

LAS CRUCES PASSENGER AIR SERVICE

Mesilla Valley Economic Development Alliance
August 5, 2021



DuBois & King – Guy Rouelle, CM

- Airport Infrastructure and Planning
- Capital improvements
- Cooperative Local, State and FAA funding

Airplanners - Kent Myers and Bill Tomcich

- Air service development
- Airline relations
- Funding options

RRC Associates – David Becher

- Air Service Research

- Why this Team?
- Air Service may be viable However.....
- Facilities need to match the needs of the Airlines:
- Rwy's, Twy's, Aprons, Terminal Building, Infrastructure, Ground Transportation And.....

Las Cruces has, “Je ne sais quoi” Or a special quality:

Airport Industrial Park FTZ Highways Border



- 2017 Council Strategic Plan - Reestablish air service with 20,000 enplanements
- 2019 City commissioned Phase I air service feasibility study.
- 2019 - 2020 City commissioned West Mesa Industrial Park, now Las Cruces Innovation and Industrial Park (LCIIP), Economic Assessment, Target Sector plan opportunities, strategy and implementation guidelines.
- 2021 City commissions Phase II Air Service Development Plan focusing on Intra and Inter-State Air Service.
- 2021, August. City Council adopts LCIIP Master Plan; Review and adopt Resolution affirming desire to re-establish air service.
- 2021, August. CLC ED Dept. is developing an economic impact report in support of the 2021 New Mexico Rural Air Service Enhancement grant.
- 2021, August. LRU Airport Master Plan to be updated.



Air Service Development – Inter and Intra-State

Inter-State

Air Passengers from Las Cruces Out of State

Research suggests: Dallas and more

Intra-State

Air Passengers from Las Cruces to within the State of New Mexico

Research suggests: Albuquerque and more

Quick Review of LRU 2020 Research

Presented at City Council Work
Session Sept. 28, 2020



LRU Air Service Research Highlights

- In 2019, approx. 650 daily Las Cruces-area visitors or residents arriving and 650 daily departing via El Paso Airport (ELP)
- Las Cruces-area visitors or residents represent ~13.6% of the ELP traffic or ~237,000 annual enplanements

Enplanements Generated by LRU Catchment Area	Total	Residents	Visitors
Total ELP Enplanements 2019	1,739,576	925,319	798,582
% Attributable to LRU catchment area	13.6%	15.3%	12.0%
Enplanements attributable to LRU catchment area: Annual	237,408	141,578	95,830
Enplanements attributable to LRU catchment area: Average per Day	650	388	263

Source: Environics Mobilescapes; RRC Associates.



Las Cruces Air Alliance - Interstate



LRU Air Service Interstate Conclusions:

- Dallas Fort Worth (183 connecting cities) and PHX (83 connecting cities) are best fit for LRU nonstop interstate service
- Enough demand to have 2-4 daily interstate flights on 50-76 seat jet aircraft
- LRU will require facility and infrastructure improvements

Air Alliance Overview - Interstate

- Typically, public-private non-profit organizes (or a part of a non-profit) that focuses on air service development
- Alliances have been adopted by communities across the US, including New Mexico
- Grassroots effort: Encourage everyone in a community to have “skin in the game”

Connecting Las Cruces with New Mexico, the World, and Beyond!

- Las Cruces Air Alliance is in the initial stages of development
- Goal: Collaboration with City on intra- and interstate air service development
- Primary partners: Greater Las Cruces Chambers of Commerce, MVEDA, Virgin Galactic, NMSU, business community
- Air Alliance will hold frequent meetings with stakeholders



NM DOT Air Service Enhancement Act – Intra-State

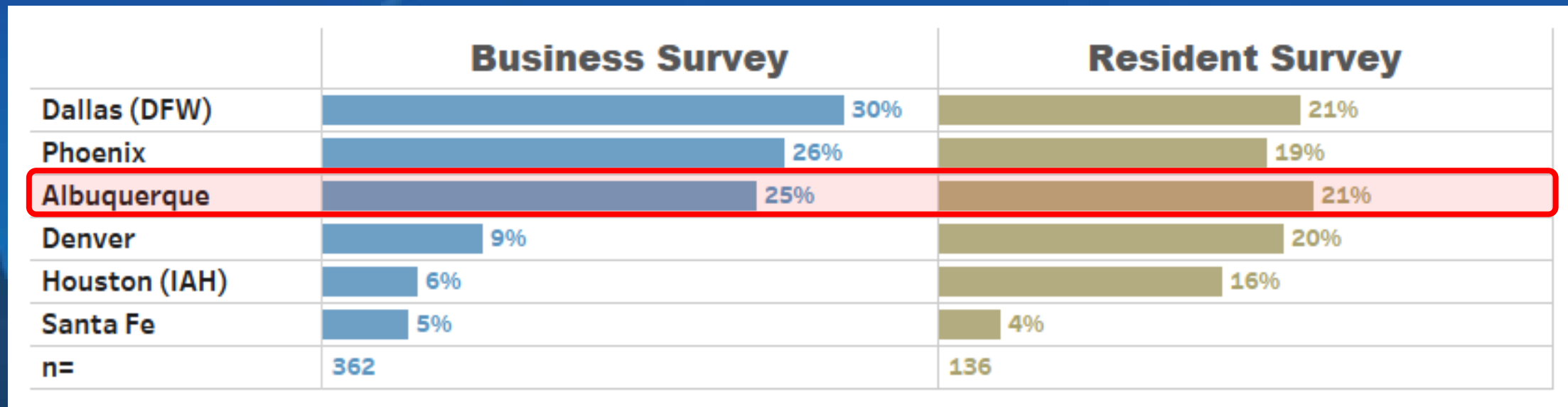


NM DOT Rural Air Service Enhancement Act Overview

- New Act and funding approved during 2021 Legislative Session
- Coop funding opportunity to develop reliable intrastate scheduled air service
- Grant available up to \$1.75M/year for two years
- Requires 10% matching funds from successful awardee
- Opportunity to develop frequent year-round air service to Albuquerque and potentially Santa Fe during legislature session

Air Service Enhancement Overview

- ABQ top desired destination from LRU by businesses and residents
- In 2020, ~18,000 annual trips (~50 daily) between LRU and ABQ



Grant Funding Requirements

- Grant details:
 - \$1.75M/year for two years = \$3.5M
 - Requires 10% match or \$175k/year for two years = \$350k
 - Plus ~\$50k for marketing program for two years
 - Total funding will be \$400K over two years
- July 26, 2021 – Council consensus to move forward

Intra-State Next Steps

- NM DOT Rules and Regs release
- Develop RFP to solicit interest and select air carrier
- Submit grant application
- Council approval upon successful grant award
- Infrastructure Improvements



Air Service Development Summary of Projections

Years	Intra		Inter (Out of State)		Jobs Created (FTE)
	Daily Flights	Annual Enplanements	Daily Flights	Annual Enplanements	
1-3	2	3,200	3	54,000	31
4-9	2	3,200	4	72,000	35
10+	2	3,200	6	143,280	51+

Notes:

1. At 10,000 enplanements, FAA annual funding increases from \$150,000 to \$1,000,000.
2. Jobs created include LRU Support Staff; TSA station manager and support staff; Airline station manager, ticketing and ground support staff; rental car staff; ground transportation staff. Many of the FTEs are Union/high paying jobs.

Questions and Comments

