

Communities Look to Airports to Spur Economic Development

By *Finance New Mexico*

Even in the age of the Internet and videoconferencing, a lot of business must be done face-to-face. In Northern New Mexico, that just got a whole lot easier. In December, direct flights between Phoenix and Santa Fe were inaugurated, making it fast and effortless for residents of the Valley of the Sun to reach New Mexico, and vice-versa.



The flights open up the entire West Coast to Northern New Mexicans, including Seattle and Hawaii, through American's regional hub in Phoenix. "Now we're just a short trip from Hollywood. That should definitely help the local film industry," said Simon Brackley, President and CEO of the Santa Fe Chamber of Commerce and the head of the local alliance that is backing the flights.

Helping local business, like the film industry, was the driving force behind the initiative for the flights, said Brackley. Not only will they improve access to state and local governments, but they will open up the real estate market to Phoenix and Scottsdale residents, bring Los Alamos National Laboratories closer to technology entrepreneurs, and help the tourism industry recruit new visitors.

To induce American Airlines to start the flights, an alliance of local businesses guaranteed the airline a minimum amount of revenue. If it doesn't come from passengers, the alliance will make up the difference. Members of the alliance include the city and county of Santa Fe, as well as hotels, restaurants, real estate agents, and banks. Taos Ski Valley, which is undergoing a major redevelopment, was one of the prime movers.

Northern New Mexico may want to look south to see how the deal might work. In March 2016, American started flights between Roswell and Phoenix. As with the flights to Santa Fe, the airline was guaranteed that the flights would generate a certain amount of revenue. Carlsbad, Roswell, Ruidoso, and surrounding municipalities would make up any shortfalls.

The skies have not been without a few bumps. Mayor Dennis Kintigh of Roswell, referring to the revenue shortfall, said the southern alliance took a "significant hit" in the fiscal quarter after service started. Kintigh is optimistic, however, that the municipalities' share will drop, noting

that the shortfall decreased in the next quarter and that the amount of the guarantee will drop in the coming months.

Roswell's initiative figured tourism into the picture, but it was primarily aimed at business travelers. Kintigh said the flights have helped them recruit new doctors and nurses to Roswell's two hospitals, and they hope to attract more businesses like Leprino Foods, which has a manufacturing plant in Roswell. Leprino, the world's largest maker of mozzarella cheese, has several plants in California, and company executives can now jet easily among the different locations.

Kintigh's advice for the North: "Once you've got it, don't assume you're going to keep it." He said that marketing is key to generating traffic.

Backers of Santa Fe's new service have embarked on a marketing campaign in Arizona, but they also know they must educate locals about the convenience, time-savings and cost benefits of flying out of Santa Fe. As one community member said, "Where else can you find airport parking for \$3 a day and be in the air within an hour of leaving your office?"

Finance New Mexico is a public service initiative to assist individuals and businesses with obtaining skills and funding resources for their business or idea. To learn more, go to www.FinanceNewMexico.org. Sponsored by:

