

# FISCAL YEAR 2014



# ECONOMIC IMPACT ANALYSIS

**Nellis Air Force Base  
Creech Air Force Base  
Nevada Test and Training Range**



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## PREFACE

### Commander's Foreword

Nellis Air Force Base, Creech AFB, and the Nevada Test and Training Range (NTTR) have played an important role in southern Nevada since the early 1940s, with 2014 marking the 73rd anniversary of Air Power in southern Nevada. Nellis's primary missions are operational testing of our most advanced aircraft and weapons systems; tactics development for warfighters around the globe; and advanced training to fly, fight, and win utilizing the 2.9-million-acre NTTR. Nellis AFB will further prove itself to be an indispensable leader in air tactics and combat aircrew training development as the United States Air Force Weapons School (USAFWS) welcomes its first F-35 Lightning II, the latest fifth-generation stealth multirole fighter, in January 2015. Operating Predator and Reaper Remotely Piloted Aircraft (RPA), Creech AFB continues to be a critical resource continuously tasked by our nation's leadership. From extensive combat operations to quick-reaction humanitarian missions, the latest satellite technology allows Creech Airmen to fly RPAs around the globe, supporting America's objectives.

In support of these missions, Nellis is home to the largest civil engineer, communications, logistics readiness, and force support squadrons as well as medical center in Air Combat Command. The 2014 Economic Impact Analysis illustrates Nellis, Creech, and the NTTR's impact on the local economy by providing a better understanding of AF missions and their importance to southern Nevada and neighboring communities.

In Fiscal Year 2014, our combined operations and maintenance outlays totaled more than \$398 million. There were approximately 10,291 military and 3,680 civilians employed between the two bases and the NTTR with a combined payroll of more than \$1.16 billion. On any given day, over one thousand temporary-duty personnel conducted business at Nellis, Creech, or the NTTR. There were an estimated 6,051 indirect jobs created with an approximate annual dollar value of \$252.8 million.

Simultaneously, the Las Vegas metropolitan area counted a total of 28,980 military retirees among its residents. The combined retirement payroll of 14,471 Air Force; 5,792 Army; 6,664 Navy; 1,658 Marines; and 395 Coast Guard retirees amounted to a yearly salary of over \$715 million.

Using the prescribed parameters provided in this report, the total economic impact of Nellis, Creech, and NTTR operations in Fiscal Year 2014 amounted to nearly \$5.2 billion. The Financial Analysis Office of the 99th Comptroller Squadron is responsible for collecting and validating information for this report and can be reached for questions concerning this product at (702) 652-9835 or (702) 652-7903.



A handwritten signature in black ink, reading "Richard H. Boutwell".

RICHARD H. BOUTWELL  
Colonel, USAF  
Installation Commander

## The Nellis Legacy

Nellis Air Force Base began in 1929 as a private airstrip for Nevada Airlines. The Army surveyed the area in 1940 and the City of Las Vegas bought the field in January 1941. The Army leased the field from the city, designating it Las Vegas Army Airfield (LV AAF) in March 1941, and started construction to expand operations. During WW II, the base was primarily a training field for enlisted bomb gunners where they trained over 45,000 gunners in the B-17, B-24, and B-29 as well as provided limited advanced pilot training courses. At the end of WW II, the base became a separation center for returning veterans until being placed in standby status in early 1947.

Standby was short-lived and by late 1948, LV AAF became a pilot training base teaching advanced fighter gunnery courses. The first gunnery competition was held in 1949 and won by the Tuskegee Airmen of the 332d Fighter Group. Renamed Nellis AFB on 20 May 1950 after local WW II hero Lt William H. Nellis, the mission changed to advanced combat-crew training with the start of the Korean War on 25 June 1950. Additionally, a gunnery school was reestablished to perform research, testing, and advanced tactics instruction. The advanced training missions still continue today under the United States Air Force Weapons School. The Thunderbirds aerial demonstration team was also assigned to Nellis AFB in 1956.

As an Air Training Command base, Nellis AFB did not have the required priority for new combat aircraft so it was transferred to Tactical Air Command in 1958. By the 1960s, the command change resulted in Nellis receiving the F-105 Thunderchief, F-4 Phantom, and F-111 Aardvark, as well as the training mission to prepare these crews for combat in Southeast Asia. By 1975, the F-15 Eagle was assigned, and is still flying at Nellis today, along with the A-10 (1977), F-16 (1980), F-22 (2004) and the F-35 (2013). Nellis also hosted initial operations for the RQ-1 Predator.

Since WW II, Nellis AFB continued to use much of southern and central Nevada for combat training and the area is now designated as the Nevada Test and Training Range (NTTR). As aerial threats in combat became more technologically complex, the AF created RED FLAG in 1975 to increase the combat skills and readiness of our fighter crews. Today's RED FLAG exercises include not only fighter aircraft but bombers, tankers, airlift, rotary wing, as well as Intelligence, Surveillance, and Reconnaissance (ISR) platforms from all Services across the Department of Defense along with a growing number of international partners. The late 1980s saw AIR WARRIOR training exercises between Army ground components and Air Force aircrews transfer from George AFB, CA to Nellis AFB. The exercise was redesignated GREEN FLAG in 2006, preparing Army and Air Force units for combat/contingency operations prior to deployment.

Needing training both in the air and on the ground, a Ground Combat Training School was created in the early 1980s where SILVER FLAG ALPHA trains Security Forces on all aspects of airbase defense.

Today, Nellis AFB is home to the USAF Warfare Center, 57th Wing, 99th Air Base Wing, Nevada Test & Training Range, elements of the 53d Wing and 505th Command and Control Wing, as well as more than 52 tenant units and agencies. Leading the way with F-22 tactics development and with this year's arrival of the F-35 to the USAF Weapons School, Nellis AFB is a linchpin of mission readiness for today's US Air Force.

## The Creech Legacy

Creech Air Force Base started as a gunnery range for Las Vegas Army Air Field (LV AAF) in January 1942. Originally Indian Springs Airport, about 50 miles northwest of LV AAF, it supported LV AAF's gunnery training and was also a divert base for pilot training during WW II before closing. Indian Springs AAF was reopened in 1948 and has supported a variety of units and missions over the years, including atomic bomb testing throughout the 1950s and 60s.

While the base's primary mission over time has been support of the Nevada Test and Training Range, its most famous regular visitors have been the USAF Thunderbirds aerial demonstration team who have practiced their crowd-thrilling routines there since the early 1950s.

With Remotely Piloted Aircraft (RPA) requirements growing and needing a new home, MQ-1 Predator operations moved to Indian Springs Air Force Auxiliary Field (AFAF) in 1996. Indian Springs AFAF was renamed in 2005 in honor of General Wilbur L. Creech, a long-time Tactical Air Command commander and supporter of both RED FLAG and the Thunderbirds. On March 13, 2007, the arrival of the first MQ-9 Reaper at Creech marked another milestone in the base's growing fleet of remotely piloted aircraft. The U.S. Air Force provided for direct leadership of RPA missions on May 1, 2007, with the activation of the 432d Wing at Creech. Activation of the 432d Air Expeditionary Wing on May 15, 2008, formally recognized the full spectrum of these operations.

Creech AFB has become a pivotal resource in the fight continuously tasked by our nation's leadership. From extensive combat operations to quick reaction humanitarian missions, the latest satellite technology allows Creech Airmen to fly RPAs locally and around the globe, supporting America's objectives. In addition, Creech AFB continues to serve as the aerial demonstration training site of the Air Force Thunderbirds.

Today, Creech AFB is home to the famed "Hunters" of the 432d Wing/432d Air Expeditionary Wing operating MQ-1 Predator and MQ-9 Reaper RPAs. The base also houses the operations of the 556th Test and Evaluation Squadron and 99th Ground Combat Training Squadron, along with those of the Air Force Reserve's 78th and 91st Attack Squadrons and Nevada Air National Guard's 232d Operations Squadron. The missions of these and other tenant units are supported by the 799th Air Base Group, a geographically separated unit of the host 99th Air Base Wing at Nellis AFB.



## ECONOMIC IMPACT TABLES

### Table 1

#### Executive Summary

Expense Category	Line Amount
<u>Base Employment</u>	
- Active-Duty Military	9,523
- Dependents	24,736
- Reserve / Air National Guard	768
- Appropriated Funds Civilians	918
- Non Appropriated Funds Civilians	527
- On-Site Contract Civilians	1,658
- Other Civilians	577
<b><u>Nellis, Creech, &amp; NTTR:</u></b>	<b>38,707</b>
<u>Base Payroll</u>	
- Active-Duty Military	\$830.3M
- Reserve / ANG	\$23.6M
- Appropriated Funds Civilians	\$77.9M
- Non Appropriated Funds & On-Site Contract Civilians	\$230.9M
<b><u>Nellis, Creech, &amp; NTTR:</u></b>	<b>\$1,162.7M</b>
<u>Expenditures/Estimated Financial Impacts</u>	
- Annual Retiree Payroll	\$715.3M
- Annual Base Expenditures	\$3,033.2M
- Estimated Dollar Value of Jobs Created	\$252.9M
<b>Total Impact:</b>	<b>\$5, 164.1M</b>

**Table 2**

## Total Personnel by Classification and Housing Location

Appropriated Fund Military	Living On-Base	Living Off-Base	Total
Active Duty	1,983	7,540	9,523
Reserve / Air National Guard	-	768	768
Dependents	3,966	20,770	24,736
Total	<b>5,949</b>	<b>29,078</b>	<b>35,027</b>

**Table 3**

## Annual Payroll by Classification and Housing Location

Appropriated Fund Military	Living On-Base	Living Off-Base	Total
Active Duty	\$114.5M	\$715.8M	\$830.3M
Reserve / ANG	-	\$23.6M	\$23.6M
Total	<b>\$114.5M</b>	<b>\$739.4M</b>	<b>\$853.9M</b>



**Table 4**  
**Total Civilian Personnel by Appropriated and Non-Appropriated Funds**

<b>Appropriated Fund Civilians</b>	<b>Payroll</b>
General Schedule	808
Federal Wage Board	110
Other APF Civilians	0
<b>Sub-Total</b>	<b>918</b>
<b>Non-Appropriated Fund AF Civilians</b>	
Civilian NAF	527
Civilian Base Exchange	362
Contract Civilians	1,658
Private Businesses	215
<b>Sub-Total</b>	<b>2,762</b>

**Table 5**  
**Annual Payroll by Appropriated and Non-Appropriated Funds**

<b>Appropriated Fund Civilians</b>	<b>Payroll</b>
General Schedule	\$68.7M
Federal Wage Board	\$9.2M
Other APF Civilians	\$0
<b>Sub-Total</b>	<b>\$77.9M</b>
<b>Non-Appropriated Fund Civilians</b>	
Civilian NAF	\$12.1M
Civilian BX	\$8.8M
Contract Civilians	\$203.7M
Private Businesses	\$6.3M
<b>Sub-Total</b>	<b>\$230.9M</b>

## Table 6

### Expense Report

Expense Category	Amount
Commissary (Inventory)	\$2.1M
Army Air Force Exchange Service (Inventory)	\$11.1M
Health (Tri-Care)	\$119.1M
Education (Tuition Assistance)	\$6.2M
Temporary Duty	\$118.8M
Other (Materials, Equipment, Supplies)	\$693.7M
Government Purchase Card Expenses	\$24.2M
Utilities	\$15.6M
Service Contracts	\$93.3M
Construction (Includes Military Construction, Non-Appropriated Funds and Operation & Maintenance)	\$142.3M
<b>Sub-Total</b>	<b>\$1,226.4M</b>
Multi-Year Capital Assets	Amount
Existing Equipment (Inventory)	\$658.2M
Multi-Year Contracts	\$661.0M
Miscellaneous Contracts	\$487.6M
<b>Sub-Total</b>	<b>\$1,806.8M</b>
<b>Total Annual Expenditure</b>	<b>\$3,033.2M</b>

**Table 7**  
Indirect Jobs Created

Personnel Type	# of Base Jobs	Jobs Created	New Job Salaries
Active Duty	9,523	3,904	\$163.2M
Reserve / ANG	768	123	\$5.1M
APF Civilians	918	505	\$21.1M
Other Civilians	2,762	1,519	\$63.5M
<b>Total</b>	<b>13,971</b>	<b>6,051</b>	<b>\$252.9M</b>

**Table 8**  
Las Vegas Retiree Data

Branch	# of Retirees	Payroll
Air Force	14,471	\$374.6M
Army	5,792	\$131.7M
Navy	6,664	\$161.6M
Marines	1,658	\$43.0M
Coast Guard	395	\$4.4M
<b>Total</b>	<b>28,980</b>	<b>\$715.3M</b>

**Table 9**

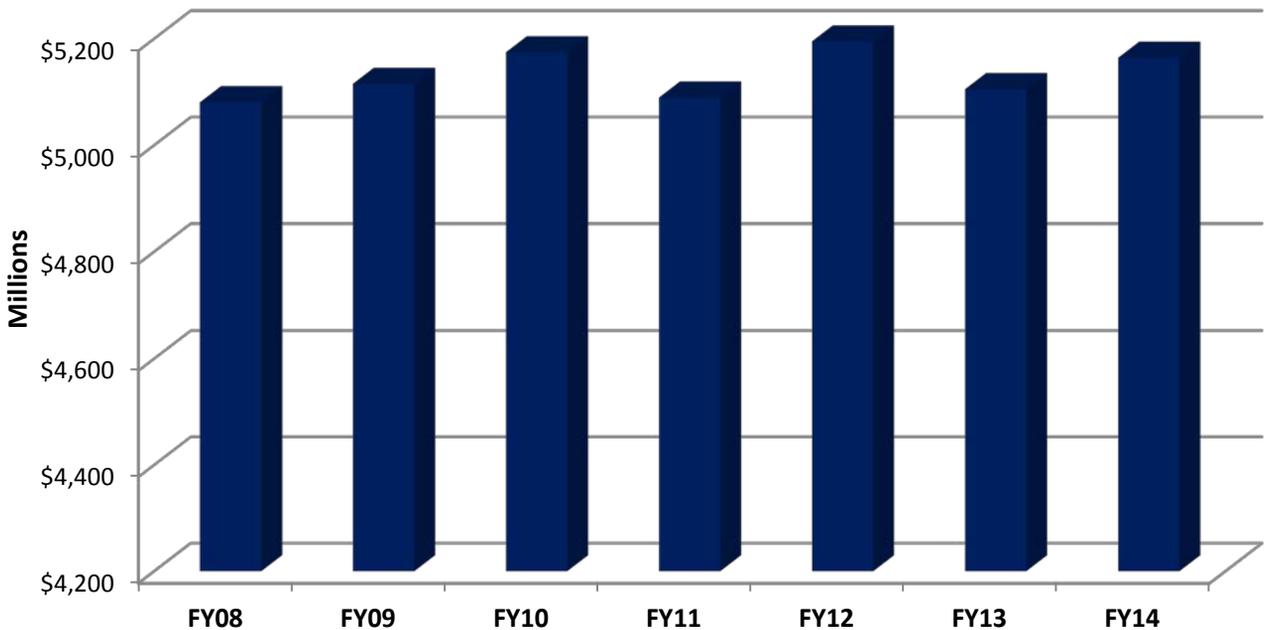
**Economic Impact Estimate**

Expense Category	Amount
Annual Payroll	\$1,162.7M
Retiree Payroll	\$715.3M
Annual Expenditures	\$3,033.2M
Annual \$ Value of Jobs Created	\$252.9M
<b>TOTAL</b>	<b>\$5,164.1M</b>

**ECONOMIC IMPACT CHARTS**

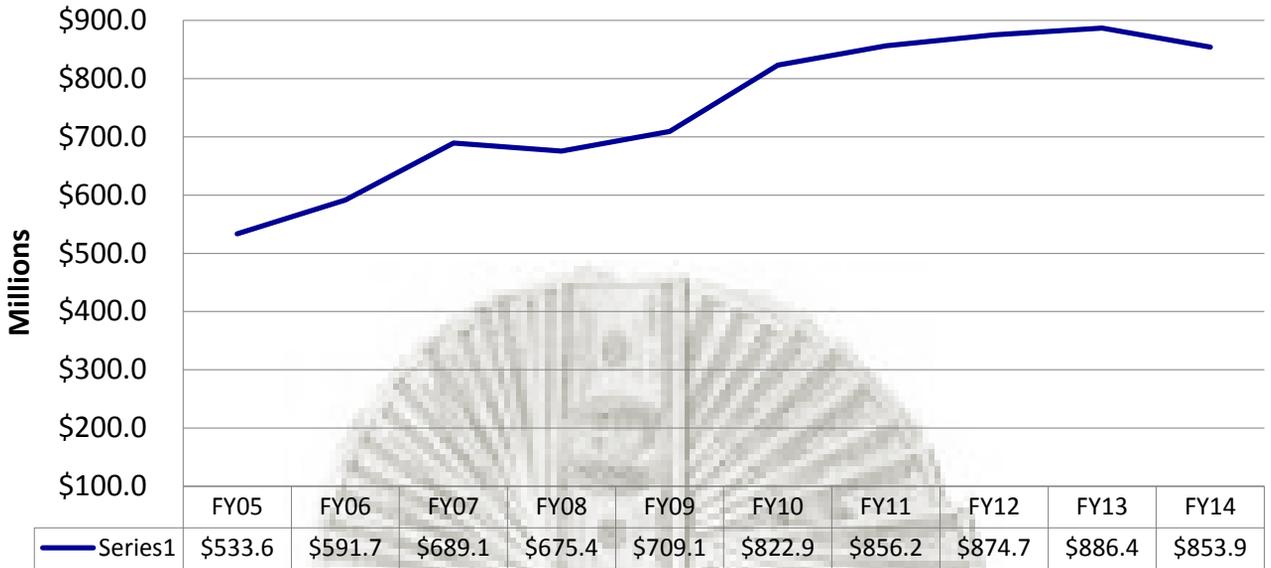
**Chart 1**

Annual Economic Impact Estimates (FY08-FY14)



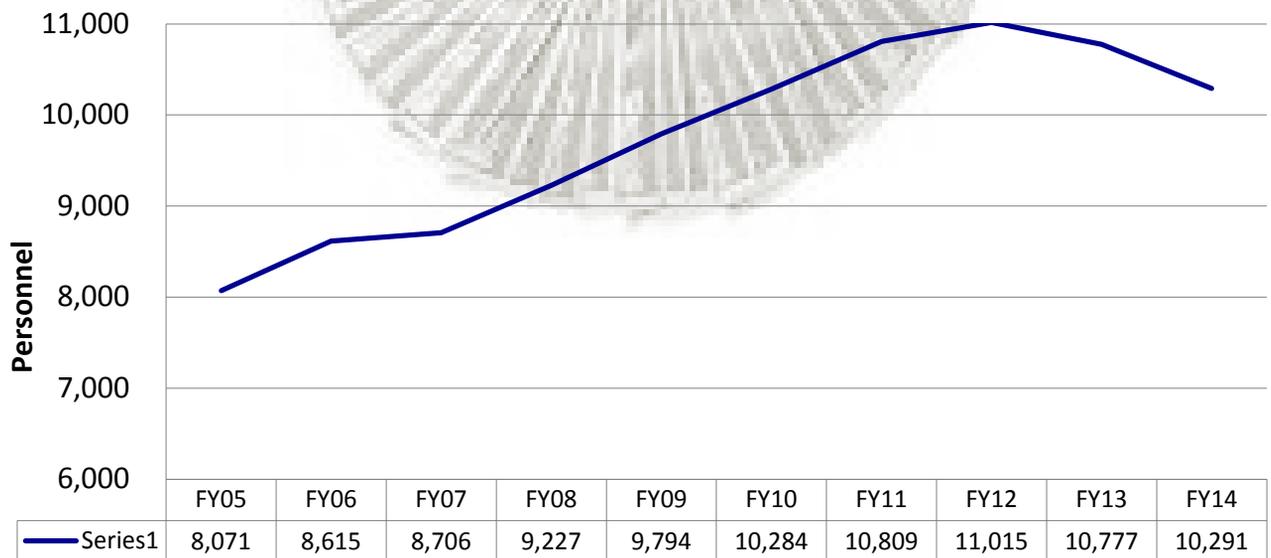
### Chart 2

Appropriated Fund Military Payroll Chart FY05-FY14 (\$M)



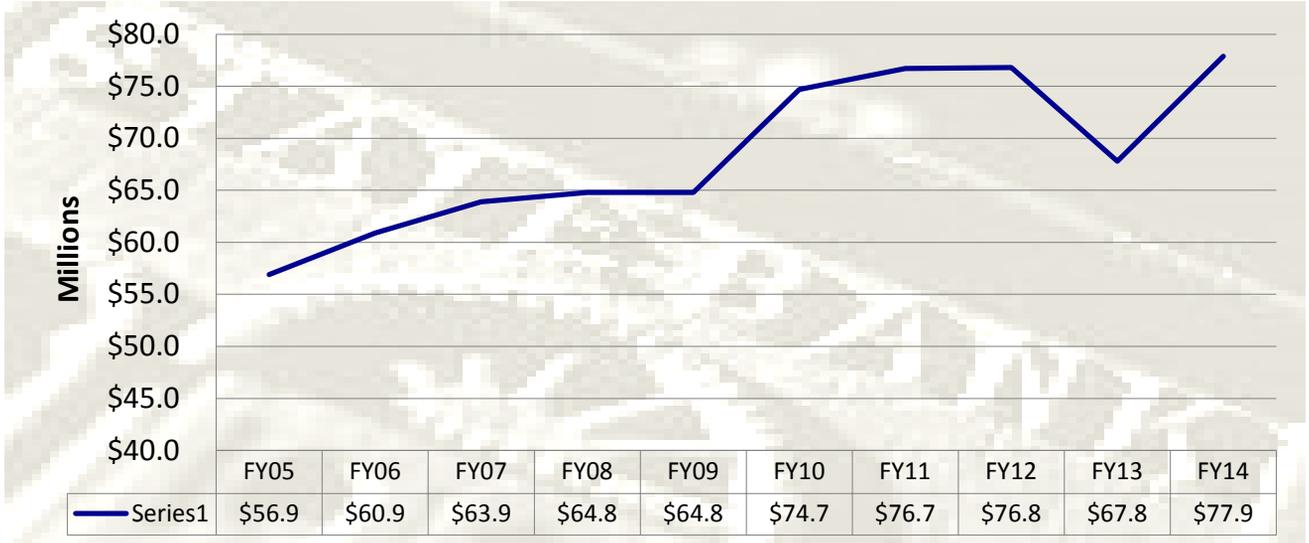
### Chart 3

Appropriated Fund Military Assigned Chart FY05-FY14



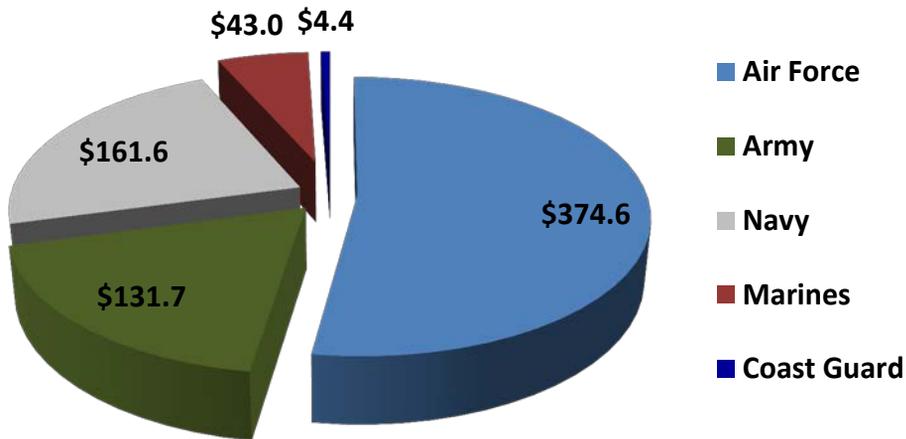
### Chart 4

Appropriated Fund Civilian Payroll Chart



### Chart 5

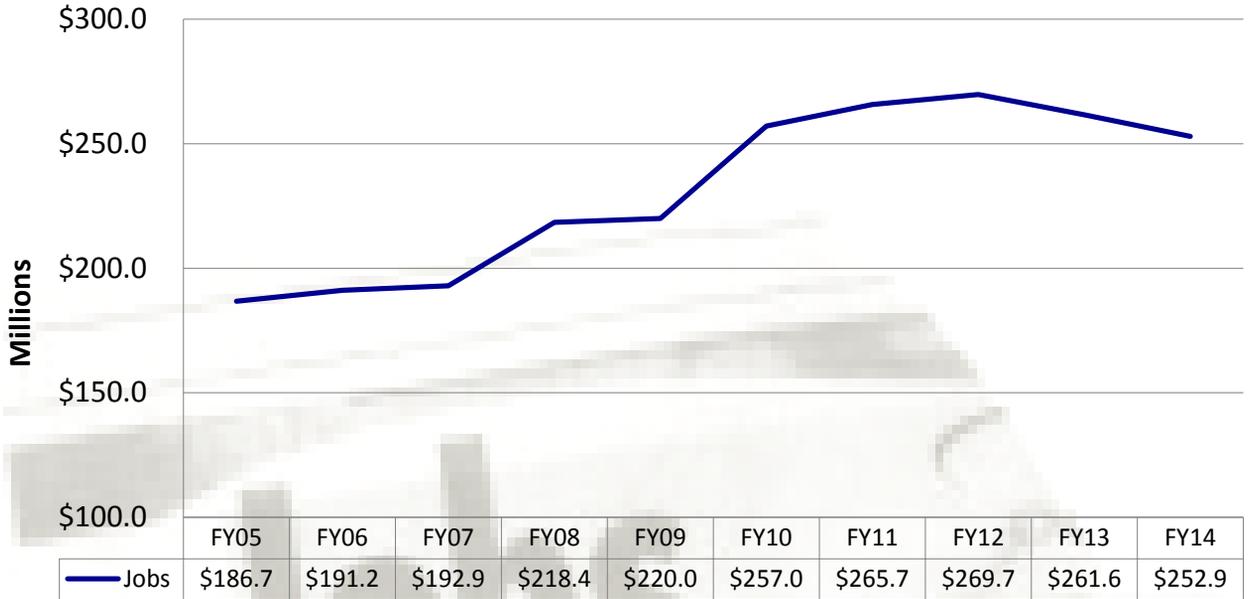
Military Retiree Payments



Service	Air Force	Army	Navy	Marines	Coast Guard
Recipients	14,471	5,792	6,664	1,658	395
Disbursement	\$374.6M	\$131.7M	\$161.6M	\$43.0M	\$4.4M

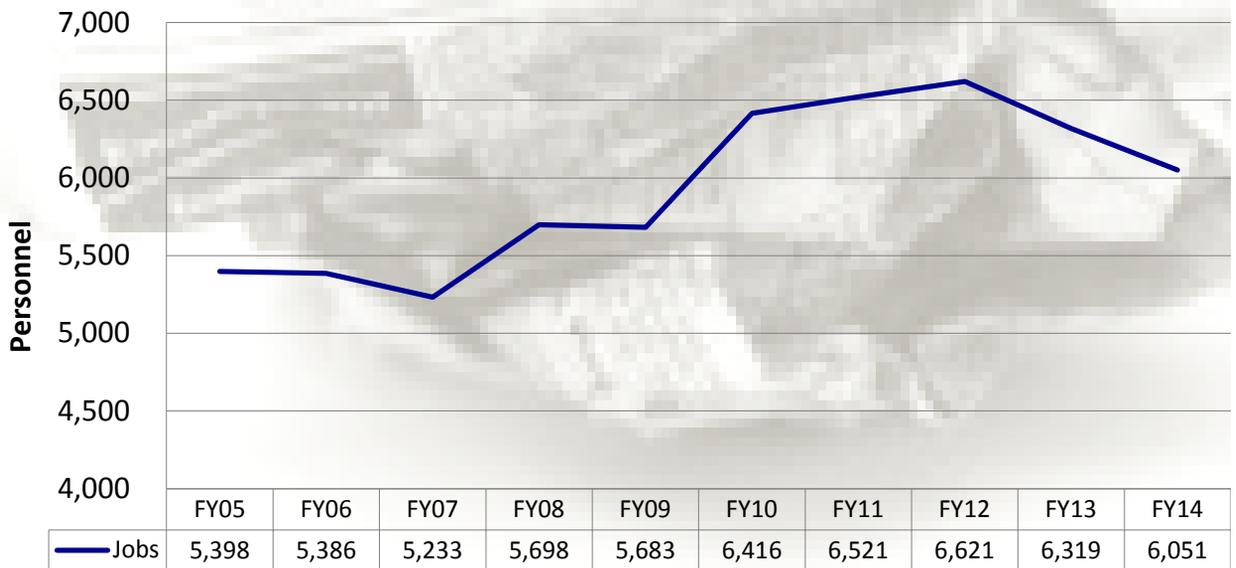
### Chart 6

#### Annual Estimated Jobs Created (\$M)



### Chart 7

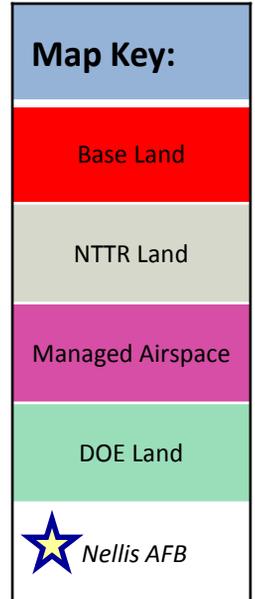
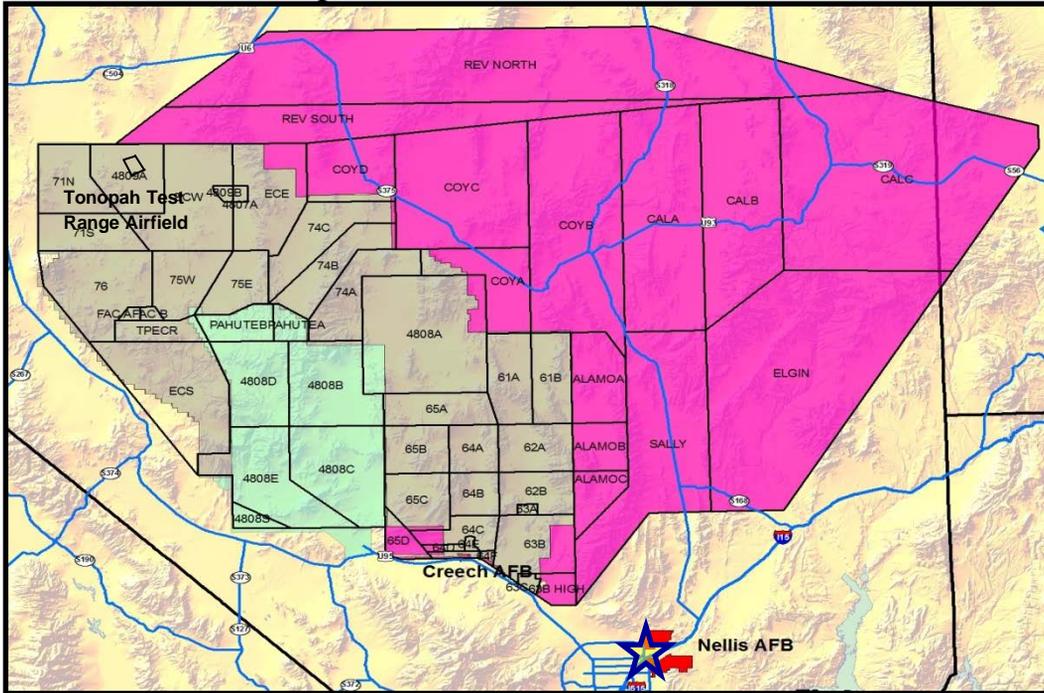
#### Annual Estimated Jobs Created (Jobs)



# ECONOMIC IMPACT APPENDICES

## Appendix 1

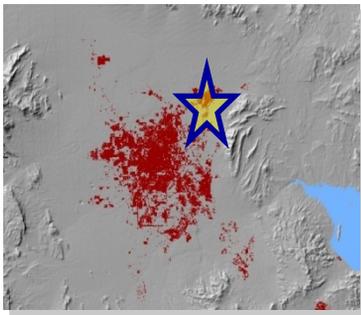
### Installation Map



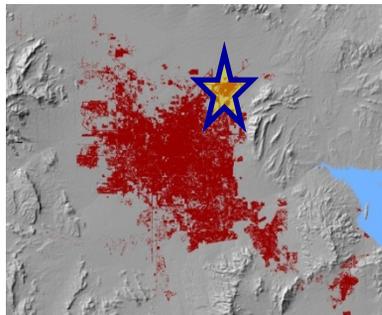
## Appendix 2

### Las Vegas Area Growth 1975-2008 (data only available thru 2008)

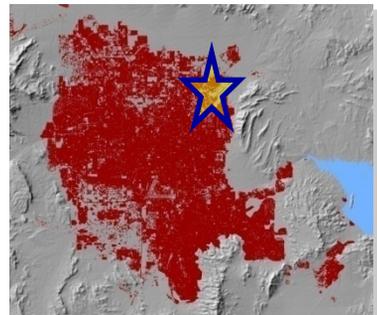
Source: United States Geological Survey



1975



1991



2008



# **Economic Impact Analysis**

# **2014**

**Nellis Air Force Base  
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