

A Capital Funding Imperative for Ensuring the Current and Future Economic Impact of Santa Fe Municipal Airport

Santa Fe Municipal Airport, the second busiest in New Mexico, is a critical transportation hub for the state's commerce, tourism, emergency response, and governmental operations. Annually, the airport accommodates 154,000 commercial passengers and 68,300 aircraft flight operations while supporting 181 based aircraft, 20 businesses and over 400 tenants including the following state and federal agencies:

Santa Fe Municipal Airport is a critical transportation hub

- The New Mexico State Police Aircraft Section: Provides high-quality airborne law enforcement services with four full-time pilots and six full-time tactical flight officers that can quickly deploy its twin-engine helicopter or light observation aircraft state-wide in response to a wide variety of missions including search and rescue, airborne patrol, tactical law enforcement operations, complex criminal investigations, surveillance operations and border security missions.
- The New Mexico Department of Game and Fish Aviation Division: Provides aerial platforms for wildlife surveys and law enforcement activities in support of its mission to conserve, regulate, propagate and protect the state's wildlife.
- The New Mexico General Services Department Aviation Services Bureau: Provides state aircraft to perform essential services or missions that are considered to be high priority by the Governor's Office such as emergency response, health and safety and aerial surveillance.
- The New Mexico Army National Guard Army Aviation Support Facility: Provides equipped and ready forces, including 85 full and part-time Guardsmen, nine UH-60 helicopters, and one C-12 aircraft, in support of national defense and state emergency response, disaster relief, and public safety and protection missions.
- The US Forest Service Southwest Region Wildland Fire Attack Base: Provides a critical aircraft and helicopter base for wildland fire support in central and northern New Mexico.
- The Civil Air Patrol Santa Fe Composite Squadron: Provides search and rescue, emergency response, disaster relief support and aerospace educational opportunities.

All of this activity produces \$78 million in economic impact and supports 680 fulltime jobs, according to an NMDOT study (2014), making Santa Fe Municipal Airport a vital economic engine for New Mexico – and it has even greater potential.

Santa Fe Municipal Airport is a vital economic engine

Airport infrastructure investment is a key enabler for economic growth

There are many studies that provide evidence of the broad and positive impact an airport can have on the economy. For example, a study of airports in 139 countries over a 30-year period by the International Center of Air Transportation at MIT showed that the growth in air transportation produces growth in the economy (Ishutkina & Hansman, 2009). The MIT study also identified airport infrastructure investment as a key enabler for economic growth. The imperative for investing in airport infrastructure is clearly demonstrated in a cautionary tale: Despite the economic importance of the route, especially to the NM film industry, the airport lost air service to LAX because the gate holding area in the terminal could not accommodate the passengers of the 70-seat aircraft American Airlines

transitioned to in the fall of 2015. Airports that are not prepared to accommodate current and future demand will lose commercial air service and the state will lose its economic impact.

The Santa Fe Airport Master Plan, a 20-year capital improvement road map, identifies the critical need for a 30,000 square foot passenger terminal to meet current and future demand. In response, the airport is embarking on a 5-year, \$35M plan to design and build a new passenger terminal building and supporting infrastructure – such as roads, parking lots, and aircraft parking ramps.

A 30,000 square foot passenger terminal is critically needed to meet current and future

The City of Santa Fe is actively pursuing all available funding options for this important project; the airport has submitted its capital plan funding request to the FAA and is in the process of applying for Passenger Facilities Charges collection authority, the airport will be applying to NMDOT for matching funds for all federal grants, the city is dedicating some of its Lodger's Tax revenue to the project and is considering bonding and public/private partnership options. Considering Santa Fe Municipal Airport's vital role in the state as a transportation hub and economic

The City of Santa Fe Request's \$750k Legislative Capital Outlay to support the airport passenger terminal project

engine and recognizing the return on investment of building an expanded terminal facility that will meet current and future demands, we respectfully request support for the FY18 Legislative Capital Outlay of \$750k for the Santa Fe Municipal Airport Terminal Building Project.