



United States Department of the Interior

GEOLOGICAL SURVEY
EROS Data Center
Sioux Falls, South Dakota 57198

IN REPLY REFER TO:

OC 2-23

February 24, 1983

Mr. David L. Stenseth
Executive Vice President
Sioux Falls Development Foundation
131 E. 10th Street
Sioux Falls, SD 57102

Dear Dave:

At your request, I asked our Public Affairs Office to estimate the economic impact of the EROS Data Center on the local Sioux Falls regional area. You will recall that this was done last in 1976 through a formal study by the University of South Dakota. The following are our current estimates of the more obvious impacts:

- a. A total local payroll of roughly \$10 million annually.
- b. Annual expenditures of approximately \$2 million locally for supplies, material, utilities, etc.
- c. Local expenditures of approximately \$2 million annually by national and international visitors coming to the Center on business...some 3,000 to 5,000 visitors each year.

Using a relatively conservative multiplier of three for roll-over of expended dollars, the above \$14 million would translate to an estimated \$42 million in total economic impact on the local area. In addition, we estimate that visitors to the Center are responsible for some 15,000-20,000 hotel room nights each year and travel by visitors and Center personnel account for some 7,000 to 10,000 airline boardings and deplanings at the Sioux Falls airport each year.

The EROS Data Center currently employs approximately 350 scientists, engineers, and technicians and has an annual operating budget of roughly \$17 million, only about 45 percent of which is from direct Congressional appropriations. The remainder is operating revenue generated by providing products and services to the private sector, state and other Federal agencies, and foreign organizations and governments.

If I can answer any questions, please call.

Sincerely

Allen H. Watkins
Chief, EROS Data Center

cc: AHW Subj ✓
AHW Chron
EDC Chron

AHW/t/bjr/2-25-83/x123