

# ECONOMIC IMPACT

Military Activity ● Salina Airport & Salina Airport Industrial Center ● Kansas State University Salina

## Summary

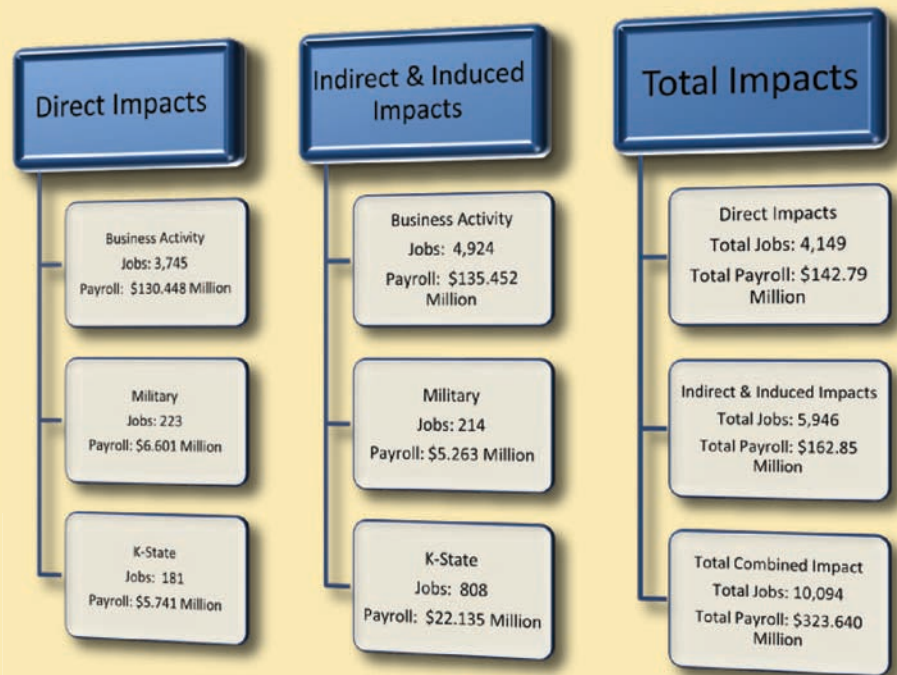
According to the January 2011 study prepared by the Wichita State University Center for Economic Development and Business Research, the total employment impact of the Salina Airport and Salina Airport Industrial Center exceeded 10,000 workers and more than \$323 million in annual payroll. Net tax impacts were estimated at nearly \$16 million when combining impacts to Salina, Saline County and Kansas. Taxes to the city of Salina exceeded \$2 million while taxes to Saline County were more than \$1.5 million. The state of Kansas realized more than \$12.1 million in net taxes.

### Business Activity

Nearly 8,700 jobs and more than \$280 million in payroll were due to business activity at the Salina Airport and Salina Airport Industrial Center. More than 70 businesses directly employ more than 3,700 workers. Direct one-year payroll earnings amount to more than \$130.4 million while total payroll earnings amount to almost \$284 million. As a result of the business activity, Salina gained nearly \$1.8 million and Saline County gained close to \$1.4 million in tax revenues in 2010.

### Military Activity

The result of military activity in the Saline County region was 1,555 jobs and earnings in excess of \$35 million in 2009. The impact from military activity and contracts exceeded \$5 million with employment impacts of more than 1,200 and earnings of \$27.5 million in Salina in 2009. In 2010, the regions impact



was \$9 million, creating more than 1,400 jobs that earned more than \$34 million in wages. The economic impact to the state of Kansas was \$10.8 million, creating more than 1,669 jobs that earned more than \$38.4 million in wages in 2010. The total fiscal impact from military activity and contracts was more than \$294,000 to Saline County, almost \$400,000 to the Saline County region's revenues and \$1.7 million to Kansas state tax revenues.

### University Activity

Kansas State University Salina is also a major economic driver with the university reporting capital expenditures of approximately \$580,000 creating a combined tax impact of more than \$46,000. The estimated 4,000 visitors to the campus in 2010, created a tax impact of close to \$19,000. With an average year-round student attendance of 716, the university creates a combined fiscal impact of almost \$530,000. The total jobs impact is estimated to be close to 1000 with 174 individuals directly employed. The total combined tax impact of university activity was estimated to be more than \$850,000.

# ECONOMIC IMPACT

Military Activity ● Salina Airport & Salina Airport Industrial Center ● Kansas State University Salina

## Background

The Salina Municipal Airport and Salina Airport Industrial Center are located in central Kansas adjacent to Interstate I-135. Business activity within the more than 3,200 acres of the airport and industrial park includes more than 70 private and public sector entities. These entities fuel the demand for output, employment and earnings. Increased demand creates fiscal impacts, or tax revenues, to cities, counties and the state of Kansas.

The Salina Airport supports military activity from the Great Plains Joint Training Center. Military activity in the Saline County region includes contracts awarded to companies in the region as well as payments to retired individuals and payments to active duty, civilian, and reserve and National Guard personnel and visitors to the Great Plains Joint Training Center. Military contracts go to companies in the Saline County region. These companies then create a product to fulfill that contract. It requires employees to create products. The demand for additional output, employment and earnings create fiscal impacts, or tax revenues, to cities, counties and the state of Kansas.

Universities are economic drivers. An economic driver is an organization or an industry that brings new money into the area from outside. Kansas State University Salina is located on the airport industrial center with access to the 12,300-foot primary runway. The university has established itself as a top five aviation school and offers a number of aviation degree programs. The university is also part of a consortium that forms the UAV Center of Excellence that works in research and development of unmanned technology for disaster and emergency response.

## Methodology

The Center for Economic Development and Business Research, W. Frank Barton School of Business, Wichita State University was given the task of analyzing the economic impact of the Salina Airport and Airport Industrial Center activity. The group also analyzed the impact of military activity at the Salina Airport and in the Saline County region, as well as that of direct operations of Kansas State University. The studies were prepared at the request of the Salina Airport Authority.

In order to calculate the fiscal and economic impact of business activity of the Salina Airport and Salina Airport Industrial Center to Kansas and the specific regions employment, annual payroll, gross revenue, purchases and visitor count data were used.

The process of evaluating the military activity economic impact to Kansas and specific installation regions included using data from active duty, reserve and National Guard, and civilian employment and wages; contracts information for the fiscal year 2010; and retiree information for the fiscal year 2010. The economic region includes Saline, McPherson, Ellsworth, Dickinson and Ottawa.

The economic impact of K-State Salina was calculated by using data from capital expenditures, visitor impacts, student purchases, student headcount, employment and annual payroll data.

