ECONOMIC IMPACTS OF ALBUQUERQUE AIRPORT SYSTEM ON THE NEW MEXICO ECONOMY

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Bureau of Business & Economic Research
Economic Impacts of Albuquerque Airport System on the New Mexico Economy

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Doleswar Bhandari, Ph.D.

Bureau of Business and Economic Research
MSC06 3510, 1 University of New Mexico
Albuquerque, NM 87131
Tel: (505) 277-2216
Fax: (505) 277-7066
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- Mr. Mike Medley, Manager, Double Eagle II airport
- Ms. Cara MacNinch, Contract Manager
- Felix Vivian, Sustainability Program Coordinator
- Jessica Dickman, Operations Manager
- Chris Albrecht, Environmental Manager
- Marshall Katz, Aviation Police Chief
- Dave Petrov, Landside Operations Manager

I appreciate the assistance provided by Mr. Lowell Whitten, Cutter FBO Manager, Mr. Tim Gorman, Bode FBO Manager, and Ms. Michelle Newton, Atlantic FBO manager, and their staff members in filling out the business survey and providing data and insight on general aviation service visitors. Thanks are due to other airport-related businesses and airline passengers for their kind support in filling out the survey and providing data as well.

As always, I appreciate the assistance provided by BBER staff and students. I would like to thank Dr. Lee Reynis, BBER director, for providing necessary support to accomplish this study. Special thanks go Peter Kelton and Skyler Atterbom for their efforts in conducting the survey of airline passengers and airport-dependent businesses. I would like to thank Pavel Babuska, BBER student research assistant, for his help in collecting general aviation service related data, reviewing related literature, and editing this report.

-Doleswar Bhandari
EXECUTIVE SUMMARY

The purpose of this study is to estimate the economic impact of Albuquerque International Sunport and Double Eagle II airports in the state of New Mexico. It measures impacts of these airports in terms of jobs, income, economic output and taxes. The main highlights of this study are presented as follows:

- More than 20,000 New Mexico jobs are related directly or indirectly to the Albuquerque Airport System representing roughly 2.6 percent of the nearly 782 thousand jobs in the state.
- $1.9 billion in annual economic output for New Mexico state businesses is attributed to the airports; this equates to 2.4 percent of the total $79.9 billion gross state product in FY12.
- Payroll associated with the airports totals more than $701 million or 2% percent of total wage and salary income in the state.
- More than $82.4 million in state and local tax revenues were collected.
- The overall multipliers for output and employment of airport and airport-dependent business operations are estimated to be 1.47 and 1.88 respectively.

### Impact Type Impacts

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<td>Jobs</td>
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Sources: City of Albuquerque Aviation Department, UNM Bureau of Business and Economic Research, and IMPLAN
1. INTRODUCTION

The City of Albuquerque Aviation Department (CAAD) commissioned the University of New Mexico Bureau of Business and Economic Research (BBER) to estimate the economic impacts of the two city operated airports, the Albuquerque International Sunport (AIS) and Double Eagle II Airport (DEII) (from now on jointly referred to as “Albuquerque Airport System”) on New Mexico’s economy for the fiscal year 2012 (FY12). This report presents the results of the study and outlines the data and methods used to arrive at these results.

Being the largest commercial airport in the state and accounting for 98% of the total state enplanement of passengers, the Sunport is a vital component to the New Mexico economy and welcomed more than 5.6 million passengers while carrying more than 62,000 tons of cargo in FY12. The Sunport was home to more than 221,000 take-offs and landings in FY12, nearly 64,000 of which were air carrier, 33,000 air taxi, 5,200 local general aviation, 26,000 general aviation itinerant, and 23,600 military aircraft. The Albuquerque International Sunport is classified as a medium hub airport by the Federal Aviation Administration (FAA) and houses seven major commercial carriers, five affiliate and commuter airlines, and two air cargo airlines and affiliates. The Sunport offers a 76-acre rental car facility located approximately one-half mile west of the terminal. The facility is comprised of a customer service building, parking area and service center facilities. Additionally, the Sunport provides a variety of retail concessions, food and beverage sales, as well as an impressive collection of New Mexico art acquired under the City of Albuquerque’s 1% for the Arts program that is displayed in areas frequented by travelers.

Meanwhile, Double Eagle II is located on Albuquerque’s growing west side. Based at this facility are an estimated 220 general aviation aircraft with approximately 70 thousand annual airfield operations comprised of training, military, air ambulance, charter, private, and corporate flights. The construction of the 80-foot Air Traffic Control Tower was completed in 2007 and was FAA certified in the fall of 2008. In addition to the robust general aviation activity, DEII is evolving into an aerospace industry cluster and a future employment center for Albuquerque’s west side. The creation of the Aerospace Technology Park at DEII provides a location for a leading-edge high-tech industry while promoting a clean, non-polluting environment for the community. As a general aviation reliever airport, DEII is a critical component of the Albuquerque Airport System.

There are many economic benefits associated with the airports; some are located within airport boundaries while many spread beyond into other regions of the state’s economy. CAAD managed airports are, themselves, centers of employment and generators of significant economic activity. Airports directly employ a diverse array of workers for their passenger and freight
operations. They not only provide employment opportunities, but also make significant purchases of goods and services from NM vendors. The Airport’s on-going capital improvement projects further stimulate the state economy. The Aviation Department and other airport dependent businesses employ nearly 3,200 New Mexicans and disbursed more than $209 million in payroll. Additionally, through their purchases of goods and services, out-of-state visitors coming to New Mexico by air directly support more than 10,700 employees with earnings of nearly $256 million.

Businesses that operate at AIS and DEII include passenger airlines, all-cargo carriers, fixed-based operators, ground transportation providers, retail concessions, and a host of administrative, professional, technical and support service providers. A brief description of each type of business is presented in the Appendix D.
2. METHODOLOGY

There are many ways that airports can produce economic benefits to the state. This study builds on previous studies conducted by BBER and is based on a generally accepted method of measuring economic impact. The method, described as an “export-based” method, recognizes that only those expenditures supported by out-of-state revenues can be considered to have a tangible impact on the state’s economy because revenues generated from within the state would presumably flow to some other activity if airports did not exist. As a result, these revenues do not yield a net economic impact. Consequently, the Albuquerque Airport System's contribution to the state economy is derived from both its ability to attract revenues from out-of-State, and to reduce imports of goods and services by enhancing the self-sufficiency of the state economy through the creation and support of an internal market.

Economic impact results are heavily dependent on the modeling assumptions. This study is based on counterfactual analysis; a comparison between what actually happened due to airports and what would have happened in the absence of airports needs a special mention here. What would happen to the New Mexico economy if the Albuquerque Airport System was not present in the state? This is not an easy question to answer because there is no data present given that the scenario that does not exist. BBER assumed that if these two airports did not exist, the City of Albuquerque Aviation Department would not exist either. The revenues originating from out-of-state sources would not come to New Mexico, while the in-state revenue generated would have been spent somewhere else in the economy. For this reason, BBER categorized all the revenues that originated from out-of-state airline companies as an out-of-state source. Fifty-four percent of Terminal building revenues, 52% of customer facility charges, and 100% of miscellaneous revenues, are treated as out-of-state sources. All the revenue generated from passenger parking area is considered as local revenue because most of the parking space is used by local people. For related off-airport businesses, the percentage of airport-dependent revenue was obtained through a business survey conducted by BBER. Businesses were asked to indicate the proportion of their total revenues attributed to the availability of air travel at Albuquerque Airport System. Survey analysis showed that roughly 74% of the total revenues of these businesses were attributed to the existence of the Albuquerque Airport System.

2.1 Data

Since airport operations are a multifaceted activity, BBER implemented a number of data collection efforts in order to gather information regarding various economic activities associated with Albuquerque Airport System. To estimate the first round or direct impacts of the airport system, BBER collected primary data from various businesses and individuals in and around the airports. These are broadly classified as follows:
**Airport and Airport-Dependent Business Operations:** Albuquerque International Sunport, a commercial service airport in the state, and Double Eagle II Airport, a reliever airport which was built to relieve congestion at the Sunport and to provide general aviation access to in-state and out-of-state travelers, house various businesses such as airlines, FBOs, concessionaries, food and beverage services, flight schools, ground transportation, parking services, and governmental agencies. Governmental agencies need special mention here because their presence in the Albuquerque Airport System is significant. These agencies include the City of Albuquerque Aviation Department which owns and manages airport facilities, the Federal Aviation Administration (FAA) which is responsible for the safety of civil aviation, the Transportation Security Administration (TSA) which is responsible for the passenger screening at the security checkpoint, and the NM Department of Transportation which coordinates with all public and private agencies to advance general aviation in the state.

**Commercial Service Visitors:** These are the visitors coming to New Mexico via commercial airlines from out-of-state places. Average visitor spending was estimated from passenger surveys conducted for this analysis.

**General Aviation Visitors:** This group includes out-of-state visitors coming into New Mexico via private or business aircraft. These visitors use general aviation aircraft to enjoy both recreational opportunities available in New Mexico, to meet with friends and/or relatives as well as to conduct business. Due to a lack of data, average visitor spending was estimated using commercial service airlines passenger survey data.

**Capital Improvement Projects:** The design, construction/remodeling, and maintenance of airport facilities and infrastructure are activities that happen continuously in the airport. The main construction activities undertaken in FY12 were construction of a new apron, replacement of a roof of the terminal building, installation of solar panels, upgrading of the fire alarm system, parking lot construction, renovation of a rental car facility, upgrading of the lighting at the airfield runways, infrastructure development, closure and demolition of runways, etc. These activities not only provide employment opportunities to New Mexicans as construction workers, architecture designers, engineers, and consultants, but also further stimulate the economy by spending monies locally to purchase related goods and services. Capital improvement projects carried out by airport-dependent businesses are also included in this report.

**2.2 Data Collection Methods**

**2.2.1 Airport and Airport-Dependent Business Operations**

An extensive data collection program was conducted for this study. Direct impacts for on-airport tenants and off-airport businesses were identified primarily through survey efforts. To collect data regarding airport operation and capital improvement activities, BBER provided a data
checklist and data template forms to CAAD financial managers. To collect data from on-airport tenants and airport-dependent businesses, BBER obtained names, mailing addresses, and telephone numbers for each entity from a CAAD contract manager. All airport tenants and businesses that operated during FY12 were contacted to collect information regarding their economic activity. BBER mailed 85 surveys to 43 categories of airport tenants and businesses to estimate their employment, sales, operating expenses, capital improvement expenditure, and sales attributed to existence of the Albuquerque Airport System. The businesses were also asked to indicate how vital their relationship is with the airport for their business’ performance. The survey questionnaire is presented in Appendix A. To support the counterfactual argument about the airport, a clear distinction was made between whether the airport’s existence was crucial to the business’s operation. At this point, a judgment call was made to decide whether an airport related economic activity was still possible without the airports. Surveys were conducted to obtain information from the following airport-related business categories: airlines, air cargo, concessions, car rental companies, FBOs, aircraft manufacturers, cab companies, airport shuttle companies, limousine companies, parking service companies, fuel farms, solar companies, hangar lessees, on-call consultants, and state/federal government.

BBER attempted to get a 100% response rate from on-airport tenants and businesses by making several rounds of follow-up phone calls, e-mails, and office visits. However, we were not able to secure data from a few companies that are either no longer in service, could not provide data for security reasons, or whose company policy would not allow them to share the data. For those who did not supply complete information on employment, sales, etc. BBER estimated these figures using both Dunn & Bradstreet and IMPLAN data.

Table 2.1 identifies the total number of jobs supported, payroll disbursed and output generated by airport-dependent businesses. In FY12, they employed 2,944 employees consisting of airline and air cargo services (1,018 employees), ground transportation and parking services (630 employees), local, state, and federal government including CAAD (493 employees), food, beverage, and retail services (346 employees) and FBOs and others (379 employees). Table 2.1 also shows direct annual payroll impacts of more than $179 million and direct output impact of more than $632 million. The largest amount of payroll was disbursed by airlines and cargo service companies ($92 million) followed by local, state and federal government ($26 million) and other entities ($61 million). Total direct annual output from airport-dependent businesses and activities is estimated at more than $632 million consisting of airline and air cargo services ($405 million), ground transportation and parking services ($73 million), local, state, and federal government including CAAD ($47 million), food, beverage, and retail services ($26 million) and FBOs and others ($49 million). Figure 2.1 presents the distribution of employment, payroll and output (output is defined on page 15) of airport-dependent businesses.
Table 2.1. Employment, Payroll and Output by Airport-Dependent Businesses

<table>
<thead>
<tr>
<th>Airport-dependent businesses</th>
<th>Employment</th>
<th>Payroll</th>
<th>Output</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ground transportation and parking services</td>
<td>630</td>
<td>$14,069,410</td>
<td>$73,084,763</td>
</tr>
<tr>
<td>Aviation services including FBOs</td>
<td>212</td>
<td>$20,955,734</td>
<td>$49,445,956</td>
</tr>
<tr>
<td>Local, state, federal government</td>
<td>493</td>
<td>$26,071,107</td>
<td>$47,443,020</td>
</tr>
<tr>
<td>Food, beverage and retail concessions</td>
<td>346</td>
<td>$8,511,492</td>
<td>$25,960,925</td>
</tr>
<tr>
<td>Airline and aircargo services</td>
<td>1,018</td>
<td>$92,125,752</td>
<td>$405,227,425</td>
</tr>
<tr>
<td>Others</td>
<td>245</td>
<td>$17,586,477</td>
<td>$31,199,782</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2,944</td>
<td><strong>$179,319,971</strong></td>
<td><strong>$632,361,871</strong></td>
</tr>
</tbody>
</table>

Source: Associate Director of Finance, Aviation Department, City of Albuquerque Bureau of Business & Economic Research, University of New Mexico, 2013

Figure 2.1. Distribution of Employment, Payroll and Output by Various Airport-Dependent Businesses
2.2.2 Visitor’s Survey

2.2.2.1 Commercial Service Visitors

The air passenger survey was conducted between mid-December 2012 and the end of April 2013 to collect data regarding passengers’ places of residence, purpose of the trip, and travel expenditures on lodging, food and drink, goods and services, entertainment (such as golf and performances), ground transportation (such as auto rental and gasoline) and other miscellaneous expenses. Passengers were also asked if they would have still made the trip had the airport not existed. The survey population consisted of all the enplaning passengers who used the Sunport as the final destination of their trip, point of origination, or a transit point. A total of 2,266 enplaning passengers filled out the self-completed surveys. Of the total, 718 were in-state residents and 1,548 were out-of-state and international visitors. In-state residents were asked only one question— to indicate if they would have chosen New Mexico if the Sunport did not exist.

The survey questionnaire was one-page long and comprised of 10 short questions (A copy of the survey questionnaire is presented in Appendix A. 3). The survey process and content were approved by the University of New Mexico Institutional Review Board. An informed consent cover letter was included on the front page of the survey. Passengers were requested to read the consent letter first before they filled out the survey. There was no signature required; however, those who turned in the survey consented to all of the terms and conditions. Surveys were conducted only in passenger waiting areas where passengers were waiting to board their flights. This insured that there was little intrusion on their activities. BBER surveyors were careful not to survey passengers in the food courts, terminal walkways, or security checkpoints. Passengers that were on cell phones/computers, dealing with very young children, or looked otherwise busy were avoided. Passengers waiting for flights that already had a boarding call, and passengers younger than 18 were also avoided. Generally, one passenger from each party was asked to complete the survey. If they agreed, they were given as much time as they needed to complete it. If they declined to participate, they were thanked for their time and no longer bothered. Surveys and pencils were collected as they were finished.

Once finished, surveys were collected and placed into a folder to insure anonymity. This was repeated throughout the airport until the process was completed. The researchers were able to do about five full passes though the airport each day, accounting for different data collection times (such as 5 to 9 am, 9 to 11 am, 11 am to 1 pm, 1 to 7 pm, and 7 to 10 pm). The data was then entered directly into the data collection form and the surveys were locked away to insure safety and integrity of the data. The surveys were conducted on each day from Sunday to Saturday to make it a representative sample of the commercial service passengers.
Estimation of Out-of-State Visitors

The number of out-of-state visitors in FY12 was estimated using survey data and the total number of enplanements provided by CAAD. The last column in Table 2.2 presents the net out-of-state visitors (57% of passengers) made the trip to New Mexico in FY12. Based on the survey results regarding the percentage of visitors unwilling to make the trip in absence of the airport, BBER estimated that approximately 1.2 million visitors would not have made the trip. Therefore, only spending by these visitors is taken into account to estimate the impacts.

### Table 2.2 Estimation of Out-of-State Visitors for FY12.

<table>
<thead>
<tr>
<th>Departure Time</th>
<th>No. of survey</th>
<th>Out-of-State percent</th>
<th>Distribution of passenger by departure time</th>
<th>Estimated enplaned passengers by departure time</th>
<th>Out-of-state visitors</th>
<th>Percent of visitors who would not made the trip</th>
<th>Net out-of-State visitors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very Early (5:00-9:00 am)</td>
<td>238</td>
<td>40%</td>
<td>40%</td>
<td>1,134,298</td>
<td>457,532</td>
<td>71%</td>
<td>322,964</td>
</tr>
<tr>
<td>Early (9:00-11:00 am)</td>
<td>436</td>
<td>67%</td>
<td>20%</td>
<td>567,149</td>
<td>379,834</td>
<td>76%</td>
<td>288,916</td>
</tr>
<tr>
<td>Middle (11:00 am-1:00 pm)</td>
<td>834</td>
<td>69%</td>
<td>25%</td>
<td>708,936</td>
<td>488,775</td>
<td>76%</td>
<td>369,075</td>
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<tr>
<td>Late (1:00-4:00 pm)</td>
<td>415</td>
<td>68%</td>
<td>10%</td>
<td>283,574</td>
<td>193,377</td>
<td>72%</td>
<td>139,827</td>
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<tr>
<td>Very Late (7:00-10:00 pm)</td>
<td>112</td>
<td>63%</td>
<td>5%</td>
<td>141,787</td>
<td>89,883</td>
<td>79%</td>
<td>71,194</td>
</tr>
<tr>
<td>Total</td>
<td>2,035</td>
<td>65%</td>
<td>100%</td>
<td>2,835,744</td>
<td>1,609,400</td>
<td>74%</td>
<td>1,191,976</td>
</tr>
</tbody>
</table>

1. Information was obtained from Public Relation & Marketing Manager, CAAD
2. Total enplaned passengers in FY12 were 2,835,744.
3. These visitors indicated that they could not make the trip if there were no Albuquerque airports

Using survey data gathered from enplaning passengers at the Sunport, the average length of stay and average daily expenditures by purpose of the trip were estimated. These estimates were applied to the number of annual visitors to determine total economic activity generated by commercial airline visitors on an annual basis. Table 2.3 presents the average spending of visitors for hotel & lodge, restaurant, goods, entertainments, and transportation by purpose of the trip. Visitors who came as tourists have the largest average party size (3.7 persons) followed by business travelers (2.7 persons) and visiting friends and relative (1.9 persons). As shown in Table 2.3, it is estimated that largest percentage of travelers came to New Mexico to visit friends and/or relatives (36%), followed by business purpose (32%), tourism (19%), layover (12%) and other (1%).

Visitors who chose their trip purpose as ‘Other’ were the highest spenders ($649/visitor) followed by tourists ($763/visitor), business travelers ($479/visitor), friends and relatives visitors ($398/visitor) and layover passengers ($85). Table 2.4 presents total spending by trip
purpose. It is estimated that business travelers spent the highest total amount ($183 million, 34%), followed by tourists ($171 million, 31%) and the visitors who visited their friends and relatives ($171 million, 31%). The total estimated spending of out-of-state visitors who used commercial airlines is nearly $545 million. Please note that nearly 400 thousand business trips were made by out-of-state residents indicating that many businesses rely on air travel; airports not only attract out-of-state travelers in New Mexico, but also bring business opportunities and investments in New Mexico.

Table 2.3. Average Visitor’s Spending by Purpose of Travel

<table>
<thead>
<tr>
<th>Expenditure/ Purpose of trip</th>
<th>Business</th>
<th>Tourism</th>
<th>Visit friends or relatives</th>
<th>Layover</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sample size</td>
<td>421</td>
<td>246</td>
<td>472</td>
<td>157</td>
<td>15</td>
</tr>
<tr>
<td>Percent by trip purpose</td>
<td>32%</td>
<td>19%</td>
<td>36%</td>
<td>12%</td>
<td>1%</td>
</tr>
<tr>
<td>Party size</td>
<td>2.7</td>
<td>3.7</td>
<td>1.9</td>
<td>2.1</td>
<td>1.4</td>
</tr>
<tr>
<td>Average nights stay</td>
<td>4.6</td>
<td>5.1</td>
<td>6.7</td>
<td>0.0</td>
<td>38.8</td>
</tr>
<tr>
<td>Hotel &amp; lodge</td>
<td>$239</td>
<td>$299</td>
<td>$68</td>
<td>$6</td>
<td>$181</td>
</tr>
<tr>
<td>Restaurant</td>
<td>$98</td>
<td>$141</td>
<td>$107</td>
<td>$11</td>
<td>$87</td>
</tr>
<tr>
<td>Goods</td>
<td>$50</td>
<td>$100</td>
<td>$114</td>
<td>$54</td>
<td>$47</td>
</tr>
<tr>
<td>Entertainments</td>
<td>$16</td>
<td>$77</td>
<td>$27</td>
<td>$2</td>
<td>$0</td>
</tr>
<tr>
<td>Ground transportation</td>
<td>$58</td>
<td>$85</td>
<td>$51</td>
<td>$5</td>
<td>$51</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>$18</td>
<td>$61</td>
<td>$30</td>
<td>$7</td>
<td>$283</td>
</tr>
<tr>
<td>Total Expenditure</td>
<td>$479</td>
<td>$763</td>
<td>$398</td>
<td>$85</td>
<td>$649</td>
</tr>
</tbody>
</table>

Source: Survey of Airline Passengers, Bureau of Business and Economic Research, University of New Mexico

Bureau of Business & Economic Research, University of New Mexico, 2013

Table 2.4 Estimation of Commercial Service Visitor’s Spending

<table>
<thead>
<tr>
<th>Trip Purpose</th>
<th>Estimated no. of visitors by trip purpose</th>
<th>Average spending per visitor</th>
<th>Total spending</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business</td>
<td>382,778</td>
<td>$479</td>
<td>$183,377,015</td>
</tr>
<tr>
<td>Tourism</td>
<td>223,666</td>
<td>$763</td>
<td>$170,706,348</td>
</tr>
<tr>
<td>Visit friends/relatives</td>
<td>429,148</td>
<td>$398</td>
<td>$170,599,952</td>
</tr>
<tr>
<td>Layover</td>
<td>142,746</td>
<td>$85</td>
<td>$12,075,822</td>
</tr>
<tr>
<td>Other</td>
<td>13,638</td>
<td>$649</td>
<td>$8,849,819</td>
</tr>
<tr>
<td>Total</td>
<td>1,191,976</td>
<td>$458</td>
<td>$545,608,956</td>
</tr>
</tbody>
</table>

Source: City of Albuquerque Aviation Department, and Airline passenger survey conducted by BBER
Bureau of Business & Economic Research, University of New Mexico, 2013
2.2.2.2 General Aviation Visitors

Although general aviation covers a large range of activities including both commercial and non-commercial flights, private flying, flight training, etc., we are only including itinerant flights and military flights in the analysis because these flights are more likely to bring non-local passengers to New Mexico. Itinerant operations are those that leave the airport’s local airspace. Based on information from surrounding FBOs, it is estimated that nearly 80% of the itinerant flight passengers at the Sunport and more than 97% of passengers of Double Eagle II airport are considered as out-of-state visitors. Itinerant operations performed by visitors are considered transient operations. Table 2.5 presents the estimated number of out-of-state visitors that came to New Mexico through both the airports.

Table 2.5 Estimation of General Aviation Visitors for AIS and DEII for FY12

<table>
<thead>
<tr>
<th>Type of Aviation Service</th>
<th>Aircraft Landings and Takeoffs</th>
<th>Number of Aircraft</th>
<th>Out-of-State % Estimate</th>
<th>Average No. of Passengers per Aircraft</th>
<th>Estimated Out-of-State Passengers</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Low</td>
<td>High</td>
</tr>
<tr>
<td>Albuquerque International Sunport</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Aviation Local</td>
<td>5,246</td>
<td>2,623</td>
<td>0% 0%</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>General Aviation Itinerant</td>
<td>26,138</td>
<td>13,069</td>
<td>75% 85%</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Military</td>
<td>23,609</td>
<td>11,805</td>
<td>95% 100%</td>
<td>5</td>
<td>8</td>
</tr>
<tr>
<td>Sub-Total</td>
<td>54,993</td>
<td>27,497</td>
<td></td>
<td>85,477</td>
<td>138,871</td>
</tr>
<tr>
<td>Double Eagle II</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Aviation Local</td>
<td>37,245</td>
<td>18,623</td>
<td>0% 0%</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>General Aviation Itinerant</td>
<td>26,963</td>
<td>13,482</td>
<td>80% 90%</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Military</td>
<td>3,024</td>
<td>1,512</td>
<td>95% 100%</td>
<td>8</td>
<td>13</td>
</tr>
<tr>
<td>Sub-Total</td>
<td>67,232</td>
<td>33,616</td>
<td></td>
<td>33,062</td>
<td>68,189</td>
</tr>
<tr>
<td>Grand Total</td>
<td>122,225</td>
<td>61,113</td>
<td></td>
<td>118,538</td>
<td>207,060</td>
</tr>
</tbody>
</table>

Source: Interview with FBO managers; control tower statistics obtained from Aviation Department, City of Albuquerque Bureau of Business & Economic Research, University of New Mexico, 2013

Using FY12 data provided to us by the Albuquerque International Sunport, BBER estimated that between 118,538 and 207,060 out-of-state passengers landed at the Sunport and Double Eagle II airport for the year. Both a low and a high estimate are provided based on data collected for average number of passengers per aircraft and the percentage of aircraft coming from out of state for each class; from this, high and low estimates for the number of actual out-of-state passengers were calculated. Data for the average number of passengers per aircraft and out-of-state aircraft percentages were provided by the managers of Atlantic, Bode, and Cutter FBOs at their respective airports. Averaging these two values results in 162,799 passengers for FY12, the number used for the estimation of general aviation passenger spending. Please note that the column for “Aircraft landings and takeoffs” does not refer to individual airplanes, but rather each plane’s arrival and departure, concluding that the number of planes traveled to and from the airports is half compared to the values in the column. It should also be noted that not all aircraft
fully deplane and remain in New Mexico for an extended period of time. Nearly all military passengers remain in-state for an extended period of time (1-2 weeks), but a large proportion (estimated to be about half, 50%) of aircraft simply land, refuel, and depart, cutting the actual number of passengers even further. Table 2.6 presents total spending by general aviation visitors in New Mexico. The total estimated spending by out-of-state visitors is nearly $83 million.

Table 2.6 Estimation of General Aviation Visitor’s Spending

<table>
<thead>
<tr>
<th>Trip Purpose</th>
<th>Estimated no. of visitors by trip purpose</th>
<th>Average spending per visitor</th>
<th>Total spending</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business</td>
<td>59,392</td>
<td>$479</td>
<td>$28,448,792</td>
</tr>
<tr>
<td>Tourism</td>
<td>34,704</td>
<td>$763</td>
<td>$26,479,262</td>
</tr>
<tr>
<td>Visit friends/relatives</td>
<td>66,587</td>
<td>$398</td>
<td>$26,501,551</td>
</tr>
<tr>
<td>Other</td>
<td>2,116</td>
<td>$649</td>
<td>$1,373,353</td>
</tr>
<tr>
<td>Total</td>
<td>162,799</td>
<td>$509</td>
<td>$82,802,958</td>
</tr>
</tbody>
</table>

Source: Interview with FBO managers; control tower statistics obtained from Aviation Department; and airline passenger survey data  
Bureau of Business & Economic Research, University of New Mexico, 2013

2.2.3 Capital Improvement Projects

Capital improvement activities related data was obtained from CAAD and airport-dependent businesses. Table 2.7 presents construction expenditure by CAAD over time. CAAD construction expenditures have increased by nearly 15% since 2009; however, most of the increase happened in 2010 and, since then, expenditure has been relatively level. Total expenditures during the FY12 are estimated to be $23.5 million.

Table 2.7. CAAD Construction Expenditures by Fiscal Year

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Construction Expenditure</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>$16,115,164</td>
<td>-</td>
</tr>
<tr>
<td>2010</td>
<td>$21,277,806</td>
<td>32%</td>
</tr>
<tr>
<td>2011</td>
<td>$21,952,267</td>
<td>3%</td>
</tr>
<tr>
<td>2012</td>
<td>$23,472,198</td>
<td>7%</td>
</tr>
</tbody>
</table>

Source: Associate Director of Finance, Aviation Department, City of Albuquerque  
Bureau of Business & Economic Research, University of New Mexico, 2013

Table 2.8 provides a breakdown of the costs associated with various capital improvement projects. These improvements are predominantly the results of airport-related projects such as
rehabilitation and renovation of apron and runways, installation of equipment, upgrading of alarm systems, and other maintenance. Since most of the construction funds had come from airport general revenue, BBER used the same out-of-state proportion, nearly three fourths (74%), to estimate the construction expenditures from out-of-state sources.

Table 2.8 Construction Activities in FY12

<table>
<thead>
<tr>
<th>Capital Improvement Activity</th>
<th>Amount ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CAAD</td>
<td></td>
</tr>
<tr>
<td>New construction</td>
<td>$6,551,244</td>
</tr>
<tr>
<td>Rehabilitation and renovation</td>
<td>$9,337,097</td>
</tr>
<tr>
<td>Engineering and design</td>
<td>$425,083</td>
</tr>
<tr>
<td>Acquisition of land</td>
<td>$1,155,149</td>
</tr>
<tr>
<td>Maintainance</td>
<td>$4,298,258</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>$1,705,366</td>
</tr>
<tr>
<td>Airport Dependent Businesses</td>
<td>$11,355,478</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$34,827,676</td>
</tr>
</tbody>
</table>

1 Source: Associate Director of Finance, Aviation Department, City of Albuquerque
2 Source: Survey conducted by Bureau of Business and Economic Research
Bureau of Business & Economic Research, University of New Mexico, 2013

2.1.1 Aviation Department Revenue and Expenditure Data

CAAD revenues in FY12 were $74.3 million (Table 2.9). Airline revenue accounted for $26.1 million. This was the largest source of revenue, comprising of more than 35% of the total. Terminal building rental fees, passenger facility charges, and airport customer facility charges accounted for $13.7 million, $10.7 million, and $7.5 million, respectively. CAAD estimated to have attracted 74% ($55 million) of their revenues from out-of-state sources.

CAAD spent more than $32 million in FY12. The largest expenditure category was employee payroll including benefits, accounting for $16.5 million. This represented nearly 51% of all expenditures (Table 2.10). The second largest expenditure category was contractual services, which accounted for 16% (or $5.4 million) of all expenditures. CAAD operations create direct demand for supplies and services in the state. For example, CAAD spent nearly $6.12 million on fuel, repairs, maintenance, and other operating expenses. Additionally, more than $5 million was spent on interest payments. More than 98% of all expenditure was spent in the State of New Mexico. Table 2.10 presents the detailed expenditures on employee compensation and goods
and services. Since the total revenues were more than the expenditure in FY12, the remaining savings were spent on the principal payment.

**Table 2.9. CAAD Revenue Sources by Region**

<table>
<thead>
<tr>
<th>Revenue Source</th>
<th>In-State Revenues</th>
<th>Out-of-State Revenues</th>
<th>Total Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Airline Revenue</td>
<td>-</td>
<td>$26,122,620</td>
<td>$26,122,620</td>
</tr>
<tr>
<td>Non-Airline Revenue</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Terminal Building</td>
<td>$6,369,206</td>
<td>$7,360,784</td>
<td>$13,729,990</td>
</tr>
<tr>
<td>Passenger Facility Charges</td>
<td>$5,155,666</td>
<td>$5,585,304</td>
<td>$10,740,970</td>
</tr>
<tr>
<td>Customer Facility Charges</td>
<td>-</td>
<td>$7,506,399</td>
<td>$7,506,399</td>
</tr>
<tr>
<td>Passenger Parking Area</td>
<td>$7,790,778</td>
<td>-</td>
<td>$7,790,778</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>$15,312</td>
<td>$8,430,281</td>
<td>$8,445,593</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$19,330,962</td>
<td>$55,005,388</td>
<td>$74,336,350</td>
</tr>
</tbody>
</table>

Source: Associate Director of Finance, Aviation Department, City of Albuquerque
UNM Bureau of Business & Economic Research, 2013

**Table 2.10. CAAD Expenditures by Region**

<table>
<thead>
<tr>
<th>Source</th>
<th>In-State Expenditure</th>
<th>Out-of-State Expenditure</th>
<th>Total Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages and Salaries</td>
<td>$16,537,558</td>
<td>-</td>
<td>$16,537,558</td>
</tr>
<tr>
<td>Professional services</td>
<td>$1,092,821</td>
<td>-</td>
<td>$1,092,821</td>
</tr>
<tr>
<td>Utilities</td>
<td>$2,789,716</td>
<td>-</td>
<td>$2,789,716</td>
</tr>
<tr>
<td>Supplies</td>
<td>$527,461</td>
<td>-</td>
<td>$527,461</td>
</tr>
<tr>
<td>Travel</td>
<td>$1,380</td>
<td>$31,523</td>
<td>$32,903</td>
</tr>
<tr>
<td>Fuels, repairs and maintenance</td>
<td>$3,054,262</td>
<td>$130,436</td>
<td>$3,184,698</td>
</tr>
<tr>
<td>Contractual services</td>
<td>$5,015,857</td>
<td>$367,628</td>
<td>$5,383,485</td>
</tr>
<tr>
<td>Other operating expenses</td>
<td>$2,941,180</td>
<td>-</td>
<td>$2,941,180</td>
</tr>
<tr>
<td>Interest payment</td>
<td>$2,564,035</td>
<td>$2,564,035</td>
<td>$5,128,069</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$31,960,236</td>
<td>$529,586</td>
<td>$32,489,822</td>
</tr>
</tbody>
</table>

Source: Associate Director of Finance, Aviation Department, City of Albuquerque
UNM Bureau of Business & Economic Research, 2013
2.3 Economic Impact Estimation Method

The combined effects of the Albuquerque Airport System on the state economy are greater than the sum of the airport system’s total spending on payroll, goods and services, and capital projects. This is because money spent by the airport system and businesses is spent again by their employees and vendors. Additionally, money spent by visitors on hotels, restaurants, gift shops, rentals cars companies, etc. is spent again by their employees and vendors. The following calculations were implemented to estimate the direct economic impact from airport and related business-derived revenues on the state economy.

*Direct Impact = (% Out-of-State Revenues) X (% In-State Expenditures) X (Total Expenditures)*

The above equation indicates that direct impacts are created by the externally funded and locally spent dollars. The input-output multipliers model called IMPLAN was used to estimate the indirect and induced impacts on the economy of the State of New Mexico. IMPLAN uses a variety of data sources to estimate the total economic impacts of economic activity, where the total economic impact is comprised of the sum of direct, indirect and induced impacts (Figure 2.2).

The **direct impacts** of the Albuquerque Airport System on the state economy reflect the jobs, payroll, and sales directly related to airport operations and capital projects. Direct impact occurs as a result of government agencies, airport-tenants and airport-dependent businesses spending on salaries and wages, goods and services, and capital projects. The following government agencies directly employ hundreds of people: the City of Albuquerque Aviation Department, FAA, the Transportation Security Administration (TSA), New Mexico Department of Transportation, and Kirtland Air Force Base. Direct impacts also include the employment, salaries and output related to entities such as airlines, concessionaires, rental car companies, food and beverage providers, flight school, fixed based operators, on-call consultants, CAAD owned hotel, and others. Benefits stemming from capital improvement projects are also included in the direct impact category. Additionally, the impacts generated by visitor spending in New Mexico are also counted as direct impact. When non-resident visitors travel to New Mexico, New Mexico “exports” visitor services which bring outside dollars into the state, stimulate economic activity, increase local revenues, and create jobs.

**Indirect impacts** are the jobs, payroll, and output created by businesses which provide goods and services essential to on-airport businesses and other airport-dependent businesses. These impacts are created as a result of expenditures by businesses and organizations that support airport activities. These expenditures create demand for the goods and services of other companies, who must then purchase goods and services and hire employees to produce their products. They are also referred to as supplier impacts. These off-airport businesses range from hotels, restaurants, retail trade, and transportation to manufacturers, wholesalers, and shippers whose revenue partly or wholly depends on airport operations.
**Induced Impacts** are the result of wage and salary spending by the direct and indirect employees on items such as food, housing, transportation, health care services, entertainment, etc. The spending by these employees creates further demand for goods and services for which firms must again purchase supplies and hire employees to produce. The sum of these iterations constitutes the induced impacts.

Dividing the total economic impact by the original direct activity yields an estimate of the **multipliers**, which are a numeric way of describing the secondary impacts stemming from the direct impacts. These provide a measure of economic activity generated per dollar or per employee. The impact results are presented in three main categories: employment, labor income, and output. **Employment** is based on the total number of full-time jobs plus part-time jobs. In this analysis, part-time positions are the equivalent of full-time positions. **Labor income** represents the annual wages and salaries together with benefits paid to all workers. The **output** represents the value of industry production. Output measurement for manufacturing and service businesses differs from that of retail and wholesalers. For manufacturing and service businesses, output would be equal to sales, whereas for retail and wholesale business, output equals gross margin and not gross sales. BBER has made adjustments for this difference in reporting output numbers in the report. The economic impacts presented here are discussed in these terms.
Figure 2.2 Economic Impact Components
2.4 Catalytic Impacts of the Albuquerque Airport System on New Mexico’s Economy

Aside from direct, indirect, and induced effects, the airports can have wider, longer-lasting catalytic effects on the economy. A catalytic effect is defined as “employment and income generated in the economy of the study area by the wider role of the airport in improving the productivity of business and in attracting economic activities, such as inward investment and inbound tourism.” The catalytic influence on the airport’s behalf is important to analyze due to the rippling effect it has throughout the economy that contributes to long term growth and sustainment.

Airport impacts can be separated into economic impacts and catalytic impacts. The catalytic impacts can be broken down into three main categories: a consumer surplus by the aviation service users; economic spillovers; and environmental and social impacts. Consumer surplus is the difference between the total amount consumers would be willing to pay and the amount they actually pay for transportation service. However, consumer surplus is difficult to quantify in terms of its effects on the economy, as are the social and environmental impacts beyond their direct and indirect effects; therefore, the focus of airports’ catalytic impacts is contained within the “economic spillovers.” These spillovers break down into demand-side impacts and supply-side impacts. On the demand side, the airports’ catalytic effects result in increased tourism and trade revenue. Reliable airline access to the state means more traffic for both people and goods and services.

Supply-side externalities include impacts on investment, labor supply, productivity, market structure, and congestion. Airports can create the potential for larger markets, increasing competition and creating economies of scale while reducing monopolistic power. The potential for larger markets also increases innovation and can extract underlying productivity that will contribute to the state’s performance. The impact on investment increases capital stock which further leads to increase in state’s GDP. Having greater net inward investment drives technological innovation and conditions the transfer of knowledge, skills, capital, etc. These all do not have to be positive externalities, though. For instance, an airport’s presence can influence business and investment decision and stimulate local economy with new business ventures, but air services also make it easier to export local product and encourage outward investment as well. It is largely accepted, though, that having better accessibility by air encourages economic activity rather than drives it away. Especially in a place like Albuquerque, where the next large city is hundreds of miles away, the catalytic impacts of the local airports are very far-reaching and contribute liberally to state economic performance.

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1 ‘The social and economic impact of airports in Europe’, York Aviation & ACI, January 2004
Here is an example of how NM is attractive as a place of residence because of air transportation access through the Albuquerque Airport System. A resident air traveler survey conducted by BBER shows that a significant number of people would not have lived in New Mexico if there were a lack of aviation service in Albuquerque. Figure 2.3 presents the distribution of responses when they were asked if they would have chosen New Mexico if the airport did not exist. Surprisingly, roughly 37% of the people responded that they would unlikely choose NM as a place of residence. Fourteen percent of the respondents responded that they would ‘definitely’ not choose NM as a place of residence.

![Figure 2.3 In-State Traveler’s Response to Question “Would you have chosen New Mexico if Albuquerque airport did not exist?”](image)

Table 2.11 presents the estimation of the number of people who live in New Mexico because of the existence of the airport and associated lost household income. In the second column, it is assumed that only 14% of the in-state resident travelers would not have chosen residency in New Mexico. Using median household income of New Mexicans and giving an 80% discount rate for repeat travelers, BBER estimated that a total of $582 million of household income was added to the state economy due to the existence of the Sunport. Induced economic impacts of this income would be more than 4,450 jobs, nearly $166 million labor income, and $497 million output on New Mexico’s economy (Table 2.12). Similar estimation was done for a higher percentage of in-state resident travelers (37%) who would not have chosen New Mexico. It is estimated that a total of $1.5 billion household income is added in the state economy due to existence of the airport. The induced impact of this income would be significant –nearly 12,000 jobs, $440 million labor income and $1.3 billion output on the New Mexico economy (Table 2.12). These impacts are very real for New Mexico and this is just a small portion of the catalytic impacts that
we have talked about. Note that some portion of the jobs created statewide would still be filled by workers who come despite the presence of the airports, but the quality of the jobs would differ due to the lack of business environments that airports typically support. Because of this ambiguity, these impacts are not added into our final analysis to reduce any confusion regarding traditional direct, indirect, and induced impact numbers.

Table 2.11 Estimation of Total Lost Household Income in New Mexico in the Absence of the Albuquerque Airport System, FY12

<table>
<thead>
<tr>
<th>Parameters Used</th>
<th>Estimates using 14% of in-state resident travelers who would not choose NM</th>
<th>Estimates using 37% of in-state resident travelers who would not choose NM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total enplaned passengers</td>
<td>2,832,816</td>
<td>2,832,816</td>
</tr>
<tr>
<td>Percent of in-state travelers</td>
<td>43%</td>
<td>43%</td>
</tr>
<tr>
<td>Percent of NM resident travelers who would not choose NM if Albuquerque airport did not exist</td>
<td>14%</td>
<td>37%</td>
</tr>
<tr>
<td>Discount factor for repeat travelers</td>
<td>80%</td>
<td>80%</td>
</tr>
<tr>
<td>Estimated number of NM residents who would not choose NM</td>
<td>34,184</td>
<td>90,559</td>
</tr>
<tr>
<td>Assumed party size</td>
<td>2.6</td>
<td>2.6</td>
</tr>
<tr>
<td>Estimated no. of households</td>
<td>13,047</td>
<td>34,565</td>
</tr>
<tr>
<td>Median household income</td>
<td>$44,631</td>
<td>$44,631</td>
</tr>
<tr>
<td>Total lost household income</td>
<td>$582,310,221</td>
<td>$1,542,656,238</td>
</tr>
</tbody>
</table>

Source: Airlines passenger survey conducted by BBER and City of Albuquerque Aviation Department
Bureau of Business & Economic Research, University of New Mexico, 2013

Table 2.12 Estimation of Economic Impacts of Lost Household Income on the New Mexico Economy in the Absence of the Albuquerque Airport System

<table>
<thead>
<tr>
<th>Household Income</th>
<th>Employment</th>
<th>Labor Income</th>
<th>Output</th>
</tr>
</thead>
<tbody>
<tr>
<td>$582,310,221</td>
<td>4,450</td>
<td>$166,000,000</td>
<td>$497,000,000</td>
</tr>
<tr>
<td>$1,542,656,238</td>
<td>11,789</td>
<td>$439,767,200</td>
<td>$1,316,652,400</td>
</tr>
</tbody>
</table>

Source: BBER Estimation using IMPLAN model and airline passenger survey data
3. ECONOMIC IMPACTS OF THE ALBUQUERQUE AIRPORT SYSTEM ON NEW MEXICO’S ECONOMY

The economic impacts of Albuquerque Airport System were estimated for New Mexico’s economy. The results of the analysis include airport system’s direct impacts, indirect impacts, induced impact, and total impacts measured in terms of employment, labor income and output. The tax components of the total economic impact on New Mexico’s economy are also presented.

3.1 Direct Impacts of the Albuquerque Airport System

As Table 3.1 below presents, in FY12 Albuquerque Airport System accounted for $1.25 billion in expenditures, created 13,980 jobs and generated nearly $466 million in salaries and benefits in New Mexico. These numbers include impacts associated with airport and airport-dependent business operations, commercial service visitors, general aviation service visitors and capital improvement projects.

Table 3.1 Direct Impacts of the Albuquerque Airport System

<table>
<thead>
<tr>
<th>Impact Type</th>
<th>Airport and Airport-Dependent Business Operations</th>
<th>Commercial Service Visitors</th>
<th>General Aviation Service Visitors</th>
<th>Capital Improvement Projects</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment</td>
<td>2,947</td>
<td>9,331</td>
<td>1,416</td>
<td>286</td>
<td>13,980</td>
</tr>
<tr>
<td>Labor Income</td>
<td>$196,249,029</td>
<td>$223,462,341</td>
<td>$33,239,450</td>
<td>$12,871,853</td>
<td>$465,822,673</td>
</tr>
<tr>
<td>Output</td>
<td>$632,361,976</td>
<td>$512,661,371</td>
<td>$76,178,302</td>
<td>$32,431,032</td>
<td>$1,253,632,681</td>
</tr>
</tbody>
</table>

Sources: City of Albuquerque Aviation Department, UNM Bureau of Business and Economic Research, and IMPLAN Bureau of Business & Economic Research, University of New Mexico, 2013

Figure 3.1 below presents the distribution among the various impacts. In terms of output, nearly 50% (or $632 million) of the direct output is accounted for by airport and airport-dependent business operations followed by commercial service visitor (41% or $513 million), general aviation service visitor (6% or $76 million)) and capital improvement projects (3% or $32 million). In terms of employment, commercial service visitor impacts accounted for the highest percentage (67% or 9,331 jobs), followed by airport and airport-dependent business operations impacts (21% or 2,947 jobs), general aviation visitors’ impacts (10% or 1,416 jobs) and capital improvement project impacts (2% or 286 jobs). The highest percentage (48% or $223 million) of the labor income is attributed to commercial service visitors, followed by airport and airport-dependent businesses operations (42% or $196 million), and general aviation visitors (7% or $32 million).
Figure 3.1 Direct Impact Distribution of the Albuquerque Airport System

3.2 Total Economic Impacts of the Albuquerque Airport System

Table 3.2 presents the total economic impacts of Albuquerque Airport System on the New Mexico economy. It includes impacts associated with airport and airport-dependent business operations, commercial service visitors, general aviation service visitors, and capital improvement projects that occurred in New Mexico. In FY12, the total economic impact to the State consisted of 20,062 jobs, $701 million in labor income, and $1.95 billion in industry output. Table 3.2 also details employment, labor income and output of each airport-related activity. Impact breakdowns for each type of aviation related activity are presented in Appendix B.
Figure 3.2 presents the distribution of the various activities on employment, labor income, and output impacts. In terms of output, nearly 48% (or $932 million) of the total output is accounted for by airport and airport-dependent business operations followed by commercial service visitor (43% or $841 million), general aviation service visitor (6% or $125 million) and capital improvement projects (3% or $51 million). In terms of employment, commercial service visitor impacts accounted for the highest percentage (61% or 12,231 jobs), followed by airport and airport-dependent business operations impacts (28% or 5,530 jobs), general aviation visitors’ impacts (9% or 1,856 jobs) and capital improvement project impacts (2% or 444 jobs). The highest percentage (48% or $334 million) of the labor income is attributed to commercial service visitors followed by airport and airport-dependent businesses operations (42% or $298 million), general aviation visitors (7% or $50 million), and capital improvement projects (3% or $19 million).
Table 3.3 presents the employment, labor income, and output impact multiplier of various airport-associated activities. The overall employment multiplier is 1.44 indicating that a total of 1.44 jobs were generated in the New Mexico economy for every job Albuquerque’s Airport System and airport-dependent businesses provided in New Mexico that was supported by out-of-state revenues. The overall output multiplier of 1.55 indicates that a total of $1.55 was generated in the New Mexico economy for every dollar Albuquerque Airport System’s and associated businesses spent in New Mexico that was supported by out-of-state revenues. Similarly, the overall labor income multiplier is 1.50 indicating that a total of $1.50 was generated in the New Mexico economy for every dollar Albuquerque Airport System’s and associated businesses spent in employee compensation in New Mexico that was supported by out-of-state revenues. Table 3.4 presents the economic impacts associated with multiplier effects on airport operations, airport-dependent business operations, capital improvement projects and visitor’s supported businesses.
Table 3.3 Economic Impact Multipliers of Various Airport-Related Activities

<table>
<thead>
<tr>
<th>Multiplier</th>
<th>Airport and Airport-Dependent Business Operations</th>
<th>Commercial Service Visitors</th>
<th>General Aviation Service Visitors</th>
<th>Capital Improvement Projects</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment</td>
<td>1.88</td>
<td>1.31</td>
<td>1.31</td>
<td>1.55</td>
<td>1.44</td>
</tr>
<tr>
<td>Labor Income</td>
<td>1.52</td>
<td>1.49</td>
<td>1.50</td>
<td>1.51</td>
<td>1.50</td>
</tr>
<tr>
<td>Output</td>
<td>1.47</td>
<td>1.64</td>
<td>1.64</td>
<td>1.57</td>
<td>1.55</td>
</tr>
</tbody>
</table>

Sources: Calculated by UNM Bureau of Business and Economic Research using IMPLAN V3
Bureau of Business & Economic Research, University of New Mexico, 2013

Table 3.4 Indirect and Induced Economic Impacts of Airport-Related Activities

<table>
<thead>
<tr>
<th>Impact Type</th>
<th>Airport and Airport-Dependent Business Operations</th>
<th>Commercial Service Visitors</th>
<th>General Aviation Service Visitors</th>
<th>Capital Improvement Projects</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment</td>
<td>2,583</td>
<td>2,900</td>
<td>440</td>
<td>159</td>
<td>6,082</td>
</tr>
<tr>
<td>Output</td>
<td>$299,259,434</td>
<td>$328,681,894</td>
<td>$48,837,570</td>
<td>$18,418,472</td>
<td>$695,197,370</td>
</tr>
</tbody>
</table>

Sources: City of Albuquerque Aviation Department, UNM Bureau of Business and Economic Research, and IMPLAN
Bureau of Business & Economic Research, University of New Mexico, 2013

Table 3.5 presents the sectors impacted by the Albuquerque Airport System. Beyond the airport system’s direct economic contribution, there are rippling effects felt throughout the economy. BBER analysis shows that the most impacted sectors in terms of employment are the accommodation and food services (27% or 5,484 jobs), retail trade (26% or 5,137 jobs), art-entertainment and recreation industry (10%, 1,933 jobs), and transportation and warehousing (8% or 1,670 jobs).
Table 3.5 Summary of the Impacted Sectors in the New Mexico Economy

<table>
<thead>
<tr>
<th>Impacted Sectors</th>
<th>Total Employment</th>
<th>Percent Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accommodation &amp; food services</td>
<td>5,484</td>
<td>27.3%</td>
</tr>
<tr>
<td>Retail trade</td>
<td>5,137</td>
<td>25.6%</td>
</tr>
<tr>
<td>Arts- entertainment &amp; recreation</td>
<td>1,933</td>
<td>9.6%</td>
</tr>
<tr>
<td>Transportation &amp; Warehousing</td>
<td>1,670</td>
<td>8.3%</td>
</tr>
<tr>
<td>Real estate &amp; rental</td>
<td>1,071</td>
<td>5.3%</td>
</tr>
<tr>
<td>Health &amp; social services</td>
<td>754</td>
<td>3.8%</td>
</tr>
<tr>
<td>Administrative &amp; waste services</td>
<td>684</td>
<td>3.4%</td>
</tr>
<tr>
<td>Finance &amp; insurance</td>
<td>684</td>
<td>3.4%</td>
</tr>
<tr>
<td>Government &amp; non NAICs</td>
<td>590</td>
<td>2.9%</td>
</tr>
<tr>
<td>Other services</td>
<td>553</td>
<td>2.8%</td>
</tr>
<tr>
<td>Professional- scientific &amp; tech. services</td>
<td>381</td>
<td>1.9%</td>
</tr>
<tr>
<td>Construction</td>
<td>294</td>
<td>1.5%</td>
</tr>
<tr>
<td>Information</td>
<td>221</td>
<td>1.1%</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>185</td>
<td>0.9%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>166</td>
<td>0.8%</td>
</tr>
<tr>
<td>Educational services</td>
<td>115</td>
<td>0.6%</td>
</tr>
<tr>
<td>Management of companies</td>
<td>66</td>
<td>0.3%</td>
</tr>
<tr>
<td>Utilities</td>
<td>61</td>
<td>0.3%</td>
</tr>
<tr>
<td>Ag, Forestry, Fish &amp; Hunting</td>
<td>13</td>
<td>0.1%</td>
</tr>
<tr>
<td>Mining</td>
<td>2</td>
<td>0.0%</td>
</tr>
<tr>
<td>Total</td>
<td>20,062</td>
<td>100%</td>
</tr>
</tbody>
</table>

3.3 Tax Revenue Impacts on State and Local Governments

BBER estimated state and local government gross receipts, property, and income tax revenues stemming from Albuquerque’s Airport System and airport-dependent businesses. In previously conducted analyses BBER compared two methods for estimating tax impacts (one using IMPLAN and the other using the New Mexico tax burden rates published by the Institute on Taxation and Economic Policy), and found that the methods produce similar results. In the present analysis BBER therefore used the more familiar IMPLAN model to estimate tax revenues. Results indicate that in FY12 state and local governments received an estimated $82.4 million in tax revenues as a result of spending by Airport and airport-dependent businesses: $54.9 million in gross receipts tax (GRT), $19.8 million in property tax, and $7.7 million in
personal income tax. Additionally, an estimated $25.9 million in personal income tax revenues went to the Federal Government.
4. CONCLUSION

As this study has demonstrated, the Albuquerque Airport System is a vital and significant contributor to the New Mexico economy. This airport system is a key enabler of economic growth, promoting development and tourism by connecting different regions and providing market access for trade and investments. This airport system serves as more than just a location to land and depart aircraft, but fuel economic activity at the local, regional, and state levels via their direct, indirect, and induced impacts. The Albuquerque Airport System’s direct economic effects are comprised of employment, payroll, and spending by CAAD and other airport-dependent businesses, commercial airline visitor spending, general aviation visitor spending, and capital spending; these impacts total over $1 billion, alone.

These first-round impacts are only a small portion of the total economic income generation, however. Indirect impacts are the jobs, payroll, and output created by businesses which provide goods and services essential to on-airport businesses and other airport-dependent businesses. These impacts are created as a result of expenditures by businesses and organizations that support airport activities. These expenditures create demand for the goods and services of other companies, who must then purchase goods and services and hire employees to produce their products. They are also referred to as supplier impacts. These off-airport businesses range from hotels, restaurants, retail trade, and transportation to manufacturers, wholesalers, and shippers whose revenue partly or wholly depends on airport operations.

Induced Impacts are the result of the wages and salaries spent by the direct and indirect employees on items such as food, housing, transportation, health care services, entertainment, etc. The spending by these employees creates further demand for goods and services for which firms must again purchase supplies and hire employees to produce. The sum of these iterations constitutes the induced impacts.

The presence of the Albuquerque Airport System in the state has additional further reaching, but somewhat intangible effects called catalytic impacts. Catalytic impacts are all the impacts and income generated by the wider role of the airport in increasing productivity and attracting investment. Because a large percentage of commercial travel is used for business purposes, it is plain to see that the presence of the airport is a necessary condition for a business environment; without it there would be lost revenue due to the inability to conduct business easily.

In conclusion, the Albuquerque Airport System contributes to the employment of 20,062 individuals, nearly $701 million in labor income, almost $2 billion in output, and $82.4 million in tax revenue. These figures clearly depict that aviation and the presence of the Albuquerque Airport System plays a robust role in the State’s economy.
February 26, 2013

Dear [Contact Name],

As stated in the previous letter, the City of Albuquerque Aviation Department has contracted with the University of New Mexico Bureau of Business and Economic Research (BBER) to assess the economic impact of the Albuquerque International Sunport on the New Mexico economy. Attached you will find a survey that will allow us to quantify your relationship with the Albuquerque International Sunport, and its completion is critical to our analysis. Once again, your answers will be kept confidential and only the aggregate results of the survey will be reported.

Please complete and return the attached survey at your earliest convenience. You may also visit http://www.surveymonkey.com/s/airport_affiliated_businesses if you would prefer to complete the survey online. Your prompt response is greatly appreciated. Thank you in advance for your participation.

Sincerely,

Bureau of Business and Economic Research
October 25, 2012

To whom it may concern:

The City of Albuquerque Aviation Department has contracted with the University of New Mexico’s Bureau of Business and Economic Research (BBER) to conduct an Airport Economic Impact Study.

This study will provide an analysis of the economic benefits of the Albuquerque International Sunport (Sunport) and Double Eagle II Airport (DEII) to the New Mexico economy as a whole.

The criteria will be based on Fiscal Year 12 data and will include statistics relating to tourism, employment, contractual agreements, passenger traffic, etc. In order to collect this information, BBER will conduct surveys for entities related to their analysis. Please complete any surveys sent to you to the best of your ability.

On behalf of the Sunport and DEII, we welcome your cooperation and participation toward UNM Staff as they gather this information. Your participation is vital to this analysis and is greatly appreciated. We believe this is a worthwhile effort and the information obtained will be used as a tool and resource in the near future.

Respectfully,

James D. Hinde, C.M.
Aviation Director
Appendix A. 2 Survey of Airport-Affiliated Businesses

ECONOMIC IMPACT OF ALBUQUERQUE INTERNATIONAL SUNPORT

SURVEY OF AIRPORT AFFILIATED BUSINESSES

ALL INFORMATION SPECIFIC TO YOUR INDIVIDUAL FIRM WILL BE KEPT CONFIDENTIAL

1. Business name: ____________________________________________________________

2. Business address: __________________________________________________________

3. Contact person’s name: ____________________________________________________

4. e-mail address: ____________________________________________________________

5. What does your business do at this location? ______________________________________

6. How many full time (35 hours or more per week) paid employees worked for your business at this location in Fiscal Year 2012 (FY12) (i.e. July 1, 2011 to June 30, 2012)? __________________

7. How many part time (less than 35 hours per week) paid employees worked for your business at this location in FY12? __________________

8. What was the total annual payroll of your business for both part-time and full-time employees in FY12 (including wages, salaries, and benefits)? __________________

9. What were the total annual operating expenses (do not include payroll but do include payments for utilities, goods and services) for your business at this location in FY12? __________________

10. What were the total revenues or sales for your business at this location for FY12? ___________

11. What proportion of your total revenues or sales would you attribute to the availability of air travel at Albuquerque International Sunport? __________________

12. How much did you spend on capital improvement projects (i.e. construction, renovation, major equipment) in FY12? __________________

13. Did you choose your present location because of the airport? Yes _______ No ____________

14. Check one that best describes the airport’s relationship to your business:

   Essential     Very helpful     Helpful     No influence

Thank you for your time and participation in this important study.
Appendix A. 3 Commercial Airlines Passenger Survey

University of New Mexico
Bureau of Business and Economic Research

Economic Impact of Albuquerque International Sunport

Note: If you would rather fill out this survey online, please visit http://www.surveymonkey.com/s/BHPGVJ8

Air Traveler Survey

ALL INFORMATION SPECIFIC TO YOU WILL BE KEPT CONFIDENTIAL

1. Where is your place of residence? City- State- Zip-

2. If you live in New Mexico, please proceed to question 10 and only answer question 10.

3. What is the primary purpose of your visit to this area? (business, tourism, visiting friends/relatives, other (please specify))

4. In what area did you stay during your visit? (Albuquerque, Santa Fe, other (please specify))

5. How many nights did you stay in this area?

6. If you stayed overnight, where did you stay? (hotel/motel, friends/relatives, other (please specify))

7. How many people were in your travelling party?

8. If the airport did not exist would you still have made the trip? (please circle one)
   Definitely Yes    Probably    Unlikely    Definitely Not

9. Please estimate the total amount of spending by your entire traveling party on your visit to the area.
   a. Hotel/Lodging:
   b. Restaurant food and drink:
   c. Retail spending for goods and services:
   d. Entertainment (golf, performances, etc.):
   e. Ground transportation (including auto rental):
   f. Miscellaneous:

10. (For New Mexicans Only) Would you have chosen this place of residence had the airport not been here? (please circle one)
    Definitely Yes    Probably    Unlikely    Definitely Not

Thank you for your time and participation in this important study.
Appendix A. 4 Transient Pilots Survey

University of New Mexico
Bureau of Business and Economic Research
Economic Impact of Albuquerque International Sunport

Note: If you would rather fill out this survey online, please visit http://www.surveymonkey.com/s/PilotSurvey13

Transient Pilot Survey

ALL INFORMATION SPECIFIC TO YOU WILL BE KEPT CONFIDENTIAL

1. Where is your aircraft based? Airport Name __________________ State ________

2. Please estimate the number of travelers, including the pilot, in your aircraft today. ________

3. If you live in New Mexico, please proceed to question 10 and only answer question 10.

4. What is the primary purpose of your visit to this area? (business, tourism, visiting friends/relatives, other (please specify))

5. In what area did you stay during your visit? (Albuquerque, Santa Fe, other (please specify))

6. How many nights did you stay in this area?

7. If you stayed overnight, where did you stay? (hotel/motel, friends/relatives, other (please specify))

8. If the airport did not exist would you still have made the trip? (please circle one)
   Definitely Yes  Probably  Unlikely  Definitely Not

9. Please estimate the total amount of spending by your entire traveling party on your visit to the area.
   a. Hotel/Lodging:
   b. Restaurant food and drink:
   c. Retail spending for goods and services:
   d. Entertainment (golf, performances, etc.):
   e. Ground transportation (including auto rental):
   f. Miscellaneous:

10. (For New Mexicans Only) Would you have chosen this place of residence had the airport not been here? (please circle one)
    Definitely Yes  Probably  Unlikely  Definitely Not

Thank you for your time and participation in this important study.
### Appendix B. Economic Impact Breakdowns

#### Appendix B Table 1. Economic Impacts of Airport Operations

<table>
<thead>
<tr>
<th>Impact Type</th>
<th>Employment</th>
<th>Labor Income</th>
<th>Output</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct</td>
<td>213</td>
<td>$12,237,012</td>
<td>$27,835,462</td>
</tr>
<tr>
<td>Indirect</td>
<td>55</td>
<td>$2,531,460</td>
<td>$6,072,973</td>
</tr>
<tr>
<td>Induced</td>
<td>89</td>
<td>$3,294,720</td>
<td>$9,868,545</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>357</strong></td>
<td><strong>$18,063,193</strong></td>
<td><strong>$43,776,980</strong></td>
</tr>
</tbody>
</table>

Source: BBER Estimation using IMPLAN model and business survey data collected by BBER.

#### Appendix B Table 2. Economic Impacts of Airlines

<table>
<thead>
<tr>
<th>Impact Type</th>
<th>Employment</th>
<th>Labor Income</th>
<th>Output</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct</td>
<td>742</td>
<td>$87,198,859</td>
<td>$374,902,187</td>
</tr>
<tr>
<td>Indirect</td>
<td>624</td>
<td>$26,968,444</td>
<td>$80,410,474</td>
</tr>
<tr>
<td>Induced</td>
<td>703</td>
<td>$25,636,441</td>
<td>$76,941,879</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2069</strong></td>
<td><strong>$139,803,744</strong></td>
<td><strong>$532,254,540</strong></td>
</tr>
</tbody>
</table>

Source: BBER Estimation using IMPLAN model and business survey data collected by BBER.

#### Appendix B Table 3. Economic impacts of Airport-Affiliated Rental Car Companies

<table>
<thead>
<tr>
<th>Impact Type</th>
<th>Employment</th>
<th>Labor Income</th>
<th>Output</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct</td>
<td>452</td>
<td>$13,983,264</td>
<td>$66,576,893</td>
</tr>
<tr>
<td>Indirect</td>
<td>163</td>
<td>$6,791,350</td>
<td>$19,928,123</td>
</tr>
<tr>
<td>Induced</td>
<td>129</td>
<td>$4,683,049</td>
<td>$14,057,271</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>744</strong></td>
<td><strong>$25,457,663</strong></td>
<td><strong>$100,562,287</strong></td>
</tr>
</tbody>
</table>

Source: BBER Estimation using IMPLAN model and business survey data collected by BBER.
### Appendix B Table 4. Economic Impacts of Airport Food and Beverage Concessions

<table>
<thead>
<tr>
<th>Impact Type</th>
<th>Employment</th>
<th>Labor Income</th>
<th>Output</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct</td>
<td>263</td>
<td>$4,930,842</td>
<td>$13,711,467</td>
</tr>
<tr>
<td>Indirect</td>
<td>29</td>
<td>$1,121,531</td>
<td>$3,627,646</td>
</tr>
<tr>
<td>Induced</td>
<td>37</td>
<td>$1,363,889</td>
<td>$4,093,978</td>
</tr>
<tr>
<td>Total</td>
<td>330</td>
<td>$7,416,262</td>
<td>$21,433,091</td>
</tr>
</tbody>
</table>

Source: BBER Estimation using IMPLAN model and business survey data collected by BBER

### Appendix B Table 5. Economic Impacts of Airport Retail Concessions

<table>
<thead>
<tr>
<th>Impact Type</th>
<th>Employment</th>
<th>Labor Income</th>
<th>Output</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct</td>
<td>83</td>
<td>$5,708,052</td>
<td>$12,249,458</td>
</tr>
<tr>
<td>Indirect</td>
<td>14</td>
<td>$558,466</td>
<td>$1,694,335</td>
</tr>
<tr>
<td>Induced</td>
<td>39</td>
<td>$1,432,113</td>
<td>$4,301,164</td>
</tr>
<tr>
<td>Total</td>
<td>136</td>
<td>$7,698,631</td>
<td>$18,244,957</td>
</tr>
</tbody>
</table>

Source: BBER Estimation using IMPLAN model and business survey data collected by BBER

### Appendix B Table 6 Economic Impact of Capital Improvement Projects of City of Albuquerque Aviation Department

<table>
<thead>
<tr>
<th>Impact Type</th>
<th>Employment</th>
<th>Labor Income</th>
<th>Output</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct</td>
<td>193</td>
<td>$8,675,017</td>
<td>$21,856,974</td>
</tr>
<tr>
<td>Indirect</td>
<td>42</td>
<td>$2,004,401</td>
<td>$5,200,227</td>
</tr>
<tr>
<td>Induced</td>
<td>65</td>
<td>$2,407,519</td>
<td>$7,212,948</td>
</tr>
<tr>
<td>Total</td>
<td>299</td>
<td>$13,086,937</td>
<td>$34,270,149</td>
</tr>
</tbody>
</table>

Source: BBER Estimation using IMPLAN model and City of Albuquerque Aviation Department supplied data

### Appendix B Table 7 Economic Impact of Capital Improvement Projects of Airport-Dependent Businesses

<table>
<thead>
<tr>
<th>Impact Type</th>
<th>Employment</th>
<th>Labor Income</th>
<th>Output</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct</td>
<td>93</td>
<td>$4,196,836</td>
<td>$10,574,058</td>
</tr>
<tr>
<td>Indirect</td>
<td>20</td>
<td>$969,698</td>
<td>$2,515,788</td>
</tr>
<tr>
<td>Induced</td>
<td>31</td>
<td>$1,164,719</td>
<td>$3,489,510</td>
</tr>
<tr>
<td>Total</td>
<td>145</td>
<td>$6,331,253</td>
<td>$16,579,356</td>
</tr>
</tbody>
</table>

Source: BBER Estimation using IMPLAN model and airport dependent business survey data
### Appendix C. Other Relevant Statistics

#### Appendix C 1. Total Air Cargo Volume by Month

<table>
<thead>
<tr>
<th>Month</th>
<th>Number of packages of mail</th>
<th>Weight (lbs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>10,145,338</td>
<td>46,671,020</td>
</tr>
<tr>
<td>August</td>
<td>10,511,028</td>
<td>49,833,480</td>
</tr>
<tr>
<td>September</td>
<td>10,390,191</td>
<td>46,914,640</td>
</tr>
<tr>
<td>October</td>
<td>10,418,932</td>
<td>46,886,180</td>
</tr>
<tr>
<td>November</td>
<td>9,427,713</td>
<td>44,005,160</td>
</tr>
<tr>
<td>December</td>
<td>10,462,535</td>
<td>49,965,620</td>
</tr>
<tr>
<td>January</td>
<td>9,849,148</td>
<td>44,436,220</td>
</tr>
<tr>
<td>February</td>
<td>9,693,053</td>
<td>44,709,680</td>
</tr>
<tr>
<td>March</td>
<td>11,151,729</td>
<td>48,708,300</td>
</tr>
<tr>
<td>April</td>
<td>9,782,132</td>
<td>43,018,640</td>
</tr>
<tr>
<td>May</td>
<td>11,150,396</td>
<td>46,670,420</td>
</tr>
<tr>
<td>June</td>
<td>12,629,815</td>
<td>44,885,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>682,316,370</strong></td>
<td><strong>556,704,360</strong></td>
</tr>
</tbody>
</table>

Source: City of Albuquerque Aviation Department

#### Appendix C 2. Quantity of Fuel Used by All Operators in Albuquerque Airport System

<table>
<thead>
<tr>
<th>Month</th>
<th>Fuel (Gallons)</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 2011</td>
<td>388,749</td>
</tr>
<tr>
<td>August 2011</td>
<td>298,981</td>
</tr>
<tr>
<td>September 2011</td>
<td>265,987</td>
</tr>
<tr>
<td>October 2011</td>
<td>403,710</td>
</tr>
<tr>
<td>November 2011</td>
<td>258,714</td>
</tr>
<tr>
<td>December 2011</td>
<td>281,398</td>
</tr>
<tr>
<td>January 2012</td>
<td>313,556</td>
</tr>
<tr>
<td>February 2012</td>
<td>335,754</td>
</tr>
<tr>
<td>March 2012</td>
<td>336,237</td>
</tr>
<tr>
<td>April 2012</td>
<td>341,927</td>
</tr>
<tr>
<td>May 2012</td>
<td>245,255</td>
</tr>
<tr>
<td>June 2012</td>
<td>340,142</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,810,410</strong></td>
</tr>
</tbody>
</table>

Source: City of Albuquerque Aviation Department
Appendix D. 1 List of Airport-Dependent Businesses and

The government sector, a key service provider to the airport, includes FAA, the Transportation Security Administration (TSA), City of Albuquerque Aviation Department, New Mexico Department of Transportation, and Kirtland Air Force Base (Rescue Operation of Airport only).

Passenger Airlines: In FY12, the Sunport is served by six mainline airlines also called Signatory Airlines as well as 12 regional and commuter airlines which provide passenger service to various destinations from Albuquerque. The Signatory Airlines are American Airlines, Continental Airlines, Delta Airlines, Frontier Airlines, US Airways, Southwest Airlines, and United Airlines. Southwest Airlines has more than 57% of market share followed by American Airlines (11%), Delta Air Lines (10%), and others (22%). Each of the Signatory Airlines has entered into a five-year Scheduled Airline Operating Agreement and Terminal Building Lease with the City. Collectively, the Signatory Airlines lease approximately 85% of the available exclusive and preferential use space in the Terminal Building.

All-Cargo Airlines: There are two Signatory Cargo airlines (FedEx and UPS) and four non-signatory air cargo carriers (Ameriflight, Empire, Kalitta and South Aero) that provide air cargo services to the Albuquerque Airport System.

General Aviation: Cutter FBO and Atlantic FBO provide the general aviation services in the AIS and Bode FBO provides general aviation services in the DEII.

Ground Transportation: 8 rental car companies, 3 cab companies, 4 shuttle bus services and Limousine door to door services provided ground transportation services.

Retail Concessions: Food and beverages, gifts, news, sundries, etc. are available to the airport passengers, while greeters and workers were provided by 6 different companies.

Others: This category includes businesses related to airline and airport support services, contract and professional services and various off-airport manufacturing and service companies.
Definitions

- **Employee Compensation**: the sum of wage and salary income, benefits (including health and life insurance), pension payments and other non-cash compensation

- **Employment**: the estimated number of jobs created as a result of Albuquerque Airport System and airport-related business activities

- **Direct Impacts**: the initial, immediate economic impacts generated by Albuquerque Airport System and airport-dependent businesses, businesses supported by commercial airlines and general aviation visitors, and capital improvement projects.

- **Indirect Impacts**: the economic impact resulting from spending by New Mexico companies (contractors) from which Albuquerque Airport System and airport-dependent businesses buy goods and services. This spending creates a demand for the goods and services of local companies, which must then subsequently purchase their own goods and services to produce their product. The sum total of these iterative purchases is termed indirect impacts.

- **Induced Impacts**: the economic impact resulting from Albuquerque Airport System employees and airport-dependent businesses employees spending a portion of their salary on goods and services for personal consumption, e.g. housing, food, clothing, or childcare. This spending *induces* additional employment in many sectors of the economy, such as jobs at the local grocery store.

- **Impact Analysis**: an estimate of the impact of dollars from outside the region on the region’s economy

- **Labor Income**: the employee compensation (wage and salary income including benefits) plus proprietors’ income (self-employed income)

- **Non-respondent Businesses**: the airport-dependent businesses who could not be contacted or who chose not to participate in the survey

- **Output**: the total market value of goods and services that go to final and intermediate consumption. In this case, it is the total economic activity resulting from Albuquerque Airport System and airport-dependent business operation and construction activities in the State.