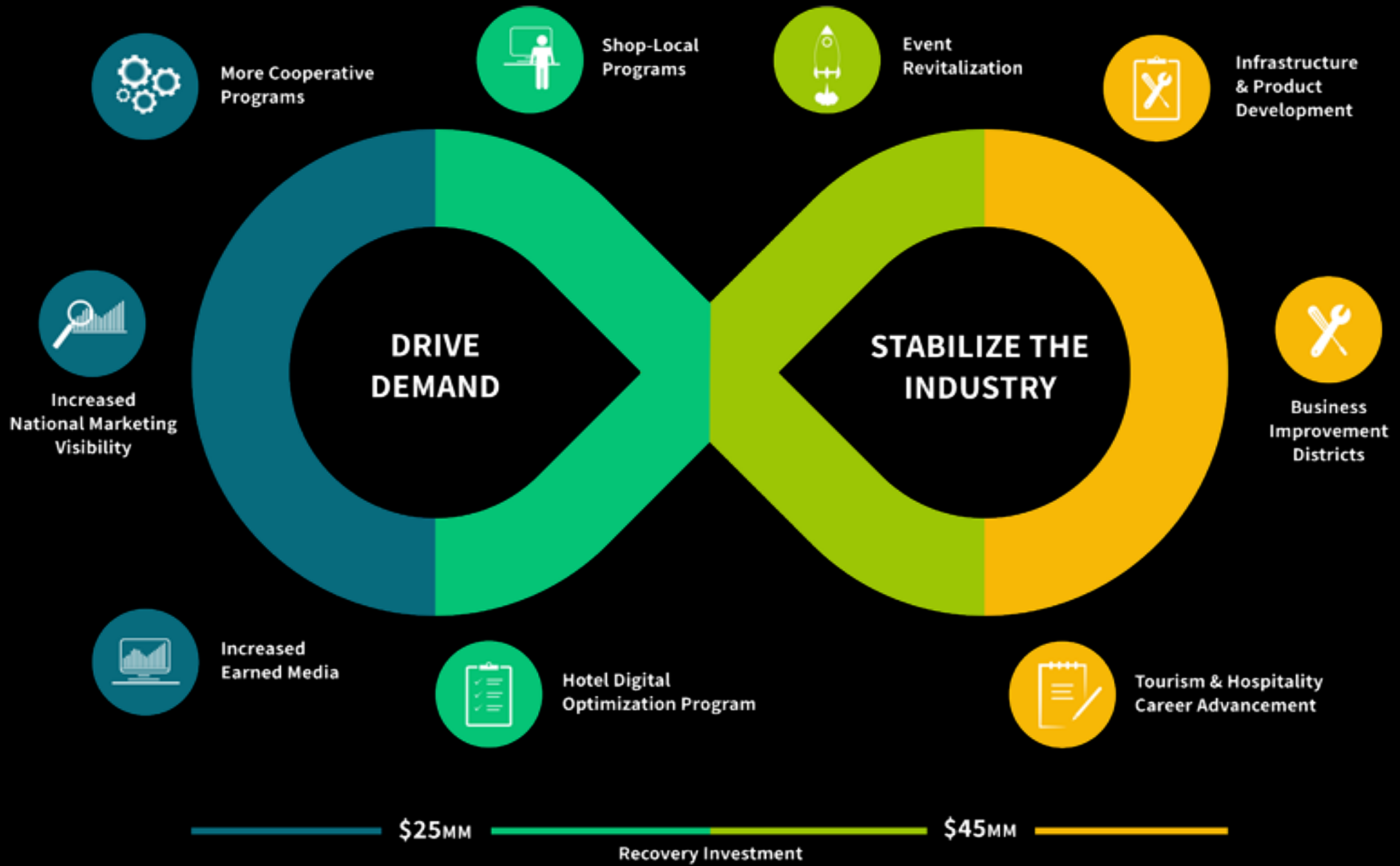
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- New Mexico Governor's Economic Recovery Council
- New Mexico Chamber of Commerce (ACI)
- New Mexico Hospitality Association
- New Mexico Restaurant Association
- Ski New Mexico
- New Mexico Golf Association
- New Mexico Council of Outfitters and Guides
- Asian American Hotel Owners Association (Southwest Chapter)
- NM IDEA (local EDOs)
- New Mexico Bar, Nightclub & Entertainment Venue Association
- New Mexico Wine Association
- New Mexico Brewers Guild
- Greater Albuquerque Hotel and Lodging Association
- Santa Fe Lodgers Association
- Tourism Santa Fe Albuquerque
- Hispano Chamber of Commerce
- Heritage Hotels and Resorts
- Farmington Convention & Visitors Bureau
- Total Management Systems
- Albuquerque Economic Forum

# HB 267 – Tourism Recovery Package

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- Tourism focused Economic Development Districts **\$7,000,000**
- Event Revitalization Program **\$8,000,000**
  - Event Sponsorship
  - Event Technical Assistance
  - National Sponsorship Business Development
- Tourism Industry Career Advancement Program **\$30,000,000**
  - Talent Retention Higher Ed Fellowship
  - Professional Certificates
  - On-the-Job Training and Mentorship Program (modeled after JTIP)



# Challenge: Tourism Events at Risk

- Economic impact in 2019 was growing for events throughout the state.
- **Events Convert Drive-Market Travel**
  - Drive travel will be the first to return post-COVID, with over a third of travelers changing fly trips to drive trips
  - To be a tourism event, most visitors must be from at least 60 miles outside of the community—this brings outside money into the local economy
  - Events give tourists a reason to travel—they convert “someday” into “this weekend”
- **Cultural Significance**
  - Events allow New Mexicans to honor their diverse heritage and celebrate their artistic expression
  - Provides a sense of belonging and improves resident quality of life
- Throughout New Mexico at least **59** events are at immediate risk of never returning, so far.

Event	2019 Economic Impact
Roswell UFO Festival	over \$2.1M
Red Rock Balloon Rally	nearly \$900,000
Albuquerque International Balloon Fiesta	over \$186M
Santa Fe Indian Market	over \$165M
Los Alamos ScienceFest	over \$200,000
Big Barn Dance Music Festival in Taos	over \$1.7M
New Mexico State Fair	over \$70M
Gallup Wildthing Championship Bull Riding	over \$1M

# Solution: Tourism Event Revitalization Program

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- **Technical Assistance for Optimization**
  - Enhance the visitor experience
  - Grow profit centers
  - Develop cost savings efficiencies
- **Marketing Support to Grow Attendance**
  - Optimize owned media channels such as websites and social media platforms for conversion
  - Integrate ticketing platforms and operations
  - Highlight events into NMTD's drive market strategy
- **National Sponsorship Business Development for Sustainability**
  - Local business community may not be capable of sponsoring at pre-pandemic levels
  - Securing out-of-state sponsors brings new wealth into the local communities
  - Diversifies event revenue for a sustainable business model
- **Sponsor up to 400 Events Over 2 Years**
  - Average \$15,000 cash sponsorship – NM True
  - Require economic impact reporting

# Measure: Tourism Event Investment Impact

- Many of New Mexico's smaller events do not have the funding to hire a firm to conduct an economic impact study of events
- NMTD will provide all partner events with an **Event Economic Impact calculator** and technical assistance to allow them to understand the economic role of their event to their community
- This tool allows for **increased understanding and advocacy for tourism events**, and can help in expansion and planning

**Event Economic Impact Calculator**

**How to Use This Worksheet:**

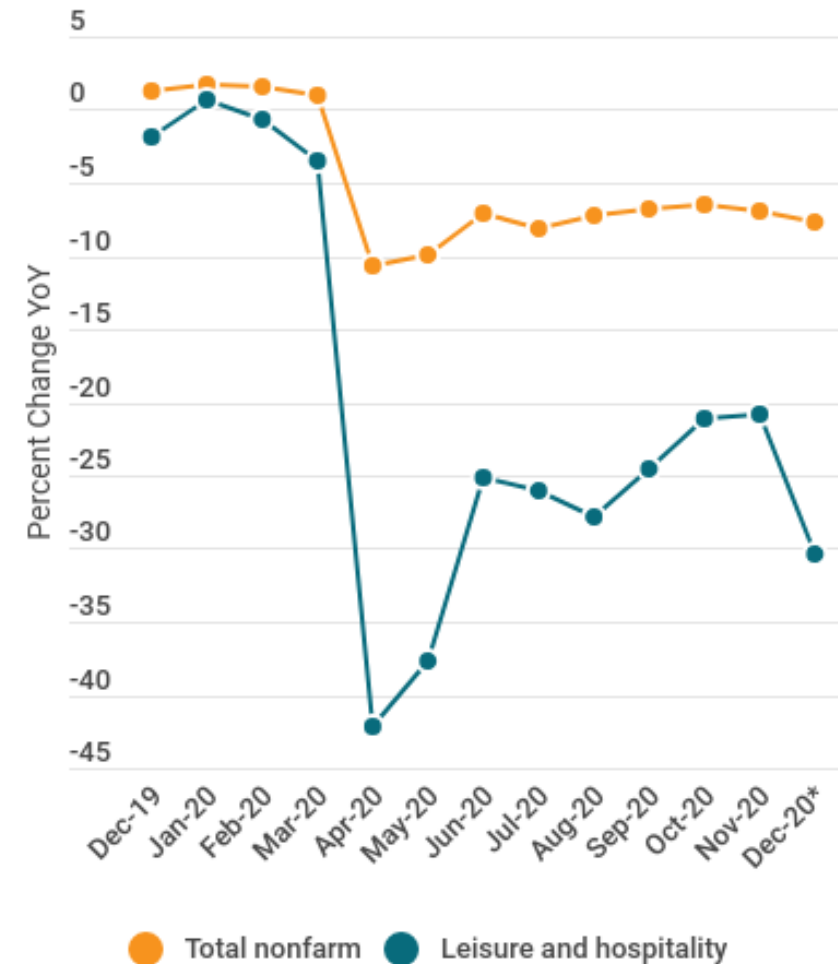
This calculator is designed to give event organizers and community stakeholders a general idea of the **direct** economic impact of your event. It is strongly recommended that users collect all the necessary data inputs before beginning to use the calculator. Data for the calculator will require on-site or post-event surveying. It is worth stressing that the quality of outputs will only be as good as the quality of the inputs. In other words, if event organizers underestimate or exaggerate inputs, the results will represent either an underestimation or exaggeration of the overall economic impact.

Please enter data into the highlighted cells only.

Number of Tickets Sold:	5000	Average Daily Spend on Food and Beverage:	\$ 45.00	<b>Total Direct Economic Impact:</b>	<b>\$ 609,900.00</b>
Price per Ticket:	\$ 12.00	Total Food and Beverage Spending:	\$ 270,000.00	<b>Total Outside Economic Impact:</b>	<b>\$ 212,100.00</b>
Direct Ticket Spending:	\$ 60,000.00	Total Outside Food and Beverage Spending:	\$ 59,400.00	<b>Total Direct Economic Impact, Less Tickets:</b>	<b>\$ 549,900.00</b>
Number of Attendees:	6000	Average Daily Spending on Other:	\$ 30.00	<b>Total Direct Outside Economic Impact, Less Tickets:</b>	<b>\$ 198,900.00</b>
Percent from outside community:	22%	Total Other Spending:	\$ 180,000.00		
Total Outside Attendees:	1320	Total Outside Other Spending:	\$ 39,600.00		
Average Number of Days Attended:	1	Ticket Sales, Outside:	\$ 13,200.00		
Average Number of Nights in Market:	1				
Percent of Attendees Staying at Commercial Lodging:	15%				
Average Nightly Lodging Cost:	\$ 111.00				
Total Lodging Nights:	900				
Direct Lodging Spend:	\$ 99,900.00				

# Challenge: Tourism Unemployment

- Preliminary data shows that **30,000** leisure and hospitality workers were unemployed in December 2020
- A total of **63,319** leisure and hospitality workers have filed for unemployment insurance from April to January
- This translates into **\$735M** in unemployment claims in the leisure and hospitality sector alone from April to January
- The US Travel Association estimates that **40%** of those unemployed across the US are from the leisure and hospitality sector





# Solution: Career Advancement Pilot

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## Talent Retention Higher Ed Fellowship

- Retain New Mexican graduates in tourism and hospitality jobs



## Professional Certificates

- Funds learning opportunities for career advancement



## On-The-Job Training

- The program reimburses 25-50% of employee wages up to 6 months
- Similar to EDD's proven model - JTIP



## Program Administration

- Staff support
- Outreach and registration

# Measure: Case Studies & Investment Impact

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## EDD - New Mexico JTIP (Job Training Incentive Program)

- Served 69 companies in FY20, resulting in training 2,065 workers.
- Total program costs were just over \$18M

## Hospitality Maine

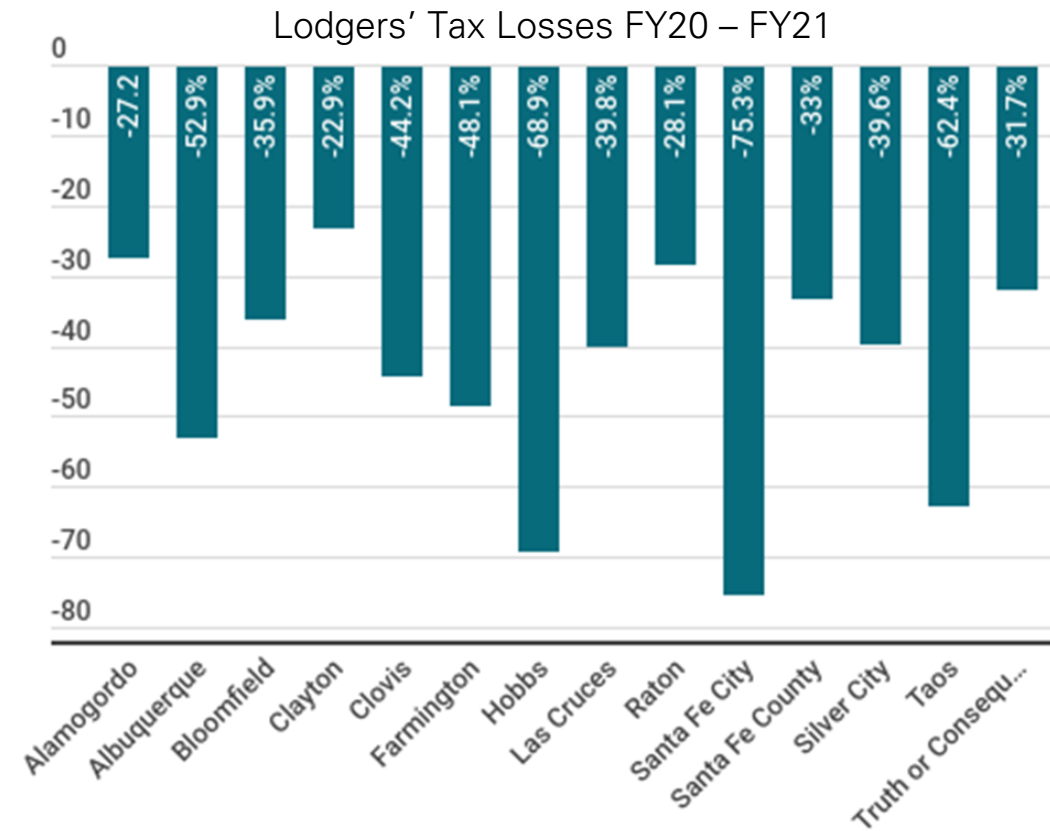
- Job training and apprenticeship incentive
- Program saw an average ROI to employers of **\$1.47 for every \$1 invested** due to improved productivity and workforce quality, as well as fewer accidents and reduced turnover

## NMTD Proposed \$30MM Investment

- Provide on-the-job training and educational opportunities to approximately **5,500 out-of-work leisure and hospitality workers**
- Establish a fellowship program with higher ed to support the **retention of New Mexico graduates**

# Challenge: Unique Local Tourism Development Needs Go Unfunded

- Communities throughout New Mexico have seen substantial losses in Lodgers' Tax revenue in 2020.
- Leisure and hospitality GRT has seen similar downturns, with local county losses of over **35%** in Santa Fe, nearly **20%** in San Juan and Socorro, nearly **30%** in Lea, De Baca and Eddy, and almost **25%** in Bernalillo and Taos counties.



# Solution: Special Tourism Development Districts



- Fund private/public tourism focused districts to solve unique local tourism opportunities for business retention and expansion
- Localized solutions for destination marketing, promotion and tourism development projects within defined area
- Placemaking and infrastructure improvements to revitalize specific areas
- Local Initiative Examples:
  - Commercial Aviation Business Development
  - Meetings and Convention Business Development
  - Visitor and Workforce Transportation Solutions

# Tourism Development Districts Case Studies

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## San Francisco

- Tourism Improvement District that assesses a 1% tax on hotel rooms
- In fiscal year 2018, San Francisco's TID contributed over \$6 million to the city's marketing and promotion efforts which resulted in over **\$9 billion in visitor spending**.

## Sun Valley (Aviation Local Option Tax)

- Sun Valley, Idaho entered a partnership with private and public sector entities to assess a 1% local option tax for aviation marketing, revenue guarantees and air service development research.
- An investment of \$2-3M a year has yielded a five-year economic impact of **\$622M in visitor spending** in the community and has increased the number of **first-time visitors** to Sun Valley by **88%**.

