



Legislative Finance Committee

New Mexico Tourism Department

October 24, 2023



**NEW MEXICO
TRUE**

Agency At-A-Glance

Vision: Be the primary destination for venturesome travelers

Mission: Grow New Mexico's economy through tourism

Divisions:

- New Mexico Magazine - P546
- Program Support -P547
- Tourism Development – P548
- Marketing and Promotions - P549

Total Authorized FTE: 60 FTE

Average Vacancy Rate (FY23): 13%

FY24 Budget (Current):

Recurring: \$24,429,400

Non-recurring: \$18,750,000

- \$15,000,000 – National Advertising
- \$3,500,000 – Local & Regional Tourism Development
- \$250,000 – Special Olympics

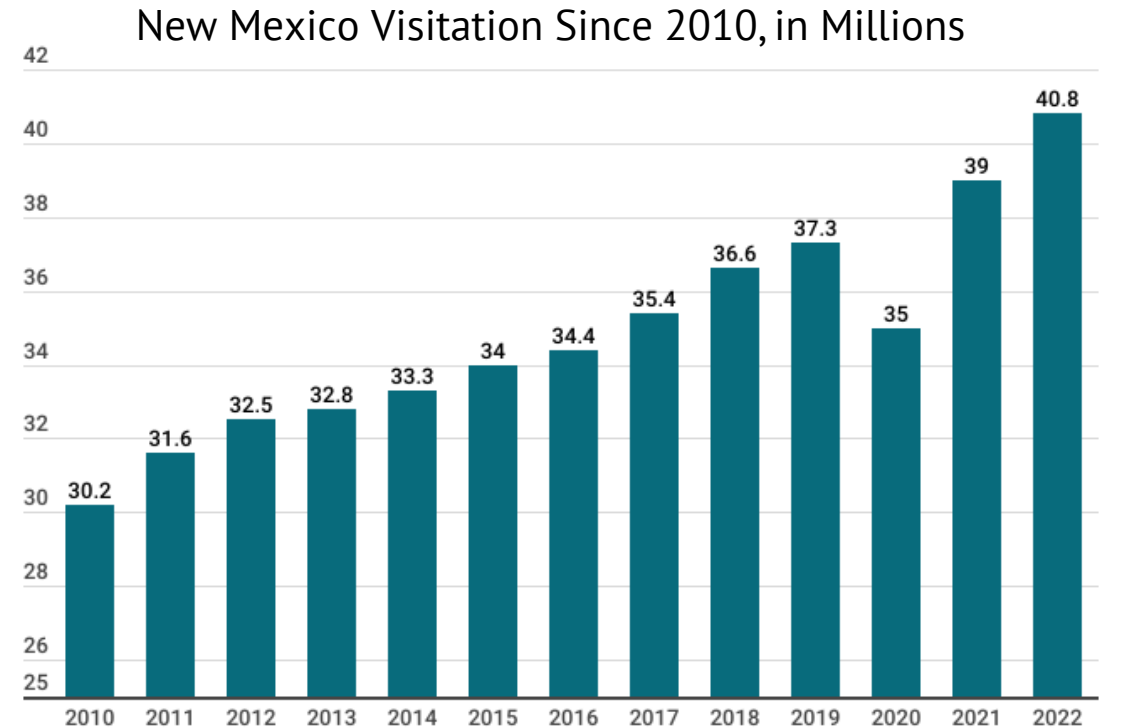
Other State Funds - \$5,316,100

FY23 General Fund Reversion

- \$ amount: \$180,866.91
- % Total budget: 0.91%

2022 Visitation Report

- In 2022, NM saw **40.8M** total trips – **4.7%** more than in 2021 and **9.3%** more than 2019
- The percent of business trips nearly **doubled** from 2021 to **9%**
- Average length of stay increased from **3.2 nights** per trip to **3.7** per trip
- **49%** of overnight visits included a cultural activity (vs **29%** US average)



Source: Longwoods International

NEW MEXICO TRUE

OUR BRAND SUCCESS STORY

- 11 years of success:
 - ✓ **37.7M annual visits** on average (over last five years)
 - ✓ **\$7.1B in annual visitor spending**, on average (over the last five years)
 - ✓ Tourism wage growth exceeded all other NM industries (through 2022)
- Loved and adopted by residents, more than 440 local businesses, 30 communities, and brand partners – public and private
- Market research on Brand Impact demonstrates both brand fidelity, expanded economic benefits and future opportunities

Why Continued Investment in Tourism Matters



Our constituents appreciate tourism economies

- 95% of our residents believe that tourism helps small businesses in their community.
- 89% believe tourism provides jobs for the community.



Tourism grows and strengthens communities

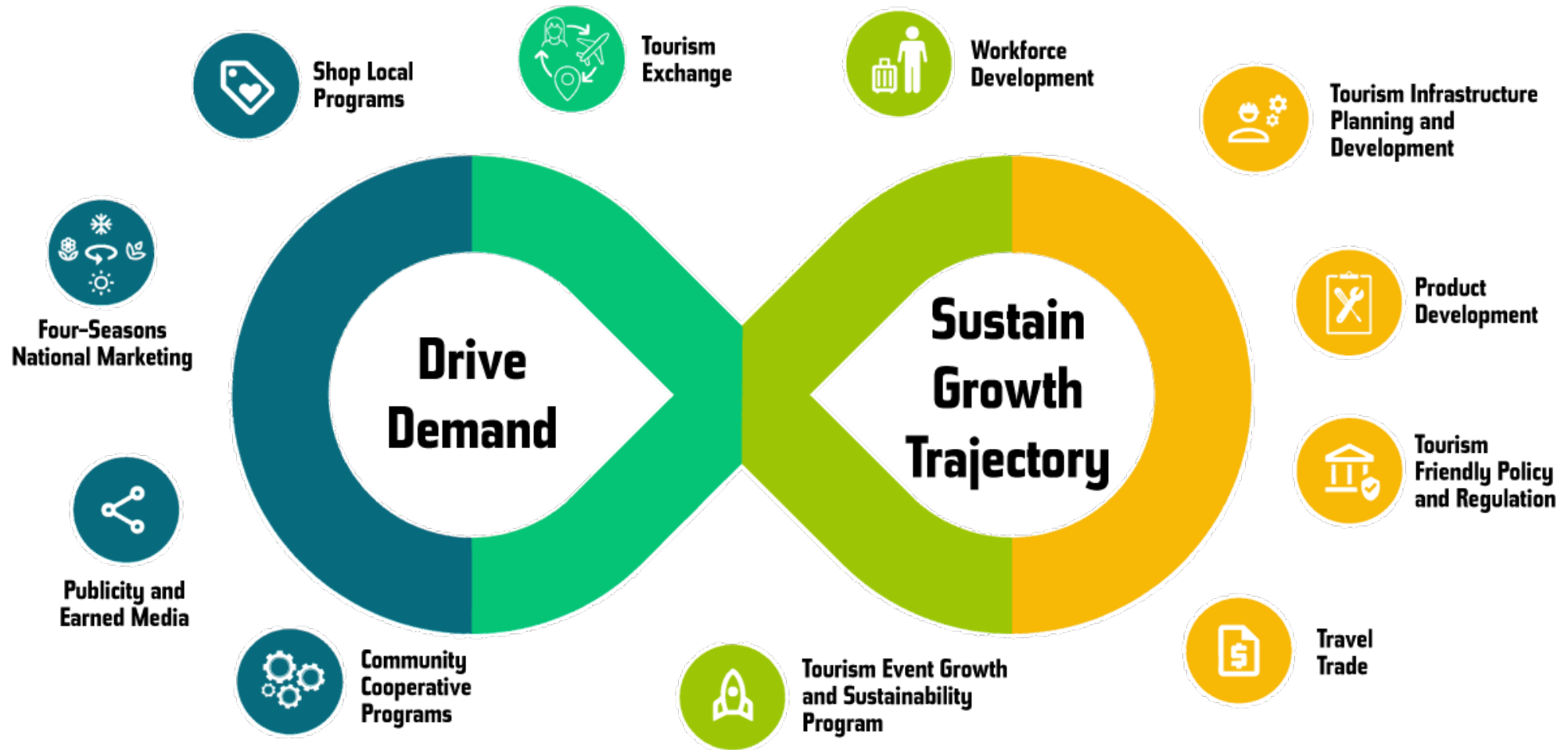
- Nearly 75% of our residents believe that tourism makes their community a better place to live.
- The USDA identifies tourism as a strategy to build a sustainable economic future for rural communities.



Sharing our culture preserves our heritage

- Roughly 75% of our residents agree that tourism helps communities share their culture with others.
- The UN World Tourism Organization identifies cultural tourism as a means of preserving communities at risk, especially rural.

Tourism Economy Advancement Model



Tourism Marketing and Tourism Development



Tourism **Marketing** makes a promise of “Adventure Steeped in Culture” through quality brand impressions.



Tourism **Development** delivers on our promise through quality amenities, attractions, and access.

A scenic view of a desert landscape featuring prominent red rock formations in the foreground and a valley with sparse vegetation in the distance under a clear sky.

Delivering the New Mexico True Brand Promise

**Tourism Development delivers
on our brand promise through
quality amenities, attractions,
and access.**

Tourism Event Growth & Sustainability Program

Event Accelerator

- Prepares new and emerging events for sponsorship
- Technical assistance to build/improve online ticketing and digital/social presence
- Up to \$5,000 to execute deliverables

Event Sponsorship

- Up to \$50,000 of sponsorship support for eligible tourism-related events
- Opportunity to participate in national sponsorship sales program to help acquire additional sponsor support
- Participants must demonstrate advertising and growth potential

Cooperative Marketing Support

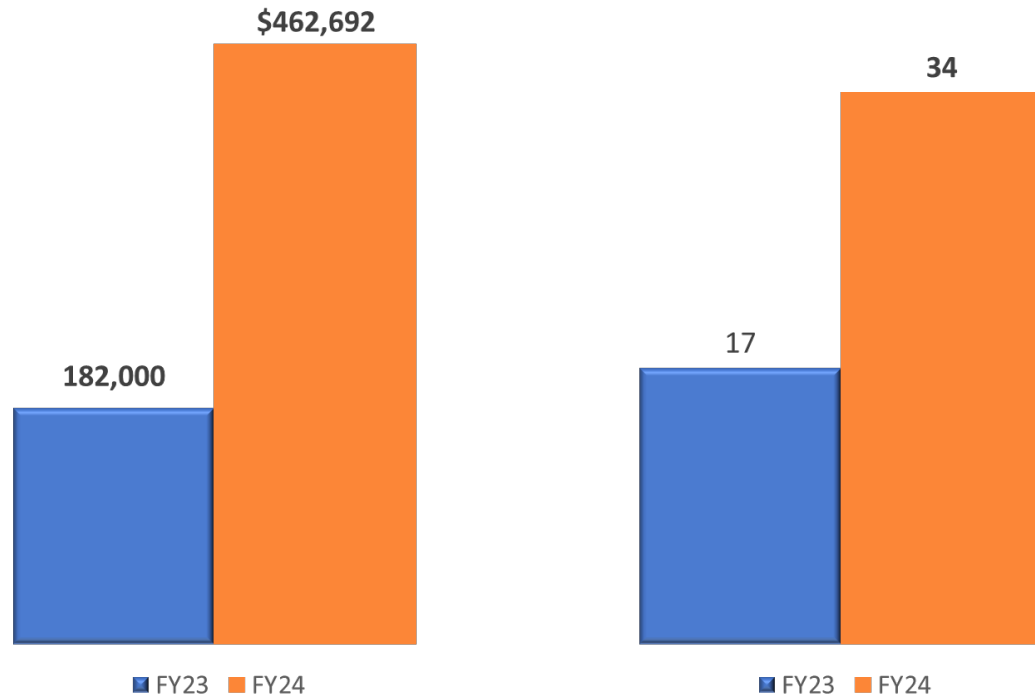
- 2:1 matching funds
- Supports marketing efforts for event
- Up to \$10,000 of support

Tourism Event Growth & Sustainability Program

This program provides technical assistance, marketing, and sponsorship to qualified tourism events within New Mexico to support their growth and sustainability.

To be eligible, tourism events must:

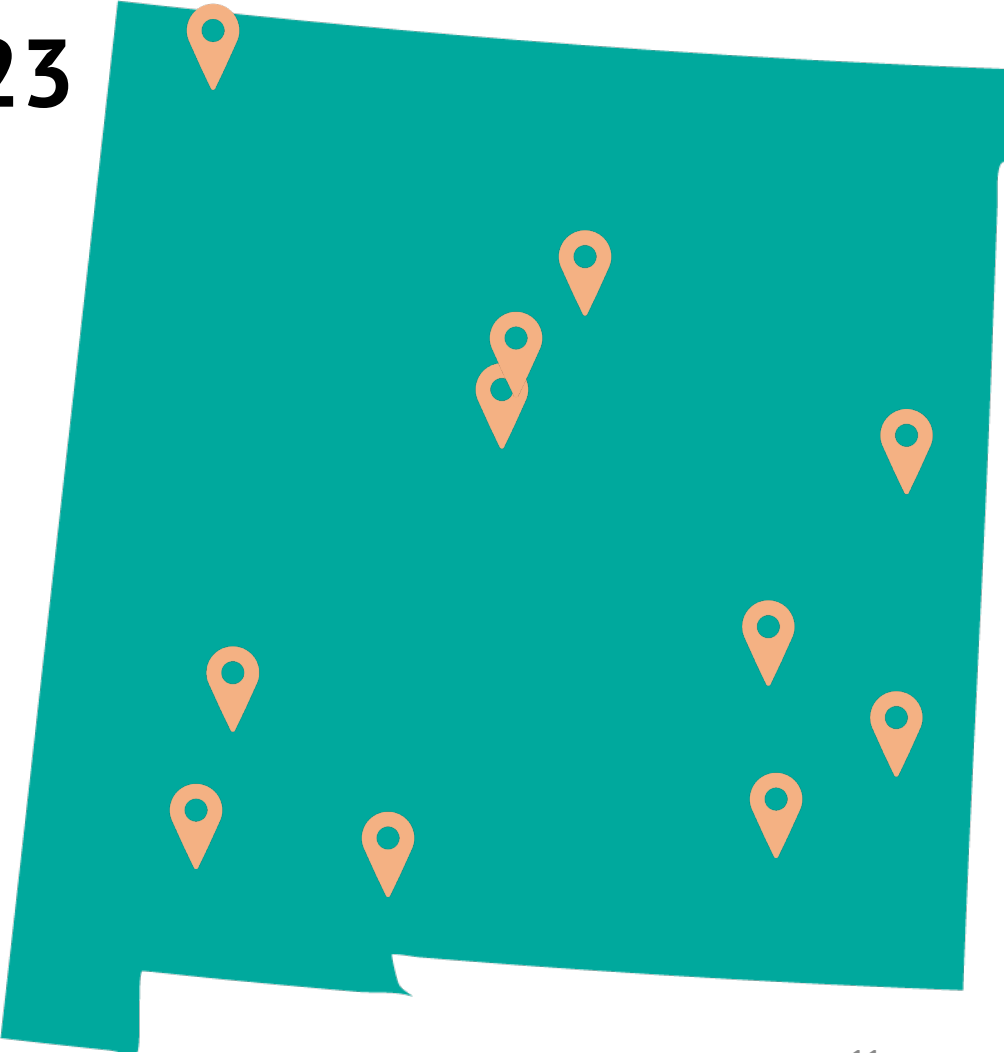
- Drive out-of-state visitation
- Drive in-state travel resulting in overnight stays
- Provide an experience aligned with the New Mexico True brand promise



Tourism Event Growth & Sustainability Program



FY23



FY24



Tourism Event Growth & Sustainability Program

Program Success!

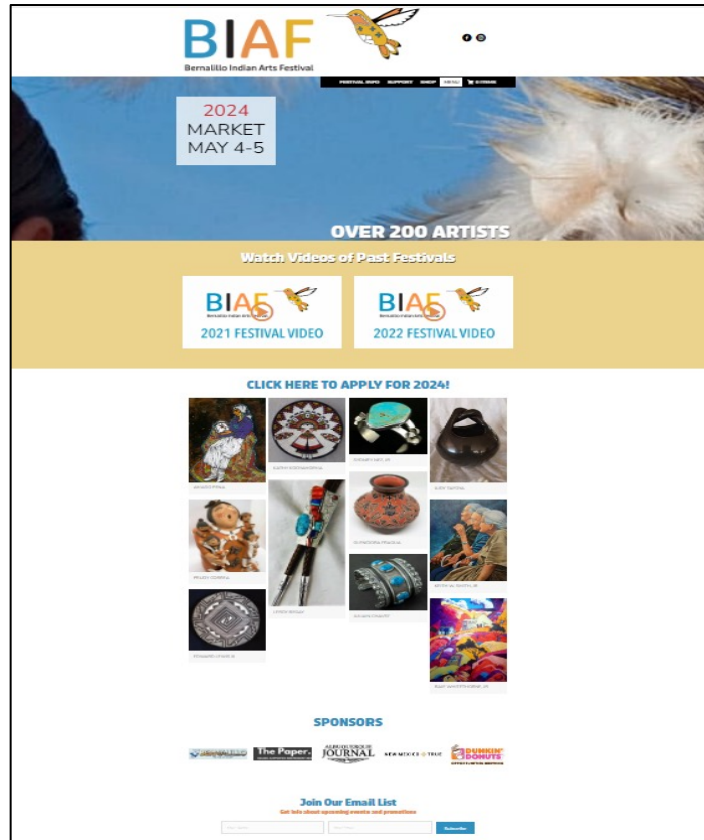
Bernalillo Indian Arts Festival

FY23 TEGS Accelerator Grant Award Recipient

- Funds used for improving website design including addition of an online store
- Ability to track on-site festival attendance & visitor demographics

FY24 TEGS CoOp 2:1 Match Grant Award Recipient

- Highly optimized digital marketing package designed to target their desired audience to drive specific actions on their website (ticket sales, schedule downloads, etc.)

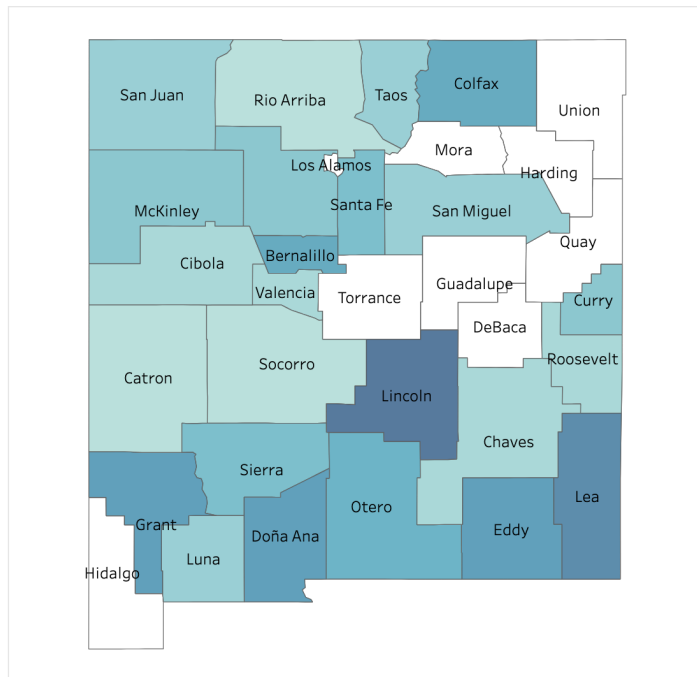


Tourism Infrastructure - Dashboard

To remain competitive, it is critical that the state focus strategically on improving tourism-related assets by investing in the infrastructure that our visitors and our residents enjoy.

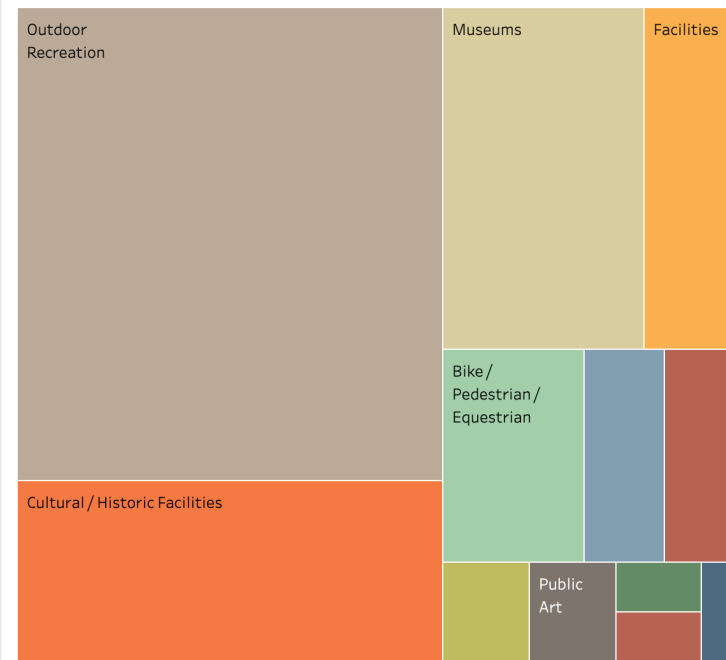


Click on County name to view project details in all charts by County selected. Select County a second time to clear filter.



Projects by Category

Hover cursor over Project Category to view category details.



Dashboard

Track the progress of tourism-related infrastructure projects by county, project type, project cost and more.



www.NMtourism.org

Tourism Infrastructure – Destination Forward

Recommendations set forth by NMTD and the Council of Governments for tourism infrastructure projects culminated in the development of NMTD's newest grant program, **Destination Forward**, which is dedicated to supporting tourism infrastructure projects throughout the state of New Mexico.



Guiding Principles:

- Either demonstrate the ability to
 - increase visitation,
 - increase capacity, and/or
 - improve the visitor experience
- High priority project in the ICIP and the region

\$1.9 million of funding awarded to Destination Forward projects in FY24. Ten projects selected as recipients of this grant program, supporting partial funding for 8 Infrastructure Capital Improvement Plan (ICIP) projects, supporting 10 communities around the state.

Destination Forward Grants

FY24 Grant Recipients

- City of Bayard: \$50,000
- City of Clovis: \$17,000
- City of Farmington: \$500,000
- City of Grants: \$384,000
- City of Roswell: \$100,000
- Curry County: \$380,000
- McKinley County: \$100,000
- Sandoval County: \$50,000
- Village of Fort Sumner: \$215,470
- Northwest COG: \$100,000

Total Funding: \$1,896,470



New Mexico Clean & Beautiful

Purpose: Empower New Mexican municipalities, counties, and tribal governments to create projects that contribute to:

- Ending littering,
- Reducing waste
- Beautifying communities
- Empowering youth
- Increasing program capacity through youth volunteers and professional coalitions.

In FY24, the New Mexico Clean and Beautiful Program **grew from 45 to 59 grant partners**, statewide.

- Funding increased from \$790,801 to \$906,958.00 with 75% of grantees representing rural communities



Red River
Flowers on Mainstreet

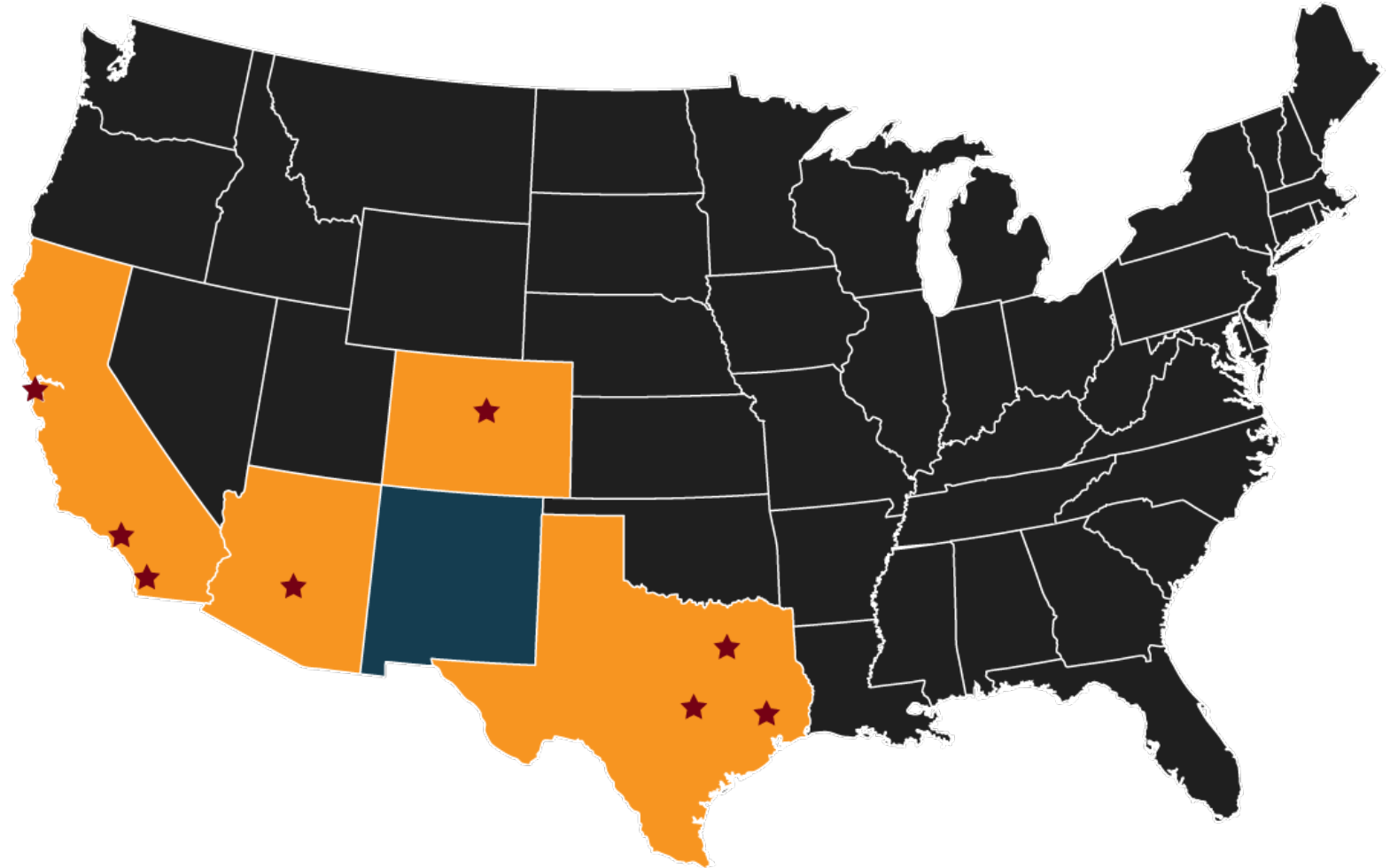
Drive Demand

A night sky with the Milky Way galaxy and two silhouetted figures on a sand dune. The scene is dark blue and black, with the bright, starry band of the Milky Way stretching across the upper half of the frame. Two small, dark silhouettes of people are standing on the crest of a large, smooth sand dune in the lower half of the frame. The overall mood is serene and expansive.

Marketing uses data to target the most valuable and most likely travelers to ensure New Mexico is a primary domestic destination

Drive Demand in Priority Markets

- Austin
- Dallas
- Houston
- Denver
- Phoenix
- San Diego
- Los Angeles
- San Francisco



What is New Mexico's competitive advantage?

| Current Strengths | Rating | Index | |
|---|--------|-------|---|
| Great for experiencing native cultures/customs/traditions | 4.25 | 116 | ★ |
| Authentic | 4.23 | 102 | |
| Colorful | 4.12 | 103 | |
| Interesting culture | 4.10 | 105 | |
| Interesting history/historical sites | 4.07 | 101 | |
| Excellent outdoor activities, such as hiking, backpacking, camping, fishing | 4.06 | 100 | ★ |
| Great nature travel/eco touring | 4.05 | 103 | |
| Interesting local cuisine | 4.02 | 106 | |
| Artsy | 4.00 | 115 | ★ |
| Interesting small towns/villages | 3.95 | 101 | |

New Approach with Winter FY24 Campaign



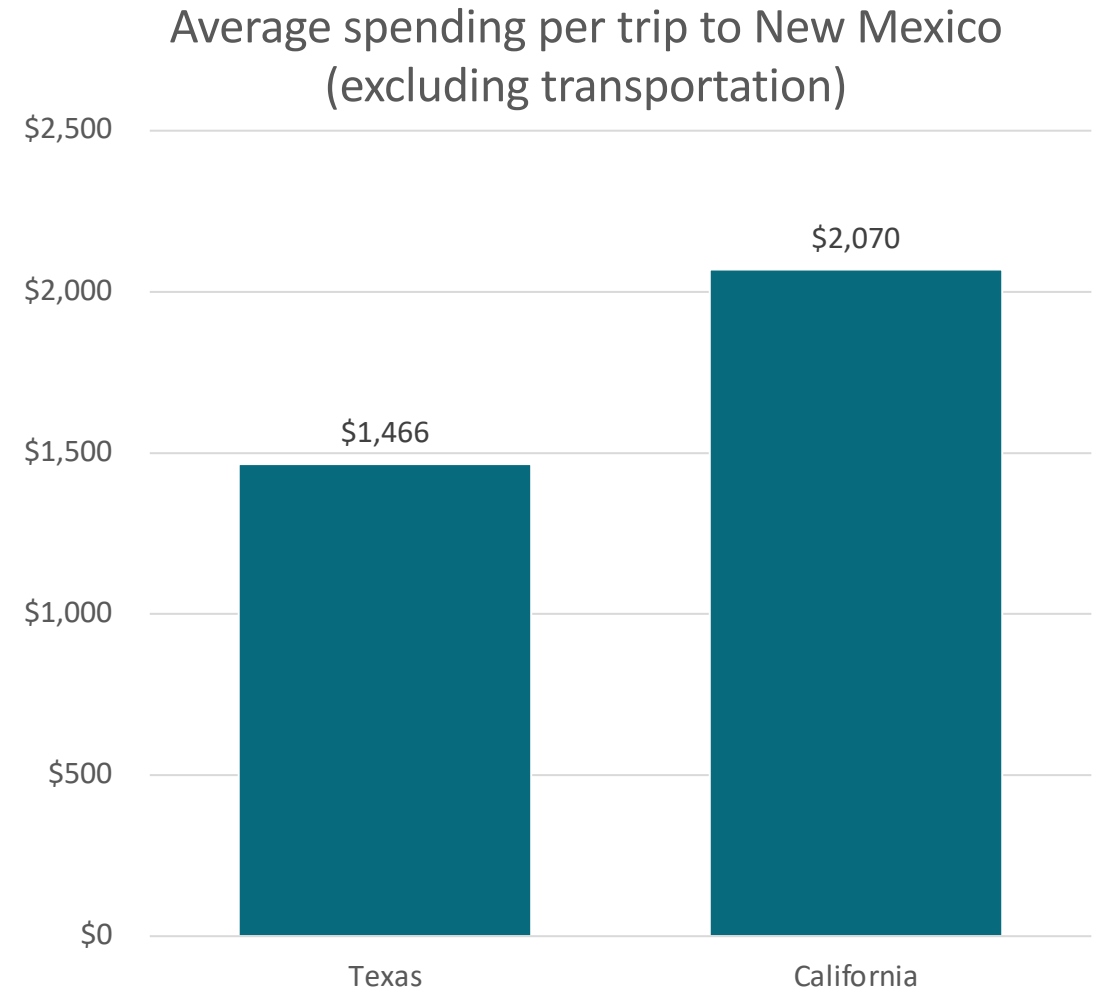
- California airport blitz means our most memorable placements go in front of more of our most likely and most valuable visitors
- Geotargeting our digital and streaming commercials ensures maximized reach and frequency in proven markets



- Utilizing improved ad technology for real-time optimizations for efficiency in each market

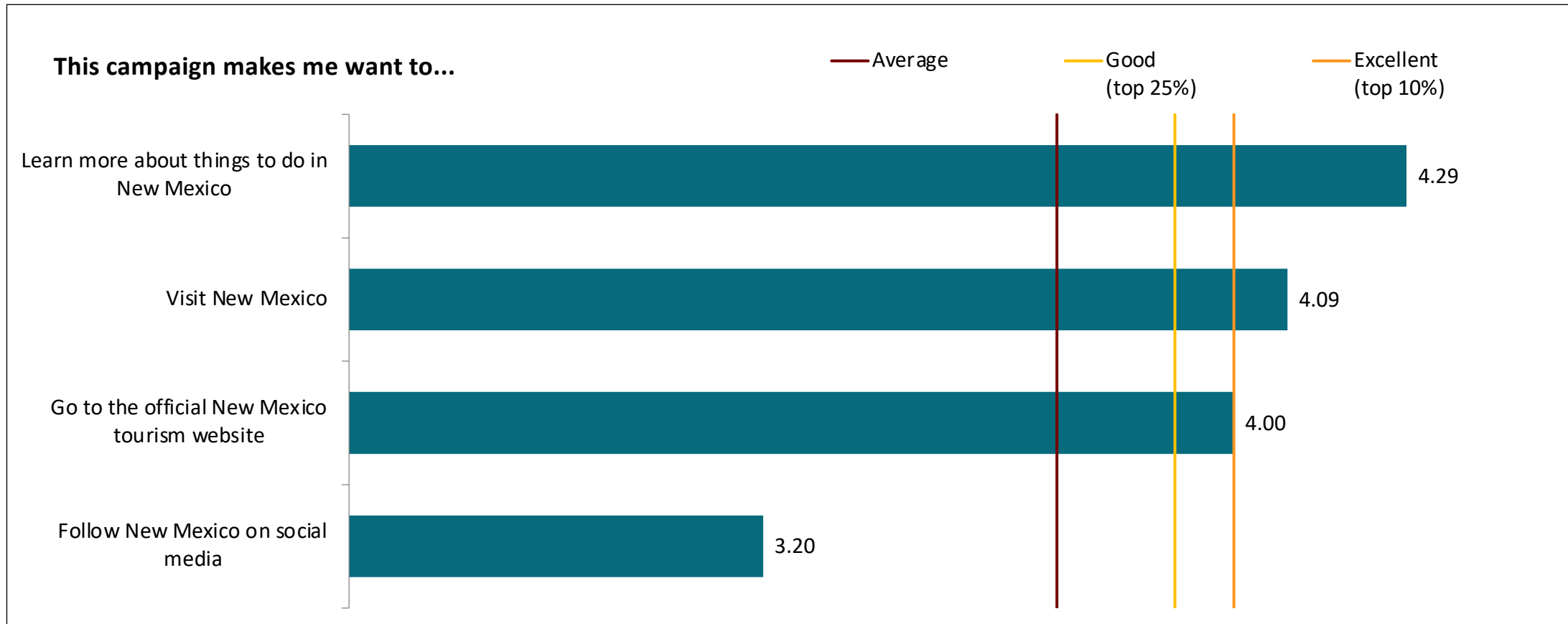
California Markets – Spending

- A study commissioned by NMTD in 2023 evaluated the spending and travel behaviors of current and potential fly and drive markets to determine if there were geographic differences in travel and spending behavior
- This study demonstrated that Californians, on average, spend more per trip than NM's other primary market of Texas – over **\$600 more per trip**
- Additional data from Longwoods International and Zartico support this finding

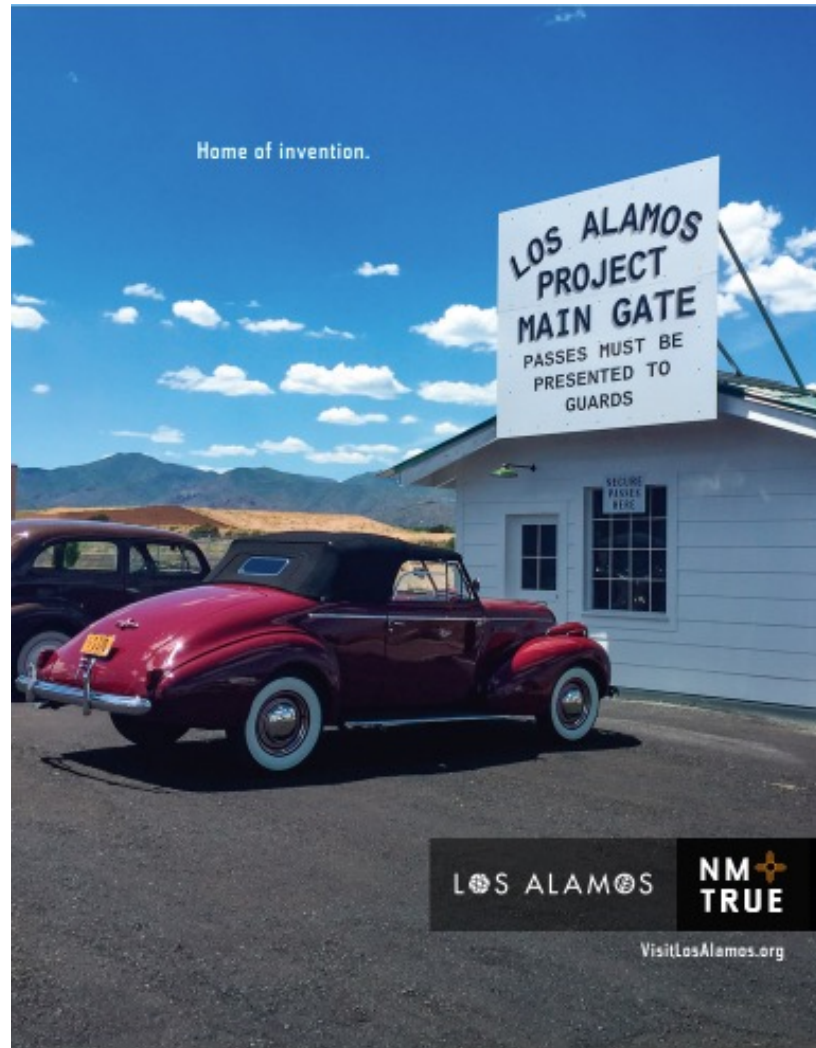


San Francisco Pre-Test - Results

Creative Evaluation Among Venturesome Travelers – San Francisco



FY24 Cooperative Marketing Grant Program



NMTD funding: \$3.4 million

Match level: 2:1

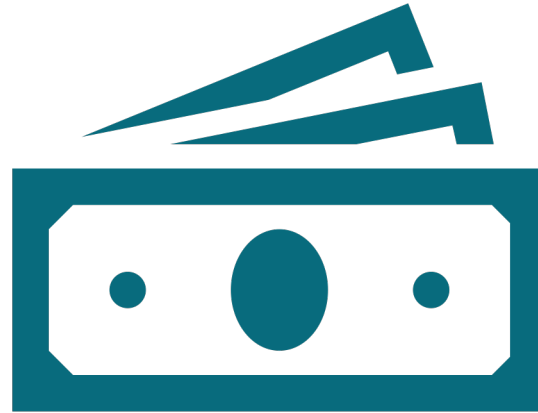
Active partners: 46 (up 16% from FY23)

**Total Co-funded Media Value
\$5.1 million**

Earned Media KPI's - FY23



Impressions
2.8 billion



Advertising Value
Equivalency
\$23.9 million



ROI
\$67: \$1

Secured Press Highlights – FY23

The New York Times

5 Scenic E.V. Road Trips

Want to hit the road with your electric vehicle? These U.S. road trips offer gorgeous overlooks, welcoming stops and ample charging stations.

New Mexico: The High Road to the Enchanted Circle

A road trip between Santa Fe and Taos — two standout New Mexico destinations — is a decided win. The route has beautiful scenery, a dose of history and is easily doable in an E.V. Start by accessing the state's helpful [E.V. planning tool](#) and then hit the 56-mile [High Road to Taos](#), which passes through villages with epic views of the Sangre de Cristo Mountains. Worthy stops include [El Santuario de Chimayo](#), a church built in 1813 that's still a destination for pilgrims. From Taos, [the Enchanted Circle Scenic Byway](#) winds through striking mountain scenery (some of which was featured in "Butch Cassidy and the Sundance Kid") and mountain towns like Red River and Questa — these towns are excellent bases for hiking, fishing and other outdoor adventures. A detour to [Taos Ski Valley](#) is well worth taking, both for a charge and for mountain biking.

New York Times
5 Scenic E.V. Road Trips
Impressions: 135M
AVE: \$1.3M

Smithsonian
Scientific Small Town: Los Alamos,
New Mexico (pop. 13,270)



Illustration: Project National Historical Park via National Geographic

When director Christopher Nolan's feature film [Oppenheimer](#) premieres on July 21, New Mexico's Los Alamos will be playing a starring role. Tucked away at an elevation of 7,200 feet among its pine-clad peaks, cypress and mesquites of northern New Mexico, the town is home to the [Los Alamos National Laboratory](#), an renowned scientific institution employing some of the world's top scientists and researchers, and one that also played a major part in the development of the atomic bomb. In fact, Robert Oppenheimer, also known as the "father of the atomic bomb" and the man at the center of Richard Brautigan's novel, served as the lab's director during World War II.

Los Alamos visitors can learn about the creation of the world's first atomic weapons at the [Manhattan Project National Historical Park](#), which encompasses the three secret complexes that supported the production of the bomb: Los Alamos, Oak Ridge, Tennessee, and Richland, Washington. While the [Los Alamos Historic Center](#) is open Friday through Monday year-round, guided tours of the park's historic properties (many of which are located on secure U.S. government land) are offered only three times annually in spring, summer and fall.

Smithsonian Magazine
The 15 Best Small Towns to Visit
in 2023 (Los Alamos featured)
Impressions: 7.4M
AVE: \$68.9K

THE SUNDAY TIMES

HOME DESTINATIONS HOLIDAY TYPES OFFERS ABOUT US BEST UK HOTELS



An Albuquerque diner (Getty)

10. Albuquerque, New Mexico

Gobbling up a stretch of the celebrated Route 66, Albuquerque is one of the southwest's most underrated (and affordable) cities. The Mother Road promises plenty of old-school Americana — think neon signs and colourful diners — as well as one-of-a-kind shops and hip coffee houses loved by the city's large student population. It's got serious artistic credentials too: time your trip for the ABQ Artwalk (the first Friday of each month), which includes free art shows and concerts downtown. The city is a springboard for hikes in New Mexico's stirring high desert too.

Average prices Coffee £2.90, evening meal for two £60, beer £4.20

Where to stay You'll get affordable luxury at [Hotel Albuquerque](#) at [Old Town](#) (room-only doubles from £127) which is also the starting point for the cheap ABQ Trolley, which rattles around town. Or hide away at the [Battiger Mansion](#) (B&B doubles from £130), where the cosy rooms and suites are filled with one-off art pieces and Aztec prints.

The Times (UK)
The Best Affordable Cities
in the U.S. (Albuquerque
featured)
Impressions: 16.8M
AVE: \$156K

USA TODAY SPECIAL SECTION

NEW MEXICO | SHOPPING

Trek the Turquoise Trail

Indulge in retail therapy along New Mexico's scenic byway



By Nicole Marlett

IT'S BARELY HARBORED AS Highway 66 is an iconic road, and this one has made it to the list — the Turquoise Trail. The road is a scenic byway that stretches from just beyond where Albuquerque is nestled against the Rio Grande to the heart of the state, ending in the town of Santa Fe. It's a road that has been around for over 100 years, and it's a road that's been around for a long time. It's a road that's been around for a long time. It's a road that's been around for a long time. It's a road that's been around for a long time.

USA TODAY (Print)
Trek the Turquoise Trail
Impressions: 535K
AVE: \$398K

Tourism Economy Advancement Model

Results

2022 Visitor Spending

\$11.2 BILLION

Total Economic Impact of Tourism in New Mexico in 2022



\$8.3B

Direct Visitor
Spending



\$11.2B

Total
Economic
Impact



91,279

Total
Jobs
Sustained



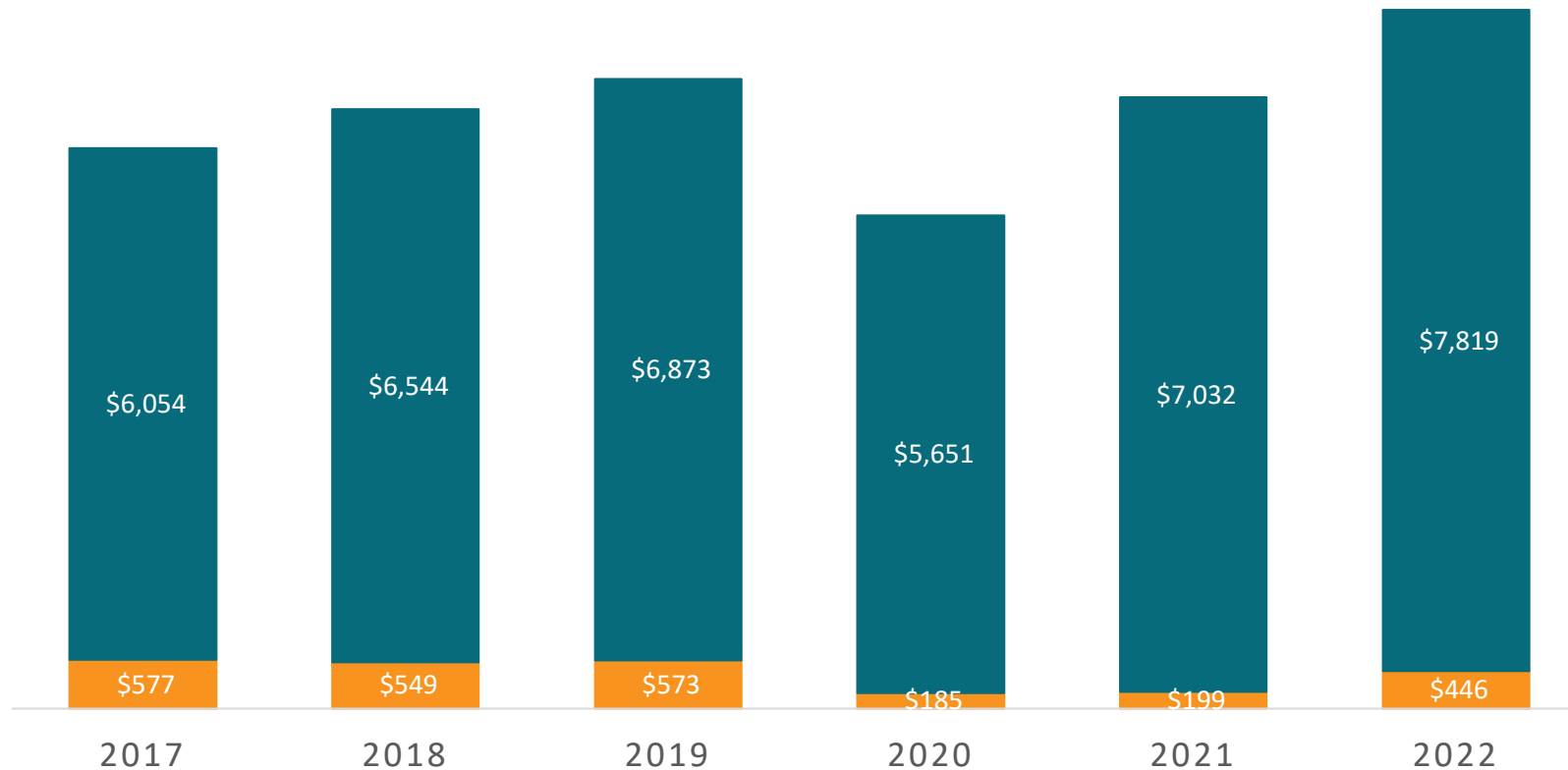
\$782M

State & Local
Taxes Generated

Visitor Spending - 6 Year History

VISITOR SPENDING (IN MILLIONS)

International Domestic



2022 saw a record-breaking

\$8.3B

in
Direct Visitor
Spending

Source: 2022 Economic Impact Study (Tourism Economics)



New Initiatives in FY25

Route 66 Centennial Commission



- To commemorate the Centennial of Route 66 in 2026, Congress established the Route 66 Centennial Commission. The Route 66 Centennial Commission consists of members appointed from the (8) states of: Arizona, California, Illinois, Kansas, Missouri, New Mexico, Oklahoma, and Texas
- Commissioners are tasked with “recommending ceremonies, celebrations, media production, publication of materials, the issuance of commemorative items, and other ways to celebrate the centennial anniversary of Route 66.”
- To facilitate effective cooperation with **stakeholders at the state level**, the member states of the Route 66 Centennial Commission were further tasked with establishing **Route 66 Centennial Coordination Groups** “focused on centennial planning in their respective state.”
- On September 8, 2023, Governor Michelle Lujan Grisham signed Executive Order 2023-131, establishing the Route 66 Centennial Coordination Group for the State of New Mexico.

Route 66 Centennial Coordination Group



- The Route 66 Centennial Coordination Group will consist of twelve (12) members, and pursuant to EO-2023-131, this group shall:
- Recommend, plan, sponsor, and coordinate official Route 66 centennial events, programs, and activities in the State
- Encourage the development of programs designed to involve all citizens in activities that commemorate Route 66 centennial events in the State
- Prioritize projects and activities utilizing the U.S Route 66 Centennial Commission’s dynamic scoring process
- Identify consumer experiences, events, projects, sites, and activities to be officially certified by the U.S. Route 66 Centennial Commission and included in official promotional efforts

Marketing Center of Excellence

- In 2023, HB233 established the Marketing Excellence Bureau within the New Mexico Tourism Department
- Pursuant to HB233, the “Marketing Center of Excellence” will serve as a central marketing arm for all the state’s executive agencies. It will also provide guidance and training related to marketing efforts, support strategy alignment and develop efficiencies, assist agencies in developing new market strategies and technology solutions.
- MISSION: To be a centralized destination for new marketing strategies and technological solutions for governmental agencies of the state of New Mexico
- VISION: To achieve marketing excellence through unified brand voice, visual execution, and media strategy
- GOALS:
 - Help state government be a more trusted communicator with its constituency and governmental partners
 - Assist state agencies in better telling their story
 - Create, implement, and standardize advertising best practices in visual communication and media strategy
 - Provide technical assistance and training resources for the implementation of best practices

FY25 Budget Request

FY25 Agency Base Budget Request



Base Budget - 200s

- \$941,800 increase
- To support three (3) new positions – two (2) in program support and one (1) for travel trade, which is currently funded via federal funds
- To realign and fully fund positions in their appropriate programs with a 2% vacancy factor.

Base Budget - 400s

- \$2,900,000 increase
 - \$2.5M to maintain current funding levels for programs that are vital to local communities --the Regional Cooperative Marketing and Advertising Program and for the Tourism Event Growth and Sustainability Program
 - \$400K to continue Travel Trade program currently supported by federal funds

FY25 Agency Special Appropriations Request



Special – National Advertising

- \$15,000,000 one time
- Promote New Mexico all four seasons; add the San Francisco media market; execute out-of-home major airport media takeovers

Special – Destination Forward

- \$3,000,000 one time
- For grants to tribal and local governments for tourism related infrastructure projects for expenditure in fiscal years 2024 through 2026

Special – Route 66

- \$5,000,000 one time
- For the revitalization of Route 66
- To commemorate the centennial of the mother road and to match federal grant opportunities

Special – Marketing Center of Excellence

- \$2,000,000 one time
- To implement HB 377 – centralized state agency marketing campaigns