



THE CITY OF EL PASO
**INTERNATIONAL
BRIDGES**

El Paso-Ciudad Juárez Cross-Border Social and Economic Survey

2-year Pilot Study Proposal

August 2019

"Delivering Outstanding Services"



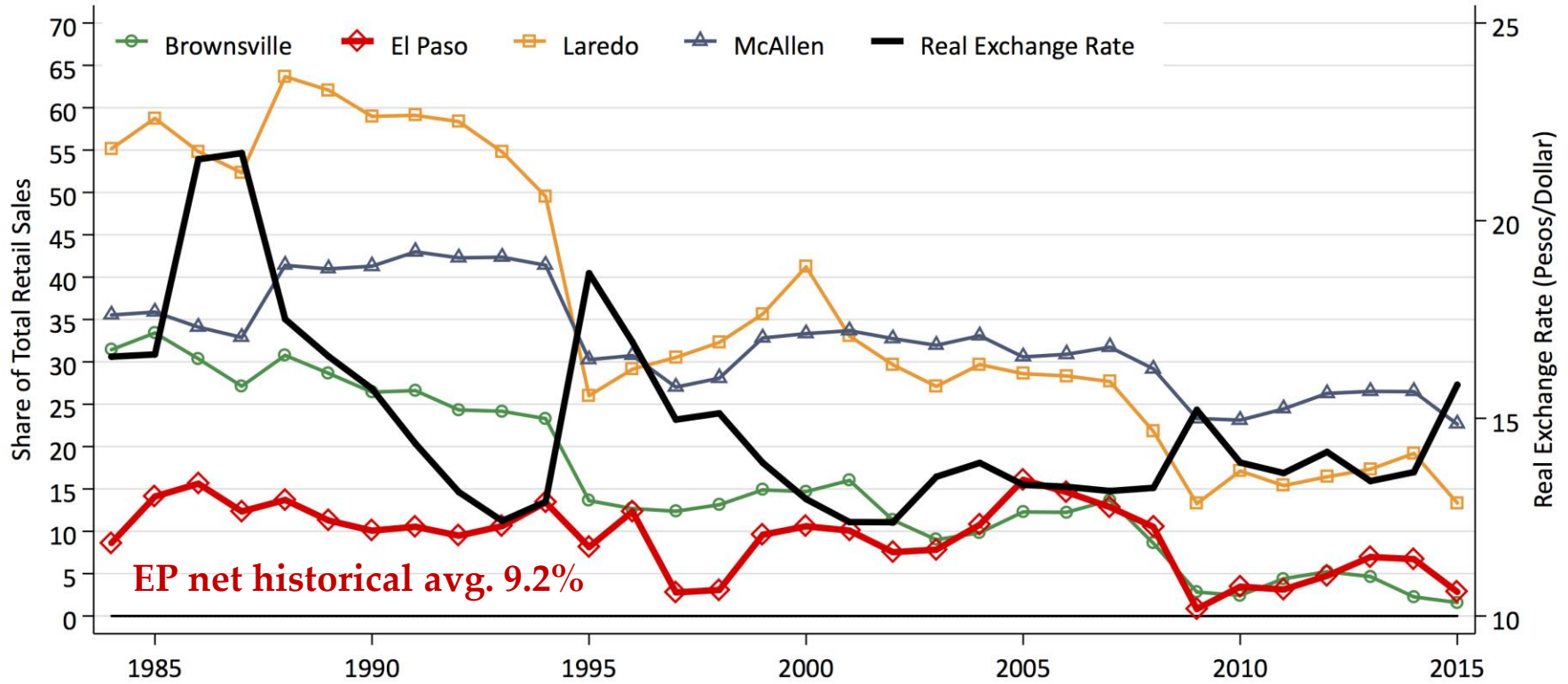
Cross-border activities from personal crossings



- El Paso-Cd. Juárez is the 2nd busiest port of entry for vehicle and pedestrian traffic along the US-Mexico border
- A critical concern for regional policy is the influence of greater security scrutiny, longer queues and higher wait times on social and purchasing activities
- Literature on monetary impact from personal travel is scant (namely non-probabilistic sampling and snapshots in time)
 - Requires costly surveys that are time and labor consuming
- IBD has replicated, updated and improved the most widely sourced econometric results by **Coronado and Phillips (2007)** on the net sales (exports – imports) to Mexican nationals



Econometric Consumption Model – net sales with MX



Source: Banco de Mexico, BLS, Dallas Fed, OECD, St. Louis Fed Economic Data, Texas Comptroller

This does not tell us how much MX national spend in EP, rather, the net balance or how much more they spend in EP vs. what we spend in MX; how much they spend is unknown.

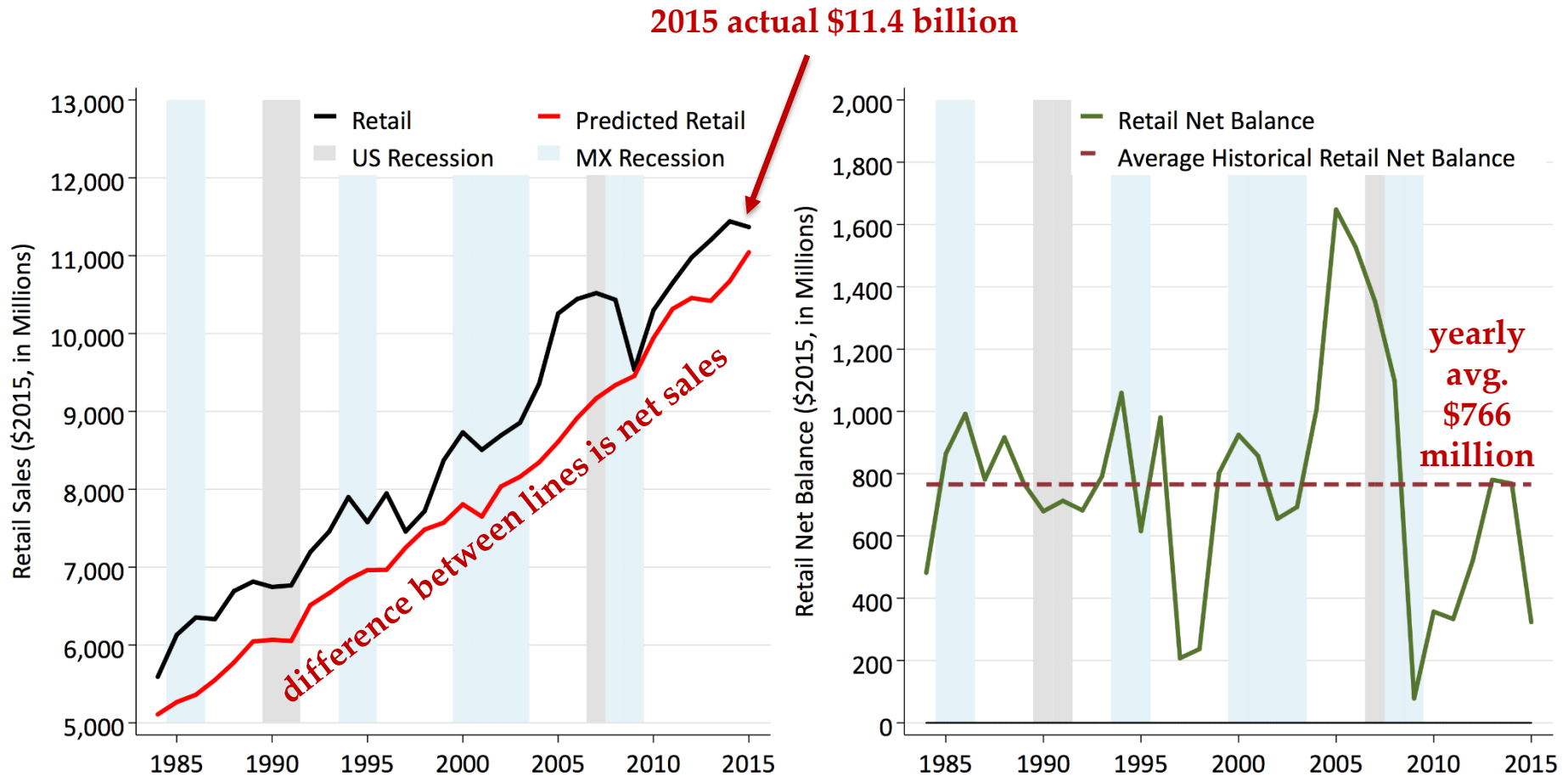
Source: IBD Econometric Consumption Model using data from TCPA, BLS, Fed, OECD, and Banxico.



Net sales estimates for El Paso



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Cross-border surveys



Objective: Quantify cross-border social and expenditure activities and the monetary impact on the El Paso economy.

- Bilingual collaboration between IBD and El Colegio de la Frontera Norte (Cd. Juárez and Tijuana campuses)
 - Partnership overcomes time and labor constraints of conducting personal surveys and allows for a longitudinal collection of data
 - Parties contribute staff time and research expertise



Methodology



Survey vehicles and pedestrians for travel & spending patterns

- Stratified random sampling – weighted by hourly bridge crossings and lane type (standard, Ready or SENTRI)
- Covers all city bridges – PdN, Stanton, BOTA, and Ysleta
- Administered by COLEF on the Mexican side year-round all days of the week (entry and exit surveys)
- Captures seasonal and cyclical trends, and effects of external shocks (exchange rate, violence, national security)
- Goal of about 4,000 completed surveys every quarter
- Short and long surveys (the latter to capture greater detail)



Deliverables



Daily web-based data access of survey responses and **quarterly** visitor and travel behavior profiles and direct expenditures

- Trip purpose – shopping, work/business, friends/family, recreation/vacation, school, health, etc.
- Factors that influence travel frequency, travel mode, bridge choice, and destination patterns
 - wait times, exchange rate, etc.
- Expenditures by activity and area of town
 - retail, food, entertainment, professional services, etc.
 - malls, events, bars, restaurants, commercial, etc.
 - utilization of amenities



Example of survey questions



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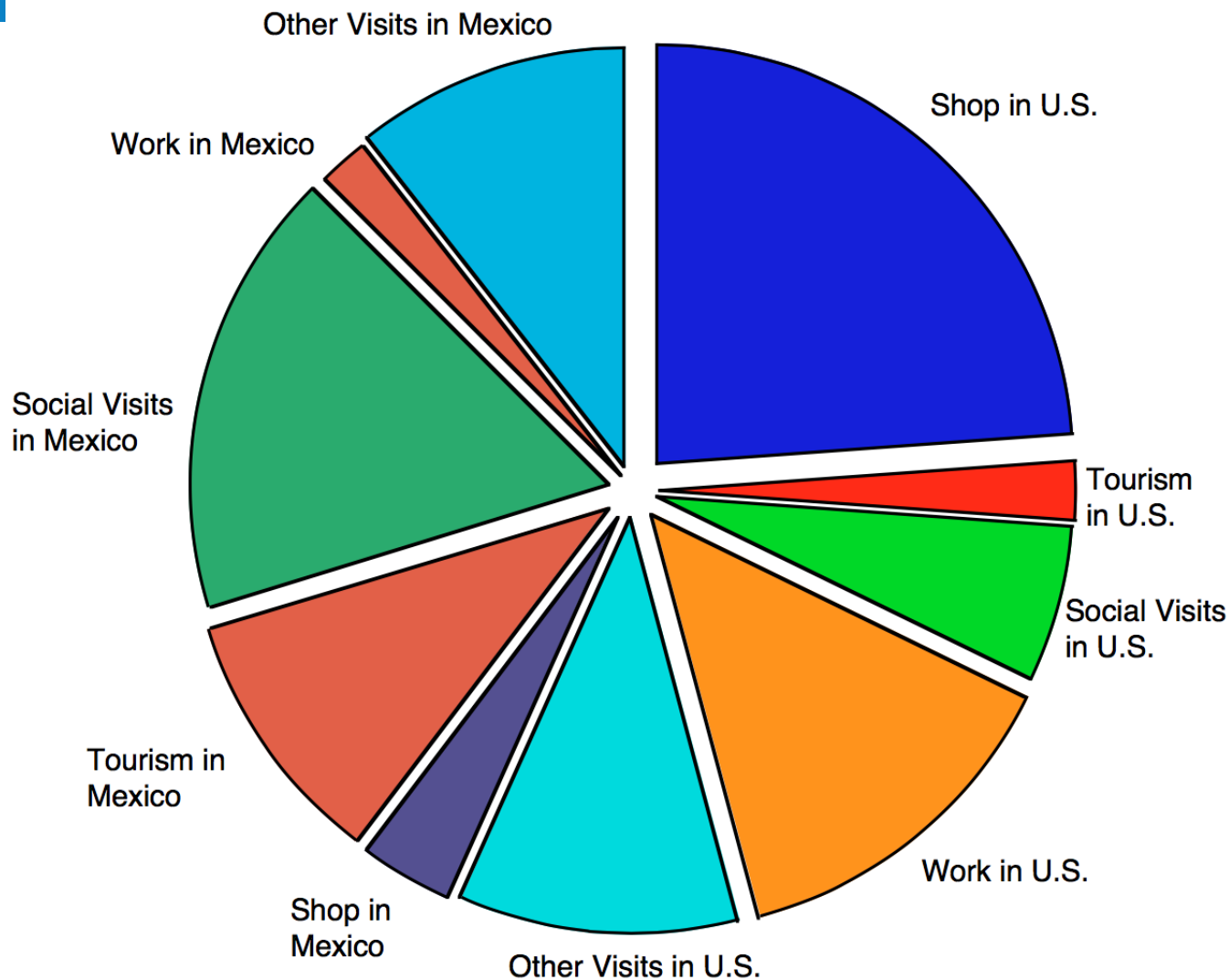
- 1) What is your place of residency?
- 2) What is/are your main reason(s) for crossing?
- 3) How long will you be staying? If overnight, where will you be staying?
- 4) What places, destination or major intersection will you be going to?
- 5) Will you be spending any money? If so, what will you be spending on and how much do you estimate spending on each?
- 6) Does the exchange rate influence your decision to cross and spend in El Paso? If so, what exchange rate would cause you to cross and spend less?
- 7) Do bridge wait times influence your decision to cross? If yes, how many minutes of wait time would make you cross less or not at all?
- 8) Do you or anyone in your household ever fly out of the El Paso airport? If yes, where did you/they fly to?
- 9) If you could make one improvement to the bridge infrastructure or the crossing process what would it be?



Example – purpose of trip



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Example – visitor types



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Type of Visitor	Percent of all Visitors	
	Motor Vehicle %	Pedestrian %
Day Visitors	80.98	88.41
Overnight Visitors	19.01	11.59

Overnight Visitor Type of Accommodation (Percentages)

Type of Accommodation	Motor Vehicle	Pedestrian
Hotel	50.39	94.01
Friends/Relatives	49.61	5.99

Travel Mode	Leisure Reason for Visit					Leisure All
	Leisure Health	Leisure Vacation	Leisure Friends/Relatives	Leisure Shopping	Leisure Other	
Motor Vehicle	0.25	0.28	7.16	63.62	0.48	71.79
Pedestrian	-	0.18	4.10	49.91	0.10	54.29

Travel Mode	Business Reason for Visit				Bus & Leisure Sum
	Business Convention	Business Training	Business Shopping	Business Other	
Motor Vehicle	0.07	0.04	1.17	26.93	28.21
Pedestrian	-	-	0.32	45.39	45.71



Example – destinations



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Where Mexican Visitors to Tucson Shopped

Malls

One or more Malls	76.24
Park Place	38.69
Tucson Mall	68.91
Foothills Mall	22.03
El Con Mall	6.94

Non-Mall Stores

Mervyn's	4.39
Best Buy	1.35
Ross	6.43
Target	11.25
Home Depot	4.32
Grainger's	0.81
Super K-Mart/K-Mart	9.97
Costco	2.45
Wal-Mart	0.54
Other	2.91

Tucson Attractions Attended by Mexican Visitors

Tucson Attraction	Percent of Visitor Parties
Casino of the Sun	25.52
Desert Diamond Casino	20.94
University of Arizona	5.18
Arizona-Sonora Desert Museum	3.52
Old Tucson Studios	3.49
Reid Park Zoo	2.53
Mt. Lemmon	0.54
A Mountain	0.39
Sabino Canyon	0.27
Tucson Mountain Park	0.27
Biosphere 2	0.27
Pima Air and Space Museum	0.27
Tucson Botanical Gardens	0.27
Colossal Cave	0.02



Example – spending



Expenditure per Category, 1991 vs. 2001

(Thousands of Dollars)

Expenditure Type	1991	2001
Lodging	12,934	12,096
Total Food	173,971	331,498
Restaurants	28,788	91,782
Groceries	145,183	239,717
Total Transportation	24,627	128,739
Gasoline or Auto	20,987	72,515
Air Travel	2,969	42,918
Car Rental	671	13,306
Department Stores	222,312	399,086
Total Medical	24,105	7,012
Doctors	15,745	2,449
Hospitals	5,205	3,611
Medicine	3,155	953
Total Business	148,238	61,480
All Other	82,069	22,958
Total	688,256	962,870

Per Party Expenditures, by Category, by Mode

(Dollars per Party)

Categories	Motor	
	Vehicle	Pedestrian
Lodging	1.19	0.00
Total Food	34.17	22.59
Restaurants	9.30	3.98
Groceries	24.88	18.61
Total Transportation	10.37	1.35
Gasoline or Auto	8.77	1.35
Air Travel	0.00	0.00
Car Rental	1.60	0.00
Department Stores	45.11	12.76
Total Medical	0.86	0.00
Doctors	0.24	0.00
Hospitals	0.49	0.00
Medicine	0.13	0.00
Total Business	5.00	2.07
All Other	1.55	0.55
Total	98.56	39.31



Input-output and econometric analysis



- Quantify direct spending by MX visitors across El Paso sectors
- Estimate El Paso and regional economic impact of MX purchases – direct, indirect and induced effects on sales, jobs, wages, and tax revenues
- Estimate total economic impact due to delays at the border

SAN DIEGO COUNTY

Impact Category	From Reduced Spending in...	Total Impact
Output (millions of U.S. dollars)	Retail	-\$2,099
	Recreation & Entertainment	-\$14
	Food & Lodging	-\$147
	Total	-\$2,259
Labor Income (millions of U.S. dollars)	Retail	-\$925
	Recreation & Entertainment	-\$6
	Food & Lodging	-\$61
	Total	-\$992
Employment (jobs)	Retail	-29,056
	Recreation & Entertainment	-221
	Food & Lodging	-2,177
	Total	-31,454



Estimated Costs and Contributions



	Year 1 (13 months)	Year 2 (potential)
Staff	\$107,275	\$99,463
Travel	\$9,500	\$9,500
Operations	\$15,650	\$15,150
Equipment	\$6,500	\$5,000
Contingency	\$12,324	\$11,643
Indirect (15% on COLEF functions)	\$19,564	\$18,317
Total Cost	\$170,813	\$159,072

El Colegio de la Frontera <u>en</u> kind	\$35,250	\$31,000
International Bridges Department Cost	\$135,563	\$128,072
Total Contributions	\$170,813	\$159,072

Note: Based on a conservative 16 peso/dollar exchange rate. Month 1 of year 1 reserved for survey design (including technical platform, app, fieldwork/logistics coordination) and pilot phase.



Requested City Council Action

Cross-Border Longitudinal Survey



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- 1) That the Mayor be authorized to sign the Agreement with COLEF to conduct cross-border surveys for an initial period of 13 months with the option to extend for another 12 months.
- 2) That the El Paso City Council approve the scope of work on Exhibit "A" attached hereto, totaling approximately \$135,563 in year 1 and \$128,072 in potential year 2, and approve the use of the identified funding sources.