

2010 Colorado Planning & Management Region Report

Region 4 – El Paso, Park and Teller Counties

Introduction

Region 4 consists of three counties; Park, Teller, and El Paso. Together, El Paso and Teller Counties compose the Colorado Springs Metropolitan Statistical Area while Park County is the largest county by area in the Denver Metropolitan Statistical Area. This region has a fast growing population, due in part to the addition of 6,000 soldiers and 10,000 of their dependents in 2009. In El Paso County in particular, this growth in combination with a loss of jobs is a significant concern.

County	Pop 2000	Pop 2010	Jobs 2000	Jobs 2010
El Paso	519,799	622,565	301,881	280,941
Park	14,724	17,189	3,039	4,731
Teller	21,069	22,846	8,393	9,443
Region 4	555,592	662,600	313,313	343,091

Jobs & the Economy

The region has seen a decline in the economy due in part to the loss of over 16,000 technology jobs. Many of these jobs are being replaced with lower income military and service jobs. The regional rate of productivity improvement is declining, the employment base is shrinking, and the unemployment rates of 9% in El Paso County, 8% in Park County and 7% in Teller County are the highest in about a decade.

The outdoor recreation and rural lifestyle in Park County is attractive to second-home buyers. Park County's employment, therefore, is dominated by the services and construction sectors, both of which are influenced by the second home building market and providing services to the retirees buying these homes. Teller County receives most of its income through gaming, tourist accommodation and food services, all part of the services economic sectors that is very hard hit by the recession.

In El Paso County, the presence of the military creates almost as many jobs for civilians as it does for its active duty personnel. As such, military jobs place third behind service and retail in El Paso County and the region and form a critical part of the economy. The military component has provided a stabilizing influence for the region during economic boom and bust cycles affecting other industry segments, although the unemployment rate is still very high.

The challenges facing the region include lower tax collections to support government funding and this has directly resulted in cutbacks in local services. The loss of the gaming impact fees has had a significant impact on Teller County. In Colorado Springs some neighborhood street lights have been turned off and city parks are no longer maintained.

Housing

The region has seen a decline in home values due to a record number of foreclosure filings and a rising supply of existing homes for sale. Waning consumer confidence brought on by increasing unemployment, a decline in household income, and tepid economic growth have made for a poor housing market. The first half of 2010 saw slight improvement in the single-family housing market in the Pikes Peak region. Sales and prices of existing homes rose, construction picked up and the pace of new foreclosure filings slowed. Vacancy rates in Colorado Springs dropped to 6.9%, down from 11.7% during the same period of 2009, due primarily to the influx of military. In June of 2010, the median price of homes sold in the region was \$205,000, the highest in two years. A cautionary note, although the first half of 2010 showed some progress, the second half has so far been characterized by a slowdown. After a year of monthly increases, applications for building permits in El Paso County are falling and the supply of housing on the market varies between 18 and 60 months of normal consumption, depending on price range.

Agriculture

Due to the terrain in the Pikes Peak Region there is limited agriculture, generally consisting of grasslands used primarily for livestock grazing and a minor amount for hay production. While the number of farms has increased in recent years, the total acreage of the farms has decreased. In addition to land and water problems, farmers find it difficult to keep prices competitive while operating costs rise. To compensate for rising production prices, many small farmers have attempted to capitalize on the organic community grown markets.

Clean Energy

The momentum for investing in renewable and clean energy is gaining in the Pikes Peak region. Many organizations, businesses and individuals are pushing for more renewable energy and efficiency technologies for residential, commercial, and community buildings. Such projects will provide more stable and lower cost energy for citizens while contributing to the economic development in the region by creating new business and new job opportunities.

In 2007, Fort Carson constructed the largest solar array in the Army on a contaminated track of land. The 2 megawatt (MW) system can produce enough electricity to support over 550 homes annually. In a military rivalry, the Air Force Academy is now partnering with Colorado Springs Utilities to construct a solar power system to produce over 5 MW of electricity.

The region's utility companies are also making strides to diversify their energy portfolios to include clean and renewable energy sources. Fountain Utilities, serving an area

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6-miles south of Colorado Springs, has 20 percent of its electricity portfolio from renewable sources and is incorporating smart grid technologies as a part of the American Recovery and Reinvestment Act. Colorado Springs Utilities (CSU), a municipally-owned utility company serving over 600,000 metered customers, recently announced its proposed 10-year goal to generate 20 percent renewable generation by 2020, cutting average electric consumption by 10 percent and maintaining a 20 percent cost advantage over nearby utilities. CSU plans to achieve this proposed renewable energy goal with 20 MW of woody biomass (wood pulp from beetle-kill pine), 35.4 MW of hydroelectric, increases solar and wind generation and other potential renewable sources and technologies.

Peak Regional Sustainability Plan to be developed during 2011 and incorporated into several other plans, such as the Pikes Peak Regional Transportation Plan.

In order to remain economically competitive, a number of regional organizations are working to attract and protect renewable and clean energy jobs in the region. Operation 60ThirtyFive is a multi-faceted project that created a comprehensive strategic economic development plan for the Pikes Peak region with a particular focus around Colorado Springs. Members of Operation 60ThirtyFive's Clean Tech group worked together with the Rocky Mountain Technology Alliance, and other regional partners to make Colorado Springs the home of the Global New Energy Summit in 2011. The annual summit attracts national and international new energy (which includes new innovation in old energy) leadership from across the key disciplines of science, industry, policy and finance. By bringing together this leadership from across these key disciplines it is believed that unique discussions will occur leading to a more complete understanding of the critical issues needing attention for success in transitioning our energy economy over time. This will in turn lead to better informed public and private initiatives designed to succeed.

Other

Park County installed a brand new 911 system last year with zero down time or service interruption, and in October 2010 was named Best 911 Communications Center in Colorado. They were selected based on *"...teamwork, their service to the community and the ability to provide public information in a timely manner for the 90,000 plus emergency calls..."* they field each year.

New Projects

The Pikes Peak Area Council of Governments (PPACG), along with several other regional partners and many stakeholders, is facilitating a regional sustainability initiative to develop 20-year stretch goals for the Pikes Peak region. Goals have been drafted for transportation, built and natural environment, economic development, energy and water, materials management (e.g., procurement/solid waste/recycling) and health. These goals will provide the foundation for a Pikes