

Presentation:

Pikes Peak Region: Market Assessment



OPERATION | 60THIRTYFIVE



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www.angeloueconomics.com

Agenda

Critical Findings

Market Assessment & SWOT Analysis

Initial Target Industries

Next Steps

Critical Issues

Lack of a community vision, leadership and collaboration

Declining young professional demographic

Limited access to capital and resources are inhibiting entrepreneurial activity

Polarizing ideological differences in the political arena

Opportunities

Build upon growing university assets

Improved collaboration among R&D assets to foster a strengthened entrepreneurial environment

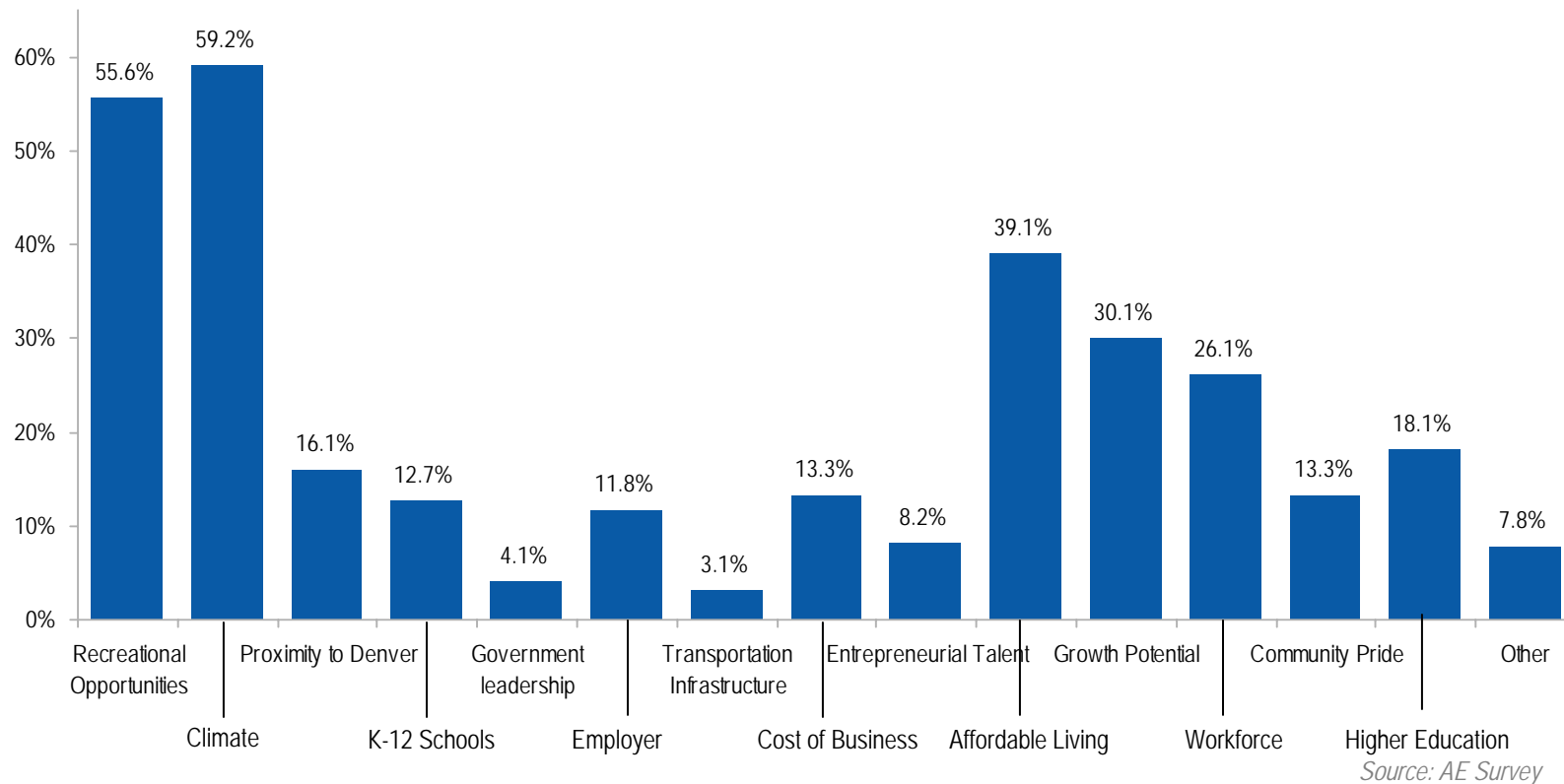
Capitalize on existing sports and military assets

Uniquely differentiate Colorado Springs (target industries, brand)

Downtown revitalization

ASSETS & CHALLENGES

What are the three greatest assets in the Pikes Peak region that can contribute to economic growth?



Common "other" assets comments: "military", "natural beauty"

Pikes Peak Regional Economy – At a Glance

AT A GLANCE

	Colorado Springs MSA	Albuquerque MSA	Austin MSA	Boise City MSA	Fort Collins MSA	Portland, OR MSA	Tucson MSA	Colorado	USA
Population (2007 Estimate)	609,096	835,120	1,598,161	587,689	287,574	2,175,113	967,089	4,542,781	301,621,159
Population Growth ('90-'08)	51.5%	41.1%	88.2%	86.9%	51.5%	44.8%	48.5%	48.8%	22.8%
Unemployment Rate, Dec. 2008*	6.9%	4.7%	5.2%	7.1%	4.9%	8.1%	6.3%	5.9%	7.1%
Labor Force Growth ('90-'08)	54.7%	47.0%	90.0%	89.6%	57.8%	49.8%	49.5%	51.6%	24.4%
Median Household Income (2008)	\$60,945	\$49,151	\$63,802	\$52,931	\$63,218	\$58,316	\$46,625	\$61,016	\$52,599
% Bachelor's Degree + (2008)	35.6%	30.5%	39.7%	29.6%	41.9%	33.0%	30.5%	34.9%	27.8%
% in 25-44 Age Group (2008)	28.8%	27.5%	33.0%	29.2%	29.6%	29.1%	26.3%	29.3%	27.3%

* Not Seasonally Adjusted

Source: U.S. Census Bureau, Bureau of Labor Statistics, Decision Data Resources

Business Climate – Regional Industry Employment

EMPLOYEES BY SECTOR (PERCENTAGE) AS OF DECEMBER 2008									
	Colorado Springs MSA	Albuquerque MSA	Austin MSA	Boise City MSA	Fort Collins MSA	Portland, OR MSA	Tucson MSA	Colorado	United States
Total government*	25.3%	18.6%	18.9%	15.3%	18.8%	16.1%	19.8%	15.1%	15.1%
Trade, transportation, and utilities	12.7%	15.9%	16.4%	18.0%	15.2%	17.6%	15.0%	16.8	17.4%
Professional/ business services	12.6%	14.4%	12.6%	12.6%	11.1%	10.0%	11.9%	13.0%	11.4%
Retail trade	9.3%	10.4%	10.0%	11.0%	11.5%	10.4%	10.3%	10.0%	10.3%
Leisure and hospitality	9.3%	8.7%	9.4%	7.5%	10.1%	8.9%	9.2%	10.5%	8.6%
Education and health services	8.7%	11.7%	9.3%	11.6%	10.9%	12.0%	13.7%	9.7%	12.7%
Financial activities	5.2%	4.2%	5.4%	4.6%	3.6%	5.3%	3.8%	5.9%	5.3%
Natural resources, mining, and construction	4.9%	6.3%	5.9%	6.3%	6.6%	5.0%	5.5%	7.0%	5.0%
Manufacturing	4.9%	4.8%	6.3%	8.6%	7.5%	9.8%	6.4%	5.4%	8.8%
Other services	4.7%	2.8%	3.4%	2.8%	3.2%	3.2%	3.4%	3.6%	3.6%
Information	2.3%	2.1%	2.5%	1.7%	1.7%	1.9%	1.2%	2.9%	1.9%

Business Climate – Tax Structure

“TABOR is killing the city and the services it is able to offer. Extremely low property taxes are also limiting the City and County's ability to support programs.”
 - Survey Respondent

- Overall tax burden and per capita tax collection is significantly lower than all benchmarks
- TABOR significant issue identified in community and business survey

PER CAPITA PROPERTY TAX COLLECTIONS BY CITY 2008							
	Colorado Springs	Albuquerque	Austin	Boise City	Fort Collins	Portland, OR	Tucson
City Property Tax Per Capita	\$59.80	\$199.85	\$417.68	\$459	\$133.17	\$326.99	\$69.53
Sales Tax Rate	7.40%	6.75%	8.25%	6.00%	6.70%	0.00%	7.60%
State Rank*	26	27	38	40	26	37	43

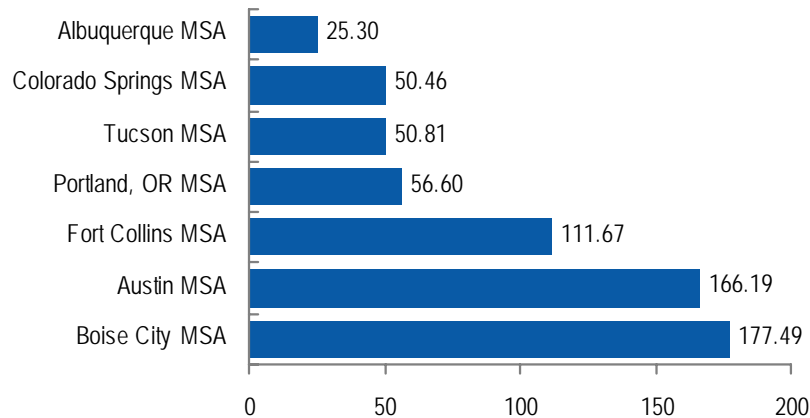
* Higher ranking indicates higher overall tax burden on a per capita basis

Source: Cities of Colorado Springs, Albuquerque, Austin, Boise, Fort Collins, Portland, and Tucson

Business Climate - Innovation

PATENTS

NUMBER OF PATENTS ISSUED PER 100,000 POPULATION, 2008

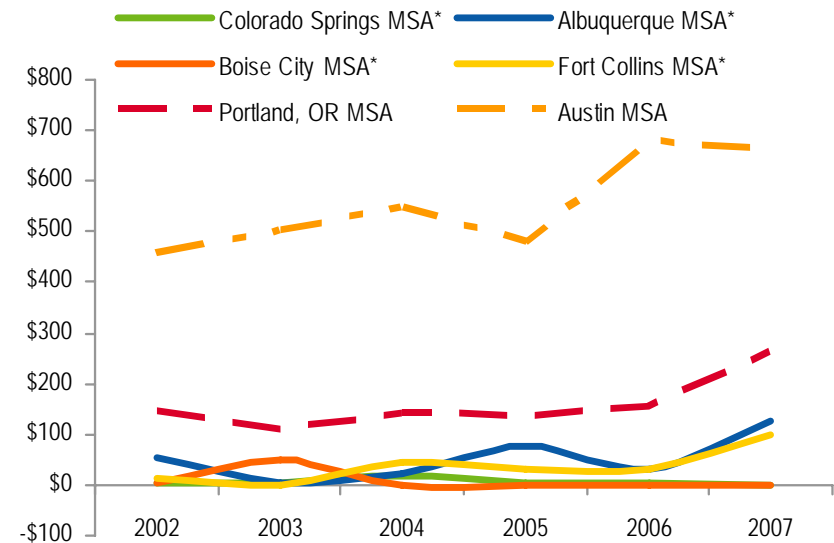


NOTE: Patent data is only available at the city level. Therefore, the major cities for each MSA were pulled. This equated to one city for all MSAs except Austin (Round Rock), Boise (Nampa), and Colorado Springs (Fountain).

Source: US Patent and Trademark Office

VENTURE CAPITAL FUNDING

VC FUNDING (\$MILLIONS), 2000-2007



*Data represents the Congressional District encapsulating the MSA
*Tucson MSA data is unavailable.

Source: PWC Money Tree

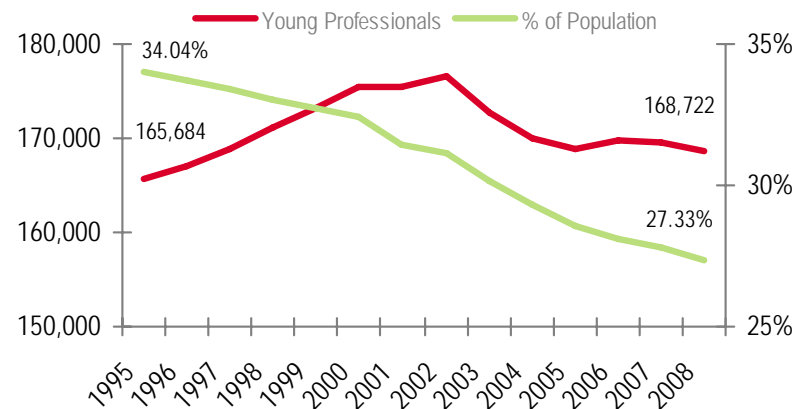
- VC funding has followed national trends with limited venture capital activity since 2001 tech bust
- 2008 – saw an increase - \$7.4M

Education and Workforce Development

- 25-44 age group represents 28.8% of the region's population
- Actual number of 25-44 year old decreased in the region but grew in most benchmarks and nation (3.5%)

YOUNG PROFESSIONAL POPULATION

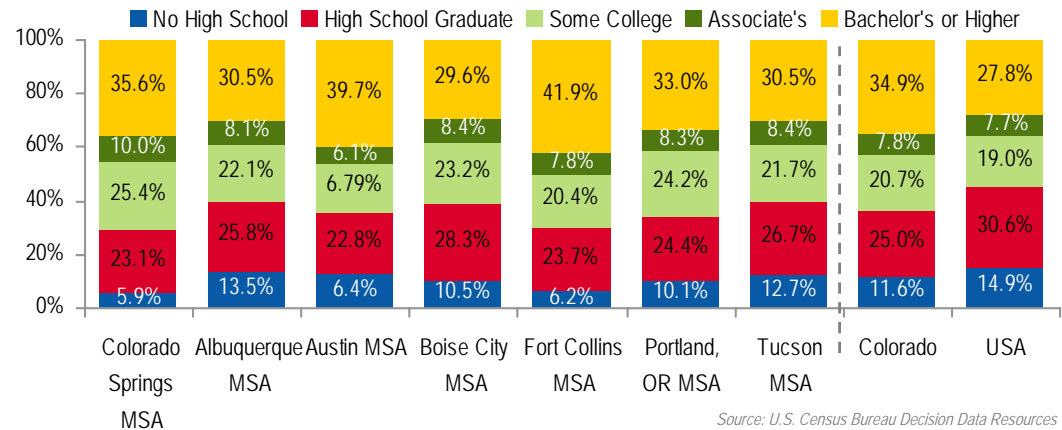
COLORADO SPRINGS MSA YOUNG PROFESSIONALS, 25-44, 2000-2008



Source: Colorado State Demography Office

- Highly educated workforce

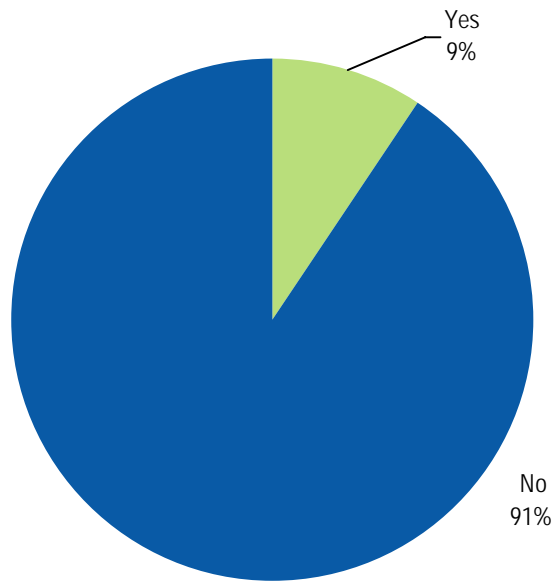
EDUCATIONAL ATTAINMENT 2008



Source: U.S. Census Bureau Decision Data Resources

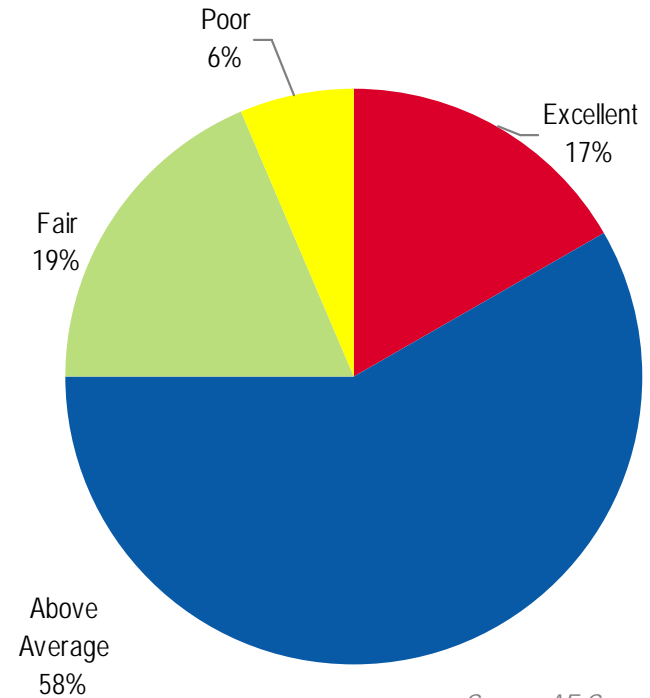
Education and Workforce Development – Workforce Programs

Have you used any workforce development programs in the Pikes Peak region in the past year to train your employees?



Source: AE Survey

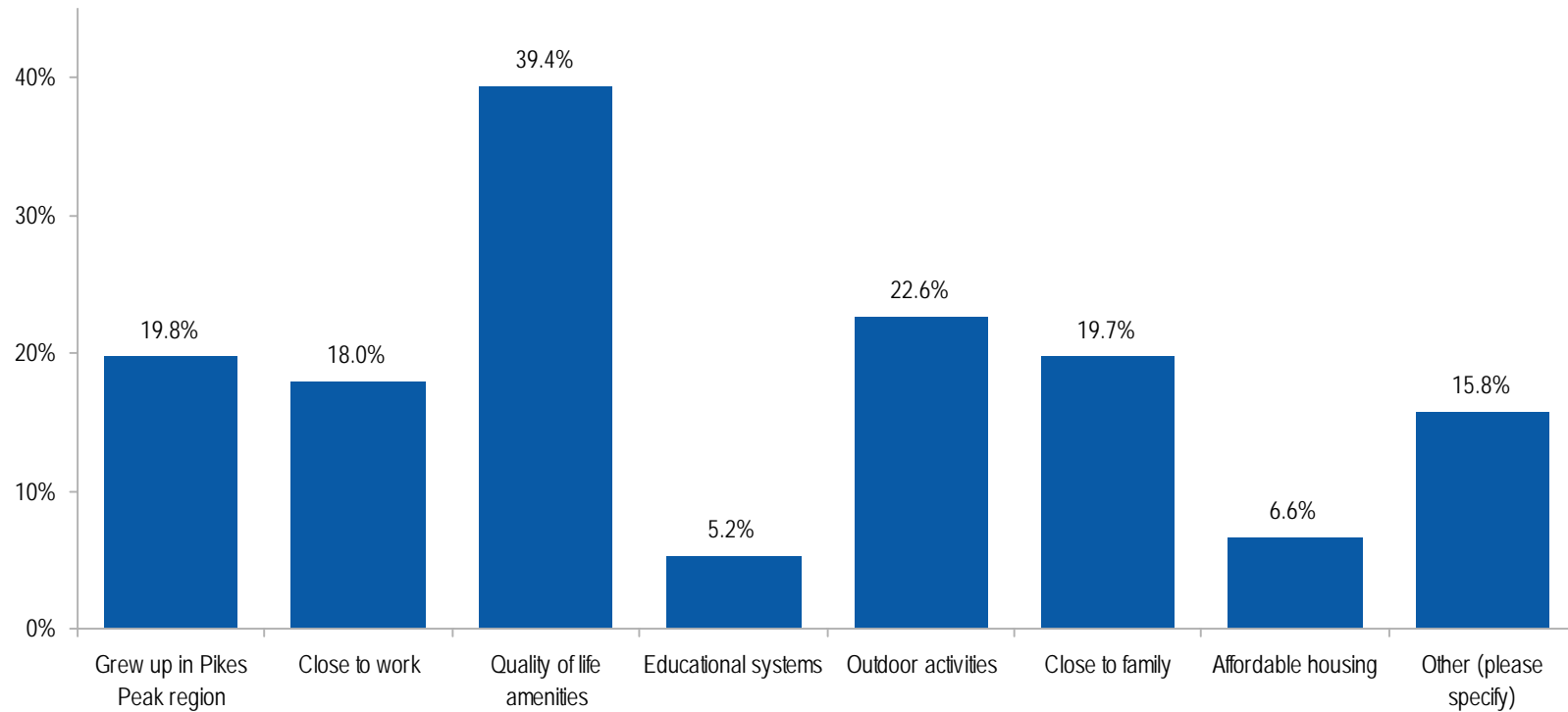
If yes, how would you rate the quality of the training your employees received?



Source: AE Survey

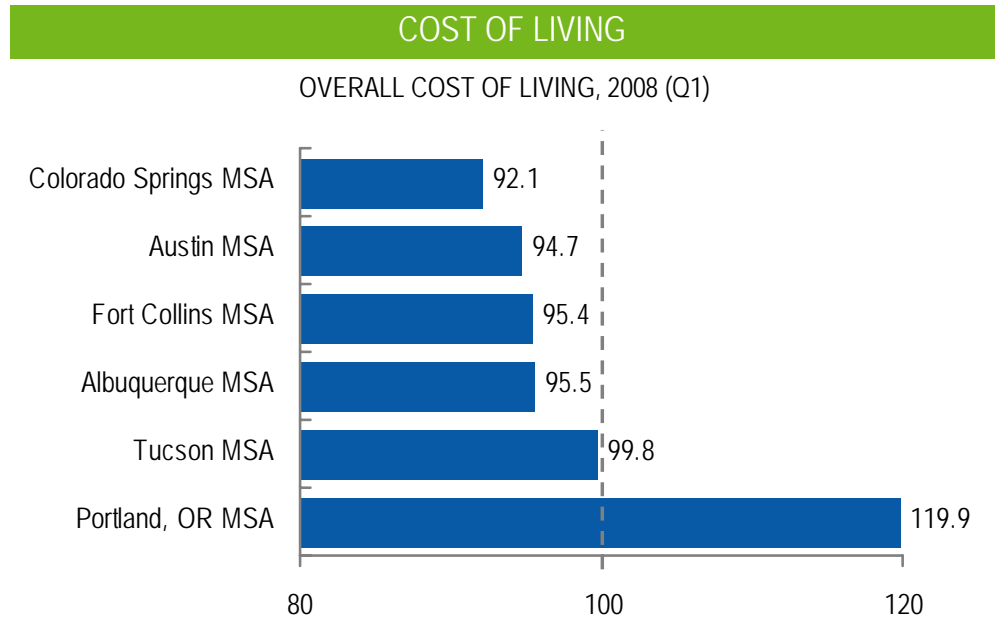
Quality of Life

What is the primary reason you have chosen to live in the Pikes Peak region?



Source: AE Survey

Quality of Life - Cost of Living



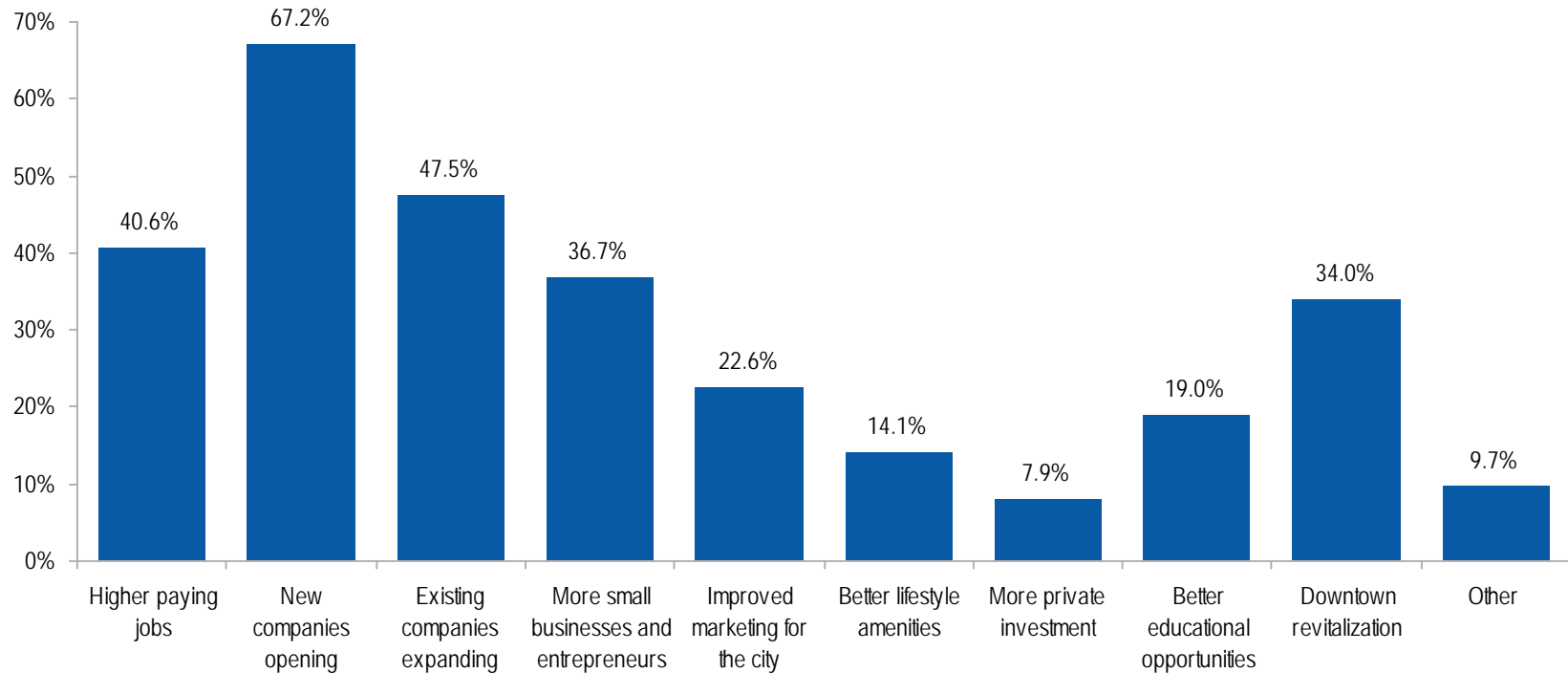
Note: Boise City MSA data is unavailable; 100 is the national average cost of living

Source: ACCRA

- ▣ Overall cost of living is 8% below the national average and the lowest among all benchmarks
- ▣ The region's low utility and transportation costs are its most competitive factors

Economic Development & Marketing - Goals

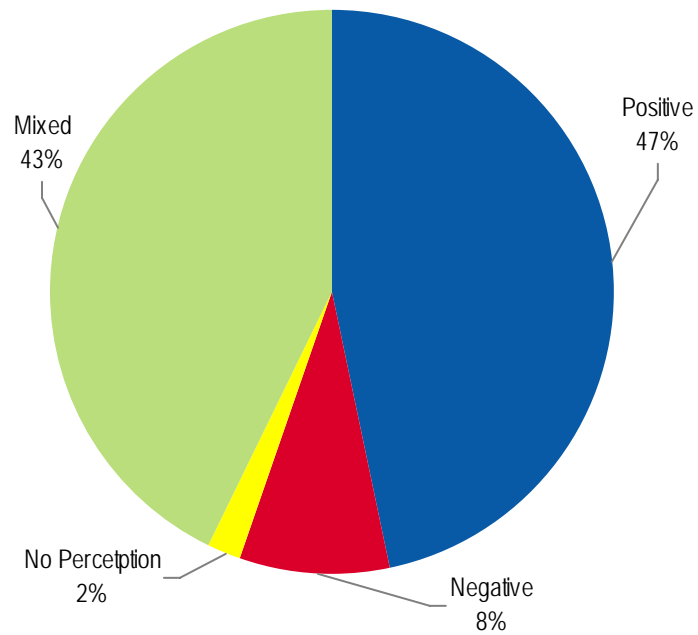
What should be the three top economic development goals for the Pikes Peak region?



Source: AE Survey

IMAGE

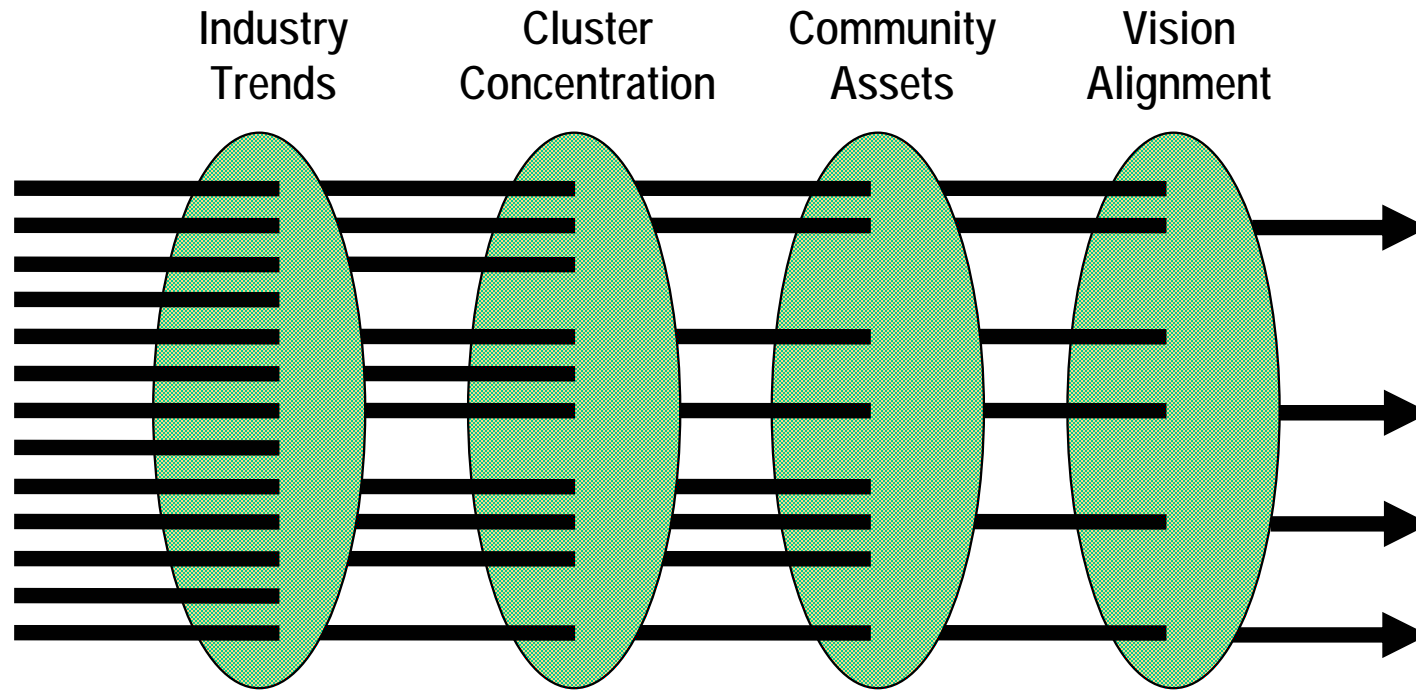
What type of image do you think the Pikes Peak region has?



Source: AE Survey

AE Target Industry Selection Process

PIKES PEAK REGION TARGET INDUSTRY SELECTION PROCESS



1) Which industries are strong and are concentrated locally?

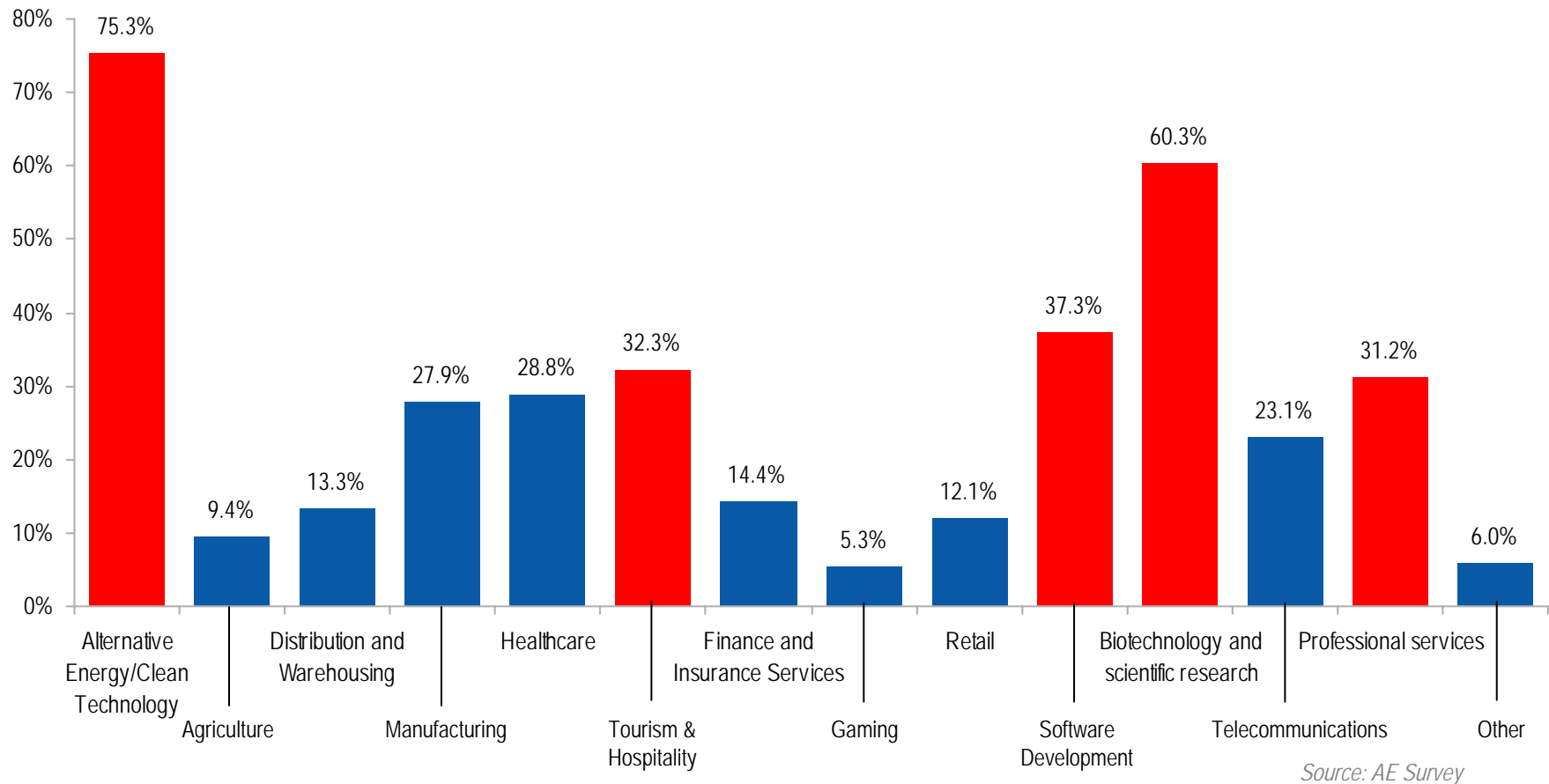
2) Do local clusters reflect national growth trends?

3) Are there local assets that give industries a competitive edge?

4) Do these clusters meet the goals of the community?

Community Vision

What industries would you like to see expand or locate in the Pikes Peak region?



Initial Target Industry Recommendations

1. Aerospace/Defense/Homeland Security
2. Software and IT
3. Renewable Energy
4. Sports and Sports Related Industries
5. Entrepreneurial/High-Growth

Next Steps

- Identify specific niches within recommended industries and identify supply-chain opportunities
- Conduct reverse site selection validating industry recommendations
- Economic Development Strategic Plan
- Mid-June Community Roll-Out Event

thank you.

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