

FEBRUARY  
2019

EXECUTIVE SUMMARY  
2019 ECONOMIC/FISCAL IMPACT  
& MARKETING ANALYSIS OF  
TAOS AIR FLIERS  
[DECEMBER 20, 2018 – FEBRUARY 10, 2019]  
\*REVISED\*

PRESENTED TO:  
TOWN OF TAOS  
400 CAMINO DE LA PLACITA  
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PRESENTED BY:

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## Economic/Fiscal Impact Summary

### Introduction

The Taos Air service, a collaborative public/private partnership led by the Town of Taos, began non-stop service from Austin and Dallas, Texas to Taos, New Mexico in December 2018. The goal of the service is to boost the economy and tourism in the study area of the Enchanted Circle communities of Taos, Taos Ski Valley, Angel Fire, Eagle Nest, Questa, and Red River (and their host counties of Colfax and Taos).

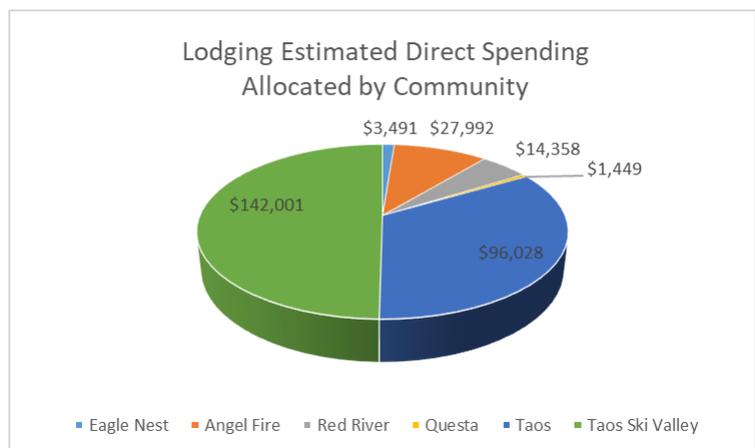
The Town of Taos commissioned Southwest Planning & Marketing (SWPM) to determine the economic and fiscal impact of flier spending (for travelers from Texas) in the study area during the study period of December 20, 2018 through February 10, 2019, as well as to do a concurrent marketing survey of all fliers. The survey had forty-seven percent (46.8%) response rate, with a total sample size of 521 survey responses. The overall data for the entire sample is accurate to plus or minus 3.1% at the 95% confidence level. That means that 95% of the time the data for the entire flier population would not vary by more than 3.1% from the result obtained from the sample in this survey.

The total number of unique fliers who originated in Texas during the study period was 887.<sup>1</sup> The average travel party size of 3.0 for these fliers yielded an estimated 296 flier parties from Texas.

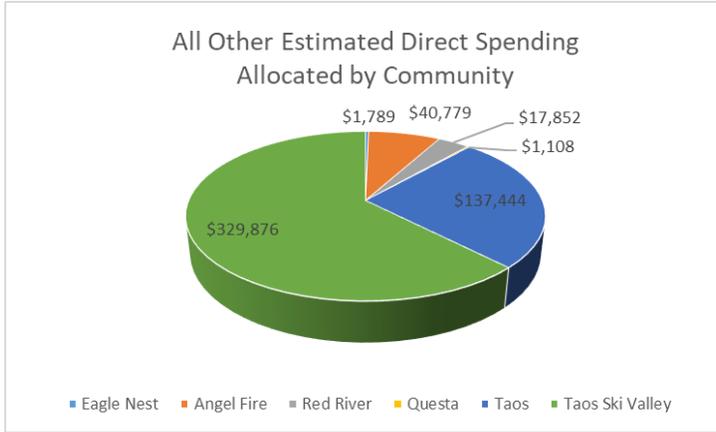
### Economic Impact

Respondents with flights originating in Texas were asked to estimate their entire party's spending while in New Mexico during the study period in six categories: lodging, food/meals/beverages, transportation/fuel, outdoor recreation (including skiing), attractions/entertainment, and shopping/miscellaneous/other. Spending was \$285,318 for lodging, \$210,515 for food/meals/beverages, \$22,471 for transportation/fuel, \$213,176 for outdoor recreation (including skiing), \$21,879 for attractions/entertainment, and \$72,438 for shopping/miscellaneous/other. Total spending for all categories combined was \$825,797.

The estimated allocated spending on lodging per community was: Taos – \$96,028, Taos Ski Valley – \$142,001, Angel Fire – \$27,992, Eagle Nest – \$3,491, Questa – \$14,358, and Red River – \$1,449.

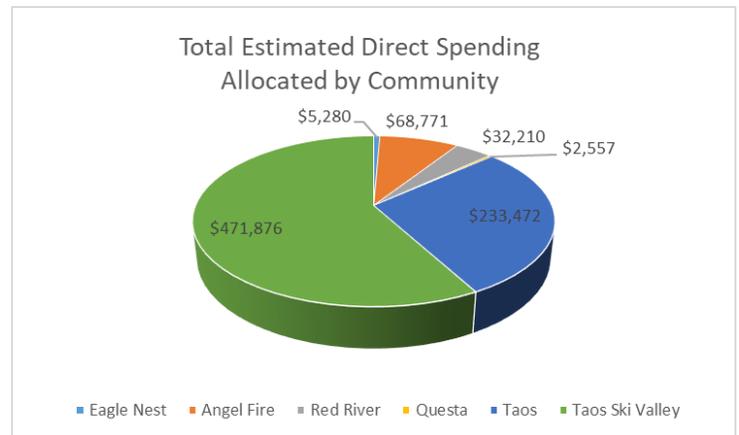


<sup>1</sup> Source: Taos Air.



The estimated allocated spending on all other spending categories combined by community was: Taos – \$137,444, Taos Ski Valley – \$329,876, Angel Fire – \$40,779, Eagle Nest – \$1,789, Questa – \$1,108, and Red River – \$17,852.

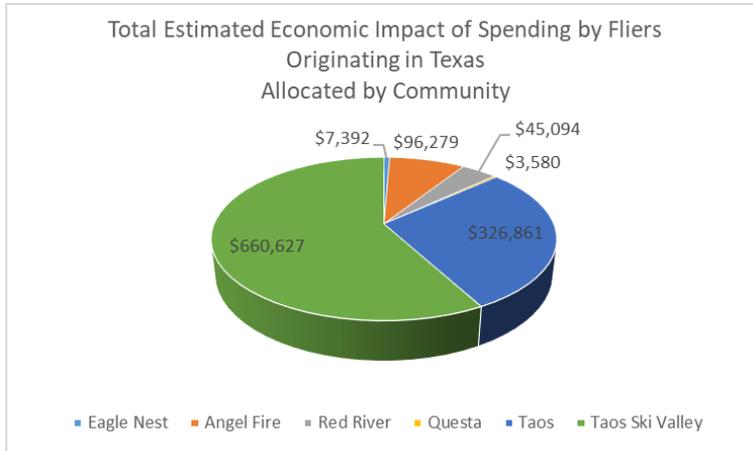
The estimated total combined allocated spending (lodging plus all other spending) by community was: Taos – \$233,472, Taos Ski Valley – \$471,876, Angel Fire – \$68,771, Eagle Nest – \$5,280, Questa – \$2,557, and Red River – \$32,210.



Combining total direct spending with the induced/indirect impact of spending yielded a **total estimated economic impact** of spending in the study area and during the study period of **\$1,139,832**.

Total Estimated Economic Impact of Spending by Fliers Originating in Texas			
Community	Total Direct Spending	Induced/ Indirect Impact of Direct Spending	Total Economic Impact of Direct Spending
Eagle Nest	\$ 5,280	\$ 2,112	\$ 7,392
Angel Fire	\$ 68,771	\$ 27,508	\$ 96,279
Red River	\$ 32,210	\$ 12,884	\$ 45,094
Questa	\$ 2,557	\$ 1,023	\$ 3,580
Taos	\$ 233,472	\$ 93,389	\$ 326,861
Taos Ski Valley	\$ 471,876	\$ 188,751	\$ 660,627
<b>Total</b>	<b>\$ 814,166</b>	<b>\$ 325,666</b>	<b>\$ 1,139,832</b>

\*Note: Respondents spent an additional \$11,631 in non-study area New Mexico communities not reflected in the totals above.



**Estimated allocated total economic impact of spending by community was: Taos – \$326,861, Taos Ski Valley – \$660,627, Angel Fire – \$96,297, Eagle Nest – \$7,392, Questa – \$3,580, and Red River – \$45,094.**

### Fiscal Impact

Fliers who paid for lodging in New Mexico during the study period were assessed gross receipts (GRT) and lodgers' taxes on the cost of their lodging.<sup>2</sup> These fliers spent an average of \$965 on lodging during their visit to the study area. Based on this number, the estimated total taxable spending on lodging by these fliers was \$285,318, generating a combined estimated \$14,124 in lodgers' tax. Estimated allocated lodgers' tax by community was: Taos – \$4,801, Taos Ski Valley – \$7,100, Angel Fire – \$1,400, Eagle Nest – \$105, Questa – \$0, and Red River – \$718.

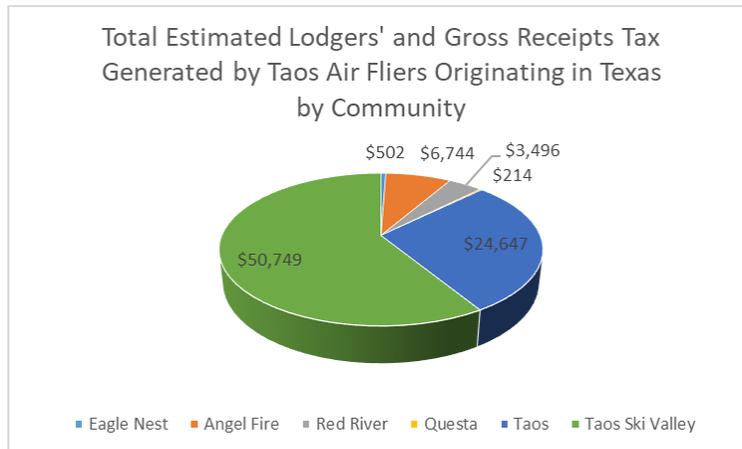
Fliers from Texas generated a combined estimated \$25,095 in GRT on lodging in the study area. Estimated allocated GRT on lodging by community was: Taos – \$1,620, Taos Ski Valley – \$2,929, Angel Fire – \$577, Eagle Nest – \$63, Questa – \$23, and Red River – \$260. The total estimated GRT on lodging allocated to Colfax County (Angel Fire, Eagle Nest) was \$184; estimated total GRT on lodging allocated to Taos County (Taos, Taos Ski Valley, Questa, Red River) was \$3,808. The total estimated GRT on lodging allocated to the State was \$14,623.

The total estimated combined gross receipts and lodgers' tax on lodging paid by fliers from Texas in the study area and during the study period was \$39,219.

<sup>2</sup> GRT and Lodgers' Tax Rates Sources: New Mexico Taxation & Revenue Department GRT Tax Rate Schedule [January 1 - June 30, 2019] and New Mexico Municipal League [<https://nmml.org/directory>]



Fliers from Texas generated a combined estimated \$47,132 in GRT on all other spending categories combined in the study area and during the study period. Estimated allocated GRT on all other spending by community: Taos – \$2,319, Taos Ski Valley – \$6,804, Angel Fire – \$841, Eagle Nest – \$32, Questa – \$17, and Red River – \$324. The total estimated GRT on all other spending allocated to Colfax County (Angel Fire, Eagle Nest) was \$248; estimated total GRT on all other spending allocated to Taos County (Taos, Taos Ski Valley, Questa, Red River) was \$7,294. The total estimated GRT on all other spending allocated to the State was \$27,103.



The total estimated gross receipts and lodgers' tax on lodging and all other spending categories combined by fliers from Texas in the study area and during the study period was \$86,351. Estimated allocated combined gross receipts and lodgers' tax on lodging and all other spending by community was: Taos – \$24,647, Taos Ski Valley – \$50,749, Angel Fire – \$6,744, Eagle Nest – \$502, Questa – \$214, and Red River – \$3,496.

The total estimated combined gross receipts and lodgers' tax on lodging and all other spending allocated to Colfax County (Angel Fire, Eagle Nest) was \$432; estimated total GRT on all other spending allocated to Taos County (Taos, Taos Ski Valley, Questa, Red River) was \$11,102. The total estimated GRT on all spending combined allocated to the State was \$53,260.

### Marketing Summary

- Over one quarter (26.2%) of the respondents reported their primary residence as being in Austin, followed by 17.6% in Dallas, 5.9% in Taos, and 4.0% in Houston.
- For nearly eighty percent (78.0%) of the respondents, their primary residence was in Texas; New Mexico (13.2%) was the next closest state of primary residence.
- 13.2% of the respondents were full-time residents of New Mexico (reside in New Mexico six or more months per year) and 14.9% were part-time residents of the state (reside in New Mexico fewer than six months per year); 71.9% did not reside in the state (were visitors/tourists).
- 88.8% of respondents had a bachelor's degree or higher.
- The average age of respondents was 47.4 (ranging in age from 18-86).
- Just under fifty-eight percent (57.6%) of respondents were male; 42.1% were female.
- The majority of respondents were White/Anglo (82.2%), followed by Hispanic (6.9%).
- Sixty-three percent (63.1%) of the respondents reported annual household incomes of \$125,000 or greater, with 44.7% having incomes of \$250,000 or more.



- Most respondents (76.9%) flew on Taos Air for leisure, followed by 24.5% who flew to visit friends/family, and 8.3% who flew for business.
- 39.3% of the respondents originated their travel in Dallas, 38.2% originated their travel in Austin, and 22.5% originated their travel in Taos.
- The average respondent flier party size was 3.0 (all respondents combined). Party sizes for flier respondents by city/state of origination were: Taos – 2.0, Austin – 3.3, Dallas – 2.7, Texas Combined – 3.0.
- Nearly all (99.7%) of the respondents with flights originating in Texas spent one or more nights in New Mexico following their arrival. Overall, these respondents stayed an average of 4.4 nights in New Mexico and allocated to study area communities as follows: 2.2 nights in Taos Ski Valley, 1.5 nights in Taos, 0.4 nights in Angel Fire, 0.2 nights in Red River, 0.1 nights in Eagle Nest, and 0 nights in Questa.
- Just under forty-three percent (42.7%) of the respondents who stayed overnight indicated that they stayed in a hotel/motel/B&B; 26.1% stayed in a second home, 20.2% stayed in a vacation/short-term rental, and 19.9% stayed with friends/relatives.
- Overall, respondents reported that they spent most of their time while in New Mexico (including overnights and daytrips) in Taos Ski Valley (61.0% of their time) and Taos (25.4% of their time).
- The availability of direct flights between Austin/Dallas and Taos had an influence on respondents' decisions to visit communities in the study area, influencing their decision to visit Taos Ski Valley the most (78.2% of respondents); this was followed by Taos (54.4% of respondents), Angel Fire (10.7% of respondents), and Red River (9.1% of respondents).
- Nearly half of the respondents (49.4%) traveled to their final destination from the Taos Airport via shuttle, followed by friend/family pick-up (27.6%) and rental car (18.2%).
- Fifty-three percent (52.8%) of respondents heard about the new Taos Air service via word of mouth. This was followed by SkiTaos.com (24.5%), Facebook (13.0%), FlyTaosAir.com (9.9%), Instagram (8.9%), a billboard (8.3%), a print ad (7.1%), and a print article (7.1%).
- When asked to rate their overall experience with Taos Air on a scale from 1 to 5, with 1 being "Fell short of my expectations" and 5 being "Exceeded my expectations," respondents rated their overall experience an exceptional 4.8.
- Respondents were also asked to rate their experience on variety of aspects of Taos Air on a scale from 1-5, with a 1 being "Fell short of my expectations" and 5 being "Exceeded my expectations." Respondents were most satisfied with the Onboard Experience (4.8), Staff Friendliness (4.8), and Ticket Purchasing (4.5); the Thursday, Saturday, Sunday Schedule rated the lowest (4.3 – based on open-ended responses, the lower rating for the schedule appears based on an overall desire for more flights/flight options).
- The majority of respondents (77.6%) would fly Taos Air again if the service was offered during the summer. Of these respondents, 69.0% would use the summer service to visit Taos, 53% to visit Taos Ski Valley, 24.2% to visit Angel Fire, and 18.0% to visit Red River.