

**Pikes Peak Area Council of Governments (PPACG)
Fort Carson Regional Growth Plan
Economic Impact Partnership Group Meeting Summary
December 14, 2009, 1:00 pm – 2:30 pm**

Attendees:

- Brian Binn, Colorado Springs Chamber of Commerce
- Bob Cope, City of Colorado Springs, Economic Development
- Kate Hatten, PPACG
- Doug Jeavons, BBC Research & Consulting
- Gary Markle, Colorado Springs Economic Development Corporation
- Carl Schueler, City of Colorado Springs
- Sarah White, PPACG

1. Welcome and Introductions

2. Phase 2 Update/Status:

Mr. Doug Jeavons provided an overview of the regional and state economic impacts of Fort Carson growth, as well as reviewed the Fort Carson Regional Growth model, key assumptions feeding the model and preliminary data. A PDF version of the presentation can be found on PPACG's website at <http://www.ppacg.org/military-impact/fort-carson-regional-growth-plan-intro/meetings/576-economic-impact-and-development>. The economic impacts are addressed in terms of direct and secondary jobs, output and earnings, as well as regional and state tax revenue related to Fort Carson growth.

While impacts are assessed based on the IMPLAN model, which is also used by other economists in the region, the Phase 2 Growth Plan analysis is more detailed than Phase 1 or other analyses because of the detailed demographic information in the model and the fact that Soldier deployments and family behaviors, as well as other factors, are taken into account. The group also noted that, while Soldiers living in on-post family housing do not receive BAH directly, the amount of their BAH does go directly to the privatized housing provider, Balfour Beatty. Based on BBC's preliminary analysis, the total direct economic stimulus in FY09 in the region from Fort Carson is \$1.681 million. Fort Carson supported 14,000 direct jobs and around 17,422 secondary jobs totaling 31,480 jobs in FY2009. Impacts related to civilian employees and post operations (tuition assistance/Tri-Care payments, etc.) are included together, and it was noted that this should be clarified or a separate breakout of civilian jobs should be provided. Civilian jobs on-post are the most stable, while the construction jobs are not fixed and the most unstable.

While assumptions regarding Soldier spending during deployments seem reasonable, the group felt that BBC's assumption that 50 percent of [mostly married] soldiers declare Colorado as their "home" state seems high. The range of state income tax generated per year from Fort Carson soldiers is about \$23-45 million. The group agreed that it would be very beneficial to communicate the economic impact and the number jobs generated by Fort Carson to the state.

The group expressed that the estimated FY09 sales tax revenue for Colorado Springs may not reflect all local taxes, such as the Rural Transportation Authority (RTA) and Trails and Open

Space (TOPS) taxes. The graph would be more helpful if the sales tax revenue was broken down to reflect what percentage goes towards the City of Colorado Springs' general fund. Mr. Jeavons will send the breakdown of the city sales tax and supporting calculations to the group for review to ensure that all relevant taxes are included. He also agreed to provide information of impacts since FY2008 in order to show economic trends related to Fort Carson growth.

It was also noted that future documents will clarify that deployment information is (currently) not available past 3Q 2013 and it should not be assumed that all Soldiers will be physically present in the region after that time. Future information on deployments will be provided and updated in the modeling efforts as information becomes available.

3. Open Discussion:

The group discussed the issue of where Soldiers register vehicles. If Soldiers use a Fort Carson address (even if they do not live on-post) when registering vehicles, then they can avoid paying the City of Colorado Springs sales tax. This could be adversely affecting the city's sales tax revenue.

Another issue brought forth is a federal bill which allows spouses to claim another state as their home state for income tax purposes. This could potentially have a large impact on the state's income tax revenue.

Another question was raised as to whether or not divorce rate was captured in any of the data, which could possibly affect the regional economic impacts. Mr. Jeavons said that divorce rate was not factored in the data. BBC will look into this information.

5. Next Steps:

The economic impact model and draft report will be revised based on the group's input (including a review of sales taxes currently included) and forwarded to the group. Additional meetings will be scheduled as needed.

The Sustainability/Economic Impact Partnership Group will meet on December 17th at 8:30 am.

The meeting was adjourned at 2:30pm