

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current FIRs (in HTML & Adobe PDF formats) are available on the NM Legislative Website ([www.nmlegis.gov](http://www.nmlegis.gov)). Adobe PDF versions include all attachments, whereas HTML versions may not. Previously issued FIRs and attachments may be obtained from the LFC in Suite 101 of the State Capitol Building North.

## FISCAL IMPACT REPORT

ORIGINAL DATE 01/30/13

SPONSOR Morales LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE Tour of the Gila Program SB 199

ANALYST Clark

### APPROPRIATION (dollars in thousands)

| Appropriation |         | Recurring<br>or Nonrecurring | Fund<br>Affected |
|---------------|---------|------------------------------|------------------|
| FY13          | FY14    |                              |                  |
|               | \$150.0 | Recurring                    | General Fund     |

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Economic Development Department (EDD)

Tourism Department (TD)

### SUMMARY

#### Synopsis of Bill

Senate Bill 199 appropriates \$150,000 from the general fund to the Economic Development Department for the purpose of supporting the Tour of the Gila bicycle race.

### FISCAL IMPLICATIONS

The appropriation of \$150,000 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2014 shall revert to the general fund.

### SIGNIFICANT ISSUES

The EDD reports the Tour of the Gila Bike Race is a major tourism and economic development event for the region. Weeks prior and after the race area hotels and business see a major boost in sales from the race. The appropriation represents approximately 46.5 percent of the total race budget, according to estimates supplied by the EDD.

The SRAM Tour of the Gila estimates that 1100 racers, race staff, and family members attend the event each year. Spectator numbers range from 200 to 10,000 depending on the stage. The Silver City Downtown Criterium attracts the most spectators to the Historic district on stage four. As many as 400-600 volunteers work to make this event a success.

The SRAM Tour of the Gila has been in existence in Grant County since 1987. Major findings of a Western New Mexico University economic impact analysis for the 2012 race indicate that the race accounted for:

- \$561,531 in total economic impact in the Grant County economy
- 8.9 jobs (full & part time)
- \$164,708 of personal income (including proprietor income, wages and benefits)

The analysis also found that for each local dollar invested, \$3.44 returned to the Grant County economy on average. For each dollar invested from all sources, \$1.85 returned to the Grant County economy on average. The output multiplier is 1.35, and the employment multiplier is 1.22.

Since the SRAM Tour of the Gila has been in existence in Grant County for 26 years, it is part of the economy. The results mentioned above should be viewed as losses that would occur in the economy if the SRAM Tour of the Gila ceased to exist.

## **ADMINISTRATIVE IMPLICATIONS**

There would be no significant administrative implications.

## **OTHER SUBSTANTIVE ISSUES**

The EDD provided the following breakdown of expenditures for the \$150,000 appropriation based on expenditures in 2012.

### **Tour Tracker Online Racing Services \$50,000**

Custom web, iPhone, iPad, and Android applications featuring Tour of the Gila and sponsor branding. Used by major races throughout the world, such as Tour de France, Amgen Tour of California, the US Pro Challenge, and the Tour of Utah, this online service, which is free to the consumer, provides live race coverage, data, routes, teams, riders results, standings, commentary, chat, photos, videos, in real-time data. The race serves hundreds of thousands of international and national viewers showcasing Silver City, Grant County, and New Mexico. This will broaden the exposure of the Tour of the Gila and continues to promote the area as a tourism and cycling destination.

### **Live webcast production by 39T Digital \$64,000**

Live streaming coverage of Stage four and five to be incorporated into Tour Tracker applications.

### **Advertise in VeloNews Magazine \$3,000.00**

1/4 page ad March \$815

1/4 page ad April \$815

1/4 page ad in Ultimate Ride Guide \$985

1/4 page ad in Buyer's Guide \$985

**Senate Bill 199 – Page 3**

Advertise on VeloNews.com \$3,500

Contract for 1,119,914 impressions

February \$1667

March \$1667

April \$1667

Advertise on cyclingnews.com \$3,500

Contract for 4,004,000 impressions February 1 - May 1

Radio advertising \$3,000

KRWG-FM \$350

KNFT-AM, KNFT-FM, KSCQ-FM, and KZXQ-FM \$2,650

Advertise in the Silver City Sun-News and SCSun-News.com \$3,200

Tour of the Gila EXPO ads and informational ads

Daily subscription: 2,200; Readership: 4,500; website impressions: 25,000

Deming digital package - 25,000 mobile ROS impressions, 3,500 mobile impressions plus mobile webpage and one pencil ad

Las Cruces digital package - 50,000 banner ROS impressions, 25,000 mobile impressions plus mobile webpage and one pencil ad

Ad Taxi \$3,200

Digital ads targeting audiences in El Paso, Tucson, Albuquerque, Santa Fe

400,000 impressions in April

Silver City Visitor & Relocation Guide \$600

Readership: 50,000. The guide will be distributed at entrance points to New Mexico, Visitor Centers, Tourism conferences, and fulfillment requests.

Website Development & Maintenance \$4,000

www.tourofthegila.com will provide information for racers and cycling tourism and promote cycling in the Grant County area to a local, international, and international audience.

Start/Finish Line Structure \$12,000

This is a structure to span the start and finish lines for each stage, consisting of internal framework wrapped with high design over polycore plastic. This will feature the event and title sponsor branding, and will be a focal point in photographed and live images.

**ALTERNATIVES**

The funding could be appropriated to the Tourism Department.

**WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

The EDD reports without additional funding the race might not take place and the region would not have the added economic development impact.

JC/svb