

Economic Development

By 2030, the region will have a strong and diverse economy that supports and benefits from sustainability. Achieving this goal means:

1. Gross metropolitan product (GMP) is increasing annually.
2. Maintain a balanced and diverse economy to ensure economic resilience.
3. Small businesses and entrepreneurial start-ups are increasing annually, with 50% of small businesses/start-ups able to obtain local capital/funding.
4. Essential commodities such as food and energy are produced regionally at an increasing rate.
5. 95% of all households in the region are 20% or more above the regional definition for low income.

Questions/issues for Focus Group consideration:

- Need to develop indicators
- What about attracting new business?
- Consider goal about having GMP increase at a faster rate than GNP.
- Provide some context for the concept of “balanced and diverse economy,” using national and regional sector information.

Goal 1 Gross metropolitan product (GMP) is increasing annually.

The QLI report measures GMP in constant dollars to remove the effects of inflation. GMP is a measure of goods and services produced by labor and property to show real economic growth. There is a lag time for accurate data reporting with 2008 is the most current baseline value and 2009 numbers will be available sometime in early 2011. Other common indicators of economic health include, Business Condition Index (BCI) and Gross Metropolitan Product per Capita.

Current Conditions

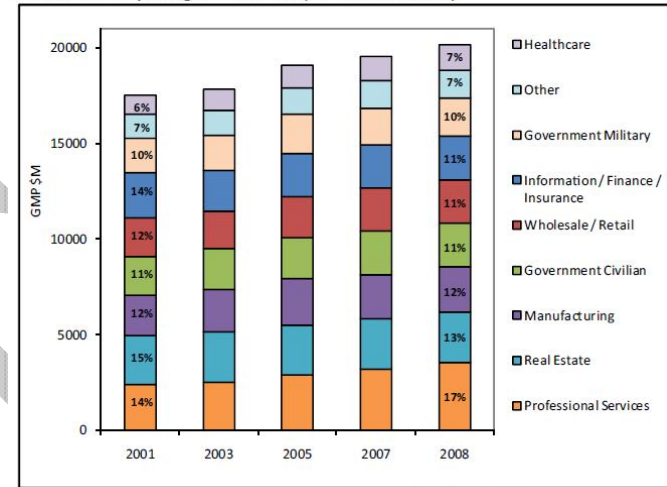
GDP for COS MSA (millions in current dollars and industry total)¹

| 2007 | 2008 | 2009 |
|--------|--------|--------|
| 23,959 | 24,617 | 25,270 |

¹ Department of Commerce Bureau of Economic Analysis. Accessed 4.11.2011

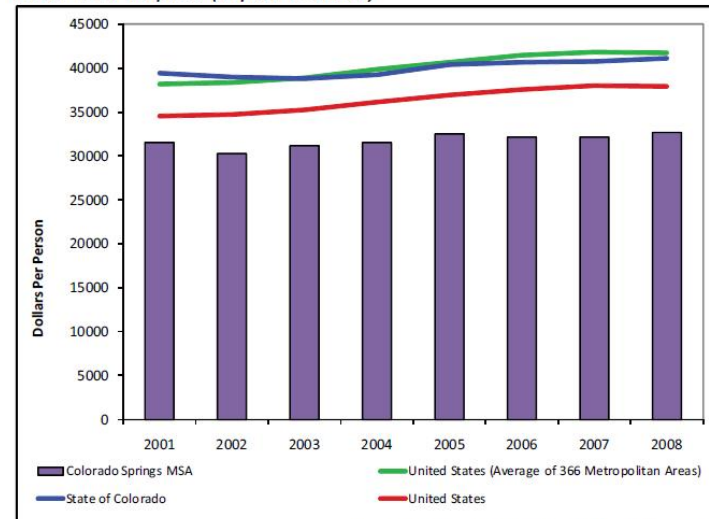
Gross Metropolitan Product (GMP)

Colorado Springs GMP in (2001 Dollars)



Source: Department of Commerce Bureau of Economic Analysis

Gross Metropolitan Product Per Capita
GMP Per Capita (\$ per Person)



Source: Department of Commerce Bureau of Economic Analysis

Per Capita real GDP for COS MSA (industry total)

| 2007 | 2008 | 2009 |
|--------|--------|--------|
| 37,168 | 36,978 | 36,826 |

Indicators

GDP by MSA in millions of current dollars
from Bureau of Economic Analysis

Gross Metropolitan Product per capita
- from QLI

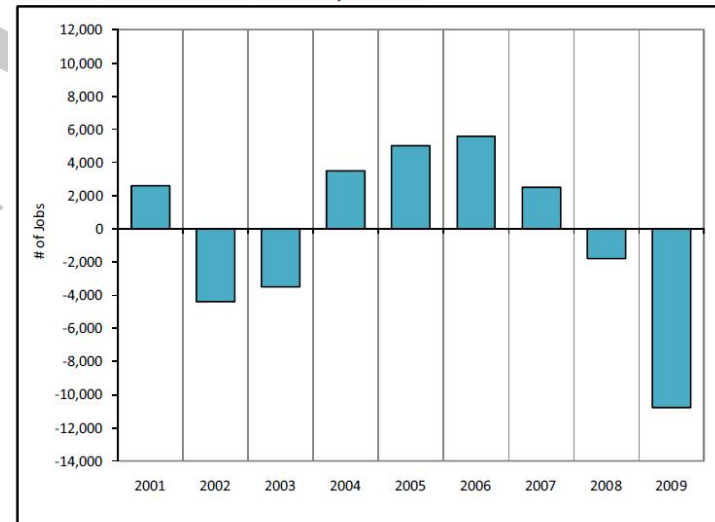
Goal 2 Maintain a balanced and diverse economy to ensure economic resilience.

Current Condition

Employment data by sector show growth and diversification of the economy. Other characteristics of employment data, like Primary Job Growth/Losses and the Overall Employment Trend, indicate how the region is attracting employers that import income from elsewhere to drive the local economy and/or susceptibility the region to certain market fluctuations. In a recent article in the Colorado Springs Gazette, the Colorado Springs Regional Economic Development Corporation estimated that in 2010 nearly 1,400 primary jobs were added or announced by employers the organization worked with.² The 1,400 added jobs do not offset the estimated 10,000 primary jobs lost in 2009.

Vacancy rates provide a percentage of all rental units that are unoccupied or not rented at a given time. It is commonly used as an indicator to determine if commercial property space has been “over-built” or there is a lack of business in need of rental space. Occupied commercial properties tend to bring employment and suggest a stronger economy if there are lower rates.

 Primary Job Growth/Losses
Civilian Non-Farm Job Growth/Decline



Source: Colorado Department of Labor and Employment

² The Gazette, Sunday, January 30, 2011. *Attracting Business Is Critical But Critiqued: EDC’s successful efforts are not always widely celebrated.*

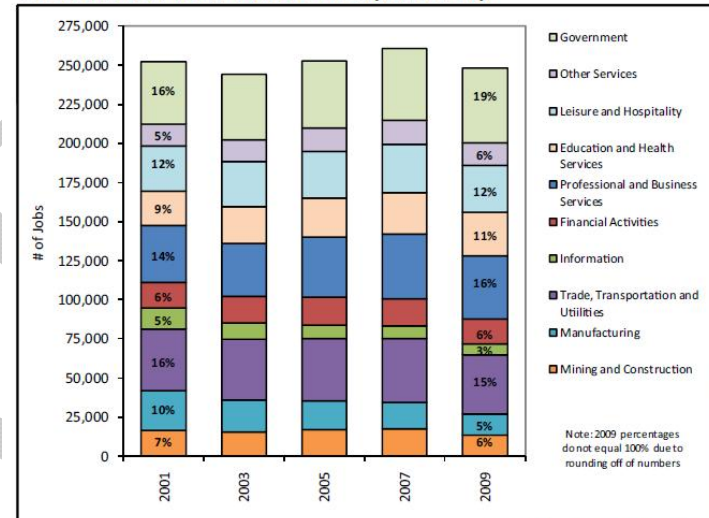
CHANGE IN NUMBER OF COLORADO SPRINGS MSA BUSINESS ESTABLISHMENTS BY INDUSTRY SECTOR 2003-2007

| | 2003 | 2007 | % Change |
|---|-------|-------|----------|
| Business & Professional Services | 3,424 | 4,347 | 26.96% |
| Trade | 3,121 | 3,330 | 6.70% |
| Financial Services | 2,062 | 2,540 | 23.18% |
| Education & Health Services | 1,595 | 1,952 | 22.38% |
| Information | 358 | 336 | -6.15% |
| Manufacturing* | 604* | 618 | 2.32% |

*Manufacturing data were non-disclosed in 2003, however the percent change between 2004 and 2007 was 2.32%

Source: Bureau of Labor Statistics

Employment by Industry Segment
Total Civilian Non-Farm Jobs by Industry



Source: U.S. Bureau of Labor Statistics

Average vacancy rate (4th Quarter 2008)³

Class A office space = 20.78%

Industrial space = 10.47%

Retail space = 9.92%

Indicators

Primary job growth and losses

CO Dept of Labor and Employment

Employment by industry

U.S Bureau of Labor Statistics

Demographics – age, sex and educational attainment of population

³ Operation 60ThirtyFive Action Plan

- U.S. Census
- Establishments by industry sector
- Bureau of Labor Statistics
- Business Condition Index – (Quarterly Economic Indicators Report)
- COS Regional Economic Development Corporation and UCCS
- Vacancy rates
- Operation 6035 – Commercial real estate data

Data Gaps

Definition of “balanced and diverse” economy

Goal 3 Small businesses and entrepreneurial start-ups are increasing annually, with 50% of small businesses/start-ups able to obtain local capital/funding.

Current Conditions

The QLI report has tracked the number of people employed by small businesses (>100 employees) and large businesses (100+ employees) along with the number of business in our area. According to the Small Business Administration Office, small businesses account for 64 % of new jobs in the US. The data from the U.S. Government Census, MSA business Patterns, suggest that in 2007 approximately 60% of the workforce in the Colorado Springs MSA was employed by small businesses. Surveyed members of the Greater Colorado Springs Chamber of Commerce identified barriers that are applicable to attracting businesses to the region. Access to capital and availability of qualified employees, are markers for attracting and growing businesses.

People employed by small businesses (>100 employees) and large businesses (100+ employees) El Paso County

| | 2003 | 2004 | 2005 | 2006 | 2007 |
|------------------|--------|--------|--------|--------|--------|
| Small Businesses | 14,934 | 15,443 | 15,935 | 16,477 | 16,779 |
| Large Businesses | 306 | 318 | 316 | 340 | 346 |

Source: U.S. Government Census, MSA Business Patterns

2008 = 15,679 Small Businesses
329 Large Businesses

Teller County
2008 = 719 Small Businesses
8 Large Businesses

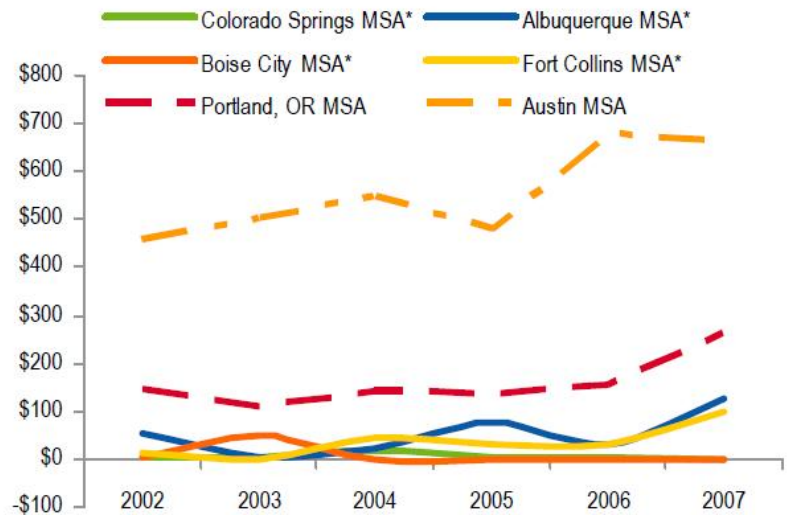
Indicators

- U.S. Government Census – MSA Business Patterns
- Venture Capital Funding
- Local Funding
- Number of Small business start-ups
- County Business Patterns
- NAICS US Census Bureau

Data Gaps

- Local funding data
- Current Small business numbers
- Number of nonprofit businesses –
National data no local/regional

VC FUNDING (\$MILLIONS), 2000-2007



*Data represents the Congressional District encapsulating the MSA
*Tucson MSA data is unavailable.
Source: PWC Money Tree

Goal 4 Essential commodities such as food and energy are produced regionally at an increasing rate.

Current Condition

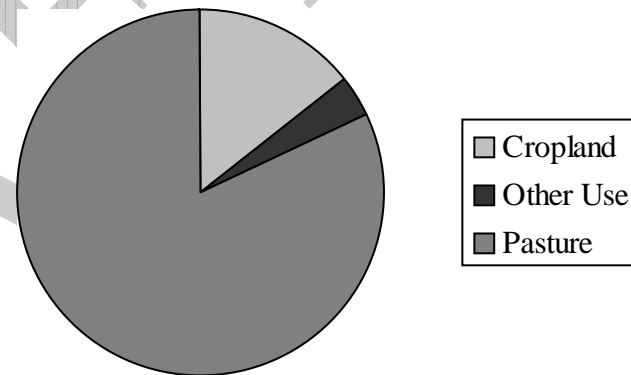
According to the USDA Agriculture Census, the following represents the 2007 El Paso and Teller County agricultural condition. What the farm census shows is the majority of the regions agricultural production is based in producing animal products versus fruit and vegetable products. A Food Consumption Profile, represents the residual after exports, nonfood use and ending stocks are subtracted from the sum of beginning stocks,

domestic production and imports. There are national per capita consumption tables found in the US Census Bureau 2011 Statistical Abstracts. However, local profiles are not included in the data sets. Metrics for tracking local food production and consumption will have to be established, such as production versus imports. One form of measuring local food production and consumption is tracking *food miles*, which refers to the distance food is transported from the time of its production until it reaches the consumer.

El Paso

| | |
|---|---------|
| Number of Farms: | 1,529 |
| Land in Farms (acres): | 616,418 |
| Market Value of Products Sold (\$1,000's) | |
| Crop Sales | 19,895 |
| Livestock Sales | 19,528 |
| Leading Commodities by Value Sold (\$1,000's) | |
| Cattle and Calves | 14,156 |
| Nursery, floriculture, greenhouse and sod | 17,671 |
| Other crops and hay | 1,790 |
| Milk and Dairy | 1,726 |
| Top Crop Items (acres) | |
| Forage | 23,972 |
| Sod | 2,285 |
| Wheat for grain | 866 |

Land in Farms by Type: El Paso County



Teller County

| | |
|--|-----------|
| Number of Farms: | 126 |
| Land in Farms (acres) | 73,219 |
| Market Value of Products Sold (\$1,000's) | |
| Crop Sales | 50,000 |
| Livestock Sales | 1,019,000 |
| Top Crop Items (acres) (not fully disclosed in report) | |
| Forage | 1,683 |
| Cut Christmas Trees | |
| Vegetables for Sale | |
| Berries | |

Table X. Generation Facilities: El Paso and Teller County Region

| Facility | Operator | Year | Type | Capacity (MW) |
|--|------------------------------|-------------|-------------|-----------------------|
| Martin Drake | CSU | 1925 | Coal | 257 |
| Ruxton Hydro | CSU | 1925 | Hydro | 1.2 |
| George Birdsall | CSU | 1953 | Oil/gas | Contingency generator |
| Ray D. Nixon | CSU | 1980 | Coal | 207 |
| Tesla Hydro | CSU | 1997 | Hydro | 27.6 |
| WAPA Hydro (not in El Paso or Teller) | Western Area Power Authority | 1989 | Hydro | 121 (purchased) |
| Front Range Power | CSU/ El Paso Energy Corp. | 2003 | Gas | 480 |
| Manitou Hydro | CSU | 1905 / 2005 | Hydro | 5 |
| Cascade Hydro | CSU | 2010 | Hydro | .8 |
| USAFA Solar | CSU | 2011 | Solar | 5.2 – 8 |
| Fountain Valley | Fountain Valley Power LLC. | | Gas | 228 |

Indicators

- Land in Farms, Market value of products
USDA Agriculture Census for counties- 2007
- Generation Facilities – capacity and output
- Local utilities

Data Gaps

- Consistent base years
- Teller Land Use Summary

Metrics for tracking local food production and consumption, such as production versus imports.

Essential commodities list

Local Food Consumption Profile, represents the residual after exports, nonfood use and ending stocks are subtracted from the sum of beginning stocks, local production and imports. (national per capita consumption tables)

Food miles, which refers to the distance food is transported from the time of its production until it reaches the consumer.

Goal 5 95% of all households in the region are 20% or more above the regional definition for low income.

Current Condition

The Census Bureau’s poverty thresholds are the same nationwide. The Department of Health and Human Services’ poverty guidelines, which are a simplified version of the Census Bureau’s poverty thresholds, are used for program eligibility purposes, and are the same for the 48 contiguous states and the District of Columbia. HUD uses an area's median income to set its income limits, which are adjusted yearly. The agency splits low-income households into three categories. HUD considers households that earn 80 percent of their area's median income "low income." If your household is at 50 percent of the median, HUD classifies you as "very low income." At 30 percent of your area's median, HUD characterizes your household as "extremely low income." Selected demographic and housing characteristics for the 2010 Census will be released between May 2011 and September 2013.

The following are approximations of low income households in the region.

El Paso County

Median Household Income (2005-2009 ACS) - \$56,570

Low Income households (80% of MHI⁴) - \$46,225

Estimated Total Households – 221,168

Estimated Low Income (\$44,999 and below) – 87,679

= @ 39.6% of households below median income

= @ 60.4% of households above median income

Teller County

Median Household Income (2005-2009 ACS) - \$56,686

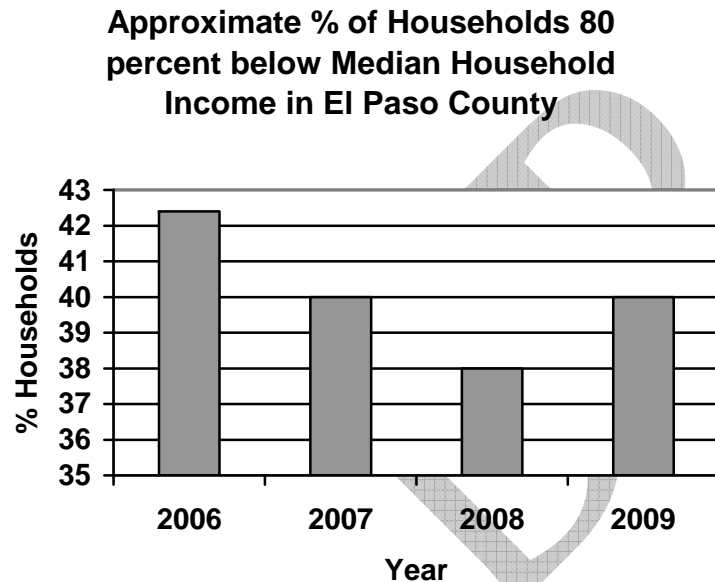
⁴ HUD calculates low income status as being 80% of the Median Household Income for the region.

Low Income households (80% of MHI) - \$45,348
Estimated Total Households – 8,787
Estimated Low Income (\$44,999 and below) – 2965
= @ 33.7% of households below median income
= @ 66.3% of households above median income

Poverty Status of Families with Presence of Related Children Under 18 Years of Age. (Income in past 12 months below poverty level)

El Paso County 11,278
Teller County 340

Source: U.S. Census Bureau, 2009 American Community Survey
2005-2009 ACS summary table



Source: ACS One year estimates for El Paso County figured from number of households earning \$44,999 or less divided by total households.

Indicators

Median Household Income

Poverty Status of Families

U.S. Census and American Community Survey

HUD low income standards

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Materials Management and Procurement

By 2030, the region has made significant progress toward a zero-waste future. Achieving this goal means:

1. There is a 70% reduction in solid waste sent to landfills.
2. Household hazardous waste is minimized, managed, and properly disposed of, as reflected in a substantial increase in drops to regional hazardous household waste facilities.
3. Individual, business, and government purchasing is guided by the tenets of *reduce, reuse, recycle*. All businesses and public institutions have developed and are choosing to follow sustainable procurement guidelines.

Questions/issues for Focus Group consideration:

- An early strategy may need to be development of sustainable procurement guidelines that could be used by entities that do not already have their own.

Goal 1 There is a 70% reduction in solid waste sent to landfills.

Current Conditions

Teller County does not have a large recycling facility that will take all types of recyclable materials, so most of these are going to the landfill. The County also has 18 waste transfer facilities which transport solid waste out of the county to regional landfills. El Paso County has four privately operated solid waste facilities in the county, not counting permitted facilities on military installations, like Fort Carson. According to the Colorado Department of Public Health and Environment the total cubic yards of waste reported at the following facilities accounts for all collected waste, including construction and municipal solid waste.

| Solid Waste Facility | Total Cubic Yards | Operator |
|----------------------------------|--------------------------|---------------------|
| Colorado Springs Landfill | 783,009 | Waste Management |
| Fountain Landfill | 842,001 | US Waste Industries |
| Midway Landfill & Midway Organic | 935,987 | |
| Colorado Energy Recyclers | 827 | |
| Total | 2,561,823 | |

| Cubic Yards of Waste Collected | | |
|---------------------------------------|-----------------|-------------------------|
| Year | CY Waste | CY Single stream |
| 2009 | 2,430,040 | 155,094 |
| 2010 | 2,501,985 | 182,118 |

Indicators

Total Cubic Yards of Waste per facility
Cubic Yards of Waste Collected
Materials diverted and Recycled in Tons
 El Paso County diversion program

Data Gaps

Other landfills
Military Installations

Goal 2 Household hazardous waste is minimized, managed, and properly disposed of, as reflected in a substantial increase in drops to regional hazardous household waste facilities.

Current Conditions

El Paso County operates one household hazardous waste facility. They collect hazardous materials, electronics and medical waste from El Paso and Teller County. Currently, the facility collects, free of charge, from residential customers only. By June 2011, they will be able to dispose of waste from non-profits and small businesses for a small fee. The center stores and prepares materials for other companies to recondition materials for reuse and/or disposal.

El Paso County household hazardous waste facility collects hazardous materials, electronics and medical waste from El Paso and Teller County. By June 2011, they will be able to dispose of waste from non-profits and small businesses for a small fee.

Table X.

Number of Customers in 2010: 15,169

| Materials Collected | 2009 | 2010 |
|--|-------------|-------------|
| Paint: Latex and Oil-Based (Gallons) | 66,127 | 76,229 |
| Aerosol Cans (55-Gallon Drums) | 81 | 115 |
| Antifreeze (Gallons) | 1,940 | 1,824 |
| Automotive Batteries | 831 | 1,267 |
| Electronic Waste (Pounds) | 254,140 | 245,760 |
| Explosives & Flammable Solids (Pounds) | 808 | 395 |
| Fire Extinguishers | 321 | 386 |
| Flammable Liquids (55-Gallon Drums) | 358 | 514 |
| Household Batteries (Pounds) | 9,735 | 13,560 |
| Medical Sharps (40-Gallon Containers) | 4 | 19 |
| Mercury Vapor Tubes & PCB Ballasts | 3,987 | 4,455 |
| Propane Cylinders | 1,827 | 1,892 |
| Toxic Materials (55-Gallon Drums) | 127 | 109 |
| Used Motor Oil (Gallons) | 9,060 | 9,850 |
| Used Motor Oil Filters (55-Gallon Drums) | 4 | 6 |

Indicators

Number of customers

Type and measure of materials collected

Data Gaps

Commercial hazardous waste data

Goal 3 Individual, business, and government purchasing is guided by the tenets of *reduce, reuse, recycle*. All businesses and public institutions have developed and are choosing to follow sustainable procurement guidelines.

Current Conditions

According to 2007 data, El Paso County residents recycled significantly less paper (67.8 pounds per person, per year) than the average Coloradan (119.7 pounds per person, per year). Currently, Colorado Springs single-stream recycled materials are taken to Denver or Boulder for sorting. Single-stream recyclable materials include: plastics 1-7, cardboard, paper, steel, aluminum, and glass.⁵

Colorado 2010 CDPHE Annual Report to General Assembly ⁶

El Paso County reports 50.7-54.4% often recycle paper, plastic, aluminum and glass

Teller County reports 54.5-65.1%

Colorado College tracks trash and recycling for 10 weeks every year during Recyclemania, and conducts a one-day audit to estimate how much land fill material could be recycled.

2011 - waste diversion rate of 45%, about 5 pounds of recycling per person per week, 6 to 7 pounds of trash per person per week.

"Trash Peak," audit found approximately 40% of the material bound for the landfill could have been recycled, reused or composted.

Eco-Festival Waste Audit

158 lbs of recyclables recovered + 134 lbs residual = 292 lbs total volume of sample

54% recyclables present in total sample

"Environmentally preferable" is defined in Section 201 of EO 13101 to mean products or services that "have a lesser or reduced effect on human health and the environment when compared with competing products or services that serve the same purpose. This comparison may consider raw materials acquisition, production, manufacturing, packaging, distribution, reuse, operation, maintenance or disposal of the product or service."⁷ Colorado Revised Statute 24-103-207.5 requires that all State of Colorado invitations for bids for products shall include language that describes the availability of the purchasing preference for environmental products and requires the Governor's Energy Office (GEO) to maintain a list of certification entities. Fort Carson procurement supports sustainability and requires all purchases consider life cycle costs and transportation impacts as well as social impacts. The City of Colorado Springs is developing sustainable procurement guidelines. El Paso County Procurement Policies were last updated in December 2005. Specifically, the mantra of "reduce, reuse or recycle" does not appear in the

⁵ 2009 Pikes Peak United Way Quality of Life Indicators Report and Pikes Peak Ecofestival Recycling Coalition of Colorado Springs

⁶ Sourced from BRFSS Health Statistics Section CDPHE

⁷ EPA Final Guidance on Environmentally Preferable Purchasing. August 1999. <http://www.epa.gov/epp/pubs/guidance/finalguidance.htm>

revised April 2009 Procurement Contracting Rules and Regulations for the City of Colorado Springs or the El Paso County Procurement Policies.

Indicators

Recyclables audits
Materials diverted and recycled in tons

Data Gaps

Number of businesses and institutions with sustainable procurement guidelines
Number of businesses, institutions and individuals following “reduce, reuse, recycle tenets”
Recycle data from Teller County

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