

# ECONOMIC IMPACTS OF THE KINGMAN MUNICIPAL AIRPORT AND INDUSTRIAL PARK



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## Executive Summary

The Kingman Municipal Airport and Industrial Park has room to grow. The Airport and park includes approximately 4,000 acres in the northeast part of the city, east of Andy Devine Avenue. The airport has two paved runways including a 6,867 foot long primary runway that is complimented by a 6,725 foot long intersecting crosswind runway. The Airport is also home to a vintage army control tower. The Kingman Municipal Airport can accommodate all types of general aviation aircraft including large corporate jets and aviation business hangers. The airport is home to 95 based aircraft



along with more than 190 aircraft in storage. There are also 12 on-airport businesses including a restaurant, air medical services, aircraft repair, aircraft refurbishment, specialty and maintenance services and county and federal government aviation operations. The fully developed Kingman Industrial Park is located adjacent to the airport and is a significant employment center for the city with 69 businesses and close to 2,600 employees.

- The Kingman Municipal Airport and Industrial Park combined created a total economic impact of \$574.3 million in Kingman and Mohave County in FY18. This includes impacts from airport administration, on-airport businesses, the short line railroad and businesses in the Industrial Park.
- The 70 businesses at the Industrial Park create direct impacts of \$406.7 million per year, which is effectively the combined local production value of these companies. The approximately 2,600 employees working in the Industrial Park make up about 20 percent of the city's employment base.
- The Industrial Park businesses support an additional \$134.3 million in economic impacts and approximately 1,100 jobs *at other businesses* in the county through their local spending. This results in a total annual economic impact of \$541.0 million from the Industrial Park.
- There are about 125 full-time and part-time employees working at the Kingman Municipal Airport, including city employees and employees at the 12 on-airport businesses that create a combined direct impact of \$22.7 million per year.
- The city and other on-airport businesses make local purchases, creating an indirect economic impact of \$6.7 million per year, which contributes to the total economic impact.
- Employees at the airport also make local consumer purchases generating an additional \$3.9 million in annual induced impacts in the Mohave County. These local employee purchases also contribute to the total economic impact, which is estimated at \$33.3 million per year.

## Introduction

This economic and revenue impact analysis of the Kingman Municipal Airport and Industrial Park is intended to provide a framework for understanding the benefits that the airport and industrial park generate for the City of Kingman, and for Mohave County as a whole. The impacts include airport operations as well as the operations of the businesses in the Industrial Park. The results are based on actual airport operations



data for the past three years as provided by the airport director, and data on estimated employment at industrial park businesses as provided by the economic development director.

The Kingman Army Airfield was built during World War II as an Army Air Force training field and was one of the country's largest aerial gunnery training bases. Following World War II, the airport was converted to a storage and reclamation site for more than 5,500 military aircraft. The airport was returned to civilian use in 1949 and began operations as a regional airport.

The Kingman Municipal Airport includes a terminal building, executive hangars, T-hangars and covered shades as well as open tie-down spaces. The Kingman Airport Cafe is located at the airport and is open seven days a week. Air'Zona Aircraft Services, Inc. is the FBO and offers fuel, a pilot's lounge and maintenance services. Kingman Airline Services is a large on-site airliner refurbishment, storage and parts distribution business.

There are 10 other on-airport businesses including air medical services, air operations for the Bureau of Land Management and the Mohave County Sheriff, two air cargo services, and several aircraft storage, repair and maintenance services companies. On-site aviation businesses at the Kingman Municipal Airport utilize approximately 157,612 square feet of large hangar space. Many of these aviation businesses conduct business nationally and internationally from their location in Kingman. The airport has 5 executive hangars, 39 T-hangars and 10 shade ports, 5 private hangars and 3 portable hangars.

In addition to 95 based aircraft, and 14,000 local general aviation operations in FY18, the airport had 12,000 itinerant operations in FY18, of which 4 percent were non-local. These non-local operations brought an estimated 1,000 day trip and overnight visitors to Kingman in the past year, assuming an average of 2.1 persons per operation.

**Table 1**  
**Airport Profile**

	FY16	FY17	FY18
Air Taxi Service Operations	1,100	1,100	1,100
General Aviation Activity			
Local Operations	14,000	14,000	14,000
Itinerant Operations	12,000	12,000	12,000
Percent Transient Operations	4%	4%	4%
Military Operations	20	20	20
Total Based Aircraft	111	103	95

**Table 2**  
**Kingman Airport Businesses**

Company Name	Type of Business	Employees
Kingman Airport Cafe'	Restaurant	9
Experimental Aircraft Association	Membership Organization	0
Mohave County Sherriff	Law Enforcement	1
Bureau of Land Management	Federal Government	1
Guardian Air	Air Medical Services	11
Ameriflight	Cargo Services	1
Care Flight	Air Medical Services	13
Kingman Airline Services, Inc.	Aircraft Storage & Maintenance	50
Alpha-Zulu Composites, LLC	Aircraft Repair	3
Air'Zona Aircraft Services, Inc.	Aircraft Repairs and Fuel Sales	7
FedEx Express	Cargo Services	7
Straube's Aircraft Services, Inc.	Aircraft Painting	15
<b>Total Airport Employment</b>		<b>118</b>

The City of Kingman is working to promote the value of the airport and further increase the level of general aviation activity, allowing the airport to serve as a catalyst for future economic development. This includes leveraging the capabilities at the airport to attract additional visitors to the community and region and also continuing to attract new and expanding businesses to the Industrial Park.

## Economic Impacts

The economic benefits to the City of Kingman and Mohave County from the Kingman Municipal Airport and Industrial Park include airport administration and on-airport businesses, as well as the operations impacts of the many different types of businesses located in the Industrial Park. Economic impacts measure the effects of economic stimuli or expenditures in the local economy. These impacts include direct, indirect and induced jobs, labor income and output that are generated by the airport and industrial park. Indirect and induced impacts are the result of the multiplier effect and capture supported supplier and consumer businesses and their employees in the City of Kingman and throughout the county that benefit from the airport.

### Airport Operations

The Kingman Municipal Airport supports aviation needs of area businesses as well as a wide spectrum of aviation activities. Aviation activities include recreational flying, medical aviation, corporate planes, airliner storage reclamation and parts sales, specialized aviation maintenance and repair services and transient military operations. The airport also enhances the community by providing a gateway for visitors and a venue for community events including the Kingman Airfest Fly-In and Open House.

The economic impacts presented here are grouped into direct, indirect and induced impacts. Direct impacts include the operations of the airport, on-airport businesses and Industrial Park businesses. Indirect and induced impacts include local vendor purchases made by these businesses and spending by their employees. In turn, these local businesses and their employees make additional purchases that are captured in the total impact estimates. The total impacts are the sum of the direct impacts at Kingman Municipal Airport and Industrial Park and the indirect and induced impacts created by other local businesses and their employees in the City of Kingman and Mohave County.



**Table 4**  
**Principal Activities at the Kingman Municipal Airport**

Aviation Activities
General and Recreational Flying
Freight/Cargo Activity
Corporate/Business Activity
Emergency Medical Aviation
Law Enforcement & Military Activity
Aircraft Storage Reclamation
Community Activities
Gateway for High Profile Visitors
Staging Area for Community Events
Location for Community Facilities

These indirect and induced impacts are called multiplier effects. Multiplier effects are a way of representing the larger effects on the local economy. The multiplier effects translate an increase in direct output (loosely defined as gross sales) into a corresponding total increase in jobs, labor income and output. In essence, the multiplier effect represents the recycling of local spending. This recycling process creates new business opportunities. The multipliers used in this analysis are from IMPLAN, a national vendor of economic impact software, and are specific to the economic base of the Mohave County. Industry-specific multipliers were used for each type of business represented here.

### Direct Impacts of the Airport

The Kingman Airport employs 6.5 city staff and the 12 on-airport businesses employ an estimated 118 additional people with a combined estimated payroll of \$5.1 million per year. This employment and payroll generates a direct output impact of \$22.8 million per year, which is primarily the result of the operations of on-airport businesses.

**Table 5**  
**Airport Operations Impacts**

	Jobs	Labor Income	Output
<b>Direct Impact</b>			
Airport Operations	6.5	\$323,865	\$1,056,147
On-Airport Businesses	118	\$4,729,535	\$21,695,299
<b>Indirect Impacts in Kingman</b>			
Airport Operations	12	\$375,217	\$1,152,050
On-Airport Businesses	47	\$2,058,311	\$5,515,011
<b>Induced Impacts in Kingman</b>			
Airport Operations	1	\$49,684	\$143,509
On-Airport Businesses	30	\$1,109,192	\$3,746,061
<b>Total Annual Airport Impacts</b>	<b>215</b>	<b>\$8,645,804</b>	<b>\$33,308,078</b>

### Local Vendor Purchases

The next component of the airport economic impact comes from local vendor purchases. The city spends an estimated \$741,000 locally on behalf of the airport for contractual services, professional services, materials and equipment, utilities, insurance, advertising, training and other local purchases. On-airport businesses make additional purchases, a portion of which are local. These vendor purchases by on-airport businesses are estimated using economic multipliers. Local supplier purchases estimated at \$6.7 million generate indirect economic impacts in Kingman and throughout Mohave County. There are additional vendor purchases outside Mohave County that are not included here.

## Employee Spending

In addition to impacts from vendor purchases, the Kingman Municipal Airport creates economic impacts by virtue of its employees and payroll. A portion of that employee payroll is spent at local establishments by workers that live in Kingman, and some payroll is spent in other parts of Mohave County, in turn supporting other local businesses. Total annual payroll for FY18 for employees working at the airport, including city staff and other on-airport businesses, is estimated at \$5.1 million.

To calculate the impact of employee spending, information on household spending patterns by income level was extracted from the IMPLAN model. These household consumption functions account for the wide range of products and services that are purchased by a typical household. Local spending by the employees at the airport, including on-airport businesses and city staff, is estimated about \$3.9 million per year, directly and indirectly supporting about 31 jobs and \$1.2 million in labor income at local businesses in Kingman and in other parts of the county.

## Summary of Airport Impacts

The city and on-airport businesses directly employ about 125 people with a payroll of \$5.1 million, and indirectly support approximately 90 additional jobs and \$3.6 million in annual labor income at other local businesses in the Kingman and throughout the county. The airport created a total economic (output) impact of \$33.3 million in Mohave County in FY18, including the direct impacts of on-airport businesses and airport administration plus the indirect and induced impacts of local vendor purchases and employee spending.

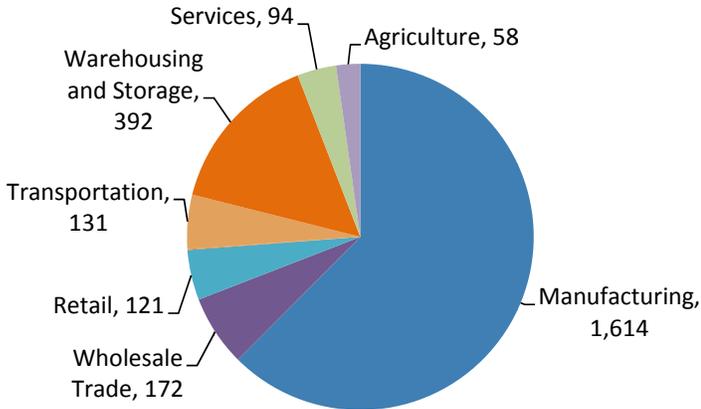


### Industrial Park Impacts

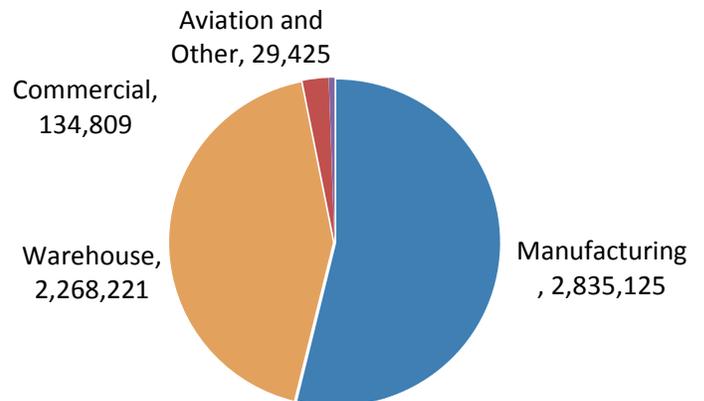
The Kingman Industrial Park includes 1,100 acres and is home to an impressive array of businesses ranging from manufacturing and warehousing to retail and services. There are currently 70 businesses operating in the Industrial Park representing an estimated total of 2,586 employees. These businesses occupy close to 5.3 million square feet of building space and represent over \$150 million in assessed value and \$2.3 million in annual property taxes. The Industrial Park offers an ideal location for manufacturing and distribution industries with access to Interstate 40 and Highway 93 as well as rail served sites. Superior market access connects local manufacturers to supplier and customers throughout the West Coast. Mohave County also offers an experienced manufacturing workforce and very competitive business operating costs.



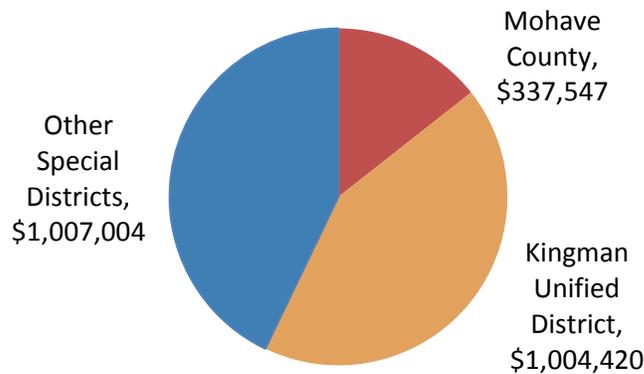
**Employment by Industry  
Kingman Industrial Park**



**Square Feet by Type  
Kingman Industrial Park**



**2018 Property Taxes by Jurisdiction  
Kingman Industrial Park**



## Direct Impacts of Industrial Park Businesses

The 70 businesses in the Industrial Park employ an estimated 2,586 people with a payroll of \$104.8 million per year. This creates a direct output impact of \$406.7 million per year, which represents the value of products and services created by these businesses. Table 6 details the direct and total impacts of the Industrial Park by industry sector. About 70 percent of the impacts from the Industrial Park are generated by manufacturers.

The impacts shown in Table 6 include the Kingman Terminal Railroad (“KGTR”), which is the short line railroad operating in the Industrial Park. KGTR operates over 3 track miles in the Kingman Airport & Industrial Park and serves the interchanges with Class I carrier Burlington Northern Santa Fe (BNSF). There are more than 100 trains per day on the BNSF track through Kingman.

**Table 6**  
**Industrial Park Impacts**

Industry	Direct Impacts			Total Impacts		
	Jobs	Labor Income	Output	Jobs	Labor Income	Output
Agriculture	58	\$1,654,980	\$6,263,318	81	\$2,468,462	\$8,320,808
Construction	2	\$75,000	\$262,807	3	\$106,858	\$365,284
Manufacturing	1,614	\$68,466,119	\$293,954,183	2,291	\$93,681,383	\$376,587,445
Wholesale Trade	172	\$6,672,000	\$27,649,638	267	\$10,111,019	\$38,450,334
Retail	121	\$3,672,000	\$11,071,423	163	\$5,110,048	\$16,055,449
Rail Transportation	1	\$195,245	\$525,159	2	\$240,653	\$676,499
Other Transportation	131	\$6,881,764	\$21,155,805	207	\$9,989,438	\$30,396,588
Warehousing and Storage	392	\$13,706,537	\$32,404,720	556	\$19,283,190	\$51,178,760
Services	94	\$3,435,084	\$13,392,491	144	\$5,133,181	\$18,994,308
<b>Total</b>	<b>2,586</b>	<b>\$104,758,729</b>	<b>\$406,679,544</b>	<b>3,714</b>	<b>\$146,124,234</b>	<b>\$541,025,474</b>

## Local Vendor Purchases and Employee Purchases

Businesses in the Industrial Park purchase a variety of goods and services to support their operations, a portion of which are local. These local vendor purchases by Industrial Park businesses are estimated using economic multipliers that are specific to each of the types of industries that are represented here.



In addition to impacts from vendor purchases, a portion of employee payroll is spent at local establishments by employees that live in Kingman, and some payroll is spent in other parts of Mohave County. The combination of local vendor purchases and employee spending supports an estimated 1,100 local jobs and \$134.3 million in annual indirect and induced impacts in the county related to the Industrial Park. These are included in the total impacts in Table 6.

### Summary of Industrial Park Impacts

The Industrial Park created a total economic (output) impact of \$541.0 million in Mohave County in FY18, including the direct impacts of the 70 businesses in the park plus the indirect and induced impacts of local vendor purchases and employee spending. In total, the Industrial Park directly and indirectly supports over 3,700 jobs and \$146.1 million of payroll in Kingman each year, creating a substantial economic engine for the community and the region.



*The Kingman Municipal Airport and Industrial Park are key components of Kingman's economic base, not only in terms of transportation accessibility and as a gateway to the community, but also as an economic development engine, supporting thousands of local jobs and millions of dollars in annual payroll. The economic impacts of the businesses at the Airport and the Industrial Park support business activity throughout the region, and have the capacity to support expanded business activity in the future.*

***For additional information about the Kingman Municipal Airport or the Kingman Industrial Park, please contact:***

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