

McKinney National Airport

FISCAL 2023 ECONOMIC IMPACT STUDY
FINAL REPORT

12 September 2024



InterVISTAS

Executive Summary

The McKinney National Airport (TKI) engaged InterVISTAS Consulting Inc. (InterVISTAS) to conduct an economic impact study for the fiscal year ended September 30, 2023 (FY2023). This study provides the latest snapshot of the airport's annual economic contribution to the state of Texas, accounting for the fact that TKI has experienced notable growth in its tenant operations and aviation activity in recent years. Since 2017, the number of onsite businesses and organizations based at TKI has grown by 33%. Total air traffic movements surpassed 150,000 in 2023 (+15% since 2017), driven in large part by historic growth in air taxi services.

Airports serve as vital economic engines by enabling the transit of individuals, commodities, and services across the country. They contribute to job creation and economic growth in local areas through various significant channels such as tourism, capital inflow, commerce of products and services, and enhancements in efficiency. The development of aviation operations and related activities facilitated by TKI has made it a robust economic generator for North Texas and the state of Texas as a whole.

Economic impact is a measure of the spending and employment associated with a sector of the economy, a specific project, or a change in government policy or regulation. This analysis focuses on the economic contributions from activities at McKinney National Airport, as well as tourism facilitated by the airport. The three major components of economic impact are classified as *direct, indirect, and induced impacts*.¹ Together, they provide a snapshot of how the business of the airport supports the local and statewide economy.

TKI's impact in the state of Texas is reflected first and foremost in the 420 direct jobs located at the airport and the \$43 million in direct wages paid for these jobs. This average income of about \$103,400 per job exceeds the statewide average of \$65,400 and the average national wage of \$68,500 in 2023.² Direct employment at TKI has grown 48% percent since 2017, driven by growth in aviation traffic and onsite businesses by airport tenants. Including indirect and induced impacts, TKI's ongoing operations generated a total of 950 jobs and \$81 million in total wages in FY2023.

In addition to regular ongoing operations, capital improvement programs at airports support further significant economic impacts. In FY2023, TKI spent \$19.2 million on capital improvements (e.g., runway/taxiway extension), with approximately 90% of that spending (\$17.2 million) generating further economic impact within the state of Texas. This spending has supported 110 direct jobs in FY2023 alone which paid \$9 million in direct wages. Taking indirect and induced impacts into account, these capital improvements supported a total of 200 jobs, \$15 million in wages, \$20 million in GDP and over \$38 million in economic output.

Apart from the economic implications linked to the airport's operations and capital investments, TKI also facilitates benefits from tourism. These benefits are derived from visitors to the region who choose the

¹ Direct impacts account for the economic activity of the airport itself. Indirect impacts are those that result because of the direct impacts and involve employment in upstream industries (suppliers) that depend upon activities at TKI. Induced employment is generated from the spending of wages and earnings by individuals employed directly or indirectly by the airport.

² U.S. Bureau of Economic Analysis.

airport to facilitate their primary mode of transportation over other alternatives (e.g. cars). The hospitality sector benefits from these visitors who spend money on accommodation, food, entertainment, vehicle hire, and shopping. Total local spending by air visitors via TKI is estimated at over \$21.7 million in FY2023, generating a direct employment impact of 310 direct jobs and \$7 million in direct wages paid. Including indirect and induced impacts, spending by these visitors supported a total of 410 jobs and \$14 million in total wages in FY2023.

In total, the consolidated economic impact of TKI in FY2023 amounted to 1,560 jobs that paid about \$110 million in earnings, with GDP in excess of \$165 million and total economic output of \$299 million.

Background: Overview of Economic Impact

Economic impact is a measure of the spending and employment associated with a sector of the economy, a specific project, or a change in government policy or regulation. This study seeks to measure the economic impact associated with the airport.

Economic impact can be measured along several dimensions. The most common include:

- **Employment** – the number of jobs or employees engaged at a firm or organization linked to the airport.
- **Labor Income** – all earnings (wages, salaries, and benefits) associated with employment tied to the airport.
- **Gross Domestic Product (GDP)**. Sometimes referred to as Value Added, this is a measure of the dollar value of final goods and services produced as a result of the economic activity associated with the airport. This measure is net of the value of intermediate goods and services used as inputs to produce the final goods and services.
- **Economic Output (Output)** - the dollar value of industrial output produced. Sometimes referred to as “economic activity,” it reflects the spending (e.g., capital improvement plus revenue) by firms, organizations, and individuals tied to the airport. In the case of organizations that do not generate revenue (e.g., government-provided customs processing), annual operating expenses are counted.

The three major components of economic impact are classified as direct, indirect, and induced impacts. These classifications are used as a base for the estimation of total economic impact of McKinney National Airport. *Direct* economic impact measures the economic impact directly associated with airport operations, capital improvements at the airport, and the visitor spending facilitated by the airport. This includes, for instance, the employment of all tenants located at TKI. *Indirect* and *induced* impacts are measured as multiplier impacts in the wider economy stimulated by the airport’s activities (e.g., other businesses that supply goods and services to the airport and spending by airport employees).


Total impacts are calculated by adding together the *direct*, *indirect*, and *induced* impacts.

Economic Impact of the Airport's Ongoing Operations

The economic impact of McKinney National Airport's regular operations extends from the airport property itself throughout the city of McKinney and the state of Texas as a whole. Every flight and every aircraft serviced at TKI generates employment hours related to handling the aircraft and any accompanying passengers. This employment includes airport management and fixed-base operator (FBO) staff, pilots and flight instructors, air traffic controllers, aircraft maintenance and avionics technicians, medevac personnel, and any support staff for activities located at the airport.

Regular ongoing TKI operations directly accounted for 420 jobs earning \$43 million in direct wages, generating \$57 million in direct GDP, and \$105 million in direct economic output. Including multiplier effects (indirect and induced impacts), ongoing airport operations supported a total of 950 jobs and \$81 million in wages, with a contribution of \$122 million in total GDP value-added and over \$220 million in total economic output for the state, as shown in **Figure E-1**.

Figure E-1: Economic Impact of TKI Airport Operations, FY2023



Impact	Employment (Jobs)	Labor Income (\$ Millions)	GDP (\$ Millions)	Output (\$ Millions)
Direct	420	\$43	\$57	\$105
Indirect	240	\$19	\$31	\$58
Induced	290	\$19	\$34	\$57
Total	950	\$81	\$122	\$220





Note: Dollar figures expressed in 2023 dollars. Totals may not sum due to rounding.

Economic Impact of One-Time Capital Improvements

In addition to routine operations, capital enhancement initiatives at airports create and maintain substantial economic influences. The economic repercussions of capital investments are viewed independently from an airport's continuous operations, given that capital expenditure can fluctuate considerably over time and differ based on the specific project. In FY2023, TKI underwent several major capital improvements including the launch of the runway/taxiway extension, the construction of a new storage building, and the completion of the new FBO terminal, among other projects, all of which totaled \$19.2 million in capital expenditures including \$17.2 million specifically spent within Texas.

As shown in **Figure E-2**, this capital expenditure at TKI supported an additional 110 direct jobs that generated \$9 million in direct earnings as well as \$9 million in direct GDP and \$17 million in direct economic output in FY2023. Including multiplier effects, the overall economic impact of these projects amounted to a total of 200 jobs earning \$15 million in wages, with a total contribution of \$20 million in GDP and \$38 million in economic output in FY2023.

Figure E-2: Economic Impact of TKI Capital Improvements, FY2023

				
Impact	Employment (Jobs)	Labor Income (\$ Millions)	GDP (\$ Millions)	Output (\$ Millions)
Direct	110	\$9	\$9	\$17
Indirect	30	\$2	\$5	\$10
Induced	60	\$4	\$6	\$11
Total	200	\$15	\$20	\$38





Note: Dollar figures expressed in 2023 dollars. Totals may not sum due to rounding.

Economic Impact of Visitor Spending

Non-local visitors who fly into North Texas via TKI support additional economic impacts in other industry sectors by spending their money locally. This spending on items like hotels, restaurants, retail, and entertainment supports jobs and additional economic activity throughout the region.

Total visitor traffic that arrived via TKI was estimated at 56,900 in FY2023, spending an estimated total of \$21.7 million during their stay in the area. As summarized in **Figure E-3**, these expenditures associated with visitor traffic handled at TKI supported 310 direct jobs that paid \$7 million in wages and generated \$11 million in direct GDP and \$20 million in direct output in FY2023. Including the indirect and induced impacts, visitor spending facilitated by TKI supported a total of 410 jobs paying \$14 million in labor income, along with \$23 million in total GDP and \$41 million in total output.

Figure E-3: Economic Impact of Visitor Spending Facilitated by TKI, FY2023

				
Impact	Employment (Jobs)	Labor Income (\$ Millions)	GDP (\$ Millions)	Output (\$ Millions)
Direct	310	\$7	\$11	\$20
Indirect	50	\$4	\$6	\$11
Induced	50	\$3	\$6	\$10
Total	410	\$14	\$23	\$41

Note: Dollar figures expressed in 2023 dollars. Totals may not sum due to rounding.

Annual Tax Impacts

The economic footprint of TKI also includes contributions to government revenue at the federal, state, and local levels. Taxes associated with the direct, indirect, and induced employment and business activities associated with ongoing airport operations, airport capital improvements, and visitor spending facilitated by the airport are estimated at nearly \$38.5 million in FY2023.

Approximately 38% (\$14.8 million) of the total tax impact supports state and local government activity within Texas. Most notably, this includes nearly \$4.0 million in direct tax contributions from airport operations, such as ad valorem taxes (\$3.5 million) paid directly by TKI for the local school district, Collin Community College, the City of McKinney, and Collin County.

Figure E-4: Tax Impact of TKI, FY2023

	Impact	Federal	State	Local	Total
Airport Operations	Direct	\$9,072,000	\$2,896,000	\$3,998,000	\$15,967,000
	Indirect	\$4,116,000	\$1,140,000	\$1,037,000	\$6,293,000
	Induced	\$4,264,000	\$1,431,000	\$1,311,000	\$7,007,000
	Subtotal	\$17,452,000	\$5,467,000	\$6,347,000	\$29,266,000
Capital Improvements	Direct	\$1,671,000	\$58,000	\$44,000	\$1,773,000
	Indirect	\$671,000	\$210,000	\$192,000	\$1,073,000
	Induced	\$810,000	\$271,000	\$249,000	\$1,330,000
	Subtotal	\$3,151,000	\$540,000	\$485,000	\$4,176,000
Visitor Spending	Direct	\$1,568,000	\$540,000	\$495,000	\$2,603,000
	Indirect	\$812,000	\$228,000	\$208,000	\$1,248,000
	Induced	\$735,000	\$246,000	\$225,000	\$1,206,000
	Subtotal	\$3,116,000	\$1,014,000	\$928,000	\$5,057,000
Consolidated	Direct	\$12,311,000	\$3,494,000	\$4,538,000	\$20,343,000
	Indirect	\$5,599,000	\$1,578,000	\$1,437,000	\$8,614,000
	Induced	\$5,809,000	\$1,949,000	\$1,785,000	\$9,543,000
	Total	\$23,719,000	\$7,020,000	\$7,760,000	\$38,499,000

Note: Figures shown are rounded to the nearest thousand. Figures may not sum to totals due to rounding.

Contents

Executive Summary	i
1 Introduction.....	1
1.1 North Texas and the Dallas-Fort Worth Metro Area.....	1
1.2 McKinney National Airport	2
1.3 Overview of Economic Impact	4
1.4 How Airports Generate Economic Impacts.....	5
1.5 Categories of Economic Impact.....	6
2 Methodology	8
2.1 Data Collection and Assumptions.....	8
2.2 Estimating Multiplier Impacts	8
2.3 Estimating Tax Impacts	9
2.4 Note on Rounding and Dollar Figures	10
3 Economic Impact of Airport Operations	11
3.1 Direct Impacts of Airport Operations	11
3.2 Indirect and Induced Impacts of Airport Operations	13
3.3 Total Economic Impact of Ongoing Airport Operations	14
4 Economic Impact of One-Time Airport Capital Improvements.....	17
4.1 Capital Improvements in FY2023	17
4.2 Future Capital Improvements (FY2024-28)	18
5 Economic Impact of Visitor Spending.....	19
5.1 Visitor Spending.....	19
6 Consolidated Economic Impact of TKI in FY2023	22
7 Tax Impacts.....	23
8 Comparison of 2017 and FY2023 Results	25
Appendix A: Glossary of Terms.....	27

1 Introduction

The McKinney National Airport (TKI) engaged InterVISTAS Consulting Inc. (InterVISTAS) to conduct an economic impact study for the fiscal year ended September 30, 2023 (FY2023). This study provides the latest snapshot of the airport's annual economic contribution to the state of Texas, accounting for the fact that TKI has experienced notable growth in its tenant operations and aviation activity in recent years. There are roughly 40 different onsite businesses and organizations based at TKI, an increase of +33% since 2017. Total air traffic movements surpassed 150,000 in 2023 (+15% since 2017), driven in large part by historic growth in commercial air taxi services.

Airports play a critical role within the economy by facilitating the movement of people, goods, and services throughout the nation. The industry facilitates employment and economic development in local communities through a number of key mechanisms including tourism, investment, trade of goods and services, and productivity gains. The development of aviation operations and related activities facilitated by TKI has made it a robust economic generator for North Texas and the state of Texas as a whole.

1.1 North Texas and the Dallas-Fort Worth Metro Area

The economy in North Texas is primarily centered around the Dallas-Fort Worth Metroplex, the most populous metropolitan area in Texas and the southern United States. With some of the largest cities in the state, this metro area includes a population of over 8.1 million residents.³ The Dallas-Fort Worth Metroplex has become a diverse and culturally rich region as well as an economic hub for technology, manufacturing, sports, and tourism. With the nickname of "Silicon Prairie", the Metroplex is an established center for business management and banking, with numerous Fortune 500 companies located in the Dallas-Fort Worth area.⁴

Located in Collin County and part of the Dallas-Fort Worth Metroplex, the city of McKinney serves as the county seat home to a population of almost 215,000.⁵ McKinney has been recognized for its rapid economic growth, having been named the sixth fastest growing city in the U.S. in 2019 and recognized for its strong housing market.⁶ Its largest employers include private firms in defense contracting, high-tech, and financial services. The city also offers a charming arts, recreation, and tourism scene with attractions that include the McKinney Performing Arts Centre, a historic downtown core, and several parks and outdoor recreation areas; this list will grow further with the debut of a 20,000-capacity open-air amphitheater set to become a major music venue for the region starting in 2026.⁷

³ <https://www.nbcdfw.com/news/local/dallas-fort-worth-leads-all-metro-areas-in-population-growth/3489168/>

⁴ <https://fortune.com/2022/06/04/fortune-500-companies-by-region-west-midwest-south-northeast/>

⁵ <https://www.mckinneytexas.org/294/Demographics-Census-Reports>

⁶ <https://uniquemckinney.com/>

⁷ <https://shorefire.com/releases/entry/mckinney-tx-chosen-for-notes-lives-largest-venue-yet>

1.2 McKinney National Airport

McKinney National Airport (TKI) is a general aviation and regional reliever airport situated in Collin County, roughly 30 miles north of the city of Dallas. TKI is owned and operated by the City of McKinney and features a 7,002-foot primary runway, a full-length parallel taxiway, and an expanse of adjacent property offering aircraft storage and hangars. TKI is home to several based aircraft owned by major corporations within the region as well as a number of airport tenants involved in corporate/private flying, flight training, aircraft servicing and maintenance, avionics, and government operations, among others.

TKI has progressively developed its aviation infrastructure and property to accommodate future growth in activity at the airport. In late 2023, TKI opened its new general aviation terminal run by its award-winning fixed-base operator, McKinney Air Center, which spans two stories and 17,000 square feet and offers amenities to crew and passengers such as conference spaces, lounge and prep areas, and a bar.⁸ More recently, in May 2024, the airport broke ground on a 40,000 square foot hanger as well as a U.S. customs facility, which will help serve growing demand for aircraft storage and maintenance space as well as improving international arrivals processing, respectively.⁹ These initiatives, among several others, signify the airport as a robust and growing source of economic activity for the local area.

1.2.1 Core Catchment Area

TKI's core catchment area covers the region of North Texas immediately surrounding TKI, encompassing the bulk of the Dallas-Fort Worth metropolitan area and adjacent counties north of Collin County. Although airport catchment areas do not correspond exactly to political boundaries such as county lines, for purposes of this study and economic impact modelling, TKI's local region is broadly considered to include the 10 counties outlined in **Figure 1-1** below.¹⁰

Figure 1-1: TKI Local Economic Region



⁸ <https://airportimprovement.com/article/mckinney-national-provisions-surging-corporate-sector>

⁹ <https://www.mckinneytexas.org/CivicAlerts.aspx?AID=5574>

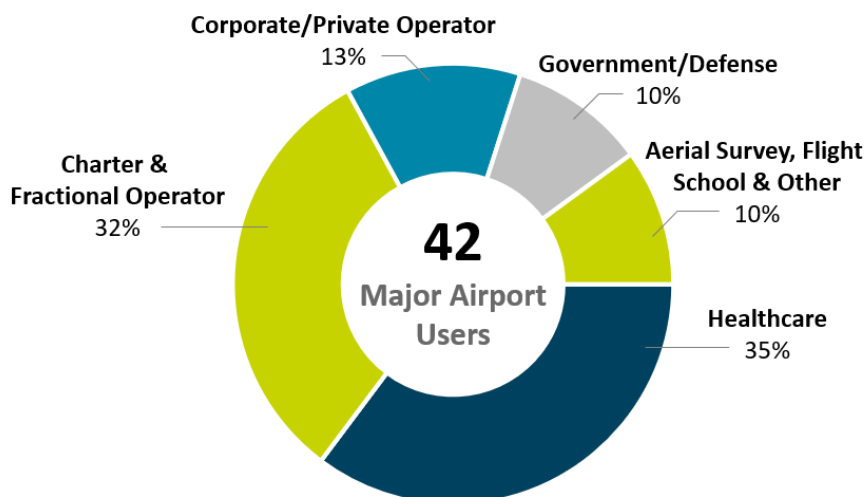
¹⁰ Note that while TKI is known to serve the Dallas-Fort Worth metro area, several counties comprising the far southern and western boundaries of the Dallas-Fort Worth Combined Statistical Area (CSA) are not included in the catchment area as these represent long drive times from TKI (90+ minutes) with closer alternative airports available.

1.2.2 Serving Local Business and the Community

Numerous businesses based in McKinney and the surrounding area depend on TKI as a critical part of their operations. Airport management identified over 40 major users alone, encompassing the businesses and organizations who regularly use the airport. **Figure 1-2** illustrates the breakdown of these major airport users based on their share of daily aviation activity at TKI. Healthcare transportation and corporate flying (either by firms' in-house flight departments or through charter/fractional operations) comprise the bulk of business use for TKI, with 80% of regular air traffic at TKI attributable to major users in these sectors. Government and defense service providers, aerial survey companies, and flight schools comprise the remainder of the airport's major users.

TKI provides air connectivity that serves local business and the community as a whole. Healthcare providers (i.e. medevac) utilize the airport as often as 12 times a day, primarily on helicopters providing critical medical accessibility for Collin County. TKI also supports daily operations related to government work – including state law enforcement, federal government agencies, and high-tech defense contractors – as well as aerial surveying that supports geomatics and related research uses. Major users related to corporate flying include 16 charter/fractional operators along with 11 businesses who privately fly their own aircraft. They commonly use midsize business jets like the Cessna 560, though the airport accommodates a range of other aircraft from the 4-seater Cessna 172 to the DC-9 which can seat up to 135 passengers. Altogether, TKI serves a critical role in facilitating the air connectivity that helps local firms move employees, clients, and cargo as efficiently as possible and enable greater productivity across their operations.

Figure 1-2: Major Airport Users at TKI, 2023



Note: shares based on average daily movements across major airport users only, not accounting for other operations such as leisure or reliever flights.

Beyond serving local aviation demand, the airport further supports the local community through a variety of charitable and educational outreach initiatives. In FY2023, airport management contributed nearly 700 volunteer hours locally, and the airport hosted meetings and events for community organizations including:

- **Challenge Air** – a Dallas-based non-profit whose Fly Day program gives children with special needs the opportunity to fly.
- **Experimental Aircraft Association (EAA)** – local Chapter 1246 supports and promotes education, volunteerism, and outreach related to recreational aviation.
- **Civil Air Patrol** – a non-profit, civilian auxiliary of the U.S. Air Force whose initiatives include its youth air cadet program and other community involvement geared toward promoting aviation and related fields.

1.3 Overview of Economic Impact

Economic impact is a measure of the spending and employment associated with a sector of the economy, a specific project (e.g. the construction of a new facility), or a change in government policy or regulation. This study focuses on the employment and spending associated with McKinney National Airport.

Economic impact is commonly measured using several metrics including employment, labor income, Gross Domestic Product (GDP), and economic output, all of which are defined in **Figure 1-3**. These measures help express the gross level of economic activity being generated by the airport. The economic benefits of the airport are highlighted by both the employment and income supported by the airport as well as the impacts on the broader economy through the production of GDP and economic output.¹¹

¹¹ Economic impact is different from a cost-benefit analysis that weighs benefits against costs.

Figure 1-3: Measures of Economic impact

Employment (Jobs)	<ul style="list-style-type: none"> The number of jobs employed by businesses, organizations, and institutions linked to the airport.
Labor Income	<ul style="list-style-type: none"> The wages, salaries, bonuses, benefits, and other remuneration earned by all workers linked to the airport.
Gross Domestic Product (GDP)	<ul style="list-style-type: none"> GDP is a measure of the dollar value of final goods and services produced locally because of the airport. GDP includes operating surpluses of businesses linked to the airport, plus employee remuneration and net indirect taxes paid to government. GDP does not include the value of intermediate goods and services used to produce the final goods and services.
Economic Output (Output)	<ul style="list-style-type: none"> The total gross spending (i.e., capital improvement plus revenue) by firms, organizations, and individuals involved in activities linked to the airport, including intermediate consumption.

1.4 How Airports Generate Economic Impacts

This study measures three main ways in which McKinney National Airport generates or facilitates economic impact – ongoing airport operations, airport capital improvement projects, and visitor spending.

- **Airport Operations** include aviation and all related activities associated with running the airport and onsite businesses by airport tenants.
- **Airport Capital Improvement** includes the construction activity associated with infrastructure improvements made at the airport. Capital improvements at TKI are considered separately from regular airport operations as they generate one-time economic impacts and can vary over time and on a project-by-project basis.
- **Visitor Spending** accounts for the tourism-related economic impacts facilitated by the airport by way of helping to bring non-local visitor traffic into the region to spend money on local businesses (namely food, accommodations, ground transportation, entertainment, and retail).

1.5 Categories of Economic Impact

The three major levels of economic impact are classified as *direct*, *indirect*, and *induced* impacts. Airport operations, airport capital improvements, and visitor spending each generate their own set of these impacts. Combined, these classifications constitute the total economic impact of McKinney National Airport. Each level of economic impact requires different tools of analysis. The direct, indirect, and induced employment, labor income, GDP, and output generated or facilitated by the airport are examined to produce a snapshot of the airport's economic footprint.

Direct Impact

Direct impacts account for the economic activity of the target sector itself. In the case of airport operations, the direct impacts cover the employment, labor income, GDP, and economic output that can be attributed to the operation and management of the airport, including all onsite businesses as well as any offsite activities that are directly involved in running the airport. In terms of the direct employment impacts, this would include all personnel working at TKI including airport management staff, employees of the fixed-base operator (FBO), private and corporate flight crews, aircraft maintenance and avionics technicians, flight instructors, medevac staff, etc.

Direct employment impacts of airport capital improvements would include construction workers, contractors, engineers, and anyone else directly involved in an airport construction project.

Direct employment impacts of visitor spending would include a portion of employees at hotels, restaurants, shops, and other hospitality businesses throughout North Texas where visitors arriving via TKI spend their money. Without expenditures by these visitors, there would be relatively fewer employees needed at these businesses.

Figure 1-4:
Categories of Economic Impact Generated and Facilitated by McKinney National Airport



Indirect Impact

Indirect impacts occur as a result of the direct impacts. This involves employment, labor income, GDP, and economic output generated by *supplier industries* that support airport operations, airport capital improvements, and the tourism-related businesses serving visitor traffic. In the case of airport operations specifically, the indirect impacts are generated in industries that supply or provide goods and services to the aviation industry. This could include oil refineries for jet fuel, parts suppliers for aircraft maintenance, accounting and legal service providers for airport tenants, etc.

Indirect impacts also stem from the direct impacts associated with capital improvements and visitor spending including, for instance, suppliers that sell tools used for the construction of capital improvements at the airport, or food wholesalers to restaurants where out-of-state visitors spend their money.¹²

Induced Impact

Induced impacts are created by the spending of wages, salaries, and profits earned from the direct and indirect economic activities. They capture the economic activity generated by the employees of firms directly or indirectly connected to TKI spending their wages in the general economy. For example, if an aircraft maintenance engineer working at TKI – or a construction worker involved in the runway extension project, or a manager at a hotel serving visitors from TKI – spends his/her wages on groceries, restaurants, childcare, dental services, home renovations, and other items, this spending in turn generates employment in a wide range of sectors throughout the general economy. Induced impact is often called the “household spending effect”.

Total Impact

Total impacts are the sum of the direct, indirect, and induced impacts collectively associated with ongoing airport operations, capital improvements, and visitor spending.

¹² The indirect impacts of aviation can include some impacts associated with the hospitality industry. Similarly, the indirect impacts of tourism accounts can include aviation. Adjustments have been made to mitigate any double-counting in the overall economic impacts of airport operations and visitor spending.

2 Methodology

This chapter summarizes the methodology and sources used to estimate the economic impact of McKinney National Airport.

2.1 Data Collection and Assumptions

Economic impact analysis is built upon a foundation of reliable data related to the direct economic activity being measured. The core inputs related to this direct economic activity were collected through a survey completed by TKI airport management and included the following data:

- Airport management headcount and payroll.
- Detailed aviation activity data including estimates on the share of itinerant traffic attributable to non-local visitors as well as visitor characteristics such as average trip length and purpose.
- Name, type of business/activity, and employee headcounts for all airport tenants.
- Airport capital expenditures, including both historical and future planned expenses by TKI and tenants.

The direct airport employment, annual capital expenditures, and number of visitors flying into TKI were therefore derived from this data.

In addition, the project team relied on a variety of public data sources to estimate the average amount and distribution of spending by visitors to the local region via TKI. Because the inherent nature of GA travel presents challenges to directly surveying or interviewing this market – particularly corporate flying which is characterized by anonymity and confidentiality – average visitor spend rates were modelled using local data on key expenditure items (e.g. hotel Average Daily Rates (ADRs), ground transport rates, etc.) and corroborated with broader data on Texas state and local tourism, business travel studies, and economic impact studies of GA airports with a similar mix of visitor traffic. Key sources include the Texas Hotel & Lodging Association, the federal General Services Agency (GSA) local per diem data, Travel Texas' Travel Research Dashboard and related industry research reports, the U.S. Bureau of Economic Analysis Travel and Tourism Satellite Accounts, and tourism economic impact studies by DMOs such as Visit Dallas. Using this information, a range of trip spend rates was developed based on different spending characteristics across business versus personal/leisure visitors, and final assumed rates around the midpoint of this range were applied against the TKI visitor traffic numbers to estimate overall visitor expenditures.

2.2 Estimating Multiplier Impacts

Using the data and assumptions described in the preceding section as direct inputs – i.e. direct airport employment, airport capital expenditures, and visitor expenditures – the IMPLAN model was then applied to estimate the other associated economic impacts. The IMPLAN model estimated the multiplier (indirect

and induced) impacts,¹³ as well as certain direct economic impacts which were not explicitly measured by the project team such as GDP and economic output.

The IMPLAN model is an industry-recognized economic model which is used to identify interrelationships in a regional economy and estimate the impacts of changes on that economy. The IMPLAN model is developed from hundreds of data sources, most notably the Bureau of Economic Analysis's (BEA) Benchmark I-O tables, the Bureau of Labor Statistics (BLS) Quarterly Census of Earnings and Wages, the Census Bureau, and the U.S. Department of Agriculture.

The economic multipliers used in this study were based on the 2022 Input-Output (I-O) multipliers maintained by IMPLAN for each county in the State of Texas, which are the most current and relevant I-O multipliers available at the time of the study. The economic ratios and multipliers have been updated to reflect 2023 price levels, but no structural changes have been assumed.

IMPLAN's Multi-Regional Input-Output (MRIO) analysis was used to model the total impacts throughout the State of Texas. The MRIO method first estimates the indirect and induced impacts occurring within the airport's catchment area, then estimates the indirect and induced impacts occurring outside the catchment area but throughout the rest of the state. This is IMPLAN's recommended approach for calculating total statewide impacts, instead of using broader aggregated data such as state-level average multipliers.

2.3 Estimating Tax Impacts

A related part of the economic impact associated with TKI includes the volume of tax revenues generated for federal, state, and local governments. Direct employment impacts involve tax revenue to public treasuries, and there are other taxes levied locally and by the state. The supply chain also contributes to government revenues, as does employment supported via the ripple effects of indirect and induced economic activity.

The IMPLAN model was used to estimate the tax revenues associated with airport operations, airport capital improvements, and visitor spending.¹⁴ The tax impacts include revenues going to the federal as well as state and local governments and are representative of all estimated tax revenues generated by direct, indirect, and induced employment and business activity. The estimates developed by IMPLAN were supplemented and adjusted with any tax information directly reported by the airport, specifically the ad valorem taxes generated by TKI amounting to \$3.5 million in direct local taxes for Fiscal 2023.¹⁵

¹³ As previously noted, the aviation and tourism industries are interrelated, which means that the indirect impacts of aviation can include some impacts associated with the hospitality industry. Similarly, the indirect impacts of tourism accounts can include aviation. As part of the modelling process, the project team makes adjustments to remove any double-counting in the overall economic impacts of airport operations and visitor spending.

¹⁴ IMPLAN makes use of regional averages per industry to estimate tax impacts.

¹⁵ <https://www.mckinneytexas.org/3444/Community-Stewardship>

2.4 Note on Rounding and Dollar Figures

The findings of this study are presented throughout the report in rounded figures, as economic impact figures are estimates and not the result of a detailed audit or accounting exercise. All dollar figures throughout the report are expressed in 2023 dollars unless otherwise noted.

3 Economic Impact of Airport Operations

This chapter describes the direct, indirect, induced, and total impacts of the ongoing operations of TKI. The additional impacts associated with capital improvements at the airport as well as visitor spending are discussed separately in the subsequent chapters.

3.1 Direct Impacts of Airport Operations

The direct impacts are those attributed to employment located on airport property or otherwise directly involved in airport operations. The direct employment of TKI's ongoing operations is the sum of airport staff and all airport tenants' employees, as collected and reported by TKI management.¹⁶

Using the direct employment figures as inputs, the direct labor income,¹⁷ GDP, and economic output impacts were then estimated using the IMPLAN model.

Direct Impacts of Airport Operations

Through its ongoing operations, TKI contributes directly to employment and the regional economy. It also acts as an economic catalyst, facilitating the growth of regional businesses and communities. Every flight and every aircraft serviced at TKI generates employment hours related to handling the aircraft and any accompanying passengers. This employment includes flight crew and flight instructors, airport management and FBO staff, air traffic controllers, aircraft maintenance and avionics technicians, medevac personnel, and any support staff for activities located at the airport.

Figure 3-1 summarizes the direct impacts of ongoing operations at TKI in FY2023. Altogether, ongoing airport operations directly supported 420 jobs that paid \$43 million in earnings, providing an average income of about \$103,400 per job. This compares to the average annual Texas state wage of \$65,400 and the average national wage of \$68,500 in 2023.¹⁸

In addition to employment and wages, the airport directly contributed \$57 million in GDP and \$105 million in economic output in FY2023.

Figure 3-1: Direct Impacts of TKI Airport Operations, FY2023

				
Impact	Employment (Jobs)	Labor Income (\$ Millions)	GDP (\$ Millions)	Output (\$ Millions)
Direct	420	\$43	\$57	\$105

¹⁶ All employment figures in this report are measured in jobs or headcount.

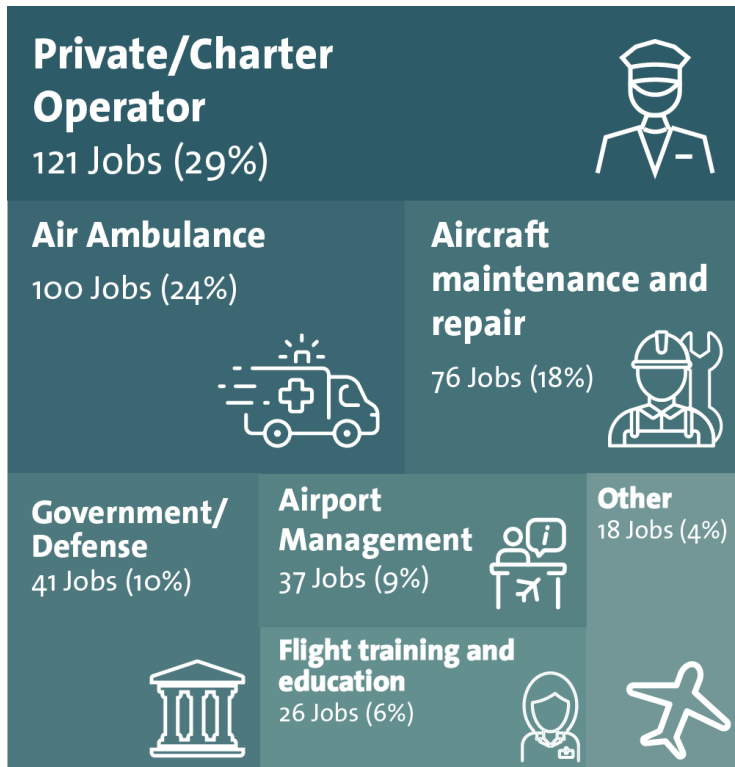
¹⁷ TKI management reported its own payroll which was used as an input for direct labor income. The direct labor income associated with airport tenants was estimated using IMPLAN.

¹⁸ U.S. Bureau of Economic Analysis.

Direct Employment by Business Type at TKI

Over the past six years, direct employment related to ongoing airport operations has grown by nearly 50%, with a net increase of 135 jobs located at TKI between 2017 and FY2023, marked by growth in flying activity as well as new and larger tenants operating out of TKI.¹⁹ **Figure 3-2** shows the breakdown of direct employment at TKI by business type.

Figure 3-2: Direct Employment at TKI by Business Type



The business categories shown above can be summarized as follows:

- **Private/Charter Operator** includes the employment related to private flying by businesses operating their own aircraft based at TKI (i.e. in-house flight departments) as well as charter operators. This category accounts for 121 jobs (29% of direct employment).
- **Air Ambulance** includes employment related to the operation of medevac services including pilots, medical personnel, and other support staff. Firms in this category employ about 100 jobs, or 24% of direct employment at TKI.
- **Aircraft maintenance and avionics** includes tenants primarily involved in aircraft repair and servicing, representing 76 jobs (18% of direct employment) at TKI.

¹⁹ 2017 direct job counts cited from the statewide Texas Aviation Economic Impact Study (August 2018) prepared for the Texas Department of Transportation (<https://www.txdot.gov/projects/planning/aviation-capital-improvement/economic-impact.html>).

- **Government/Defense** accounts for employment related to government agencies and defense contractors who fly out of TKI. This category accounts for roughly 41 jobs, or 10% of total onsite employment.
- **Airport Management** refers to TKI staff who oversee the airport and FBO, amounting to 37 jobs (9% of total onsite employment).
- **Flight training and education** employment accounts for flight instructors and other staff employed at flight schools and clubs. This category accounts for 26 jobs, comprising 6% of direct employment.
- **Other** includes employees related to air traffic control, a car rental firm, and a couple smaller private tenants at TKI, totaling 18 jobs or 4% of direct employment.

3.2 Indirect and Induced Impacts of Airport Operations

Indirect Impacts of Airport Operations

Indirect effects include the economic undertakings of companies that support direct airport operations. For example, this includes the segment of employment in supplier industries that rely on sales to the air transport sector, such as oil refineries that provide jet fuel.

In FY2023, TKI operations supported 240 indirect jobs that paid \$19 million in labor income (see **Figure 3-3**). This activity generated \$31 million in indirect GDP and \$58 million in indirect economic activity.

Figure 3-3: Indirect Impacts of TKI Airport Operations, FY2023



Impact	Employment (Jobs)	Labor Income (\$ Millions)	GDP (\$ Millions)	Output (\$ Millions)
Indirect	240	\$19	\$31	\$58

Induced Impacts of Airport Operations

Induced impacts are those created by the spending of wages, salaries, and profits earned in direct and indirect economic activities. These are the “ripple effects” or “household spending effects” of successive rounds of spending throughout the broader state economy. Induced employment, for example, is employment generated from the expenditures by individuals employed directly or indirectly from airport operations. Induced effects typically reflect changes in spending from households as income increases or decreases due to the changes in production (in this case, airport operations).

As shown in **Figure 3-4**, TKI operations supported another 290 induced jobs that paid \$19 million in earnings. This activity amounted to \$34 million in GDP and \$57 million in economic activity.





Figure 3-4: Induced Impacts of TKI Airport Operations, FY2023

				
Impact	Employment (Jobs)	Labor Income (\$ Millions)	GDP (\$ Millions)	Output (\$ Millions)
Induced	290	\$19	\$34	\$57

3.3 Total Economic Impact of Ongoing Airport Operations

Ongoing TKI operations, including multiplier (indirect and induced) effects, supported over 950 jobs and \$81 million in wages in FY2023. Including multiplier impacts, operations at the airport also contributed over \$122 million in total GDP and \$220 million in total economic output for the state, as shown in **Figure 3-5**.

Figure 3-5: Total Economic Impact of TKI Airport Operations, FY2023

				
Impact	Employment (Jobs)	Labor Income (\$ Millions)	GDP (\$ Millions)	Output (\$ Millions)
Direct	420	\$43	\$57	\$105
Indirect	240	\$19	\$31	\$58
Induced	290	\$19	\$34	\$57
Total	950	\$81	\$122	\$220

Cirrus Aircraft: Investing in McKinney

Founded in 1984, Cirrus Aircraft is among the largest aircraft manufacturers in the world, offering personal aircraft with innovative design features and a suite of support services to its clientele across the United States. Cirrus Aircraft opened its service facility at McKinney National Airport (TKI) in 2021, marking the first in a series of expansions to establish service hubs within core customer markets nationwide. McKinney National Airport was a clear choice as a service center, offering ample opportunity for Cirrus to grow their facilities at the airport and supported by a local economy with the skilled workforce and high living standards needed for Cirrus to develop its presence in the region for long-term success.

Current Operations at TKI

Cirrus' core operations include its manufacturing site in Duluth, Minnesota and service/delivery hub in Knoxville, Tennessee. Cirrus currently produces two main aircraft types—the Vision Jet, a flexible aircraft designed for both private and corporate use that can seat up to 7, as well as the SR Series G7, a single-engine personal aviation plane with a maximum range of 1,021 nm. All aircraft are made with composite materials to make them light and structurally sound. Further, aircraft manufactured by Cirrus prioritize the needs of private aviation users, most notably with safety in mind. Cirrus aircraft are equipped with the Cirrus Airframe Parachute System (CAPS), a parachute which when fully deployed, will safely bring the entire aircraft to the ground. As the only company to include this system in its factory-made models, Cirrus has delivered thousands of aircraft equipped with CAPS and saved over 250 lives to date.

While no aircraft are physically manufactured in McKinney, the TKI facility provides value-added services to Cirrus' customers covering two main functions—aircraft servicing and flight training. TKI is a direct factory service center where aircraft owners can fly in for inspections, repairs, upkeep, and related aircraft maintenance. In addition, the TKI location offers flight training, with instructors and advanced flight simulators available on-site at the airport to serve student pilots. This location—which employs roughly 65 people—serves a large market of Cirrus customers across Texas and nearby states such as Colorado, Wyoming, New Mexico, Oklahoma, and Arkansas.

As a prime location for a service facility, McKinney National Airport appealed to Cirrus for a variety of reasons. First, the airport is well situated to serve the region's significant population of private aircraft owners. Considering Cirrus customers only, roughly 1,000 aircraft are based within a 200-mile radius from TKI. Additionally, the McKinney area is home to a large, high-skilled workforce including engineers, flight instructors, and other technical trades needed at Cirrus' factory service centers.

In turn, Cirrus' facility at TKI supports economic activity at the airport and throughout the local area. Cirrus customers value the time-savings associated with general aviation over alternative means of travel. This includes, for instance, the corporate traveler from Dallas who can take a 2-hour flight out of

Cirrus Aircraft: Investing in McKinney

(continued)

TKI for a meeting in El Paso and return home later that afternoon, instead of spending several additional hours to fly commercially out of DFW, or driving 10 hours on an overnight trip. In addition, Cirrus' facility at TKI welcomes over 700 inbound aircraft each year, bringing significant economic value to the local area in the form of onsite aircraft servicing and training as well as visitor spending on fuel and local hospitality. Cirrus' investment in TKI also involves an investment in the McKinney community at large, with the firm donating to aviation-related school programs each year and developing partnerships with the local chamber of commerce as well as the McKinney Economic Development Corporation.

Looking Forward

The success of Cirrus' current operations in McKinney is fostering continued growth. Expansion plans at TKI are well underway, with Cirrus set to expand its offerings to include aircraft management as well as engineering support. The aircraft management program, under the brand Cirrus One, will involve a full-service operation whereby Cirrus handles all upkeep for aircraft owners – including storage, cleaning, maintenance, flight preparation, and any other needs – directly out of TKI. In addition, the firm plans to establish a new engineering facility at TKI to provide support to the main manufacturing site in Duluth.

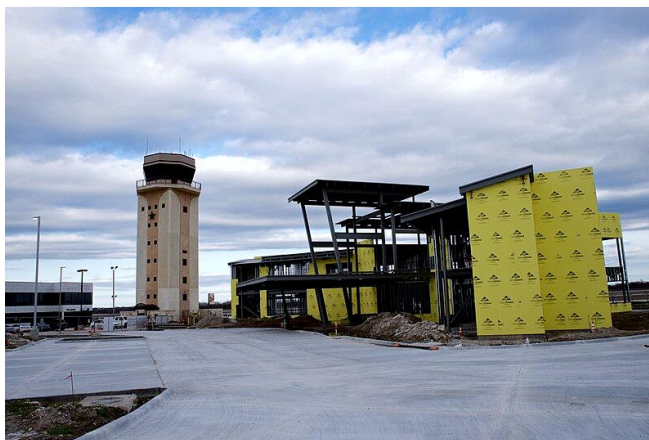
For this expansion, Cirrus is investing \$14.5 million in capital improvements at the airport including new hangars for up to 16 aircraft to be managed under Cirrus One as well as added capacity for factory service and flight training, the engineering satellite facility, and additional amenities for customers such as a business center with conference rooms. Once these expansions are operational, Cirrus' presence at TKI is expected to grow to around 90 employees.

4 Economic Impact of One-Time Airport Capital Improvements

4.1 Capital Improvements in FY2023





Annual capital investments at TKI reflect major infrastructure developments needed to keep the airport functional as well as to accommodate anticipated future growth in activity at the airport. Each capital improvement project generates additional economic impacts beyond regular daily airport operations as previously described.

In FY2023, TKI reported nearly \$19.2 million on capital expenditures, of which an estimated \$17.2 million (90%) related to in-state expenditures generating economic impacts within Texas. This spending is largely related to the start of the runway/taxiway extension (which will continue through subsequent years), the construction of an airfield maintenance equipment building, and the completion of the new FBO terminal which opened toward the end of FY2023.



As shown in **Figure 4-1**, capital spending in FY2023 alone supported 110 direct jobs that generated \$9 million in direct earnings as well as \$9 million in direct GDP and \$17 million in direct economic output. Including multiplier effects, the average annual capital spending at TKI supported a total of 200 jobs earning \$15 million in wages, with a total contribution of \$20 million in GDP and over \$38 million in economic output.

Figure 4-1: Total Economic Impact of TKI Capital Improvements, FY2023

				
Impact	Employment (Jobs)	Labor Income (\$ Millions)	GDP (\$ Millions)	Output (\$ Millions)
Direct	110	\$9	\$9	\$17
Indirect	30	\$2	\$5	\$10
Induced	60	\$4	\$6	\$11
Total	200	\$15	\$20	\$38





4.2 Future Capital Improvements (FY2024-28)

While capital spending in FY2023 generated a notable one-time economic impact in the study year, the planned capital investments at TKI throughout the coming five years reflect sustained development in airport infrastructure which are anticipated to stimulate substantially additional economic activity throughout the region and the State of Texas.

Planned new investments at TKI by both the airport management and onsite tenants are expected to total \$331.4 million between FY2024 and FY2028, of which an estimated 83% or \$276.2 million will be attributed to in-state expenditures. This amounts to an annual average of \$55.2 million of in-state spending which will generate economic impacts throughout Texas in each of the next five years. This planned spending covers numerous major developments including continued work on the runway extension and taxiway reconstruction, preparation of the airport property's east side for future development, hangar and other facility builds, and investments by tenants including a multi-building and hangar development by Cirrus Aircraft.²⁰

The annual average impact of \$55.2 million in capital investments spent within Texas throughout each of the next five years is summarized in **Figure 4-2** below. An estimated 350 direct jobs and \$28 million in direct GDP will be generated each year, with a potential total economic impact (including multiplier impacts) of 640 total jobs, \$65 million in total GDP, and \$122 million in total economic output each year, on average.

Figure 4-2: Annual Average Economic Impact of Planned TKI Capital Improvements, FY2024-28

				
Impact	Employment (Jobs)	Labor Income (\$ Millions)	GDP (\$ Millions)	Output (\$ Millions)
Direct	350	\$28	\$28	\$55
Indirect	110	\$10	\$16	\$32
Induced	180	\$11	\$21	\$35
Total	640	\$49	\$65	\$122

²⁰ For example, refer to the public notice of 2024 projects:
<https://www.mckinneytexas.org/CivicAlerts.aspx?AID=5398>

5 Economic Impact of Visitor Spending

5.1 Visitor Spending

TKI's economic footprint also flows from spending by the business and leisure visitors who arrive in the area by flying via TKI. Spending by non-resident visitors who arrive by aviation contributes to local and regional economic activity, particularly for the hospitality industry. Most of the local economic impact of passengers who move through airports is attributable to visitors who spend money on local transportation, hotels, restaurants, retail, and recreation and entertainment activities. The impact of these travelers is additional to the impacts associated with ongoing operations and capital improvement projects at the airport itself.

The economic impact of visitor spending was analyzed by estimating the share of passenger traffic at TKI attributable to inbound, non-resident visitors, applied to estimates of the average amount spent by each of these visitors during their stay on key items such as hotel, food, ground transportation, etc. These estimates are then applied to the IMPLAN model to derive the associated economic impacts.

Visitor Air Traffic

The number of non-local visitors who flew into TKI was based on estimates provided by TKI management related to the proportion of itinerant GA arrivals²¹ which were attributable to non-locally based aircraft (often referred to as “transient” operations), as well as the average size of those aircraft. Specifically, the number of annual visitors to TKI was calculated as follows:

Visitors at TKI = (Annual Itinerant GA Movements / 2) * Percent Transient * Average Passengers per Aircraft

Traffic by air taxi versus other GA (i.e. private operators) were separately assessed given fundamental differences between the nature of these operations, such as average aircraft sizes.

Using these estimates, total visitors at TKI were estimated to be 56,900 in FY2023, detailed further in **Figure 5-1** below. TKI management also provided key characteristics related to its visitors including that visitors spend on average 1 night's stay in the area on a typical trip, and approximately 70% of visitors are on business-related travel. This information provides important parameters for understanding potential spending rates and patterns for this visitor market, discussed further in the following section.

²¹ GA arrivals are defined as GA movements divided in half to account for arrivals only. The analysis excludes local movements, e.g. flight training operations.

Figure 5-1: TKI Visitor Profile, FY2023

Visitor Traffic					
Air Service	Itinerant Movements	% Transient	Transient Movements	Avg Pax per Arrival	Total Visitors
Air Taxi	15,900	95%	15,100	6	45,300
Other GA	38,800	30%	11,600	2	11,600
Total	54,600	49%	26,700	4	56,900
Note: Figures are rounded					
Visitor Trip Profile					
Average Length: 1 night					
Trip Purpose: 70% Business; 30% Personal/Leisure					

Source: TKI Management Survey.

Visitor Expenditures

Spending by GA visitors likely differs from visitors who travel by different means, such as commercial aviation or ground transport (e.g. cars). Most visitors through TKI are travelling for business purposes and, given their means of transport via GA, are presumably less price-sensitive than other travelers but have shorter trip-lengths amounting to roughly one night's stay on average.

Taking into account the particular trip profile of this visitor market, the project team relied on a variety of sources to estimate spending by TKI's visitors, as discussed in **Section 2.1**. An average trip spend of approximately \$380 per visitor was developed based on a series of assumptions and local data such as the average regional hotel rate for an overnight stay, meal expenses and ground transport to and from the airport, and a range of potential discretionary spending across different trip purposes. For instance, if a typical business visitor arriving at TKI stays overnight in the area, he/she may spend \$160 for one night's stay in a local hotel and an additional \$220 on meals, ground transport, and incidentals for a total trip spend of \$380, based on the hotel ADRs in the McKinney and Dallas-Ft. Worth area and typical business trip spend patterns in 2023. However, a different business traveler may spend more money at a high-end hotel in downtown Dallas and on fancier meals, or less money if he/she is visiting on a day-trip only. Alternatively, personal/leisure traffic may reflect a wider range of spending, as leisure visitors may spend more on local entertainment or shopping relative to a business visitor.

Overall, total spending by visitors at TKI was estimated at over \$21.7 million in FY2023.

Figure 5-2: Visitor Expenditures by TKI Traffic, FY2023

TKI Visitors	Average Trip Spend	Total Expenditures
56,900	\$380	\$21,727,000

Note: Figures are rounded.





Economic Impact of Visitor Spending

The economic impacts of non-local visitors who used air travel through TKI in FY2023 and spent money throughout the region are summarized below in **Figure 5-3**.

In FY2023, visitor spending associated with traffic flying in via TKI supported 310 direct jobs that paid \$7 million in wages, further generating \$11 million in direct GDP and \$20 million in direct output. Including the indirect and induced impacts, visitor spending by TKI's air traffic supported a total of 410 jobs paying \$14 million, along with \$23 million in total GDP and \$41 million in total output.

Without the volume of air visitor traffic facilitated by TKI, the demand for tourism and hospitality in North Texas would be smaller and the size of the tourism and hospitality industry, including the number of jobs and economic activity it generates, would in turn be smaller, as well.

Figure 5-3: Economic Impact of Visitor Spending Facilitated by TKI, FY2023


				
Impact	Employment (Jobs)	Labor Income (\$ Millions)	GDP (\$ Millions)	Output (\$ Millions)
Direct	310	\$7	\$11	\$20
Indirect	50	\$4	\$6	\$11
Induced	50	\$3	\$6	\$10
Total	410	\$14	\$23	\$41

6 Consolidated Economic Impact of TKI in FY2023

The total economic impact of TKI incorporates the impacts associated with ongoing airport operations, capital improvement projects at the airport, and spending from visitors who fly into the area via TKI. They include the impacts linked directly to each of these components, as well as the associated supply chain effects (indirect impacts) and the resulting household spending effects (induced impacts).

As shown in **Figure 6-1**, the consolidated economic impact of TKI surpassed 1,560 total jobs with wages of \$110 million, along with a total GDP contribution of \$165 million and \$299 million in total economic output.

Figure 6-1: Consolidated Economic Impact of TKI, FY2023



	Impact	Employment (Jobs)	Labor Income (\$ Millions)	GDP (\$ Millions)	Output (\$ Millions)
Airport Operations	Direct	420	\$43	\$57	\$105
	Indirect	240	\$19	\$31	\$58
	Induced	290	\$19	\$34	\$57
	Total	950	\$81	\$122	\$220
Capital Improvements	Direct	110	\$9	\$9	\$17
	Indirect	30	\$2	\$5	\$10
	Induced	60	\$4	\$6	\$11
	Total	200	\$15	\$20	\$38
Visitor Spending	Direct	310	\$7	\$11	\$20
	Indirect	50	\$4	\$6	\$11
	Induced	50	\$3	\$6	\$10
	Total	410	\$14	\$23	\$41
Consolidated	Direct	840	\$59	\$77	\$142
	Indirect	320	\$25	\$42	\$79
	Induced	400	\$26	\$46	\$78
	Total	1,560	\$110	\$165	\$299

Note: Figures may not sum to totals due to rounding.

7 Tax Impacts

A related part of McKinney National Airport's economic impact includes the significant amount of tax revenue generated for federal, state, and local governments. Direct employment impacts involve millions of dollars of tax revenue to public treasuries, and there are other taxes levied locally and by the State of Texas. The supply chain also contributes to government revenues, as does employment supported via the ripple effects of indirect and induced economic activity.

Tax revenue contributions include the following categories based on the IMPLAN model:

Federal Taxes

- **Personal Taxes.** This category contains the personal income tax impacts generated by households linked to TKI and payable at the federal level, as well as estate and gift taxes.
- **Other Taxes and Fees.** This category includes corporate profits taxes and other business-paid taxes on production and imports, net of subsidies, such as excise and customs taxes. In addition, this category includes employee and employer contributions to federal social insurance taxes.

State and Local Taxes

- **Property Taxes.** This category contains all property taxes paid by either households or businesses. Most notably, this includes the ad valorem tax of \$3.5 million paid directly by TKI in FY2023.
- **Sales Taxes.** This category contains all state and local sales taxes.
- **Other Personal Taxes.** Excluding property taxes (noted separately above), this category contains other taxes and fees paid by households at the state and local level. Given that Texas does not have a state income tax, this category includes relatively minor amounts related to motor vehicle licensing fees, fishing and hunting licensing fees, and other applicable taxes.
- **Other Taxes and Fees.** Excluding property and sales taxes (noted separately above), this category includes other business-paid taxes on productions and imports, net of subsidies, at the state and local levels including motor vehicle licensing fees, severance taxes, as well as other taxes and special assessments. In addition, this category includes employee and employer contributions to state social insurance taxes.

Figure 7-1 (overleaf) summarizes the estimated federal, state, and local tax revenues generated via airport operations, capital improvements, and visitor spending. Altogether, total tax revenues attributable to TKI (including direct, indirect, and induced impacts) reached nearly \$38.5 million in FY2023. Approximately 62% of this was attributable to contributions to the federal government while 18% went toward state revenues, primarily through state sales taxes. The remaining 20% percent was attributable to local revenues, mostly from the \$3.5 million in ad valorem taxes paid directly by the airport in FY2023.²² This included \$2.3 million toward funding the McKinney Independent School District along with \$1.2 million for the City of McKinney, Collin County, and Collin Community College.²³

²² The direct property tax impact shown in **Figure 7-1** includes the airport ad valorem taxes as well as household property taxes paid by employees at the airport and estimated by the IMPLAN model.

²³ <https://www.mckinneytexas.org/3444/Community-Stewardship>

Figure 7-1: TKI Tax Impacts, FY2023

Source	Impact	Federal			State				Local					TOTAL
		Personal Taxes	Other Taxes/Fees	Total Federal	Sales Taxes	Other Personal Taxes	Other Taxes/Fees	Total State	Property Taxes	Sales Taxes	Other Personal Taxes	Other Taxes/Fees	Total Local	TOTAL TAX
Airport Operations	Direct	\$3,966,000	\$5,106,000	\$9,072,000	\$2,270,000	\$41,000	\$585,000	\$2,896,000	\$3,534,000	\$412,000	\$2,000	\$50,000	\$3,998,000	\$15,967,000
	Indirect	\$1,748,000	\$2,368,000	\$4,116,000	\$890,000	\$18,000	\$232,000	\$1,140,000	\$858,000	\$159,000	\$1,000	\$19,000	\$1,037,000	\$6,293,000
	Induced	\$1,736,000	\$2,529,000	\$4,264,000	\$1,126,000	\$18,000	\$288,000	\$1,431,000	\$1,083,000	\$203,000	\$1,000	\$25,000	\$1,311,000	\$7,007,000
	Subtotal	\$7,449,000	\$10,003,000	\$17,452,000	\$4,286,000	\$76,000	\$1,105,000	\$5,467,000	\$5,475,000	\$773,000	\$5,000	\$94,000	\$6,347,000	\$29,266,000
Capital Improvements	Direct	\$891,000	\$780,000	\$1,671,000	\$36,000	\$9,000	\$14,000	\$58,000	\$36,000	\$6,000	< \$1,000	\$1,000	\$44,000	\$1,773,000
	Indirect	\$275,000	\$396,000	\$671,000	\$165,000	\$3,000	\$43,000	\$210,000	\$159,000	\$30,000	< \$1,000	\$4,000	\$192,000	\$1,073,000
	Induced	\$330,000	\$480,000	\$810,000	\$213,000	\$3,000	\$55,000	\$271,000	\$205,000	\$38,000	< \$1,000	\$5,000	\$249,000	\$1,330,000
	Subtotal	\$1,495,000	\$1,656,000	\$3,151,000	\$414,000	\$15,000	\$111,000	\$540,000	\$401,000	\$74,000	\$1,000	\$9,000	\$485,000	\$4,176,000
Visitor Spending	Direct	\$652,000	\$916,000	\$1,568,000	\$425,000	\$7,000	\$108,000	\$540,000	\$408,000	\$77,000	< \$1,000	\$9,000	\$495,000	\$2,603,000
	Indirect	\$336,000	\$477,000	\$812,000	\$178,000	\$3,000	\$46,000	\$228,000	\$171,000	\$32,000	< \$1,000	\$4,000	\$208,000	\$1,248,000
	Induced	\$299,000	\$436,000	\$735,000	\$194,000	\$3,000	\$49,000	\$246,000	\$186,000	\$35,000	< \$1,000	\$4,000	\$225,000	\$1,206,000
	Subtotal	\$1,287,000	\$1,829,000	\$3,116,000	\$796,000	\$13,000	\$204,000	\$1,014,000	\$766,000	\$144,000	\$1,000	\$17,000	\$928,000	\$5,057,000
Consolidated	Direct	\$5,509,000	\$6,802,000	\$12,311,000	\$2,731,000	\$56,000	\$707,000	\$3,494,000	\$3,979,000	\$495,000	\$3,000	\$60,000	\$4,538,000	\$20,343,000
	Indirect	\$2,358,000	\$3,240,000	\$5,599,000	\$1,233,000	\$24,000	\$321,000	\$1,578,000	\$1,189,000	\$220,000	\$1,000	\$27,000	\$1,437,000	\$8,614,000
	Induced	\$2,364,000	\$3,445,000	\$5,809,000	\$1,533,000	\$24,000	\$392,000	\$1,949,000	\$1,474,000	\$276,000	\$1,000	\$34,000	\$1,785,000	\$9,543,000
	TOTAL	\$10,232,000	\$13,487,000	\$23,719,000	\$5,496,000	\$104,000	\$1,419,000	\$7,020,000	\$6,642,000	\$992,000	\$6,000	\$120,000	\$7,760,000	\$38,499,000

Note: figures are rounded to the nearest thousand and may not sum to totals due to rounding.

8 Comparison of 2017 and FY2023 Results

McKinney National Airport has seen significant growth in the scale of air traffic and onsite tenant operations in recent years, as summarized in **Figure 8-1** below. Since 2017, the number of onsite businesses and organizations based at TKI has grown by roughly one-third. Total air traffic movements surpassed 150,000 in 2023 (+15% since 2017), driven in large part by historic growth in air taxi services which are transporting far more passengers per arrival, including non-local visitors, to the region. This has supported growth in visitor traffic which was more than 2.5 times higher in FY2023 than in 2017. The growth in average visitor spend rates are largely driven by inflation, as well as changes in the mix of visitors and spending patterns over time.

Figure 8-2 summarizes the estimated differences in direct and total (including multiplier impacts)²⁴ economic impacts of TKI since 2017, when the last statewide aviation economic impact study was completed. Dollar figures are expressed in current terms, i.e. 2017 impacts are shown in 2017 dollars while FY2023 impacts are in 2023 dollars. Figures in both years have been rounded. In the 2017 study, GDP impacts were not published and therefore are not available for comparison to the FY2023 results.

Between 2017 and FY2023, direct economic impacts associated with TKI include a doubling of employment (an increase of 420 jobs) along with \$25 million more in nominal labor income and \$26 million more in nominal output. Including multiplier impacts, the total economic impacts associated with TKI increased by nearly 570 total jobs and an additional \$90 million in total nominal output. These higher economic impact results are driven by growth in on-airport operations and employment as well as higher visitor traffic flying in via TKI.




Figure 8-1: TKI Operations and Traffic, 2017 vs. FY2023

	2017	FY2023	Change
Airport Statistics			
Aircraft Movements	131,400	151,600	15%
Tenants & Organizations	30	40	33%
Employees	280	420	48%
Visitor Estimates			
Number of Visitors at TKI	22,300	56,900	155%
Average Trip Spend	\$290	\$380	32%
Total Visitor Expenditures (\$ millions)	\$6.5	\$21.7	235%

Notes: Aircraft movements include itinerant and local operations. 2017 movements data are sourced from the FAA ATADS report for the Fiscal Year ended September 30, 2017 for comparison to the FY2023 data reported in the FY2023 TKI Management Survey. All other 2017 data sourced from the Texas Aviation Economic Impact Study (August 2018) prepared for the Texas Department of Transportation (<https://www.txdot.gov/projects/planning/aviation-capital-improvement/economic-impact.html>).

²⁴ Multiplier impacts are modelled estimates only. Further, the previous 2017 study and the current study used different versions of the IMPLAN model which reflect changes that may not be comparable over time. As such, comparison of multiplier impacts (indirect and induced) should be regarded with caution.

Figure 8-2: Comparison of 2017 vs. FY2023 Economic Impacts

Category	Impact	Jobs			Labor Income (\$ Millions)			Output (\$ Millions)		
		2017	FY2023	Change	2017	FY2023	Change	2017	FY2023	Change
Airport Operations	Direct	280	420	48%	\$30	\$43	43%	\$86	\$105	22%
	Total	770	950	23%	\$57	\$81	41%	\$154	\$220	43%
Capital Improvements	Direct	70	110	67%	\$2	\$9	270%	\$26	\$17	-34%
	Total	120	200	67%	\$4	\$15	277%	\$51	\$38	-25%
Visitor Spending	Direct	70	310	327%	\$2	\$7	298%	\$4	\$20	379%
	Total	110	410	286%	\$3	\$14	339%	\$8	\$41	401%
Total	Direct	420	840	99%	\$34	\$59	71%	\$116	\$142	22%
	Total	990	1,560	57%	\$64	\$110	70%	\$213	\$299	41%

Source for 2017 impacts: Texas Aviation Economic Impact Study (August 2018) prepared for the Texas Department of Transportation (<https://www.txdot.gov/projects/planning/aviation-capital-improvement/economic-impact.html>).

Appendix A: Glossary of Terms

Contract Work: Any work which is done for a company by an individual who is not on the payroll or work done for a company by another company. Generally speaking, firms will contract out work in areas in which they do not have expertise or when there are cost advantages to doing so.

Direct Employment: Direct employment is employment that can be directly attributable to the operations in an industry, firm, etc. It is a literal head count of those people who work in a sector of the economy.

Economic Activity: (also Output, Production) The end product of transforming inputs into goods. The end product does not necessarily have to be a tangible good (for example, knowledge), nor does it have to create utility (for example, pollution). Or, more generally, the process of transforming the factors of production into goods and services desired for consumption.

Economic Output: (also Economic Activity, Production) The end product of transforming inputs into goods. The end product does not necessarily have to be a tangible good (for example, knowledge), nor does it have to create utility (for example, pollution). More generally, it is defined as the process of transforming the factors of production into goods and services desired for consumption.

Employment Impact: Employment impact analysis determines the economic impact of employment in terms of jobs created and salaries and wages paid out. In the case of the airport, the direct, indirect, induced and total number of jobs created at the airport is examined to produce a snapshot of airport operations.

Gross Domestic Product: (GDP, also value-added) A measure of the money value of final goods and services produced as a result of economic activity in the nation. This measure is net of the value of intermediate goods and services used up to produce the final goods and services.

Indirect Employment: Indirect employment is employment which results because of direct employment. For the airport, it would include that portion of employment in supplier industries which are dependent on sales to the air transport sector. In some cases, contract work would be considered indirect employment.

Induced Employment: Induced employment is employment created because of expenditures by direct and indirect employees.

Multiplier Analysis: Analysis using economic multipliers in which indirect and induced economic impacts are quantified. Essentially, a multiplier number is applied to the "directly traceable economic impact" to produce indirect and total effects (see Multiplier.)

Multiplier: Economic multipliers are used to infer indirect and induced effects from a particular sector of the economy. They come in a variety of forms and differ in definition and application. A multiplier is a number which would be multiplied by direct effects in order to calculate indirect or induced effects. In the case of the airport, as in many other cases, multipliers can lead to illusory results, and thus must be used with great care.

Seasonality: Seasonality results when the supply and demand for a good is directly related to the season in which is consumed. For example, ski resorts experience changes in net income as a result of seasonality. Airports and airport services also experience seasonality as a result of vacation times for families (typically during the summer) and/or temperatures abroad (typically at Christmas time). As a

result of seasonality in demand for flights, some air carriers increase frequency of flights to certain areas during the busy season.

Tenant: A firm which pays a lease to a leasing company or to the airport authority directly.

Value-Added: (also GDP) A measure of the money value of final goods and services produced as a result of economic activity in the nation. This measure is net of the value of intermediate goods and services used up to produce the final goods and service.



Prepared by

InterVISTAS Consulting USA LLC

1701 Rhode Island Ave, NW
Washington, DC 20036
USA

Telephone: +1-202-688-2220

www.intervistas.com