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Summary of Findings Economic and Fiscal Impact of Union Pacific Santa Teresa Rail Facility

- Union Pacific plans to invest \$418 million in a new rail facility in southern Dona Ana County, New Mexico, which includes crew change and fueling, intermodal, and block swap components. The total construction economic impact is estimated at \$500 million.
- Construction will take place over the 2011-2014 time period and is estimated to generate 2,913 construction jobs and \$123 million in construction wages. Including the multiplier impacts, a total of 3,309 jobs and \$137 million in wages will be created during the construction phase within Dona Ana County.
- New Mexico gross receipts and compensating tax paid on construction services is estimated at \$23.4 million, with the State of New Mexico receiving \$19.9 million and Dona Ana County receiving \$3.5 million.
- The operations phase is expected to begin in 2014 with initial Union Pacific and on-site contractor employment estimated at 281. As operations ramp up, rail facility employment is expected to be 417 by 2020 and 453 by 2025.
- Including estimated multiplier impacts, total employment and wages associated with the operations of this new rail investment are estimated at 414 jobs and wages of \$24.0 million in 2014, increasing to 615 jobs and wages of \$39.0 million in 2015 and to 668 jobs and wages of \$49.0 million by 2025.
- Union Pacific will contract for much of the operations of the intermodal and block swap components. The company will also contract for transportation services for railroad crews away from home. Union Pacific will pay gross receipts tax on these business purchases, estimated at approximately \$1.0 million per year.
- Construction and operations workers will pay state personal income tax. Workers who are expected to live in Dona Ana County will pay gross receipts tax on their taxable expenditures and property tax on their houses. Conservative assumptions were made to estimate the number of workers who will live in Dona Ana County due to the geographic proximity to El Paso, Texas.
- Over the 2011-2025 time period total state and local tax generated by the construction and operation of this rail facility are estimated at \$57.5 million. The State of New Mexico will receive an estimated \$45.9 million, Dona Ana County, \$8.7 million, Gadsden Schools, \$2.0 million, and Sunland Park, \$0.800 million.
- While difficult to quantify, the Union Pacific rail facility will likely be a catalyst for additional economic development in Dona Ana County for warehouse and distribution.