

# **Economic Impacts of the Cumbres & Toltec Scenic Railroad**

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**Antonito, Colorado and Chama, New Mexico**



**FINAL REPORT**

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January 10, 2022

**Economic Impacts of the  
Cumbres & Toltec Scenic Railroad**  
Antonito, Colorado and Chama, New Mexico

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# Executive Summary

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## Executive Summary

Spending associated with the Cumbres & Toltec Scenic Railroad (C&TS), located in Conejos County, Colorado and Rio Arriba County, New Mexico, provides benefit to the regional economy and generates tax revenue for state and local governments. The purpose of this report is to provide interested parties with updated estimates about current C&TS visitation characteristics and resulting economic benefits from its ongoing operations based on data from 2015 through 2021. Due to pressure on state and local government budgets and substantial competition for philanthropic funds, it continues to be important for C&TS to accurately quantify its cultural, historic, and economic contribution to Northern New Mexico and Southern Colorado.

C&TS is a National Historic Landmark and runs between the village of Chama, New Mexico and the town of Antonito, Colorado. Chama is located about 80 miles northwest of Española, New Mexico, and Antonito is approximately 30 miles southwest of Alamosa. The railroad covers a 64-mile stretch of the old Denver & Rio Grande's (D&RG) San Juan Extension and is the highest and longest steam-operated railroad in the United States. After the need for drilling mud and pipe for the San Juan oil boom subsided, the Interstate Commerce Commission granted the D&RG permission to abandon the line in 1969. This provided New Mexico and Colorado the opportunity to purchase the track and convert it into a living museum. The states jointly own the railroad and operate it through the Cumbres & Toltec Scenic Railroad Commission with support from an active independent nonprofit volunteer organization, the Friends of C&TS.

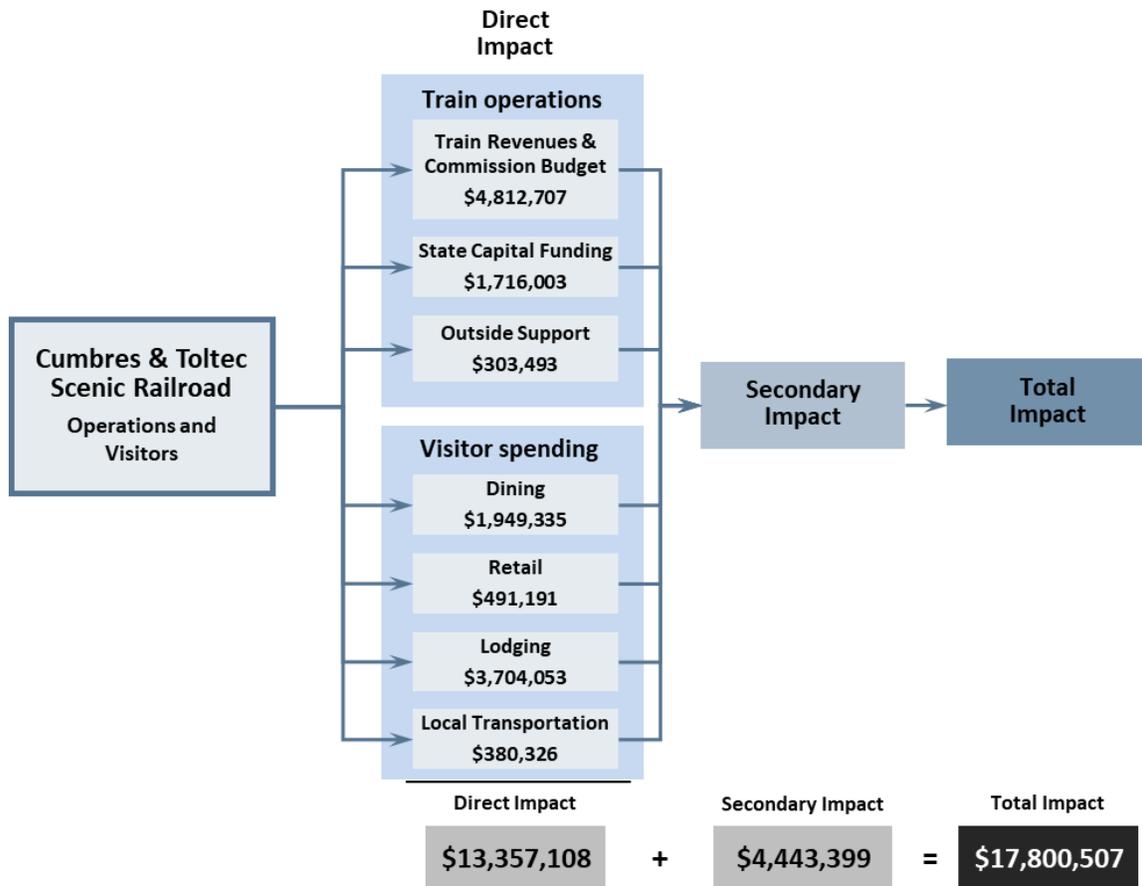
Operation of this historic railroad has significant effect on the local economy as it is the primary tourism attraction for both Chama and Antonito. Between 2015 and 2021, an annual average of approximately 42,000 visitors rode the train. The spending from train passengers is an important source of economic activity in the study area, particularly in the town of Antonito, Colorado and the village of Chama, New Mexico, where many people and businesses rely directly on the spending of railroad visitors for their livelihoods.

Using ridership and financial data from 2015 through 2021, BBC Research & Consulting (BBC) estimated direct railroad-related spending in the local area and used widely accepted economic modeling techniques involving Regional Input-Output Modeling System (RIMS II) multipliers from the U.S. Bureau of Economic Analysis to calculate secondary (induced and indirect) economic benefits. Secondary benefits capture spending that indirectly results from the direct spending on C&TS operations and visitation. Secondary economic activity includes railroad spending on supply industries and household spending by railroad employees. Economic benefits are expressed in employment and economic output supported by C&TS area operations and visitor spending.

As shown in Figure 1, between 2015 and 2021, C&TS has had an average annual economic impact of \$17.8 million per year within the study area, including direct and secondary impacts. Figure 2 presents the employment impacts associated with the spending shown in Figure 1. Economic activity generated by current C&TS operations and visitation supports an estimated 196 jobs per year in Rio Arriba, Conejos, Alamosa, Archuleta, and Taos Counties.

# Executive Summary

**Figure 1.**  
**Cumbres & Toltec Scenic Railroad, Total Annual Economic Impact, Five-County Study Area (\$ 2021)**

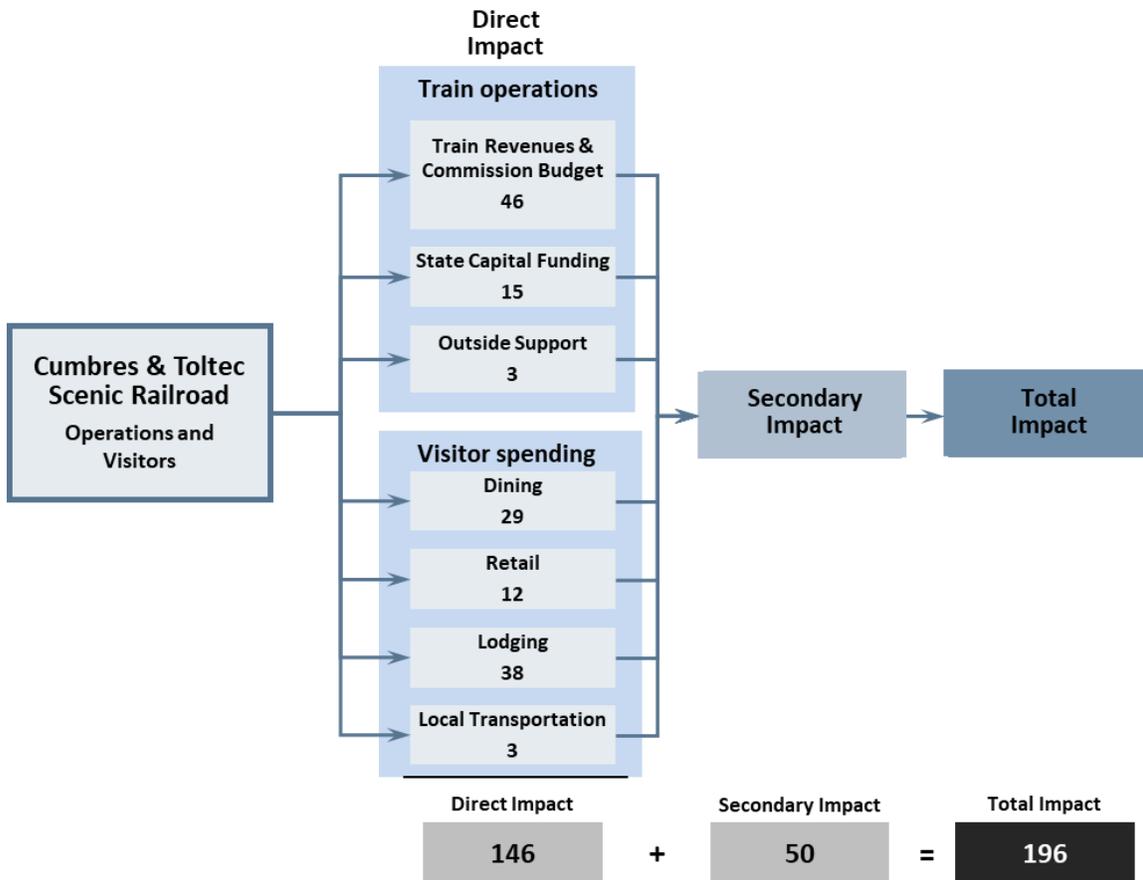


Notes: (1) Direct Expenditures reported net of taxes (sales, lodging and excise).  
 Outside Support includes donations and grant funding.  
 Retail and transportation expenditures represent gross retail margin.  
 All results reported in 2021 dollars.

Source: BBC Research & Consulting, based on RIMS II Input-Output Multipliers.

# Executive Summary

**Figure 2.**  
**Cumbres & Toltec Scenic Railroad, Total Annual Employment Impact, Five-County Study Area**



Note: (1) Employment shown as annual full time equivalents. Employment estimates for C&TS are from the IMPLAN model, adjusted to reflect employment data from C&TS. All results reported in 2021 dollars.

Source: BBC Research & Consulting, based on IMPLAN Regional Input-Output Modeling System.

## Key Changes From the 2014 C&TS Economic Impact Study

BBC first calculated the annual direct and secondary economic impacts of C&TS in Alamosa, Archuleta, and Conejos Counties, Colorado and Rio Arriba and Taos Counties, New Mexico in 2014. This section highlights key differences in the economic impact of the C&TS in 2021 compared to 2014:

- The total annual economic impact of C&TS was **\$17.8 million in 2021** compared to **\$14.8 million** in 2013.
- Visitors to C&TS spent **\$7.7 million** on dining, retail, lodging, and local transportation in 2021, compared to **\$5.3 million** in 2013.
- Economic activity generated by C&T operations and visitation supported approximately **196 jobs** annually in the five-county study area in 2021 compared to **145** in 2013.
- The fiscal benefits of C&TS operations and visitation were **\$1.6 million** annual state and local **tax revenues** generated by spending in 2021 compared to **\$1.3 million** in 2013.

# Background and Methodology

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## Background

The Cumbres & Toltec Scenic Railroad (C&TS) was originally constructed in 1880 as part of the Denver & Rio Grande's (D&RG) San Juan Extension. This three-foot, narrow-gauge line was designed to serve the silver mining district in southwestern Colorado; however, as the silver mining industry declined, the tracks were no longer economically viable and were never converted to the more common standard gauge. In 1969, D&RG was granted approval by the Interstate Commerce Commission to abandon the railroad.

While the majority of the D&RG abandoned track was dismantled, Colorado and New Mexico purchased 64 miles of track and associated structures between the town of Antonito, Colorado, and the village of Chama, New Mexico. This scenic portion of the railroad was immediately converted into a living museum, providing tourists with the unique opportunity to experience an authentic journey through the historic West.

The railroad's two depots are in Antonito and Chama. The train's route passes through unique and diverse terrain, including Cumbres Pass, which is the highest mountain pass traversed by rail in the United States. Trips from either direction stop midway and include a catered lunch at the historic Osier Station. The train runs daily between Memorial Day and late October. Riders can either take the train to the opposite depot and return to their point of origin by bus or can take the train halfway to the Osier station and return by train.

The railroad is owned by both Colorado and New Mexico and is operated by the Cumbres and Toltec Scenic Railroad Commission (Commission). The Commission is an interstate agency authorized by Congress in 1974. It consists of four members—two gubernatorial appointees from each state. The Commission objective is to support the railroad and tourism-related businesses.

By 1980, ten years into the railroad's scenic tourist operations, much of the property had fallen into decay. In order to restore and preserve the railroad, concerned citizens founded the nonprofit volunteer organization, Friends of the Cumbres & Toltec Scenic Railroad, Inc. (Friends of C&TS). This organization is now responsible for the care of all historic assets not used during daily operations. The group was also instrumental in getting C&TS designated as a National Historic Landmark in late 2012. Friends of C&TS estimates that it has invested more than 103,830 hours of volunteer time in the railroad since the group's inception.<sup>1</sup>

C&TS is the primary tourist attraction in both Chama and Antonito. During the summer season, train visitors fill local hotels and shop at local stores and restaurants. However, during the off-season many businesses close. Businesses that stay open often reduce their staff numbers and cater to a much smaller clientele of hunters and snowmobilers. C&TS is the cornerstone of the local economy and residents depend on the business it brings into the community.

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<sup>1</sup> Email communication with Tim Tennant, President & CEO of Friends of the Cumbres & Toltec Scenic Railroad.

# Background and Methodology

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*I purchased a building in 2004 in Antonito...Every year since my initial purchase has seen an increase in revenue. Without the railroad I would lose about 85% of my business.*

- Sandra Gray, Train Stop Gifts, Antonito CO

## Study Area

This study analyzes the impacts of C&TS within five counties of southern Colorado and northern New Mexico (Figure 3). The C&TS railway line has one depot in the town of Antonito, Colorado, which is in Conejos County. The other depot is in the village of Chama, New Mexico, in Rio Arriba County. Taos County, New Mexico and Alamosa and Archuleta Counties, Colorado are three additional regional counties where related economic activity is likely to occur. The five-county study area captures the majority of railroad related spending.

Some related spending occurs outside of this region and is not included in the analysis. For example, C&TS purchases materials and services from all over the country, including coal from Archuleta County, Colorado, steel from Farmington, New Mexico, and services like insurance and advertising from firms in Denver, Colorado and other cities outside the study area. Visitors also spend money in other communities outside the study area, such as Durango and Santa Fe, on their way to or from their C&TS journey. While economic activity occurring outside the study area represents positive economic impacts of C&TS, it does not occur within the local economy and is considered leakage out of the study area.

This study analyzes the impacts that occur within this five-county area as a whole and does not report the results for individual counties within the study area or for each state. Assigning impacts based on railroad operations and maintenance to small specific areas within the region is not appropriate given that activities may occur in Chama, Antonito, or some other point within the study area. Visitor spending, operating expenditures, and associated indirect and induced impacts are particularly difficult to track in this sparsely populated area due to seasonal residence and commerce patterns. The location of economic activity ultimately depends on the type of economic activity; materials purchased or work conducted; the capital and operational needs of the railroad; and the direction of the Commission.

# Background and Methodology

**Figure 3. Five-County Study Area**



Source: BBC Research & Consulting, 2021.

General population and economic conditions vary across the five-county study area. Figure 4 presents population, income, unemployment, and home value data by county within the study area. Figure 4 also includes these data for the town of Antonito and the village of Chama.

**Figure 4. Population and Economic Conditions, Five-County Study Area**

Geography	2020 Population	Population Change Since 2010	Median Household Income	Unemployment Rate	Median Home Value
<b>Colorado</b>					
Alamosa Co.	16,376	6%	\$37,515	9%	\$157,500
Archuleta Co.	13,359	11%	\$52,221	5%	\$314,400
Conejos Co.	7,461	-10%	\$36,084	11%	\$120,500
Antonito	647	-17%	\$20,268	29%	\$84,700
<b>New Mexico</b>					
Rio Arriba Co.	40,363	0%	\$39,952	8%	\$167,300
Chama	917	-10%	\$35,357	10%	\$165,300
Taos Co.	34,489	5%	\$38,329	9%	\$239,500

Sources: U.S. Census Bureau Decennial Census, 2010, 2020; American Community Survey 5-Year Estimates, 2019.

# Background and Methodology

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All five counties in the study area have smaller economies, lower household incomes, and higher unemployment rates than their respective states, which underscores the importance of creating economic opportunity in the area. New Mexico's Rio Arriba County, the largest county in the study area by land area, is also the most populous within the study area, with a 2020 population of 40,363. However, Colorado's Archuleta County has experienced the most rapid population growth during the last decade: 11 percent population growth since 2010, with a 2020 population of 13,359. Archuleta County also has the highest median household income and median home value in the study area. Conejos County has the smallest population of the study area counties, as well as the lowest median income and home value.

**Chama & Antonito.** Both Chama and Antonito are small towns, with respective populations of 917 and 647 in 2020. As noted in Figure 4 above, both towns have witnessed a population decline over the past decade. Median household incomes and home values are lower than in their respective county and state values – substantially lower in the case of Antonito. Economic activity in both town's depends heavily on the C&TS. While several dispensaries have opened in Antonito following Colorado's cannabis legalization, and the town has a few community amenities including a medical clinic, dollar store, and access to outdoor recreation such as hunting and winter sports, the C&TS is the largest employer and largest tourist attraction in the town.

While Chama, New Mexico has more of a year-round visitor base thanks to summer and winter outdoor recreation opportunities, the railroad is still the most important source of customers and spending for Chama's lodging and dining businesses.

*It is almost like a light switch. I run 95-100% occupancy during the railroad operating season, then drop to about 40-50% off season. There is no doubt that the railroad is invaluable to the sustainability of my business!*

- Anna Pobar, owner, Vista del Rio Lodge, Chama

The advent of the COVID-19 pandemic in 2020 had a dramatic impact on C&TS visitation and, in turn, on Antonito and Chama. The number of riders on the railroad fell to an all-time low for the 2020 season (discussed in a subsequent section of this study – Annual Visitation), and businesses lost patrons and income during state stay-at-home orders. However, operations have since resumed and visitation numbers continue to recover.

## Study Methodology

The two main categories of direct spending related to C&TS are expenditures related to operating the railroad and spending in nearby communities by railroad passengers. These two spending categories are considered basic economic contributions and serve as the foundation for local economic and fiscal stimulation.

# Background and Methodology

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C&TS staff provided background information on the railroad, visitation statistics, and audited financial statements for 2015 through 2021. These data track ridership and ticket sales by trip type, in addition to reporting annual revenues and expenditures. BBC adjusted the data for inflation where appropriate (e.g., annual revenues and expenditures are presented in 2021 dollars) and calculated the seven-year annual average revenues, expenses, and visitation.

Ridership surveys conducted in 2012 and 2013 were used to provide information on rider lodging and spending patterns.

To calculate current economic impacts, BBC estimated the annual average direct revenues associated with C&TS and utilized the Regional Input-Output Modeling System (RIMS II) multipliers to calculate secondary (induced and indirect) economic impacts. RIMS II is an economic model developed and maintained by the U.S. Bureau of Economic Analysis (BEA); it can be accurately tailored for specific regions as it utilizes both national- and regional-level data collected by the BEA.

In this study, economic impacts are expressed in the employment and economic output supported by C&TS operations, visitation and associated spending. BBC calculated current fiscal benefits, or local and state tax revenues, using expenditure to tax ratios from the 2014 Economic Impact Study to model taxes on sales and other economic activity generated by visitor-related local spending.

# Annual Visitation

## Annual Visitation

C&TS supplied ticket sales data to BBC for all years between 2015 and 2021, inclusive. The data are for each calendar year; in other words, total ridership reflects all tickets sold for the May to October season in that year (Figure 5). On average, C&TS has seen annual visitation of approximately 42,000 people each year over the past seven years. Between 2015 and 2019, visitor numbers increased nearly every year, from 39,000 riders in 2015 to 46,000 in 2019. It is important to note that the impact of the COVID-19 pandemic on C&TS visitation was dramatic: total ridership fell from 46,000 in 2019 to 11,000 in 2020. However, in 2021 the visitor numbers recovered substantially, and total ridership was 37,000 for the year. As 2020 was a highly unusual year, it is excluded from the annual average calculations shown in the rightmost column of Figure 5.

**Figure 5.**  
**Cumbres & Toltec Scenic Railroad, Annual Ridership, 2015 - 2021**

	2015	2016	2017	2018	2019	2020	2021	Annual average*
<b>Antonito</b>								
Adult	12,186	12,904	13,509	15,429	14,999	7,963	13,048	13,679
Child	1,852	2,214	1,576	2,267	1,997	903	1,304	1,868
Total	14,038	15,118	15,085	17,696	16,996	8,866	14,352	15,548
<b>Chama</b>								
Adult	22,289	21,668	23,503	26,599	25,996	2,284	21,380	23,573
Child	3,013	2,914	3,078	3,239	3,113	178	2,003	2,893
Total	25,302	24,582	26,581	29,838	29,109	2,462	23,383	26,466
<b>Total</b>	<b>39,340</b>	<b>39,700</b>	<b>41,666</b>	<b>47,534</b>	<b>46,105</b>	<b>11,328</b>	<b>37,735</b>	<b>42,013</b>

Note: \*Annual average calculation excludes 2020.

Sources: Ticket sales data from Cumbres & Toltec Scenic Railroad, 2015 through 2021.

About 89 percent of visitors to the C&TS are adults (defined as 12 years or older) and 11 percent are children. The proportion of adult tickets has increased slightly over time, from 88 percent of all ticket sales in 2015 to 91 percent in 2021.

Excursions vary in origin and duration. Riders can begin their trip in Chama or Antonito and can either ride the train to the opposite depot and return to their point of origin by bus, or they can take the bus and return by train. A shorter trip is also available for those who prefer to turn around midway at Osier station and return by train. Sixty-three percent of riders begin their trip in Chama, compared with the 37 percent who start in Antonito. This split has been fairly consistent since 2015, with 2020 being an exception due to pandemic effects.

In addition to regular excursions between Chama and Antonito, C&TS has a number of special events that run throughout the year, such as the 2020 Rotary Snow Plow Event, the 2021 Victorian Iron Horse Round Up, and recurring annual events like the Fourth of July Celebration Train, Galloping Goose, Cinder Bear Experience, Geology Train, and one-off special events such as a dinner train ride.

# Direct Spending

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## Direct Spending

Direct railroad revenues can be divided into two categories—revenues used to fund expenditures related to railroad operations and capital investment; and revenues received by businesses from the sale of goods and services to C&TS visitors during their visit.

### Railroad Operations and Capital Investment

The C&TS relies on several revenue sources to pay for its daily operations and capital investments. Under the existing revenue model, the railroad funds its operations with ticket sales and uses outside funds from state legislatures and philanthropic groups to pay for capital projects.

C&TS's primary revenue source is from ticket sales. Between 2014 and 2020, C&TS sold an average of \$4.7 million in tickets each year (in 2021 dollars), including special events and charter engagements. In addition to tickets, C&TS visitors also spend money purchasing retail goods and food items on the train. Ticket revenues support the day-to-day operations of the railroad and funds from the states of Colorado and New Mexico provide an additional \$390,000 of average annual revenue to support the Commission's operations. Combined, C&TS generates approximately \$4.9 million in average annual revenue from these sources.

The railroad primarily relies on outside revenue from states and philanthropic groups to fund its capital investments. The largest share of revenue comes from New Mexico and Colorado. Combined, the two states appropriate an average of \$1.7 million per year to fund capital expenditures. State funding is an important revenue source for the railroad. Without consistent capital funding from the states, the railroad would have to find new ways to fund investments in capital maintenance and upgrades to the railroad's infrastructure and equipment.

C&TS also receives annual outside support from two philanthropic groups and Colorado's State Historical Fund. The Candelaria Foundation, which has provided the most consistent and substantive support for capital projects beyond the states, often supplies revenue for operational needs that cannot be otherwise funded. The nonprofit group, Friends of C&TS, also funds and completes special restoration projects every year. Friends of C&TS estimates that it has invested more than \$2.5 million in volunteer time into the railroad since the group's inception.<sup>2</sup> In 2020, the group also provided approximately \$100,000 in economic relief to the communities of Antonito and Chama. The Colorado State Historical Fund also contributes approximately \$234,000 per year in funding for capital projects.

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<sup>2</sup> Email communication with Tim Tennant, President & CEO of Friends of the Cumbres & Toltec Scenic Railroad.

# Direct Spending

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## Visitor Spending

In order to capture the economic impact of C&TS visitor spending, BBC developed a customized spending model for the five-county study area. This model includes spending on lodging, restaurants, retail, and local transportation.

In 2014, BBC consulted with knowledgeable local business owners to verify visitor spending patterns. BBC retained these data for use in the current study and updated the figures for inflation as appropriate.

Between 2013 and 2014, C&TS surveyed visitors about the duration and location of their overnight lodging. The information provided from these surveys served as an important component of BBC's spending model because both lodging and restaurant expenditures within the study area are directly related to the number of visitors who spend the night.

According to the 2013-2014 survey data, approximately 58 percent of railroad passengers stay at least one night in either Chama or Antonito. Of these passengers, 85 percent stay in Chama and 15 percent spend the night in Antonito. Approximately 34 percent of these visitors stay only one night, while 49 percent, stay two nights in the area. The remaining 17 percent stay more than two nights.

Information from local lodging establishments in Chama and Antonito indicated that average prices per night were higher in Chama (\$140) and lower in Antonito (\$110). Both areas offer a wide range of potential lodging styles and prices. From RV hook ups to private cabins and honeymoon suites, visitors have a variety of options. Since data are not available on the type of lodging, the prices stated above account for the distribution of existing establishments.

Train passengers staying locally generally purchase breakfast and dinner at local restaurants. Lunch is served on the train at Osier and is included in the ticket price. Based on conversations with local restaurant owners, breakfast is estimated to be \$8 and dinner is roughly \$21 per person (in 2021 dollars). BBC estimates that retail spending in Chama and Antonito is approximately \$22 per visitor.

Direct spending on lodging, dining, and retail outside of Chama and Antonito was based on 2013 ticket purchase data showing visitor origin. BBC estimated that in addition to the 58 percent of visitors who stay locally, 32 percent of visitors spend the night elsewhere in the five-county study area. This includes places such as Pagosa Springs in Archuleta County, Alamosa in Alamosa County, and Taos in Taos County. The spending in these locations was based on visitor spending patterns reported by Pagosa Springs Town Tourism Committee.<sup>3</sup>

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<sup>3</sup> Pagosa Springs, 2008 Conversion Study.

# Direct Spending

Spending on local transportation captures how much people spend in order to arrive in either Chama or Antonito. This includes both bus tickets and gas purchases made by those who drive independently.

## Total Operational and Visitor Spending

Total railroad operations combined with visitor spending yields total spending in the local economy. Figure 6 provides a summary of direct local spending by category.

**Figure 6.**  
**Cumbres & Toltec Scenic**  
**Railroad, Average**  
**Revenues and Visitor**  
**Spending, 2014 – 2020**

Note:

All amounts are adjusted for inflation and shown in 2021 dollars.

Source:

Annual financial statements from Cumbres & Toltec Scenic Railroad, 2014 through 2020; BBC Research & Consulting, 2021.

Category	Annual average
<b>Train Operations</b>	
Train Revenues and Commission Budget	\$ 4,812,707
State Funding	\$ 1,716,003
Outside Support	\$ 303,493
<b>Visitor Spending (\$)</b>	
Lodging	\$ 3,704,053
Dining	\$ 1,949,335
Retail	\$ 491,191
Local Transportation	\$ 380,326
<b>TOTAL</b>	<b>\$ 13,357,107</b>

The annual average revenues are displayed in the rightmost column of Figure 6 and are calculated as the inflation-adjusted average of financial data from all years 2014 through 2020. 2020 data were not excluded from the annual average calculation as the impact of the COVID-19 pandemic on the C&TS finances was not fully realized until after the end of the 2020 financial year on June 30. The majority of C&TS ticket sales occur in the mid- to late- summer and early autumn, so the impact of decreased visitation is not seen in these data, in contrast to the clear impact on visitation seen in the annual visitation data discussed in an earlier.

# Spending Flow Model

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## Spending Flow Model

Direct impacts, discussed above, only represent a portion of the total impact of C&TS on the local economy. Spending generated by C&TS visitors and other railroad expenditures circulate in the local economy. In order to support operations, C&TS needs to purchase goods and services from local business, as do businesses where visitors spend their money. Workers also spend a portion of their earnings on local goods and services. This recirculation of money in the economy is termed a “secondary impact.” Direct and secondary economic impacts produced by C&TS visitor and operational spending also support certain levels of employment, described later in this analysis.

For the purposes of this analysis, BBC defines the local economy as the five-county study area of Alamosa, Archuleta, and Conejos Counties, Colorado and Rio Arriba and Taos Counties, New Mexico.

To determine the total current economic impact of C&TS (the direct impact plus the secondary impacts), BBC developed a spending flow model — shown in Figure 7, below— to trace the flow of dollars and associated employment generated by C&TS through the local economy.

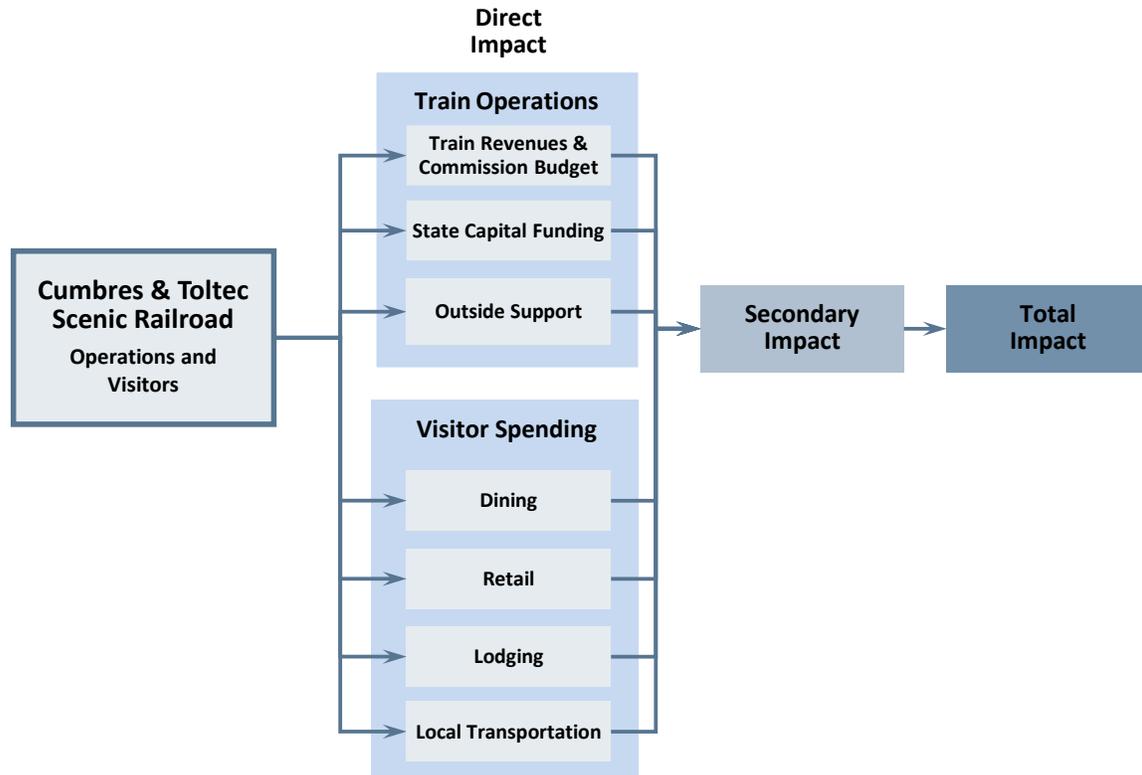
This model is based on the Regional Input-Output Modeling System (RIMS II). A widely accepted economic modeling software used by the U.S. Bureau of Economic Analysis, RIMS II estimates secondary economic impacts based on user-supplied direct impacts. BBC used RIMS II multipliers to estimate economic, employment, and state and local revenue impacts based on the spending data discussed in the preceding section.<sup>4</sup>

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<sup>4</sup> For more information on RIMS II, refer to <https://apps.bea.gov/regional/rims/rimsii/>.

# Spending Flow Model

Figure 7.  
Spending Flow Model for Cumbres & Toltec Scenic Railroad



Source: BBC Research & Consulting, 2021.

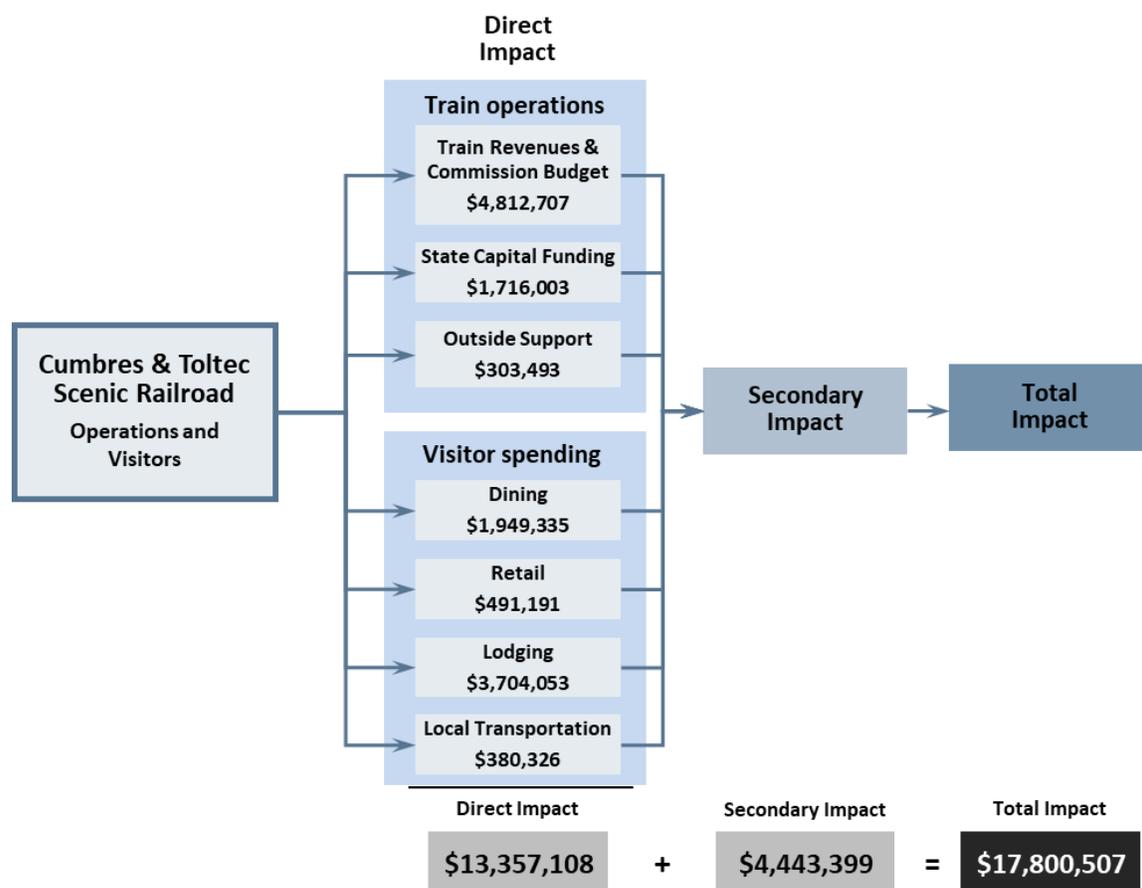
# Total Economic Impacts – Annual Operations and Visitation

## Total Economic Impacts

Including direct and secondary impacts, C&TS currently has a total estimated economic impact of about \$17.8 million per year.

The direct impact number presented in Figure 8 on the following page (\$14.4 million) differs from the spending numbers presented in Figure 6 (\$13.3 million) because retail expenditures are treated differently than other categories in the RIMS model. Most products purchased at retail establishments are manufactured outside of the study area. A retail price consists of manufacturing, processing, and transportation costs that largely occur outside of the study area. For this reason, the study team conservatively included only the retail margin (i.e. the retail price minus the wholesale cost of the item) in estimating the local secondary economic effects associated with retail purchases, including employment.

**Figure 8.**  
Cumbres & Toltec Scenic Railroad, Total Annual Economic Impact, Five County Study Area (\$ 2021)



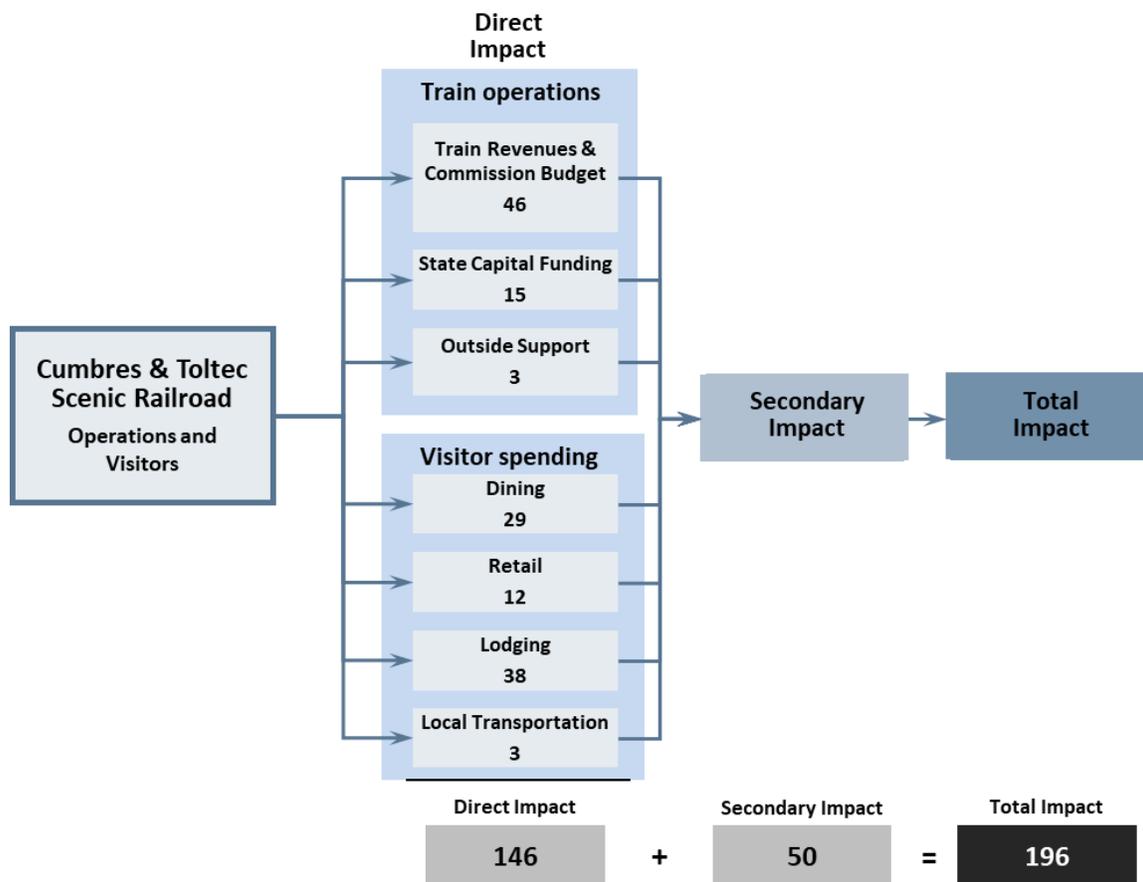
Source: BBC Research & Consulting, 2021.

# Total Economic Impacts – Annual Operations and Visitation

## Impact on Employment

Economic activity generated by C&TS operations and visitation currently supports approximately 196 jobs per year in the five-county study area, as shown in Figure 9 on the following page. The majority of this employment occurs from May to October during the train’s operating season; however the employment numbers in this report are presented in annual full time equivalents (FTEs). FTEs represent the number of year-round, full time positions. In reality, employment includes a combination of full time, part time, and seasonal workers. The actual number of individuals employed in some capacity would likely be higher than 196 during peak season and lower in the winter, as the direct employment of the railroad is approximately 102 employees during peak season and 33 employees during the off-season.

**Figure 9.**  
Cumbres & Toltec Scenic Railroad, Total Annual Employment Impact, Five County Study Area



Source: BBC Research & Consulting, 2021.

# Total Economic Impact – Fiscal Benefits and Opportunities

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## Fiscal Impact Approach

Direct and indirect spending generated by current and potential future C&TS visitors has a wide range of state- and local-level fiscal impacts. The principal state-level fiscal impacts will result from taxes on new personal income and retail spending. Other state-level and local taxes include revenues collected from increased economic activity in the study area from taxes on gasoline, meals, lodging, income, utilities, personal property, among others.

Output-to-tax ratios from the IMPLAN economic modeling software package were used to estimate the tax revenue impacts associated with all direct and secondary economic activity occurring in the study area.

## Fiscal Benefits

Spending associated with C&TS operation and visitation currently generates about \$1.56 million annually in total state and local tax revenue.

Figure 10 summarizes the total estimated state and local tax attributable to current railroad revenues and related spending in the five-county study area.

**Figure 10.**  
**Cumbres & Toltec Scenic Railroad, Average Annual Fiscal Impacts, Five County Study Area (\$ 2021)**

Category	Direct	Secondary	Total
State and Local Tax Revenue	\$1,170,210	\$388,867	\$1,559,077

Note: There is no tax on tickets.

Source: IMPLAN Economic Model; BBC Research & Consulting, 2021.

## Other Economic Impacts and Opportunities

In addition to generating increased economic activity, C&TS has other, non-quantifiable benefits.

As mentioned elsewhere in this report, communities outside of the five-county study area also capture economic benefits from railroad operations and visitation. For example, Archuleta County, Colorado, captures some economic benefits from coal that is purchased by C&TS.

Visitors travel long distances to ride the C&TS, and not all stay within the five-county study area. Some visitors may stay in Durango or Santa Fe and; therefore, the resulting direct and secondary economic activity would be captured by communities outside the study area.

The fact that much of the associated economic activity occurs beyond Chama and Antonito continues to present an opportunity for both towns. C&TS is a wonderful tourist attraction that draws visitors into the area every summer, and Chama and Antonito have potential to capture

# Total Economic Impact – Fiscal Benefits and Opportunities

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more of this lodging, dining, and retail spending. Public and private actions could enable Chama and Antonito to be in a better position to capture these benefits in the future.

*The business and tourism the train brings to Chama and Rio Chama Espresso in the summer months not only doubles our business and foot traffic to our village during those months, but also helps sustain us during the rest of the year.*

- Alayna Alariana, owner, Rio Chama Espresso

C&TS currently has plans to continue increasing annual visitation which would create additional economic impacts within the study area. Though difficult to quantify at this time, any increase in visitation would contribute to increase in train operations expenditures and visitor spending which would therefore continue to bolster the local economies.

C&TS's cultural, historic and natural assets provide an opportunity for current and future generations to enjoy Southern Colorado and Northern New Mexico's heritage and learn about the historic culture of the West. The continual operation of the Cumbres & Toltec Scenic Railroad protects cultural and historic resources, while stimulating the regional economy and bolstering the local employment base.