

## **Studies: Modest economic boost from airport**

**By J.R. Logan**

*The Taos News, 2/21/2013*

A stiff breeze was blowing a steady 15 knots across the runway at the Taos Regional Airport Monday (Feb. 18). Because it's the airport's only runway, a crosswind usually keeps pilots from trying to make a tricky landing.

Days like Monday are a big reason the town of Taos is eager to move forward with a major expansion that includes the construction of a new runway.

Pilots say the immediate benefits of the project are improved safety and convenience. But officials are also touting the economic benefits of the airport expansion — a claim that most seem to agree with, but that's hard to quantify.

Multiple air carriers have gone under while providing scheduled flights to and from Taos, and studies have found that Taos isn't big enough to make regular commercial service profitable.

Last year, the town and Taos Pueblo reached an agreement that put to rest concerns about protecting tribal airspace. The agreement allowed for the finalization of an Environmental Impact Statement (EIS), which now opens the door to airport expansion. The town is in line to receive a \$24 million grant for most of the project cost, but it must come up with a \$1.2 million match.

Given the brewing controversy over the town's proposal to annex the airport to come up with the funds, there are questions about what the town or county have to gain if the airport starts to grow. Also up in the air is how much will this expansion improve the economic well-being of the community at large.

### General aviation

In 2009, the New Mexico Department of Transportation's Aviation Division estimated that the airport — without the crosswind runway — generates \$1.8 million in economic activity on-site. This includes airport management, fuel sales, car rentals, flight instruction and the salaries for eight employees stationed there.

The division's estimate goes on to suggest that the airport brings 12,700 visitors annually and creates \$5.6 million in economic spending at hotels, restaurants and other visitor attractions.

Gross receipt numbers show there is about \$1 million worth of economic activity at the Taos airport annually, which translates to about \$60,000 in gross receipts tax each year.

According to the Federal Aviation Administration (FAA), the current runway is usable 94 percent of the time under typical wind conditions. With the additional runway, the agency says pilots

would be able to land comfortably 99 percent of the time. For pilots, that 5 percent makes a big difference.

Blair Bouchier, a private pilot in Taos and captain with the Civil Air Patrol, points out that a second runway will certainly help, but there is also a need for additional infrastructure like new hangars and maintenance service. Bouchier says Taos-based pilots now go elsewhere for mandatory annual inspections and other mechanic work. A nearby landowner has already expressed interest in constructing new hangars at the airport.

More amenities could mean increased air traffic and more economic activity, though it would likely be a relatively modest increase in the predictable future.

The EIS prepared for the airport expansion doesn't foresee a drastic increase in general aviation traffic, even with a new runway. According to the FAA, there were about 40 planes based in Taos in 2008. If the additional runway is built, the study expects there to be 70 aircraft based in Taos by 2018, compared to the 61 planes the study says would be here even if the runway project didn't happen

### Bumpy history

As for commercial flights, the study points out that year-round commercial service to the Taos airport has had "limited success," and the report did not see sufficient demand for regular commercial flights at the moment.

The EIS points out that the new runway is not designed to handle large commercial jets (like a Boeing 737), and commuter flights bringing smaller planes into Taos have had a bumpy history.

In 2002, the town of Taos received a \$500,000 grant to subsidize commercial flights. That grant was combined with contributions from the state, the town of Taos, Taos Ski Valley (the resort, not the municipality) and Taos Aviation Services to add up to \$900,000, which was passed on to Taos-based Rio Grande Air for commuter flights between Taos and Albuquerque.

In 2002, about 5,300 people flew Rio Grande Air, including both arrivals and departures. That number was up to 6,100 for 2003. But in 2004, Rio Grande Air abruptly stopped service, just months before its parent company filed for bankruptcy.

In 2003, the town was also part of a consortium of New Mexico communities who received \$1.4 million to develop air service between Taos, Albuquerque, Gallup and Las Cruces. However, the airline providing that service — Westward Airways — went belly up in 2005. The company's chairman was quoted by the Associated Press as saying that the New Mexico routes were "just a huge, huge loser."

In 2008, New Mexico Airlines expressed interest in beginning scheduled service to Taos, but those plans were quashed by the FAA, which said the airport did not have the required certification to handle the 30-passenger planes the airline used. An organizer working to bring the airline to Taos said it would need upwards of 7,000 passengers a year to make the business viable.

When and if the airport expansion goes forward, any commuter service would likely need to have guaranteed revenues — either from local governments or area ski resorts.

Included in the EIS was a case study comparing airport projects in similar places. The report found that only small resort communities that aggressively marketed themselves and subsidized airlines saw notable a increase in passengers.

In the case of Vail, Colo., the report noted that the corporation that operates several ski resorts around Vail funds about 15 percent of the commercial jet flights during the winter. In 1998, nearly 180,000 people flew into or out of the Vail airport. The report pointed out that the four ski areas around Vail attract more than four times as many skiers as the ski resorts surrounding Taos.

By contrast, the construction of a modern airport in Ruidoso did not bring in the kind of passenger flights the community had hoped for. The report found that seasonal commercial flights were sporadic and were not profitable without subsidies from the community.

Given Taos' historic aversion to growth (such as the fervent opposition to big box stores), the case study in the EIS suggested that the expansion of the airport alone would not have a dramatic impact on the Taos economy. The study's authors came to a simple conclusion: "A community's growth is not directly attributable to airport improvements. Growth and development will only occur if the community supports it."