

State Fair District Economic Impact Summary

Redevelopment of the state fair property will generate substantial short-and long-term economic benefits for the surrounding community. Positive economic impacts will arise in the short run from construction-phase spending. These impacts will begin as soon as development commences and will span the construction period. Ongoing economic impacts will commence when businesses start operating at the site and the residents begin to occupy the new housing and frequent local businesses.

In total, state fair redevelopment is expected to support between 18,000 and 33,000 temporary and permanent jobs providing between \$1.1 billion and \$2.1 billion in income for New Mexico workers over the project's first 6 years.¹ However, the potential benefits of revamping 250 acres of under-utilized state-owned property in the heart of Albuquerque extend far beyond the readily quantifiable economic impacts detailed below. Transforming the state fairgrounds into a vibrant, amenity-rich, mixed-use community will help revitalize the International District, attracting new businesses, and enhancing property values across the neighborhood and beyond.

Economic Impact

Estimates of economic impact were produced for three different development scenarios:

Scenario 1: The state fair moves but the track and accompanying horse facilities remain at the site

Scenario 2: The state fair, track, and horse facilities all move

Scenario 3: The state fair remains at the site and the track and horse facilities move

Table 1 shows current land uses at the state fairgrounds.

Table 1: New Mexico State Fairgrounds Current Land Use

Use	Acres
Adjacent property (to be purchased)	12
State Fair	103
Track and horse facilities	106
Historic buildings	16
Casino	13
Total	250

All estimates assume that the historic buildings and casino remain on the property and that 50 percent of the remaining acreage is devoted to roads and communal open space. The remainder of

¹ Assumes racetrack remains onsite

the property is dedicated to single and multi-family residences and businesses including healthcare, office space and retail. It is important to note that these estimates are preliminary and subject to refinement pursuant to the development plan.

Economic impacts were estimated using the 2023 IMPLAN model for the Albuquerque MSA. The IMPLAN model uses input-output (I-O) analysis to estimate economic impact. In I-O analysis, direct, indirect, and induced effects describe the ripple effects of an economic change as it moves through an economy. The direct effect is the initial change in economic activity caused by the specific event or policy being analyzed. Indirect effects are the secondary impacts that occur as supply-chain businesses respond to the direct change. Induced effects are tertiary impacts stemming from increased household spending due to the direct and indirect effects. As workers in the direct and indirect industries earn more income, they spend it on goods and services, creating further economic activity.

Table 2 summarizes job creation under each of the three scenarios. Temporary jobs refer to those generated during the construction phase and are measured in “job years,” representing one year of full-time employment for one person. Permanent jobs are created by businesses operating at the redeveloped site and through increased local spending by residents of the new housing.

Table 2: Job Creation Summary

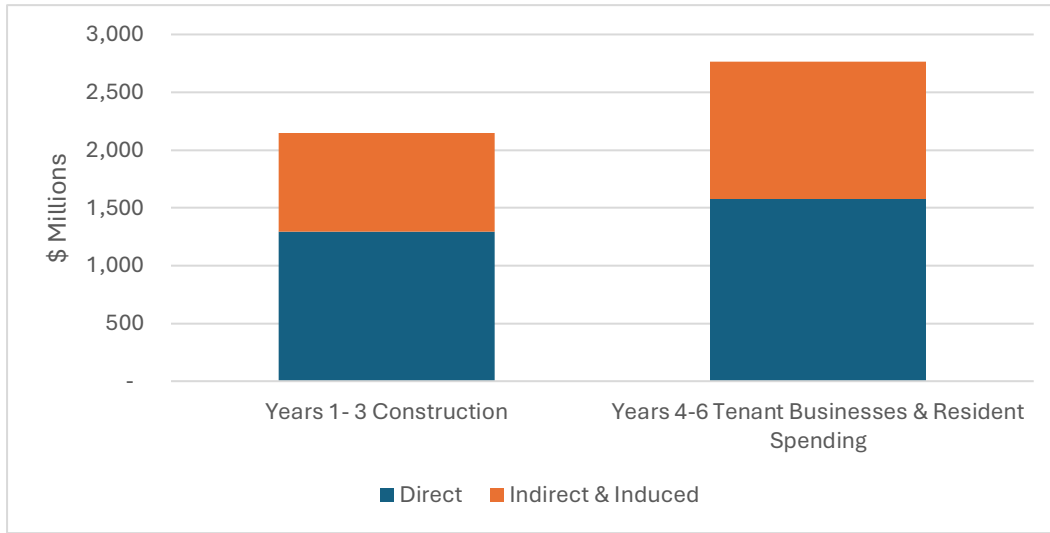
	Temporary	Permanent
Scenario 1	11,173	7,643
Scenario 2	19,777	13,528
Scenario 3	10,299	7,045

SCENARIO 1 – STATE FAIR MOVES, TRACK REMAINS AT FAIRGROUNDS

Scenario 1 assumes that the state fair is relocated to a new site, but the racetrack and horse facilities remain at their current location. This scenario opens 115 acres, comprised of the current state fair site and the adjacent properties, to redevelopment.

Figure 1 depicts economic impacts during the project’s first six years. Construction happens in years 1 through 3 and business activities, including home sales, commence at the site in year 4. Construction alone will produce over \$2 billion in economic impact. Recurring economic impacts, which total over \$4 billion, and average \$1.4 billion annually, for years 4 through 6, begin when businesses and families begin to occupy newly constructed facilities and homes.

Figure 1 State Fair Redevelopment Economic Impact (\$ Millions) – Scenario 1



Construction Spending

Redevelopment of the state fairgrounds will require substantial investments in infrastructure as well as residential and non-residential construction. Construction to fully build out the site will support 6,627 “job years”² of employment or roughly 2,200 jobs annually if construction occurs over 3 years. Spending during the construction period will support an additional 4,547 job-years of employment in supply chain and local businesses. In total, construction spending is expected to generate \$699M labor income for New Mexico workers.

Table 3: Total Economic Impacts of Construction Spending Scenario 1

Economic Impacts	Employment (job years)	Labor Income (\$M)	Output (\$M)
Direct	6,627	\$444	\$1,295
Indirect & induced	4,547	\$255	\$855
Total	11,173	\$699	\$2,150

Tenant Businesses

Commercial development at the state fairgrounds will likely include retail, office, and healthcare and accommodate over 4,300 employees in a variety of sectors. The economic activity generated by these businesses will support another 3,185 jobs throughout the Albuquerque MSA. In total, business tenants of the new development will generate or support over \$484M in annual labor income for residents of the Albuquerque MSA at full build out.

² One job year = 1 year of full-time employment

Table 4: Annual Economic Impact of Tenant Businesses Scenario 1 (full build out)

	Employment	Labor Income (\$M)	Output (\$M)
Direct	4,385	\$295	\$787
Indirect & induced	3,185	\$190	\$594
Total	7,570	\$484	\$1,381

New Resident Spending

Residential development will likely include both multifamily and single-family homes. Mixed-use development at the state fairgrounds could accommodate over 1,000 new units of housing, even with the racetrack in place. The 2,000 or more residents of the new homes will bring additional economic activity to the surrounding community when they shop, dine and recreate locally. If new residents spend 10 percent of their income locally, it will inject roughly \$7M annually into the local economy each year, producing a total economic impact of over \$9M and supporting 73 additional jobs at full build out.

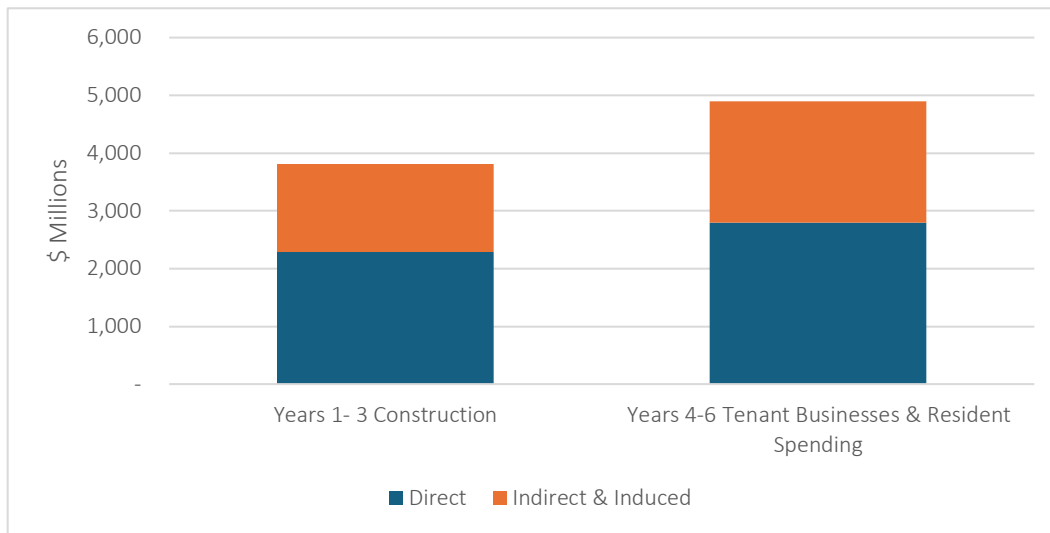
Table 5: Annual Economic Impact of Local Spending by New Residents Scenario 1 (full build out)

	Employment	Labor Income (\$M)	Output (\$M)
Direct	56	\$1.9	\$5.7
Indirect & Induced	18	\$1.0	\$3.4
Total	73	\$2.9	\$9.0

SCENARIO 2 – STATE FAIR, TRACK AND HORSE FACILITIES MOVED OFF OF FAIRGROUNDS

Removal of the racetrack and related horse facilities would open an additional 106 acres to redevelopment, substantially increasing potential economic impacts. **Figure 2** depicts total economic impact of Scenario 2 over the project's first 6 years.

Figure 2 State Fair Redevelopment Economic Impact (\$ Millions) – Scenario 2



Construction Spending

Construction work to redevelop the state fairgrounds including the area currently occupied by the racetrack and horse facilities would generate \$3.8 billion in economic impact and support almost 20,000 job years creating \$1.2 billion in labor income. If construction occurs over three years, it will support an annual average of 3,931 direct jobs and 2,682 additional jobs in supply chain and local businesses.

Table 6: Total Economic Impacts of Construction Spending Scenario 2

Economic Impacts	Employment (job years)	Labor Income (\$M)	Output (\$M)
Direct	11,729	\$785	\$2,292
Indirect & induced	8,047	\$451	\$1,513
Total	19,777	\$1,236	\$3,806

Tenant Businesses and New Resident Spending

The larger site envisioned in Scenario 2 would accommodate 80 percent more businesses and residences than Scenario 1, supporting over 13,500 jobs paying over \$860M in wages and salaries each year (Tables 7 and 8).

Table 7: Annual Economic Impact of Tenant Businesses Scenario 2 (full build out)

	Employment	Labor Income (\$M)	Output (\$M)
Direct	7,761	\$521	\$1,393
Indirect & induced	5,637	\$336	\$1,051
Total	13,399	\$858	\$2,444

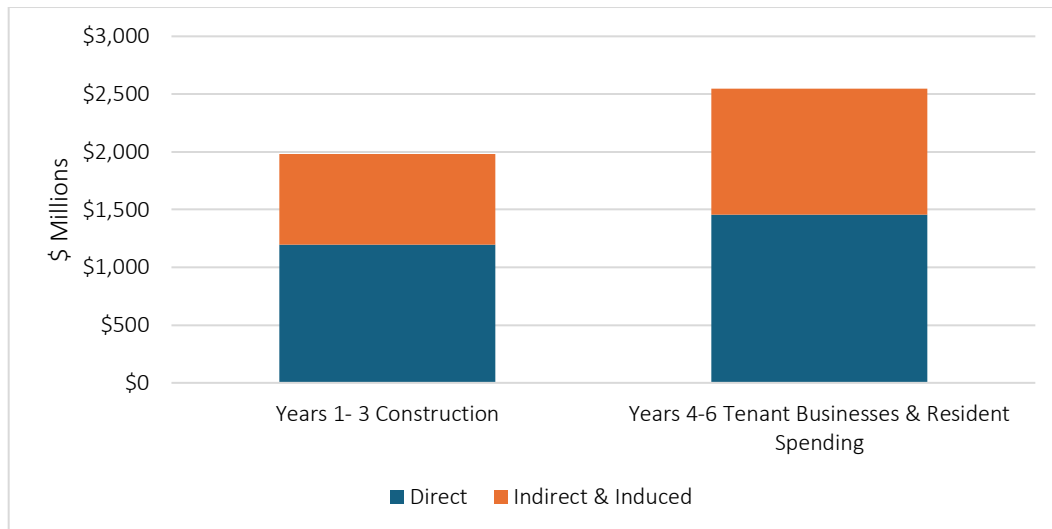
Table 8: Annual Economic Impact of Local Spending by New Residents Scenario 2 (full build out)

	Employment	Labor Income (\$M)	Output (\$M)
Direct	98	\$3.4	\$10.0
Indirect & Induced	31	\$1.8	\$3.3
Total	130	\$5.2	\$13.3

SCENARIO 3 – TRACK AND HORSE FACILITIES MOVED OFF OF FAIRGROUNDS, STATE FAIR STAYS

Keeping the state fair at its current location and relocating the track and horse facilities would open 106 acres to new development. **Figure 3** depicts total economic impact of Scenario 3 over the project's first 6 years. Note that these estimates do not include any improvements to the state fair facilities.

Figure 3 State Fair Redevelopment Economic Impact (\$ Millions) – Scenario 3



Construction Spending

Construction activities in Scenario 3 would support 10,299 job years of employment or an annual average of 3,433 jobs if construction occurred over 3 years. These jobs would produce a total of \$644M in income (annual average of \$215M) for New Mexico workers.

Table 9: Total Economic Impacts of Construction Spending Scenario 3

Economic Impacts	Employment (job years)	Labor Income (\$M)	Output (\$M)
Direct	6,108	\$409	\$1,194
Indirect & induced	4,191	\$235	\$788
Total	10,299	\$644	\$1,982

Tenant Businesses and New Resident Spending

In Scenario 3, at full build-out economic activity generated by tenant businesses would support almost 7,000 annual jobs and local spending by new residents would support 67 more (Tables 10 and 11).

Table 10: Annual Economic Impact of Tenant Businesses Scenario 3(full build out)

Economic Impacts	Employment	Labor Income (\$M)	Output (\$M)
Direct	4,042	\$ 271	\$725
Indirect & induced	2,936	\$175	\$547
Total	6,977	\$447	\$1,272

Table 11: Annual Economic Impact of Local Spending by New Residents Scenario 3 (full build out)

Economic Impacts	Employment (job years)	Labor Income (\$M)	Output (\$M)
Direct	51	\$1.8	\$5.2
Indirect & Induced	16	\$0.9	\$3.1
Total	67	\$2.7	\$8.3