

Turquoise Trail Corridor Management Plan Version 2.0

16.0 Tourism Development Plan



The Paako Ridge 27 hole championship golf course

Much of the tourism industry offers minimum wage jobs in the food and lodging industry, but there are segments of the tourism industry that can pay a great deal more. Tourism is the second largest private industry in New Mexico today. Former New Mexico Tourism Department Secretary, Janet Green stated in August, 1999, that tourism may surpass the mineral extraction industry and become number one within a year, but that has not happened. By taking advantage of the tourism “spinoffs”, the byway region can leverage itself into higher paying jobs. This can be achieved by pursuing the high technology portion of the market and to change the direction of funds. The region must stop importing expertise and sending our dollars out of state. Instead, it should export its expertise and bring the dollars back to the local area. The money can then be invested in badly needed infrastructure. While we must not ignore the shops, lodging, restaurants, and museums, we need to look to the higher margin products of value-added service that have been ignored.

16.1 WHEN LESS IS MORE

16.1.1 Tourism jobs

The tourism industry, as it now exists on the byway, has a low potential for high income employment; however, it does provide entry level jobs, as well as, part time positions for students and seniors. Tourism also provides relatively safe jobs compared to the mining industry.

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We want better tourism jobs on the byway, not more jobs in general. Most people living on the byway already have non-tourism related jobs in Albuquerque and Santa Fe. They do not want increased traffic without a good reason. Unlike other areas in New Mexico where high unemployment rates and poverty create the need for any kind of job, the byway area is too affluent to qualify as a HUB Zone. Certainly, if tourism is to succeed, it has to add value to the region. The objective is to develop a high margin industry, rather than a high volume one and create high paying jobs, not low paying ones.

Currently, New Mexico lags behind in technological adaptation. We are just beginning to avail ourselves of the increased visibility and convenience of the internet, while other states have been comfortable with this technology for more than a decade. Global positioning systems are now on the market, but until recently, it has been rare to see one in New Mexico. Many other states have rental cars that use this technology to improve the visitor experience. Virtual road signs may soon exist, but we are not building them here. Smart cards are being developed, but we are not yet writing applications for tourism on them. Many of these technologies require a physical presence in our state. We have to pay more attention to these opportunities and embrace them as tools of the tourism industry.

In addition to new technologies, emphasis should be placed on innovative thinking and education. By tapping into the resource represented by state college graduates, there is the possibility of developing tourism products and taking actions that are as yet unimagined. To this end, we should establish a partnership that will bring together the education and research capabilities of the University of New Mexico and the incubator potential of the Turquoise Trail. Some of this collaboration has begun. Students from UNM have helped Cerrillos write its village plan, which has subsequently been adopted by Santa Fe County.

16.1.2 Lodging

Approximately 200 guests can be accommodated each night on the byway. The guests can stay at a dozen or so bed and breakfast facilities, a hostel, or two RV/campgrounds. Thousands more can stay within a few miles of the north and south trailheads. As more and more people want to stay on the byway, new facilities will have to be provided. To minimize the impact of visits to the byway, while obtaining the best economic return, new lodging facilities should be in the middle to upper price range, rather than low cost.

This can best be illustrated in a simplified example. Note that the median annual income for a family of four in New Mexico is \$33,000. Let us assume a good paying job is one that pays more than \$35,000 per year, an average paying job, pays between \$20,000 and \$30,000 and a low paying job, pays less than \$17,000 per year or about half the median income. If a forty room, low end, chain motel is built that charges \$40 per night, it will likely produce one good paying job for the owner/manager, average paying jobs for about three assistant managers, and two full time equivalent low paying jobs to clean rooms. There would be good paying work during the short construction phase and an average paying full time equivalent job performing maintenance. At 80% occupancy, the motel would gross \$1,280 per day. That's the positive. The negative is the use local infrastructure, such as water, sewer, police, fire, medical, and roads. Assuming cars to the motel came and went twice each day, this would amount to yearly traffic to and from the motel of 46,720 times.

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Compare that to a 10 unit inn charging \$150 per night. At 80% occupancy, it would gross slightly less than the motel at \$1,200 per day. The inn would provide one high paying job to the owner/manager, one average paying job to an assistant, and one low paying job for cleaning. But an inn also serves upscale food, adding an average paying server job, a low paying dishwasher job, and a good paying job for a chef. Serving 16 dinners per day, the food would gross an additional \$400 per day just from lodgers. An advantage of the restaurant is that it can also provide an upscale experience to the local population, thus increasing the local standard of living. A restaurant of this quality does not exist on the byway today, because the numbers and character of the local population cannot support one. However, the inn would draw visitors as its main customer base which would decrease the need to rely upon local traffic. Additional income from local traffic would be an added benefit.

An inn also provides a vehicle for local, value added service such as a high paying, part time job of massage therapist or educational seminar instructor. The inn provides a link to local activities such as golf, theater, and art; moreover, it adds potential entertainment jobs in the restaurant. Look at the difference in the impact on traffic. It's one fourth that of the motel-- 35,000 less turn ins and outs each year! Although, this is just an example, it does serve to illustrate that there are benefits to have a plan that will fit into the rural character of the region. Low end motels don't make the cut with their bright signs, big parking lots, and little attention paid to architectural and landscaping style.

The inn example is a far sighted vision. It is likely that the current volume of visitors cannot support one at this time; however, bed and breakfast lodging provides a similar experience on a smaller scale. More bed and breakfast facilities will be converted or built on the byway and the existing facilities will continue to expand.

16.1.3 The right kind of tourists

No one wants 50 out of state buses driving the byway each day and unloading passengers to snap a few pictures while sidestepping local businesses. Some residents of the byway overlook the traffic calming value of buses and wish to limit or eliminate bus traffic. However, one bus can replace 40 cars, causing less air pollution, less road noise, and less traffic.

The bus traffic on the byway must be efficiently expanded. While providing lodging for bus groups at one location cannot currently be supported on the byway, there is plenty of motel space nearby at both the northern trailhead in Santa Fe and the southern trailhead adjacent to the outskirts of Albuquerque. It is estimated that a quarter of our bus traffic originates from an Albuquerque hotel, where passengers sign up for day trips on the byway. The other seventy-five percent of the bus traffic is from pre-booked trips where the Turquoise Trail is one part of a larger multi-day itinerary. Once on the byway, the issue of feeding a bus group is difficult. Although some of the restaurants have the capacity, they may not have the desire to cultivate that type of customer or are ignorant of the fact that they could. To this end, stronger lines of communication should be established between bus companies and restaurants. Currently, all four byway museums can handle the bus crowds. The U. S. Forest Service can as well. The towns of Madrid and Cerrillos are equipped for bus crowds. Bus groups can be made to feel more welcome by improving

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parking facilities and by creating partnerships between the shops, galleries and the bus tour companies. One issue that causes local concern is that buses continue to run while stationary, causing noise and air pollution.

16.2 WHEN SMALL IS BETTER THAN LARGE

The area needs two convention centers, not the massive sort that is commonly found in a large city, but something that could be called a “micro-convention center” (MCC). The use would be that of a typical convention center, but on a greatly reduced scale--one that will fit into the rural character of the area. As Wal-Mart found, their large big box supercenter was not welcome and they recently stopped trying to build it on the byway. The area has two county recreation centers, but they have rules and regulations that are not appropriate to convention centers and are already being used at high capacity levels.

A MCC would accommodate just 100 people, have kitchen facilities and enough land to handle a future expansion of up to 500 capacity. One center could be located in Cedar Crest or Sandia Park. Tijeras is too suburbanized already and a center there could not take advantage of spectacular views and natural amenities such as walking or biking straight into the National Forest. A second MCC could be build in Madrid or Cerrillos. Cerrillos is probably a better choice because it has more access to water. Together, these MCC's could allow the bed and breakfast facilities and local restaurants to obtain more business. Even more important to the community, the MCC's could be used to host local weddings, anniversary parties, graduations, and all those events that are currently forced to go into the nearby cities. Local consultants, writers and artists in just about any field could provide seminars on a small scale at a reasonable cost. Businesses, a plane flight away would just love to have a board of directors meeting, a department retreat, or an annual company picnic in the mountains. Currently, we can't give them that opportunity on our beautiful byway.

16.3 LOW IMPACT TOURISM GROWTH

Since many people on the byway do not work in the tourism industry, they are not interested in tourism growth. Tourism on the byway, even with our National Scenic Byway designation, had not increased dramatically. In fact, people buying homes and moving into the area over the next ten years will completely wash out the impact of increased tourism. Still, we must continue to protect our resources. Positive and negative effects of tourism growth should be taken into consideration and dealt with responsibly. As stated before, we should do more with less.

16.3.1 Increase conversion rates

When a visitor to the byway buys, that's a conversion. When a visitor does not buy, that's a missed opportunity. We should implement methods that maximize conversion by providing the visitor with desirable products. We must first make the customer aware of these products and then make sure these products are available when the customer wants them. It sounds simple, yet it requires work. Good customer service is the goal. Business must be earned.

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16.3.2 New channels of distribution

Typically, byway travel is somewhat different from other products. Instead of shipping the product out to the customer, you bring the customer to the product. Shipping is provided by train, automobile, bus and aircraft. But tourism, using the byway assets, does not have to be limited to a one-way opportunity.

Virtual travel opportunities are available and can have positive economic benefits for the byway stakeholders. Virtual trips are possible via television, video, radio, books, magazines and on the internet. National Geographic Traveler (a monthly magazine) is a virtual tourism product. At this time it is unlikely that the Turquoise Trail can provide a direct virtual product of any economic significance; however it is something to think about for the future. Indirectly, the Turquoise Trail can be (and has been) used in outside virtual travel pieces. New Mexico Magazine usually has one feature article on the Turquoise Trail each year. While everyone considers this simply a good way to get the word out, it provides a virtual experience for many. Of course, the present goal is to turn the virtual trip which has little, if any, economic benefit for the region, into a real one bringing visitors physically to the area.

16.3.3 Exports

Developing organic (local) intellectual resources and exporting tourism based service outside the area is a concept that is literally foreign to the byway community. It does have most of the advantages and few of the disadvantages caused by the physical presence of visitors. The idea is to create products, many of which are intellectual, such as visual art, performance art, and the sale of trademark rights. The tourists on the byway can also be used for research. The residents of Columbus, Ohio were used for decades to try out new products, because the city had a demographic base similar to the nation. The same may be true of visitors to the byway. While the research would never be as extensive as done in Columbus, it may have more of an economic impact, since the byway area is so sparsely populated. Should any of the tourism based products outgrow the region, they can easily be moved to Albuquerque or Santa Fe without losing the job base.

16.3.4 Twenty-four-seven

Malls have long recognized the synergistic value of keeping consistent business hours. All business tenants were asked to sign leases stating that they would keep the same hours as the mall. While, the policy did not make many of the business owners happy, they lived with it and the mall concept became successful as a result.

Almost four decades ago, many malls determined that 10 AM to 10 PM, Monday through Saturday was an effective time to be open. Due to "Blue Laws", and the opposition of local small businesses, the malls were closed on Sunday. As families moved to two income households, people simply could not shop nine to five.

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Time passed and outdated laws were changed and the malls opened on Sundays, making it even more difficult for a mom and pop operation to compete, unless they worked more than 80 hours per week. Many “Main Street” businesses closed because they provided neither the convenient parking, nor the convenient open hours of operation. But even the malls have been subjected to their same medicine. “Big Box” stores such as Target, K-Mart, and Wal-Mart started opening as early as 7 AM and closing as late as 11 PM, putting pressure on the malls to stay open. Catalog businesses grew, and the growth of the internet has continued to put pressure on the old ways of doing business. Put simply, give the customer outstanding service or lose that customer.

16.3.5 Weekends

Weekend traffic on the byway is heavy, especially in Madrid. We need to spread that traffic out over the rest of the week. That is especially difficult since Americans typically work during the week and are off on weekends, yet, it is possible. Merchants can get together and give 20% off on Tuesdays. While some merchants may not like that idea and may fear cannibalism from their weekend sales, consider the alternative--no sale at all.

16.3.6 Shoulder Season

Just as airlines incorporate yield management, the lodging facilities on the byway should do the same to extend their season and generate more bookings. Pricing issues are complex and may not work due to outside factors, but in general, yield management works and should be employed.

16.3.7 High season and quality service

During the high season, business is brisk, yet little is done to extend the customer's stay or maintain good customer service. Excess capacity is available and still many sales are lost. Many mom and pop businesses serve themselves more than their customers, sometimes out of ignorance, but many times out of necessity because working 80 hours a week is a chore. The problem is that their business model in many cases does not have the margins necessary to hire outside help; nevertheless, the visitor does not care. They just want good service and good value. Service levels may have improved since 1999, because some businesses are enjoying repeat customers, which is a good sign.

Consider that reservations are not required at any of the restaurants on the byway, even on weekends. On Friday or Saturday night, a chain restaurant in the city, such as Outback Steakhouse may have a wait of an hour to get a table; yet, it's rare that one has to wait at a restaurant on the byway. Unfortunately, the visitor might find a less agreeable situation, where the restaurant is closed, because business is slow and it's only 9 P.M. While some might consider 9 P.M. late enough to be open any day of the week, consider that city dwelling visitors on a three day weekend may hike back to their car at the top of Sandia Crest at 8:30 P.M., drive to their bed and breakfast, take showers, and prepare to arrive for dinner at 10 P.M. That's not an unusual circumstance for people with limited vacation time. While the visitor is expected to follow local customs, those same customs will easily force the visitor to spend \$50 per person on meals that evening in nearby cities. The point is, local businesses should endeavor to understand the culture of their customer.

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16.3.8 Off Season

There is no off season on the byway, if proper techniques are utilized to prevent it. After all, there are only 200 rooms to sell, less than one floor in a Las Vegas, NV hotel and a little more than a plane load of people. With the availability of the right mix of intrinsic qualities, the off season could be reduced.

For example, three out of four museums are not open in the winter on the byway and the Casa Grande Trading Post and Mining Museum, which is open, is a 30 minute event. If all the museums were open in the winter, more rooms would be sold, more meals would be served, more retail would be sold, and all the infrastructure costs could be amortized over the entire year. In a very real sense, all the businesses on the byway are interrelated. The same synergies that complement one another drive business away in the off season. The Paako Ridge golf course has been helpful in boosting the high and shoulder season and a non-golfing spouse can shop in Madrid and other locations on the byway. Unfortunately, the golf course is not open during the colder months of November to March, when extra business is most needed. The Sandia Peak ski area is open in winter, weather permitting, but does not provide much extra business. Many of the skiers live in Albuquerque and do not stop on the byway. Others take the Sandia Peak Tram and never drive the byway at all. In the 2005/2006 ski season, the upper ski slopes were never open and this situation has happened in previous years.

16.3.9 Rainy days

The byway offers little in the way of tourism activities on rainy days, but there are some and they should be promoted. There are several museums on the byway. They are not large and can take as little as 30 minutes to tour. One museum is outdoors and does not provide shelter against rain. Other activities visitors can take advantage of on rainy days include reading books and magazines in the comfort of their bed and breakfast, taking a short drive on the byway, visiting a restaurant, or doing a little shopping. An afternoon thunderstorm, or a half day of rain will not interrupt a multi-day tourism experience, especially with the byway's spectacular lightning storms; however, more than a few hours of nasty weather will definitely have a negative effect. Either the existing museums have to expand or new museums and interpretive displays have to be built. Fortunately, New Mexico is arid, with more than 300 days of sunshine and two days of indoor activity would solve the problem. Since the last CMP writing, the Forest Service ranger station in Tijeras has been built. The ranger station has a small indoor area with interpretive materials and books for sale. A larger shopping facility has been built at the top of Sandia Crest. The number of retail shops have also increased on the byway. Each offers the tourist an additional opportunity for indoor activity. While they don't seem like much, each of these baby steps count toward a better tourist experience.

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16.3.10 Special events and festivals

The byway has many small special events and festivals. Most are not promoted effectively to the out of region public. They include performance arts, music festivals, runner events, art studio tours, lectures, hiking, and biking events. The activities greatly benefit the local population and need the support of visitors to be economically successful.

16.3.11 Spectator and competitive sports

The byway has some spectator sport activities, primarily downhill skiing, snow-shoeing, cross-country skiing and snow board competitions in the winter. In the summer months, competition and fun activities include biking and running. The Paako Ridge Golf Course hosts several not for profit events each year. The region may have tennis courts and a swimming pool built, if public support for them is obtained. That should be pursued.

16.4 TOURISM DEVELOPMENT GOALS

- Increase the standard of living for local residents
- Minimize harm to the intrinsic qualities of the byway

16.5 TOURISM DEVELOPMENT OBJECTIVES

- Develop tourism to increase the economic base
- Build tourism infrastructure
- Create better jobs, not necessarily more jobs
- Defray the cost of building infrastructure that benefits the local population
- Leverage the local resources to create high end tourism jobs
- Obtain economic benefits with a managed increase in new visitors

16.6 TOURISM DEVELOPMENT STRATEGIES AND PROJECTS

- Create partnerships with the universities
- Expand tourism hours and lengthen the season
- Implement quality control methods
- Build a swimming pool
- Build new indoor museums and interpretive centers
- Expand existing museums
- Build two micro-convention centers
- Create tourism technology jobs.
- Export intellectual property
- Obtain trademarks based on the byway
- Create a local seminar industry
- Use increased tax receipts to build infrastructure
- Leverage existing complementary tourism assets
- Increase conversion rates from visitors
- Implement higher yielding tourism services