

2010 Colorado Planning & Management Region Report

Region 4 – El Paso, Park and Teller Counties

Introduction

Region 4 consists of three counties; El Paso, Park and Teller. 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. Between 2000 and 2010 our region has seen a significant population increase, with each county logging double-digit percentage growth. El Paso County now has the largest population of any county in Colorado.

County	2000	2010	% Change
El Paso	516,929	622,263	20.38%
Park	14,523	16,206	11.59%
Teller	20,555	23,350	13.60%
Colorado	4,301,261	5,029,196	16.92%

Source: State Demography Office

Jobs & the Economy

The region has seen a decline in the economy due in part to the loss of over 20,000 primary 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 are increasing. Currently, the region's labor force has declined every month since March, reaching a 5 ½ year low in August. The unemployment rate peaked at 12% in Teller County in January 2011. El Paso County is experiencing a 9.6% unemployment rate, with 7.6% in Park County and 8.4% in Teller County. **These are the highest unemployment rates in two decades.**

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.

Housing

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 region has seen an approximate 5% decline in median home values and 7% decline in sales from 2010 levels due to a continued high level of foreclosure filings and inability of consumers to get home loans. This is related directly to the home mortgage / foreclosure crisis. In the first six months of 2011, Park County had the second highest foreclosure rate in the state, at 0.58% of houses in foreclosure, while Teller County has the ninth highest foreclosure rate in the state at 0.53%. During the same six-month period El Paso County had the second most foreclosures in the state with 1,743 homes foreclosed on. Vacancy rates in rental units in Colorado Springs dropped to 6.2%, down from 11.7% during the same period of 2009. Applications for building permits in El Paso County are falling, down over nine percent from the same period in 2010. It is currently estimated that the supply of housing on the market varies between 18 and 60 months of historic consumption rates, depending on price range. At the current rate of purchasing the time frames could be greatly extended.

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.

The City of Colorado Springs City Council, acting as the Board of Directors for Colorado Springs Utilities, unanimously approved a new rate structure that will allow community solar gardens in which residents buy a share of a large solar project rather than installing panels on their own roof.

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Under the plan, subscribers will buy or lease a minimum of two panels in a solar garden set up by an independent company, then they will receive a credit on their utility bill of 9 cents a kilowatt hour for the power those panels produce. The subscriber model allows people who rent their homes, live in a condo where they don't own the roof, and can't afford the cost of a large system, or live in an area where home panels do not work, access to the same rebates and benefits of solar power that traditional home installations have.

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 partnered with Colorado Springs Utilities to construct a solar power system to produce 6 megawatts 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 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, has proposed a 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.

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

The Army announced that Ft Carson will be the duty station to a new 2,800 person aviation brigade. The brigade would be formed at Fort Carson in 2013 and would also bring hundreds of civilian jobs because the helicopter unit would require contractors for aircraft maintenance, high-tech weapons and training simulators.

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 are providing the foundation for a Pikes Peak Regional Sustainability Plan.