

# PETERSON COMPLEX ECONOMIC RESOURCE IMPACT STATEMENT

FY92 (1 OCT 91 - 30 SEP 92)



PREPARED BY FINANCIAL ANALYSIS

21ST SPACE WING

PETERSON AFB, CO

DEPARTMENT OF THE AIR FORCE

21ST SPACE WING (AFSPACECOM)

24 May 1993

FROM THE OFFICE OF THE **STATEMENT OF CLEARANCE**

The Economic Resource Impact Statement is a way of keeping the Colorado Springs and El Paso County Communities informed of the activities of Peterson and Cheyenne Mountain Air Force Bases. It is a summary of our resources: land, buildings, personnel, and the overall economic impact on the Colorado Springs community in Fiscal Year 1993.

We thank the citizens of El Paso County for their outstanding cooperation and strong support. We look forward to continued cooperation in an effort to make our communities better places to work and live.

In accordance with AFR 55-30 and AFR 190-1, the information contained in this impact statement has been cleared through the Operations Security Office and the Public Affairs Office for public release.



# DEPARTMENT OF THE AIR FORCE

21ST SPACE WING (AFSPACECOM)

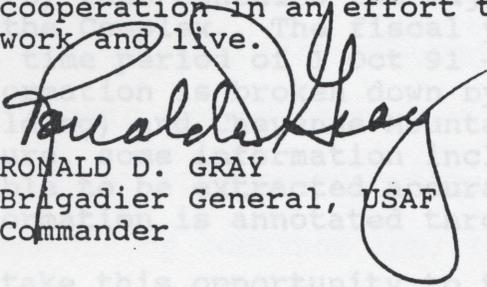
## FOREWORD

24 May 1993

FROM THE OFFICE OF THE COMMANDER

The Economic Resource Impact Statement is a way of keeping the Colorado Springs and El Paso County Communities informed of the activities of Peterson and Cheyenne Mountain Air Force Bases. It is a summary of our resources: land, buildings, personnel, and the overall economic impact on the Colorado Springs community in Fiscal Year 1992.

We thank the citizens of El Paso County for their outstanding cooperation and strong support. We look forward to continued cooperation in an effort to make our communities better places to work and live.

  
RONALD D. GRAY  
Brigadier General, USAF  
Commander

We take this opportunity to thank those personnel who helped contribute to this publication. Suggestions or comments should be addressed to the 21st Space Wing, Financial Analysis Branch (FMA), Peterson AFB, Colorado 80914-5000. You may telephone our office at the following number: Commercial (719) 596-4358 or Defense Switching Network (DSN) 834-4358.

## FOREWORD

This Economic Resource Impact Statement (ERIS) reflects information concerning Peterson Air Force Base, Cheyenne Mountain Air Force Base, and the Federal Building, annotated throughout this publication as "Peterson Complex." Falcon AFB is excluded as part of the Peterson Complex, except where noted throughout this publication. Falcon AFB's economic impact can be seen in the FY92 Falcon AFB ERIS.

Through close interaction with various agencies throughout the Peterson Complex, the 21st Space Wing Financial Analysis Branch (FMA) has compiled this FY92 ERIS. The ERIS provides unclassified key information concerning the mission, resources, and economic impact of the Peterson Complex. The Economic Impact Region (EIR) is the area within a 50-mile radius from the center of Peterson Air Force Base (PAFB) that contains the majority of local economic activity generated by the Complex. The fiscal year data contained in the ERIS reflects the time period of 1 Oct 91 - 30 Sep 92. Where feasible, the information is broken down by Peterson (including the Federal Building) and Cheyenne Mountain Air Force Bases. Because of its nature, some information includes Falcon Air Force Base, as it was unable to be extracted accurately from the total number. This information is annotated through the ERIS as such.

We take this opportunity to thank those personnel who helped contribute to this publication. Suggestions or comments should be addressed to the 21st Space Wing, Financial Analysis Branch (FMA), Peterson AFB, Colorado 80914-5000. You may telephone our office at the following number: Commercial (719) 556-4358 or Defense Switching Network (DSN) 834-4358.

TABLE 1: SUMMARY OF PERSONNEL BY CLASSIFICATION AND HOUSING LOCATION

TABLE OF CONTENTS

Peterson/Cheyenne Mountain Air Force Base  
 -- As of 30 September 1992 --

STATEMENT OF CLEARANCE.....				i
21ST SPACE WING COMMANDER'S LETTER.....	Living	Living		ii
FOREWORD.....				iii
TABLE 1. PERSONNEL.....				1
TABLE 2. PAYROLL.....		1,297	1,297	2
TABLE 3. CONSTRUCTION, CONTRACTS, AND EXPENDITURES.....	Other Military	441	467	3
TABLE 4. VALUE OF RESOURCES.....	TOTAL	663	5,279	4
ECONOMIC IMPACT STATEMENT.....				5
ERIS CALCULATION PROCEDURES.....				6
CHAMBER OF COMMERCE ADDITIONAL DATA.....				8
DISTRIBUTION LIST.....				11
	Federal Wage Board		100	
	Other		2	
TENANTS				
	General Schedule		456	
	Federal Wage		195	
	TOTAL		1,831	
NONAPPROPRIATED FUND, CONTRACT CIVILIAN, AND PRIVATE BUSINESS				
	Civilian NAP		365	
	Civilian BX		224	
	Contract Civilians		1,501	
Private Businesses on-base by type:				
	Branch Bank		5	
	Credit Union		17	
	McDonald's Restaurant		42	
	TOTAL		2,161	

TABLE 1: SUMMARY OF PERSONNEL BY CLASSIFICATION AND HOUSING LOCATION

Peterson/Cheyenne Mountain Air Force Base  
 -- As of 30 September 1992 --

Classification	Living On Base	Living Off Base	Total
<b>APPROPRIATED FUND MILITARY</b>			
Active-Duty	637	2,724	3,361
ANG/Reserve		1,297	1,297
Tenants		817	817
Other Military	26	441	467
<b>TOTAL</b>	<b>663</b>	<b>5,279</b>	<b>5,942</b>
<b>ACTIVE DUTY MILITARY DEPENDENTS</b>			<b>7,491</b>
<b>APPROPRIATED FUND CIVILIANS</b>			
<b>HOST</b>			
General Schedule		1,078	
Federal Wage Board		100	
Other		2	
<b>TENANTS</b>			
General Schedule		456	
Federal Wage		195	
<b>TOTAL</b>		<b>1,831</b>	
<b>NONAPPROPRIATED FUND, CONTRACT CIVILIAN, AND PRIVATE BUSINESS</b>			
Civilian NAF		365	
Civilian BX		224	
Contract Civilians		1,501	
<b>Private Businesses on-base by type:</b>			
Branch Bank		5	
Credit Union		17	
McDonald's Restaurant		49	
<b>TOTAL</b>		<b>2,161</b>	

TABLE 2: SUMMARY OF ANNUAL GROSS PAYROLL BY CLASSIFICATION AND HOUSING LOCATION

Peterson/Cheyenne Mountain Air Force Base  
 -- As of 30 September 1992 --

Classification	Living On Base	Living Off Base	Total
<b>APPROPRIATED FUND MILITARY</b>			
Active-Duty	\$12,732,993	\$ 94,934,124	\$107,667,117
ANG/Reserve		9,119,000	9,119,000
Tenants		28,473,267	28,473,267
Other Military	<u>496,649</u>	<u>9,851,786*</u>	<u>10,348,435</u>
<b>TOTAL</b>	<b>\$13,229,642</b>	<b>\$142,378,177</b>	<b>\$155,607,819</b>
<b>APPROPRIATED FUND CIVILIANS</b>			
<b>HOST</b>			
General Schedule		\$36,682,209	
Federal Wage Board		2,907,671	
Other		278,958	
<b>TENANTS</b>			
General Schedule**		14,985,079	
Federal Wage		<u>5,585,689</u>	
<b>TOTAL</b>		<b>\$60,439,606</b>	
<b>NONAPPROPRIATED FUND, CONTRACT CIVILIAN, AND PRIVATE BUSINESS</b>			
Civilian NAF		\$ 3,472,809	
Civilian BX		2,309,736	
Contract Civilians		***	
Private Businesses on-base by type:		113,228	
Branch Bank		291,637	
Credit Union		****	
McDonald's Restaurant			
<b>TOTAL</b>		<b>\$ 6,187,410</b>	

\* Does not include Colonels and above for the Canadian Forces as their salaries are confidential.

\*\*DET 25 Appropriated Fund payroll included. PAFB pays, however their personnel office is at McClellan AFB.

\*\*\*Contract Civilian payroll reported under service contracts, Table 3.

\*\*\*\*Payroll not releasable.

TABLE 3: SUMMARY OF CONSTRUCTION, CONTRACTS, AND EXPENDITURES FOR  
MATERIALS, EQUIPMENT, AND SUPPLIES

Peterson/Cheyenne Mountain Air Force Base  
-- As of 30 September 1992 --

	ACTUAL ANNUAL EXPENDITURE
CONSTRUCTION	
Military Construction Program	\$ 11,934,000
Nonappropriated Fund	--
Military Family Housing	1,146,999
O&M	3,491,307
Other	<u>30,000</u>
TOTAL CONSTRUCTION	\$ 16,602,306
CONTRACTS AND PROCUREMENT: SERVICES, MATERIALS, EQUIPMENT, AND SUPPLIES	
Services Contracts	\$142,963,068
Commissary, Base Exchange, Health, Education, and TDY Expenditures	
Commissary*	\$ 8,996,476
Base Exchange*	20,114
Health (CHAMPUS, Government Cost Only)	6,362,450
Education (Impact Aid and Tuition Assistance)	1,994,365
TDY**	1,312,849
Other Materials, Equipment, and Supplies Procurement	<u>24,658,220</u>
TOTAL EXPENDITURES	\$202,909,848

\*Annual Commissary and Base Exchange Expenditures are adjusted by 31% to make allowances for the amount that directly impacts the EIR based on prior studies of vendors. The adjusted figure is divided by Peterson (75%) and Falcon (25%).

\*\*Figures are adjusted for Peterson (75%) and Falcon (25%).

TABLE 4: VALUE OF RESOURCES  
 Peterson/Cheyenne Mountain Air Force Base  
 -- As of 30 September 1992 --

**CAPITAL ASSETS**

Land, Building, and Real Property	\$253,659,918
Peterson Air Force Base	75,052,880
Cheyenne Mountain AFB	

**EQUIPMENT**

Appropriated Fund	\$ 14,400,000
Nonappropriated Fund (NAF)	1,894,530

**RETAIL SALES**

Base Exchange*	\$ 14,452,974
Commissary*	28,007,608
NAF*	2,557,005

BASE OPERATIONS AND MAINTENANCE OUTLAYS (Excludes Civilian Pay)	\$229,943,821
--	---------------

\*Figure represents 75% of total amounts. Falcon AFB will show remaining 25% on their report.

ECONOMIC IMPACT ANALYSIS SUMMARY

FY92

Peterson/Cheyenne Mountain Air Force Bases have a significant impact on the community of Colorado Springs, El Paso County, and portions of Douglas, Elbert, Fremont, Pueblo, and Teller counties. Military and civilian employee payrolls have the largest impact. Additionally, service and construction contracts create local area jobs which, in turn, generate secondary income. The school systems in this Economic Impact Region (EIR) benefit from federal impact aid, and local health care services profit from CHAMPUS program expenditures. Other expenditures, such as money spent in the local area by military personnel for temporary duty (TDY) expenses, also have an impact on this region. In addition, the total economic impact calculation accounts for any leakage caused by purchasing products outside the EIR. To determine the economic impact, total expenditures in the EIR were adjusted using a Gross Income Multiplier (M) of 2.4186.

THE TOTAL ECONOMIC IMPACT OF THE PETERSON AFB COMPLEX INSIDE THE EIR FOR FISCAL YEAR 1992 IS \$673,915,299.

Peterson/Cheyenne Mountain Air Force Bases also impact the Colorado Springs community in terms of employment. Secondary jobs are created off-base as the result of having a military installation in the local area. For so many dollars spent in each sector of the local area, one job is created. These dollar amounts are known as productivity factors.\* These productivity factors and the "M" (2.4186) were applied to dollars spent in the EIR to determine the number of secondary jobs created.

THE NUMBER OF SECONDARY JOBS CREATED BY PETERSON COMPLEX IN THE EIR FOR FISCAL YEAR 1992 IS 4,767.

THE TOTAL NUMBER OF JOBS CREATED BY THE PRESENCE OF THE PETERSON COMPLEX IN THE COLORADO SPRINGS AREA FOR FISCAL YEAR 1992 IS 14,701.

\*Productivity Factors, expressed in 1991 dollars and inflated by 4.2%, reflect the dollar amount which must be spent in each sector of the local community to create one job.

ECONOMIC IMPACT CALCULATION PROCEDURE

PART 1: DATA SUMMARY AND ADJUSTMENT

BASE: PAFB/CMC FISCAL YEAR 92

TABLE NUMBER	VARIABLE NAME	A. ANNUAL AMOUNT (\$)	B. ADJUSTMENT FACTORS APC	C. LOCAL AMOUNT (\$)	D. VARIABLE
<b>I. APPROPRIATED FUND PAYROLL</b>					
Table 2	Military on-base	\$ 13,229,642	X 0.44	\$ 5,821,042	YMON
Table 2	Military off-base	\$142,378,177	X 0.61	\$86,850,688	YMOFF
Table 2	Civilian	\$ 60,439,606	X 0.72	\$43,516,516	YCS

<b>II. NONAPPROPRIATED FUND (NAF) AND OTHER CIVILIAN PAYROLL</b>					
Table 2	Civilian NAF/BX	\$ 5,782,545	X 0.72	\$ 4,163,432	YCX
Table 2	Contract Civilian	\$ N/A			YCC
Table 2	Other Civilians	\$ 404,865	X 0.72	\$ 291,503	YCO

Estimated payroll expenditures off-base in EIR  
(YMON + YMOFF + YCS + YCX + YCC + YCO) \$140,643,181 RPAY

<b>III. CONSTRUCTION AND SERVICES Labor Share X APC</b>					
Table 3	Total Construction	\$ 16,602,306	X 0.384 X 0.72	\$ 4,590,206	YCON
Table 3	Total Services	\$142,963,068	X 0.524 X 0.72	\$53,937,106	YS
Table 3	Commissary/BX	\$ 9,016,590	X 1.00	\$ 9,016,590	C
Table 3	Health	\$ 6,362,450	X 1.00	\$ 6,362,450	H
Table 3	Education	\$ 1,994,365	X 1.00	\$ 1,994,365	E
Table 3	TDY	\$ 1,312,849	X 1.00	\$ 1,312,849	T

Estimated Labor and Service Expenditures off base in EIR (YCON + YS + C + H + E + T) \$77,213,566 RCONS

<b>IV. MATERIALS, EQUIPMENT, AND SUPPLIES (MES)</b>					
MES Share					
Table 3	Total Construction	\$ 16,602,306	X 0.600	\$ 9,961,384	MC
Table 3	Total Services	\$142,963,068	X 0.183	\$26,162,241	MS
Table 3	Other materials, equipment, and supplies in EIR	\$ 24,658,220	X 1.00	\$24,658,220	AFMAT

Estimated materials and equipment expenditures off-base in the EIR (MC + MS + AFMAT) \$60,781,845 RMAT

**V. TOTAL AF BASE EXPENDITURES IN EIR**  
(RPAY + RCONS + RMAT) \$278,638,592 RTOT

PART 2: ERS ECONOMIC IMPACT CALCULATION

1. Estimated total economic impact in the EIR of the AF installation's annual operation expenditures.

$$EI = RTOT \times M$$

$$\$673,915,299 = \$278,638,592 \times 2.4186$$

2. Secondary jobs created off base in the EIR

1. TOTAL NUMBER OF SINGLE ACTIVE DUTY PERSONNEL - 1,012			
SJC =	$\frac{RPAY \times (M-1)}{PRS}$	+	$\frac{RCONS \times M}{PRS}$
			+
			$\frac{RMAT \times M}{PW}$
2. TOTAL NUMBER OF DEPENDENTS			
	\$140,643,181(1.4186)	+	\$77,213,566(2.4186)
SJC =	-----	+	-----
	92,485		92,485
			248,695
3. 4,767 = 2,157 + 2,019 + 591			

PART 3: SUMMARY OF LOCAL JOBS SUPPORTED BY ANNUAL OPERATION EXPENDITURES

1. Base appropriated fund employment:

Military (Table 1)	5,942	MIL
Civilian (Table 1)	1,831	CIV
Contract Civilian, n.e.i. (Table 1)	1,501	
Other Civilian, n.e.i. (Table 1)	71	

2. SJC employment from annualized base operation expenditure:

SJC off base within EIR (Equation 2)	4,767	SJC
NAF/BX employment (Table 1)	589	NAFBX

3. Local employment supported by annual expenditures to operate the AF installation: (MIL + CIV + NAFBX + SJC + Contract Civilian, n.e.i. + Other Civilian, n.e.i.)

A. IN COLORADO	\$ 8,123,000	
B. OUTSIDE COLORADO	\$136,880	14,701

9. NUMBER OF MILITARY AND CIVILIAN ATTENDING AREA COLLEGES:

A. HIGH SCHOOL DIPLOMAS	- N/A
B. ASSOCIATE DEGREE	- 66 (MILITARY)
C. UNDERGRADUATE	- 3,843 (MILITARY - 2,435; CIVILIAN - 1,408)
D. MASTERS/PHD/DOCTORATE	- 1,598 (MILITARY - 1,216; CIVILIAN - 382)

ECONOMIC RESOURCE IMPACT STATEMENT  
 FY92 DATA  
 FOR  
 CHAMBER OF COMMERCE  
 PETERSON AFB/CHEYENNE MOUNTAIN AFB

1. TOTAL NUMBER OF SINGLE ACTIVE DUTY PERSONNEL - 1,012
2. TOTAL NUMBER OF DEPENDENTS
  - A. RESIDING OFF-BASE 6,643
  - B. RESIDING ON-BASE - 848
3. NUMBER OCCUPIED FAMILY HOUSING UNITS - 339
4. NUMBER UNOCCUPIED FAMILY HOUSING UNITS - 71
5. HOSPITAL/CLINIC EXPENSES, EXCLUDING CHAMPUS - \$2,769,647
6. CITY/COUNTY UTILITIES - \$3,123,545.00  
 WESTERN AREA POWER ASSOCIATION - \$173,461.00
7. ENVIRONMENTAL SUPPORT - \$1,437,306
8. ECONOMIC IMPACT IN OTHER AREAS:
  - A. ELSEWHERE IN COLORADO - \$ 8,123,000
  - B. OUTSIDE COLORADO - \$136,882,508
9. NUMBER OF MILITARY AND CIVILIAN ATTENDING AREA COLLEGES:
  - A. HIGH SCHOOL DIPLOMAS - N/A
  - B. ASSOCIATE DEGREE - 66 (MILITARY)
  - C. UNDERGRADUATE - 3,843 (MILITARY - 2,435; CIVILIAN - 1,408)
  - D. MASTERS/PHD/DOCTORATE - 1,598 (MILITARY - 1,216; CIVILIAN - 382)

MILITARY AUTHORIZATIONS  
PETERSON AFB/CHEYENNE MT AFB

GRADE	ACTIVE DUTY	TENANTS	RESERVES	ARMY	NAVY/MARINES	CANADIANS
<b>OFFICER</b>						
07/09-GENL	5	7	1	2	4	4
06-COL	55	39	7	9	17	4
05-LTC	137	91	36	25	38	10
04-MAJ	193	131	46	46	43	31
03-CAPT	549	157	81	19	35	37
01/01-LT	89	24	27	0	5	1
CW03	0	0	0	0	1	0
CW04	0	0	0	0	1	0
<b>SUBTOTAL</b>	<b>1028</b>	<b>449</b>	<b>198</b>	<b>101</b>	<b>144</b>	<b>87</b>
<b>ENLISTED</b>						
E9-CMS	42	12	15	2	1	1
E8-SMS	90	21	45	2	3	1
E7-MSGT	281	67	145	7	7	9
E6-TSGT	365	96	212	16	15	4
E5-SSGT	537	110	368	14	26	9
E4-SRA/SGT	596	46	268	6	8	4
E3-AIC	438	16	103	0	0	0
<b>SUBTOTAL</b>	<b>2349</b>	<b>368</b>	<b>1156</b>	<b>47</b>	<b>60</b>	<b>28</b>
<b>GRAND TOTAL</b>	<b>3377</b>	<b>817</b>	<b>1354</b>	<b>148</b>	<b>204</b>	<b>115</b>



