

Study shows Gateway's economic impact

by **Gary Nelson** - Sept. 9, 2008 12:31 PM
The Arizona Republic

Fifteen years ago this month, the Southeast Valley was handed a huge economic lemon when Williams Air Force Base closed and thousands of **jobs** seemed gone forever.

On Tuesday morning, however, the taste was more like lemonade.

Hailing a future that seems boundless after last week's announcement that a Gaylord resort would be built nearby, Phoenix-Mesa Gateway Airport leaders and Allegiant Air shook hands over a \$3 million loan from the airline to help expand the airport's terminal.

The private-sector loan will help the airport grow even as state and local governments struggle with dire budget shortfalls amid the struggling **economy** .

Allegiant is using Gateway as a hub for nonstop flights to nine small-market cities, carving a niche that large legacy airlines won't touch. Six more routes are to begin in October.

Looking back to the last time the Air Force lowered its flag at the old base, Mesa Mayor Scott Smith said, "We wondered in the

community , what will we do without 'Willie'? I mean, it was doom and gloom. We never imagined how we could survive with the Air Force vacating this facility."

Even with the airport's recent progress, Smith said, "We're not here at the end of a journey. We're here at the beginning of a journey."

Smith said the Gaylord resort and related development "will change the face of what we do around here," and said the airport is in the geographic middle of what he called a "great, great renaissance."

Allegiant's loan and \$1 million in interest will be paid by a \$4.50-per-passenger fee. It will fund a 10,000-square-foot terminal expansion that's already under way and allow the airline to begin flying four planes to Gateway, instead of the present two, by this winter's peak tourist season.

Maurice Gallagher, Allegiant's president, said if those passengers don't come, Allegiant won't get its money back, and if it's not repaid in 10 years Allegiant will forgive it.

Gallagher said Allegiant expects its Gateway passenger load to soon leap from 180,000 a year to as many as 400,000.

Also Tuesday, the airport released an Arizona State University study of Gateway's

Advertisement

economic impact. It found:

- In the fiscal year ending July 1, the airport generated a total economic benefit of \$488.6 million to the area and supported 4,515 area jobs.
- Direct revenue generated at the airport, not counting multiplier effects, was \$213.3 million.
- Passengers spent \$64.1 million in the airport service area, which includes businesses off the airport proper.
- Construction either under way or authorized on the airport is valued at \$79 million, supporting 639 jobs.
- Economic benefits have more than doubled and employment more than tripled since 1998.