

ECONOMIC IMPACT OF SANTA TERESA INVESTMENT

1 ESTIMATED ECONOMIC IMPACT FOR NEW MEXICO, 2030

Impact	Halted Development Scenario 2030	Continued Growth Scenario 2030	Difference (Halted minus Growth)
Direct Jobs	4,922	14,575	-9,653
Total Jobs	8,505	23,775	-15,270
Economic Output	\$2,572,654,811	\$6,479,520,540	-\$3,906,865,729
Value-Added Production	\$949,042,572	\$2,461,879,510	-\$1,512,836,937
Labor Income	\$364,080,574	\$1,053,164,984	-\$689,084,410
Total Taxes:	\$158,837,135	\$427,485,121	-\$268,647,986
Federal	\$98,948,437	\$272,173,168	-\$173,224,732
New Mexico	\$59,888,698	\$155,311,952	-\$95,423,255

3 ECONOMIC RETURN ON INVESTMENT INPUTS

Year	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Economic Output Benefit	\$0	\$713,359,644	\$1,321,272,318	\$2,041,648,837	\$2,895,295,011	\$3,906,865,729
Total Infrastructure Costs	\$349,297,625	\$348,297,625	\$348,297,625	\$509,997,625	\$0	\$0
Net Economic Benefit	-\$349,297,625	\$365,062,018	\$972,974,692	\$1,531,651,211	\$2,895,295,011	\$3,906,865,729

2 REQUIRED INFRASTRUCTURE INVESTMENTS FOR CONTINUED GROWTH, 2025-2028

Year	FY 2025	FY 2026	FY 2027	FY 2028	2025-2028
Water Infrastructure	\$140,000,000	\$140,000,000	\$139,000,000	\$139,000,000	\$558,000,000
Wastewater Infrastructure	\$170,000,000	\$169,000,000	\$170,000,000	\$167,000,000	\$676,000,000
Transportation Improvements	\$27,450,000	\$27,450,000	\$27,450,000	\$192,150,000	\$274,500,000
Drainage Improvements	\$11,847,625	\$11,847,625	\$11,847,625	\$11,847,625	\$47,390,501
Total	\$349,297,625	\$348,297,625	\$348,297,625	\$509,997,625	\$1,555,890,501

The benefits for this project are measured in terms of the difference in economic output for the two scenarios analyzed: (1) **High Infrastructure Investment/Continued Growth Scenario**: continued growth at current rates (18.5% CAGR), and (2) **Low Infrastructure Investment/Halted Development Scenario** where halted development is assumed due to infrastructure constraints. Table 1 demonstrates the differences between the scenarios.

The costs provided in Table 2 are the required infrastructure improvements to support the Continued Growth Scenario.

Table 3 shows the inputs included in the analysis. An internal rate of return (IRR) calculation was performed on the net economic benefits during the study period to calculate the EROI. An IRR calculation produces the expected compound annual rate of return that will be earned on a project or investment.

The EROI for the infrastructure improvements recommended in the Santa Teresa Strategic Plan is estimated at 196%.