

ECONOMIC IMPACT ANALYSIS

O'DONNELL ECONOMICS
AND STRATEGY

NEW MEXICO
MUSEUM OF ART



THE
CENTENNIAL
CAMPAIGN

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Executive Summary

The New Mexico Museum of Art will celebrate its 100th anniversary in 2017. The centennial comes at a moment in time when the museum is poised to reaffirm its role as a cultural destination and the flagship art museum for Santa Fe and New Mexico.

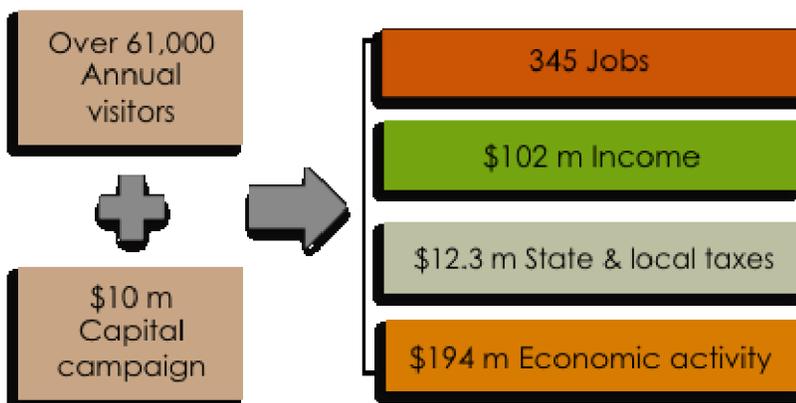
To this end, the Museum of New Mexico Foundation (MNMF), in partnership with the museum, have launched a \$10 million capital campaign to fund the creation of a contemporary art venue at the Halpin Building in the Santa Fe Railyard Arts District. The Halpin will provide gallery space for the exhibition of contemporary art, additional storage for building the museum’s collection, educational spaces, artist studios, and collection study rooms, all of which the museum’s Plaza location cannot provide.

The Railyard Arts District is already home to SITE Santa Fe, contemporary art galleries, and the Jean Cocteau and Violet Crown cinemas. A contemporary art annex at the Halpin will solidify the Railyard Arts District as a contemporary art hub, benefitting all Railyard tenants and visitors by enriching the contemporary arts community and magnifying their collective appeal.

Expansion and enhancement of Museum of Art exhibits, activities and programs will heighten the museum’s reputation and visibility, attracting new visitors to Santa Fe and compelling visitors who would have come anyway to stay a little longer. The contemporary art annex is expected to attract more than 61,000 annual visitors, most from outside Santa Fe.

Funds that flow into Santa Fe as a direct result of the Centennial Campaign and the contemporary art annex, including campaign contributions from outside the Santa Fe area and additional tourism spending, will support the creation of 287 jobs, \$9.6 million in annual wages and salaries, \$19.7 million in new economic activity, and roughly \$1.2 million in annual state and local taxes. Over 80 percent of the impact will be recurring and likely to increase as the annex and the Railyard District gain greater visibility.

Figure 1: Ten-Year Economic Impact of Centennial Campaign & Halpin Annex



In fact, during its first ten years, the contemporary art annex will stimulate a total of \$194 million in economic activity, supporting 345 jobs, producing \$102 million in income for Santa Fe residents, and generating \$12.3 million in state and local tax revenue.

Proximity to museums has been shown to improve quality of life. Research has shown that property values increase in communities where a museum opens or undergoes a major renovation.¹ The contemporary art annex will also benefit Santa Fe by collaborating with other Santa Fe institutions to enrich the cultural life of the Santa Fe community, providing studio space for New Mexico artists, offering educational programming, and creating a place for community events and gatherings.

Introduction

The New Mexico Museum of Art is located one block off the Santa Fe Plaza in a landmark 1917 Pueblo Revival building. Originally the art gallery for the Museum of New Mexico, the gallery became the New Mexico Museum of Fine Art in 1962. In 2007 the name was shortened to the New Mexico Museum of Art, in acknowledgement of the collection's increasingly wide breadth.

Over the past 100 years, the museum has played an important role in bringing the work of New Mexico artists to the attention of national and international audiences, as well as bringing world-class international art to New Mexico. Numerous exhibitions throughout the year attract visitors to Santa Fe and expose New Mexico audiences to the diversity of historic Southwest art, curated shows of working New Mexico artists, and touring exhibitions from across the USA and abroad. The museum's collection includes more than 20,000 works. The museum also engages the Santa Fe community through comprehensive educational and public programming, including Music at the Museum, a free monthly open house featuring live music.

A Necessary Expansion

There is a general consensus among Museum of Art stakeholders and internationally recognized museum consultants that the museum must expand if it is to remain a relevant, vital, 21st century collecting institution.² The museum has run out of storage space at its current 55,125 square foot location on the Santa Fe Plaza. In addition, the current building, although historically significant, lacks the facilities needed to keep pace with the evolving role of museums in the communities they serve, including dedicated rooms for education, gallery space suitable for exhibiting large-scale or multi-media works, and indoor space for community functions. After thorough study, expansion at the Plaza location was deemed financially unfeasible and exceedingly difficult due to the National Historic Landmark status of the museum and surrounding buildings. Launching a satellite museum at the Santa Fe Railyard Arts District, roughly one mile from the current site, is a more cost-effective and feasible solution that also reflects a trend among museums toward having two or more distinct venues within a single urban area.

Two Locations: Cutting Edge and Cost-Effective

The expansion to two locations will enable the museum to devote the 1917 building to showcase historically significant works and the Halpin Building to contemporary art. A number of major institutions, most notably Britain's Tate, have opened multiple specialized locations with great success. The Tate has two London locations – the Tate Britain is the national gallery for British art from 1500 to present, while the Tate Modern exhibits the national collection of modern art from 1900 to present. The Philadelphia Museum of Art, Seattle Art Museum (SAM), and the Los Angeles Museum of Contemporary Art (MOCA), are other institutions that have distributed their presence across multiple locations within the same urban area. SAM has three major venues: a main museum in downtown Seattle; the Seattle Asian Art Museum on Capitol Hill, and the Olympic Sculpture Park on the waterfront. MOCA also has three distinct venues in Los Angeles—MOCA Grand Avenue, The Geffen Contemporary at MOCA, and MOCA Pacific Design Center.

Major renovation and expansion by the Los Angeles County Museum of Art (LACMA)^a more than doubled museum attendance and increased the number of international visitors four-fold.³ A 2013 analysis of the spatial distribution of arts non-profits, provides additional support for the two-venue approach, concluding that arts non-profits are most beneficial to the local economy when they are scattered in several distinct clusters throughout an urban area.⁴

The Contemporary Art Space

The Halpin Building is located at the northern end of the Santa Fe Railyard Arts District, about one mile from the Museum of Art's historic Plaza location. The 34,000 square foot former State Records building is valued at over \$2 million and has been deeded to the Museum of New Mexico Board of Regents by the New Mexico Department of Cultural Affairs (DCA). The new site will increase the museum's total square footage by about 64 percent (to 90,000 square feet) and will provide the museum with a variety of sorely-needed resources, including 17,000 square feet of additional gallery space, educational classrooms and studios, and an additional 17,000 square feet of storage with which to expand the museum's collection and create staging areas for exhibitions.

The Halpin site will house the museum's contemporary art collection. Many features of the Halpin Building, including its large, industrial-style open spaces, make it ideal for exhibiting contemporary art and large installations. Physically differentiating contemporary art from the rest of the collection in a dedicated exhibition space will better showcase both collections,^b increasing the appeal and the visibility of the Museum of Art. The presence of a collecting institution devoted to contemporary art in Santa Fe will build the museum's permanent collection and prevent the loss of cultural assets by providing Santa Fe collectors of world-class contemporary art with the only local repository for art they wish to donate to a permanent collection.

The evolving role of museums

The increased focus on contemporary art will broaden the museum's reach, enable it to keep pace with national and international cultural trends, and attract a new generation of patrons.

The Halpin annex will also enable the museum to assume a more central role in the life of the Santa Fe community by being a meeting place where visitors, community residents, and artists can convene, collaborate, and be inspired. By serving as a social hub, the museum will stay attuned to the needs of the community and strengthen its relationships with New Mexico artists and collectors.

^a Transformation, the Los Angeles County Museum of Art's ongoing, multi-year, three-phase expansion and revitalization initiative, has already installed monumental public artworks and added new buildings and 100,000 square feet of gallery space to the museum's 20-acre campus at a cost of over \$300 million.

^b The Department of Cultural Affairs plans to restore the 1917 building to its original grandeur at a cost of approximately \$7 million over the next several years if state capital outlay can be obtained. The renovations in conjunction with the transfer of the contemporary collection to the Halpin will enable the 1917 museum to better showcase the 20th century collection.

The Santa Fe Railyard Arts District

The Historic Santa Fe Railyard District has undergone extensive redevelopment and restoration over the past decade. Once an area of extreme blight, the Railyard District is now home to a diverse mix of tenants and host to a variety of public events. In addition to SITE Santa Fe, the Santa Fe Farmers Market, a Hispanic cultural center, and a cutting edge teen art center, Railyard tenants include restaurants, performance art spaces, galleries, shops, the Jean Cocteau and Violet Crown art house cinemas, and creative live-work spaces. Features also include a park, plaza, pedestrian promenade, walking trail, and train service.

Revitalization of the Railyard District remains a work in progress and the new contemporary art space will definitely help the area reach its full potential as a cultural and community hub. By creating a direct link between the Plaza and the Railyard District, the annex will also increase visitor traffic and economic activity at the Railyard.

Agglomeration economies and a critical mass of contemporary art

Economies of agglomeration are the benefits that related businesses and/or institutions derive from locating near each other. Physical clustering of complementary and/or competitive entities can greatly magnify their collective appeal and economic impact. Being part of the Railyard District's contemporary arts cluster will provide the Museum of Art with new visitors and a stronger revenue base. In turn, the museum's presence will benefit other Railyard tenants by increasing visitor traffic from the Plaza.

Collaborations with other DCA institutions and Railyard District tenants will enhance the contemporary art community's collective impact and visitor draw. The Railyard District is already home to a burgeoning contemporary art cluster that includes galleries, artists' studios, and SITE Santa Fe, a renowned contemporary art venue credited with hosting the nation's first international contemporary art biennial in 1995. Over the past 20 years, SITE Santa Fe has hosted nine biennials and exhibited works by over 700 contemporary artists. SITE attracts 20,000 to 30,000 contemporary art aficionados from around the world each year and has played a key role in bringing greater public attention to contemporary art. A major facilities renovation currently underway will attract even more attention to SITE Santa Fe and, in so doing, increase awareness in the art world of developments at the Halpin.

SITE Santa Fe is a short walk from the Halpin Building. Being in close proximity will provide the two institutions with abundant opportunities for collaboration and cross-promotions, enhancing the visibility and capacity of both. Similar opportunities will arise with the neighboring Jean Cocteau and Violet Crown art house cinemas. The Railyard Arts District is also the future home of New Mexico School for the Arts, a nationally renowned, state-funded charter school for the arts.

Centennial Campaign

The Museum of Art will celebrate its 100th birthday in 2017. In November 2015, the MNMF's board approved a three-year, \$10 million capital campaign to renovate the Halpin, repurpose the Foundation-owned Shonnard House, and provide \$300,000 in bridge funding for exhibitions and educational programming at the museum during the period in which Foundation fund-raising efforts are focused on the capital campaign. The Centennial Campaign also seeks to leverage the enhanced emphasis on contemporary art to build the MNMF's visibility, stature and development capacity and cultivate a new generation of donors.

Economic Contributions and Impacts

Museums and other cultural institutions play a crucial role in Santa Fe's brand identity and local economy. Some of these benefits, like tourist spending, are readily quantifiable, while others, like improved quality of life for Santa Fe residents, are, at best, measured by proxy. This section reviews the economic role of the New Mexico Museum of Art and then estimates the likely economic impact of the Centennial Campaign and contemporary arts annex.

The economic impact of a museum project is different from the museum's overall contribution to the local economy. Economic impact analysis examines the marginal change in economic activity caused by a change in the economy. The economic impact of the Centennial Campaign and the contemporary arts annex is the amount by which economic activity in Santa Fe *increases* as a result of these projects. The economic contribution of the Museum of Art, on the other hand, measures the museum's overall role in the local economy.⁵ Because economic impact is the net change in new economic activity associated with an economic event, only project funding that originates outside the Santa Fe economy will have a positive economic impact. Funding that originates within the Santa Fe economy is assumed to be money that would be spent elsewhere in the Santa Fe if it was not donated to the museum.

Centennial Campaign

The Centennial Campaign will generate \$10 million in private contributions; \$8.7 million to renovate the Halpin Building and cover campaign costs, \$300,000 to support program operations at the museum during the renovation period, and \$1 million to build out the Shonnard House, at 1411 Paseo de Peralta, to become the permanent home for the MNMF.

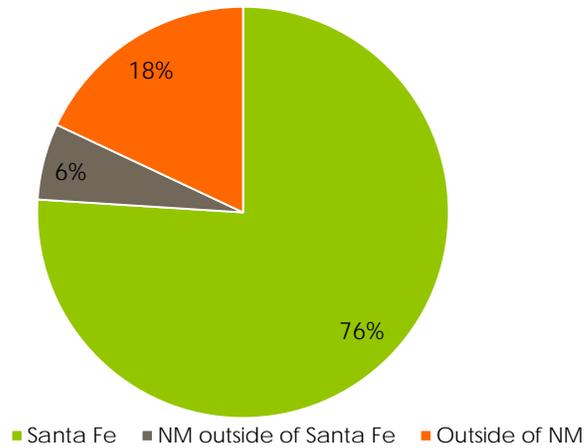
Based on 2016 private contributions to the museum, we expect 24 percent (\$2.4 million) of Centennial Campaign contributions to originate outside the Santa Fe area.

	Total	Funding from outside Santa Fe
Renovation		
Halpin	\$8.7 million	\$2.3 million
Shonnard	\$1 million	
Museum programming	\$300,000	\$72,000
Total	\$10 million	\$2.4 million

Contemporary Arts Annex

The contemporary art annex at Halpin will contribute to the Santa Fe economy by employing community members, attracting more visitors to the Railyard Arts District and Santa Fe in general, offering new educational opportunities, and enhancing quality of life for area residents.

Figure 2: 2016 Private donations to the New Mexico Museum of Art by origin of funding



Operations

Operations at the contemporary art annex will cost roughly \$923,000 annually. The museum will employ 14 new staff members to accommodate the contemporary art annex. Staffing will be integrated within the overall staff structure of the museum for efficiency of management and costs, Ticket revenue will offset roughly 10 percent of operating cost, but because state appropriations will provide the vast majority of funding, expenditures for Halpin operations will have minimal net economic impact.

Salaries and benefits	\$675,612
Contracts	\$28,280
Goods and utilities	\$192,360
Annual recurring cost	\$896,252
First year non-recurring cost	\$27,000
Total first year expenditures	\$923,252

Off-Site Economic Activity

The Halpin annex is expected to attract 61,471 annual visitors.^c Seventy-five percent of visitors to DCA's Santa Fe museums, including the Museum of Art, are from outside Santa Fe and 51 percent are from out-of-state.⁶

Tourists spend more than local shoppers

Much of the museum's economic impact will result from off-site spending by museum visitors who live outside Santa Fe. Expansion and enhancement of the museum's exhibits, activities and programs is expected to heighten the museum's reputation and visibility, attracting new visitors to Santa Fe and compelling tourists who were already visiting to stay longer. A direct link between cultural institutions at the Plaza and Railyard Arts District will help distribute tourist activity across a wider geographic area, creating new opportunities for growth in the surrounding neighborhoods.

For purposes of expenditure analysis, museum visitors fall into three categories: locals, day visitors from outside the immediate Santa Fe area, and overnight visitors who have traveled from farther away. Local residents and school groups spend relatively little when they visit the museum. Leisure travelers in town for the day are likely to eat at restaurants and go shopping, but their expenditures are limited by their relatively short time in Santa Fe. Overnight visitors, on the other hand, spend quite a bit more, on average, than either locals or day trippers, with purchases that include lodging, transportation, tours, personal services, multiple meals, and entertainment.

Cultural and heritage tourists spend more than other visitors

Avid museumgoers are considered "cultural and heritage travelers"—tourists who seek out authentic and unique cultural and heritage experiences. Cultural and heritage travelers spend an average of 63 percent more per trip than other leisure travelers.⁷ Compared to other tourists, heritage travelers take longer trips, participate in a broader range of activities including festivals, historic sites, local cuisine, and they spend more time and money shopping.⁸ Cultural tourism motivates communities to preserve historic sites and develop cultural assets. Local residents benefit from access to additional cultural resources and the local economy benefits by retaining discretionary spending by local residents who don't have to travel elsewhere to have these experiences.⁹

Expenditures made by tourists, regardless of size, have a larger economic impact than those of locals. As noted earlier, spending by locals recirculates funds within the local economy but does not increase total economic activity. Since a dollar spent by a local at the museum gift shop is a dollar that would otherwise have been spent elsewhere in the local economy, the purchase does not constitute a net increase in local economic activity. Conversely, a dollar spent in Santa Fe by a resident of Colorado is a dollar that has

^c At least initially, most visitors to the annex will be directed there from other Santa Fe museums, primarily the main Museum of Art and SITE Santa Fe. The museum currently attracts 67,000 visitors annually. The museum will strongly encourage patrons to visit the annex and may provide transportation service. SITE Santa Fe, a contemporary art venue, just steps away from the Halpin, attracts roughly 25,000 visitors each year. Assuming 50 percent of museum patrons and 75 percent of SITE Santa Fe patrons visit the annex and that these institutions account for 85 percent of annex visitors, the annex will attract approximately 61,471 museumgoers annually.

originated outside the local economy and therefore adds to the total volume of economic activity. Thus, the primary driver of the museum’s short-term economic impact is the extent to which it serves as a magnet for visitors from outside the Santa Fe area. This impact will be magnified if the museum catalyzes further growth of the Railyard Contemporary Arts District, such that the area becomes a destination in its own right.

A recent survey by TOURISM Santa Fe yielded important insight about visitors to Santa Fe:

- The average travel party consists of 2.3 adults
- Visitors stay an average of 4.39 days
- The average total party expenditure including lodging is \$2,658 or \$605 per night, including the following average per party expenses:
 - Lodging: \$1,153;
 - Food & Beverage: \$431;
 - Attractions: \$187;
 - Night life: \$180;
 - Car: 209; and
 - Shopping: \$498.¹⁰

Food & Beverage	\$1,951,777
Attractions	\$846,827
Night life	\$815,127
Car	\$1,892,907
Shopping	\$2,255,186
Lodging	\$2,213,344
Total	\$9,975,168

Based on these results, we estimate that each non-local visitor party that extends their stay in Santa Fe with an additional half-day trip to the Railyard District will spend an additional \$171 in the community, and each non-local party of visitors that spends an additional night in Santa Fe will spend an additional \$605 in the community.

The 40,755 visitors directed to the Halpin from SITE Santa Fe or the museum’s Plaza location are assumed to add ½ day to their time in Santa Fe. The remaining 15 percent (7,192) of Halpin visitors are evenly split between those who spend an additional day in Santa Fe and those whose decision to visit Santa Fe in the first place was influenced by the opening of the contemporary art annex.

The expected increase in annual visitor spending attributable to the Halpin annex is presented, by type of expenditure, in Table 3. Expenditures were estimated by prorating TOURISM Santa Fe average expenditures by the amount of additional time spent in Santa Fe by visitors from outside the Santa Fe area.

Economic Impact

Funds that flow into Santa Fe as a direct result of the Centennial Campaign and the contemporary art annex, including donations from outside the Santa Fe area and additional tourism spending, will support the creation of 287 jobs, \$9.6 million in wages and salaries, \$19.7 million in new economic activity, and roughly \$1.2 million in state and local taxes.

Renovations of the Halpin and Shonnard buildings will account for roughly 18 percent of economic impacts. Construction impacts are non-recurring, but may be spread over more than one year.

The new contemporary art annex in Santa Fe will increase tourism revenue by:

- *Attracting new tourists to Santa Fe from the US and abroad*
- *Giving visitors already in Santa Fe a reason to stay a little longer*
- *Creating a critical mass of contemporary art in the Railyard District*

Methodology

The IMPLAN™ modeling system was used to estimate the impact of the contemporary art annex on the Santa Fe economy. IMPLAN is a widely used software package and database for estimating local economic impacts¹¹ using input-output analysis.

Input-output analysis is based on the premise that local economies are composed of numerous interconnected industrial sectors and institutions. Significant changes in one sector or institution impact the many sectors and institutions to which that component is connected. The initial change is called the "direct" effect. As the initial change reverberates throughout the local economy it produces "indirect" and "induced" effects, sometimes referred to as "multiplier" effects. Input-output analysis is a technique for estimating the total economic impact of a change by quantifying the direct, indirect and induced effects using data on the relationships between industrial sectors. These relationships are represented by multipliers.^d

- *Direct effects* represent the initial change to the industry in question.
- *Indirect effects* result when the industries that supply the industry in question respond to the change in demand resulting from the initial impact.
- *Induced effects* reflect changes in local spending that result from income changes in the directly and indirectly affected industry sectors.

^d Output multipliers relate the changes in sales to final demand by one industry to total changes in output (gross sales) by all industries within the area. An industry output multiplier of 1.80 indicates that a change in sales to final demand of \$1.00 by the industry in question would result in a total change in local output of \$1.80. Income and employment multipliers relate the change in direct income to changes in total income within the local economy. For example, an income multiplier for a direct industry change of 1.75 indicates that a \$1.00 change in income in the direct industry will produce a total income change of \$1.75 in the local economy. Similarly, an employment multiplier of 1.75 indicates that the creation of one new direct job will result in a total of 1.75 jobs in the local economy.

Spending by Santa Fe visitors and charitable contributions from out-of-state donors generate direct impacts when they are received by Santa Fe businesses and institutions. They generate indirect impacts when those businesses and institutions purchase goods and services from other local industries and households. Induced impacts result when employees of the businesses and institutions that cater to visitors and donors use their wages and salaries to purchase goods and services in the local economy.

Results

Centennial Campaign funding that originates outside the Santa Fe area and spending by annex visitors from outside Santa Fe will support the creation of 287 jobs, \$9.6 million in wages and salaries, \$19.7 million in new economic activity, and roughly \$1.2 million in state and local taxes. Eighteen percent of impacts arise from the renovations of the Halpin and Shonnard buildings and are thus non-recurring.

Impact Type	Employment	Labor Income	Output
Direct Effect	228	\$7,207,658	\$11,782,571
Indirect Effect	20	\$760,345	\$2,775,553
Induced Effect	39	\$1,670,354	\$5,164,960
Total Effect	287	\$9,638,357	\$19,723,085

Recurring impacts

Visitor spending will account for 82 percent of total economic impact. Visitor spending impacts are recurring and will likely increase over time as the contemporary arts annex and corridor become better known.

	Employment	Labor Income	Output
Recurring	261	\$8,536,282	\$16,122,203
Non-recurring	27	\$1,102,075	\$3,600,882
Total	287	\$9,638,357	\$19,723,085

One-time impacts

Economic impacts from the renovations, totaling 27 jobs, \$1.1 million in employee compensation, and \$3.6 million in total economic impact, will be non-recurring and last less than two years.

Tax Impacts

The contemporary arts annex will produce \$1.2 million in state and local tax revenue, almost \$1 million of which will be recurring.

	Local	State	Total
Gross receipts tax	\$403,420	\$494,554	\$897,974
Income Tax	\$0	\$50,111	\$50,111
Property Tax	\$1,119	\$0	\$1,119
Lodgers Tax	\$154,934	\$0	\$154,934
Construction-related fees	\$113,797	\$0	\$113,797
Total	\$673,270	\$544,664	\$1,217,934

Neighborhood Effects

Extensive research documents the positive impact of arts and culture on communities.^{12 13 14 15} Studies also provide evidence that museums benefit surrounding neighborhoods. Studies indicate that the location or expansion of a museum can profoundly benefit local residents and businesses and, in some instances, be the epicenter of sweeping neighborhood revitalization.

The opening or expansion of a museum has been associated with significant increases in the value of surrounding property, and, in some instances, the positive impact has been shown to extend a significant distance from the museum site.^{16 17} In one study, the opening of a museum increased the value of neighboring properties between 20 and 50 percent.¹⁸

The opening of the Massachusetts Museum of Contemporary Art (Mass MoCA) in North Adams Massachusetts increased the value of the homes closest to the site by an average of \$11,000 and attracted commercial development to the previously blighted area.^e Properties up to 1.7 kilometers from the site appreciated in value, although the magnitude of the effect diminished as distance from the site increased. The total increase in property values attributable to the museum's opening was estimated to be nearly \$14 million.^f Similarly, in North Carolina, the opening of Pack Place, which includes the Asheville Art Museum as well as a number of other cultural assets and institutions, was credited with a marked increase in the value of 18 surrounding parcels.¹⁹

According to data from the Santa Fe County Assessor, property within a 1.5 km radius of the Railyard District had total assessed value of roughly \$2.6 billion. At an average effective property tax rate of .469 percent, a 5 percent increase in the average value of properties in this area would generate over \$600,000 in additional property tax revenue annually.

Other Potential Economic Benefits

Museums bolster local economies by educating community members and attracting creative, productive workers.²⁰ The economic productivity of US cities has also been positively correlated with the output of local cultural organizations.²¹ Communities with highly educated populations exhibit high levels of economic productivity.²² Thus, the educational services museums provide to residents may enhance the profitability of local firms and the health of the overall economy.²³ MASS MoCA accounted for over 50 percent of regional net economic growth in the three years following its opening, including an 8.5 percent increase in real wages, a 12 to 15 percent increase in the number of small and medium businesses, and a 300 percent increase in lodgers' tax revenue.^{24 25}

Museums also contribute to the local economy by educating community residents.²⁶ The contemporary art annex will strengthen the museum's educational programs by providing studios for artists in residence and education spaces to support a full range of educational programming. In addition, the contemporary pieces housed at the annex will be available for study by researchers, students and artists.

^e This value is expressed in 2004 dollars, equivalent to roughly \$15,683 in 2016.

^f \$20 million in 2016 dollars

Ten Year Outlook

The economic benefits of the contemporary art annex will likely increase over time. According to one survey, museums that expanded in the last ten years experienced 38 percent faster attendance growth than those that did not.²⁷ Between 2008 and 2016, attendance at DCA's Santa Fe museums increased by an annual average of 2.4 percent. The ten-year forecast assumes that Halpin attendance increases by an average of 3.3 percent over the forecast period, with the most rapid growth occurring in the annex's first three years. During its first ten years, the contemporary art annex will stimulate a total of \$194 million in economic activity, supporting 345 jobs, and generating \$102 million in income for Santa Fe residents and \$12.3 million in state and local tax revenue.

Table 7: Contemporary Art Annex Economic Impact, 10 Year Forecast

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Employment	287	275	286	297	306	314	321	329	337	345
Income (\$m)	\$9.6	\$9.0	\$9.4	\$9.8	\$10.0	\$10.3	\$10.5	\$10.8	\$11.0	\$11.3
Output (\$m)	\$19.7	\$17.1	\$17.8	\$18.5	\$19.0	\$19.5	\$19.9	\$20.4	\$20.9	\$21.4
State & local taxes (\$m)	\$1.5	\$1.1	\$1.1	\$1.2	\$1.2	\$1.2	\$1.2	\$1.3	\$1.3	\$1.3

Conclusion

A contemporary art annex in the Railyard Arts District will provide a showcase for contemporary art by local, national and international artists and help the New Mexico Museum of Art recapture its position as New Mexico's premier collecting art institution. The project will also confer tremendous social and economic benefits upon the Railyard Arts District and Santa Fe, including higher visibility for local merchants and institutions, more tourism, hundreds of new jobs and over \$1 million in additional state and local tax revenue annually.

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