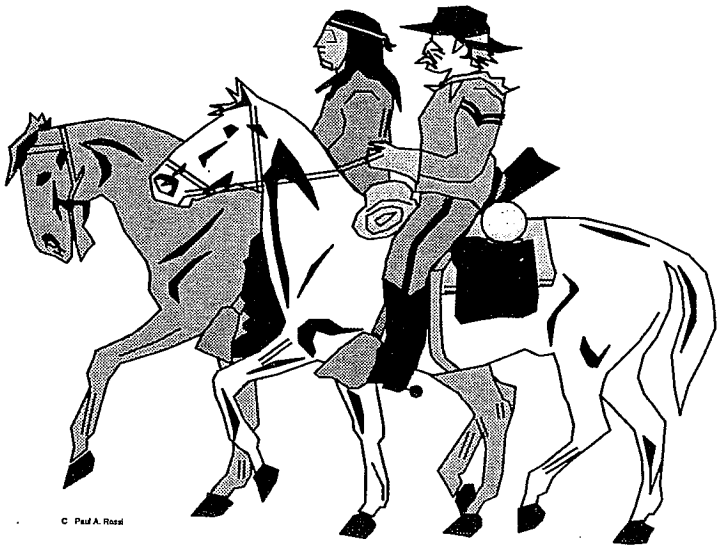
Annual Economic
IMPACT STATEMENT
Fiscal Year 2000



October 1, 1999 - September 30, 2000
Fort Huachuca, Arizona

USF200011352

NOTE: Multipliers used in this Fiscal Year (FY) 2000 Impact Statement are derived from the Economic Impact Forecast System (EIFS) developed by the U.S. Army Corps of Engineers Construction Engineering Research Laboratory (CERL). The multipliers related directly to Cochise County, the diversity of its industrial and commercial base, and the size of the population. Consequently, the multiplier factors are not as large as they would be in a more industrialized area. They are based on current input from Fort Huachuca and Cochise County as well as recognized published data sources. A multiplier shows the economic expansion in a community. For example, a 1.5 multiplier would mean that the local economy expanded one and one-half times (a 0.5 increase over the basic staffing/budget levels).

Prepared by Directorate of Resource Management
USAIC&FH, Fort Huachuca, AZ

October 1, 1999 - September 30, 2000

INTRODUCTION

Fort Huachuca plays a major role as an employer and a consumer in the economic health of Arizona. It is the largest employer in southern Arizona, with 11,375 military, civilian, and contractor employees. In Cochise County, 30.2 percent of the employment is directly related to the presence of Fort Huachuca.

During FY 00, Fort Huachuca's budget remained relatively stable. However during FY 00 the overall employee population increased slightly. While the post experienced a loss in DA civilian, assigned military and contractor personnel, this was offset by an increase in military students.

This impact statement provides a profile of Fort Huachuca for FY 00 (October 1, 1999 through September 30, 2000) and shows the dynamic relationship between the post and the communities of Cochise County. In 1971, Fort Huachuca was annexed by the city of Sierra Vista. The annexation provides additional tax revenues for both Sierra Vista and Cochise County. The post's contributions in sales, usage and gasoline taxes further enhance Fort Huachuca's impact on the economy. Through the years, the relationship has changed from one of dependence by the community to one of interdependence between the post and community. The city of Sierra Vista area has continued to grow moderately, from a population of 39,995 to 40,680 during FY 00.

As Fort Huachuca's missions have changed from protecting border settlers during the Indian wars of the 1870's to playing a critical national defense role in the military intelligence and the information mission areas, so have the requirements for goods and services for their support. Today, Fort Huachuca and its associated personnel are a major consumer in the local economy because military personnel who live on post, many with families, require the same services as other Arizona residents. Fort Huachuca's stabilizing influence on the communities in Cochise County can be seen in this impact statement under the sections on **Population, Environment, and Consumer Data.** In like manner, the post's missions have changed from regional influence to ones that are global and have a lasting and significant impact on national defense.

USF200011353

POPULATION

From a high of over 13,000 in FY 94, Fort Huachuca's employee population is now 11,375 assigned military, military students, civilian, and contractor personnel. Many of the military assigned to Fort Huachuca live on post in bachelor quarters, in barracks, or in family housing. Other military personnel and civilian employees live in neighboring Sierra Vista and Huachuca City or in other communities in Cochise County. Although their number is small, some members of the Fort Huachuca population also live beyond Cochise County, mostly in Tucson (Pima County).

The following charts show different approaches to expressing the number of military personnel, their family members, and the DOD and other civilians associated with the military who work at Fort Huachuca and live in the area.

Population data published by Fort Huachuca comes from a number of separate databases. These databases, to include federal government systems and government contractor operated systems, do not cross-reference their data. Several years ago, Fort Huachuca became aware that the existing method of population reporting, from these various data bases, led to the double counting of some individuals who may be counted under several reportable categories. An example of this duplication would be a military family member who lives on Fort Huachuca, who is also a government civilian or contract worker on the Fort. This person would be counted twice, as a military family member and as a government civilian/contractor employee. At this point, an additional 1.3 family members would be attributed to them in the off-post population, based on the assumption that all government civilians and contractor employees live off of the installation in Sierra Vista, with a 1990 census average household size of 2.3. The individual would then account for 3.3 people in the local community using these traditional methods and assumptions.

In an effort to more accurately estimate the post population and the number of family members related to on-post employees, Fort Huachuca hired a contractor to conduct a survey to gather appropriate population data. Care was taken to eliminate duplicate surveying of the same household.

The survey findings revealed various examples of double counting:

*21.7% of the military personnel are also household members of other employees working at the Fort. This double count alone accounts for an approximate 8% over count of the noonday population, as reported.

*18.8% of current government civilian employees are also counted as retired military living in the Sierra Vista area.

*40.7% of government contractor employees working at Fort Huachuca are also counted as military retirees living in the Sierra Vista area.

*44.0% of government civilian personnel are also household members of other employees who work at the fort.

*34.0% of contractor employees are also household members of other employees who work at the fort.

MILITARY POPULATION

Military Assigned	**Sep 98**	**Sep 99**	**Sep 00**
Living on post	3,172	4,258	5,585
Living off post	2,249	1,620	1,498
TOTAL	**5,421**	**5,878**	**7,083**
% Change		**(+)8.4**	**(+)20.1**
Military Family Members			
Living on post	4,431	4,326	4,143
Living off post	3,698	1,990	1,896
TOTAL	**8,129**	**6,316**	**6,039**
% Change		**(-)22.3**	**(-)4.4**
Military and Family Members			
Living on post	7,603	8,584	9,728
Living off post	5,947	3,610	3,394
TOTAL	**13,550**	**12,194**	**13,122**
% Change		**(-)10.0**	**(+)7.6**

NOONDAY POPULATION

	Sep 98	**Sep 99**	**Sep 00**
Military Assigned	4,310	4,272	4,219
Students	1,111	1,606	2,864
Military Family Members			
Living on Post	4,431	4,326	4,143
DoD Civilians	2,442	2,426	2,367
Other Civilians*	2,499	2,836	1,925
TOTAL	**14,793**	**15,466**	**15,518**
% Change		**(+)4.5**	**(-)0.3**

**This figure represents non-DoD civilian workers on Fort Huachuca, to include post office employees, teachers, contractors and concessionaires.*

The noonday population represents an anticipated average maximum number of people at Fort Huachuca.

USF200011354

HOUSING

There are 1,934 family housing units on post. No off-post family housing units are currently being leased. In addition to these quarters, there are 208 transient bachelor/guest quarters and 3,403 troop billeting spaces. Some troop billeting and transient billeting spaces are being reduced as World War II wooden buildings are being demolished.

Because on-post housing is not sufficient to house all military personnel, they and their families may live off-post, either making real estate purchases or renting property. The information in the following chart is based on data maintained by the Fort Huachuca Housing Division. It reflects the number of military who either rent or own off-post property.

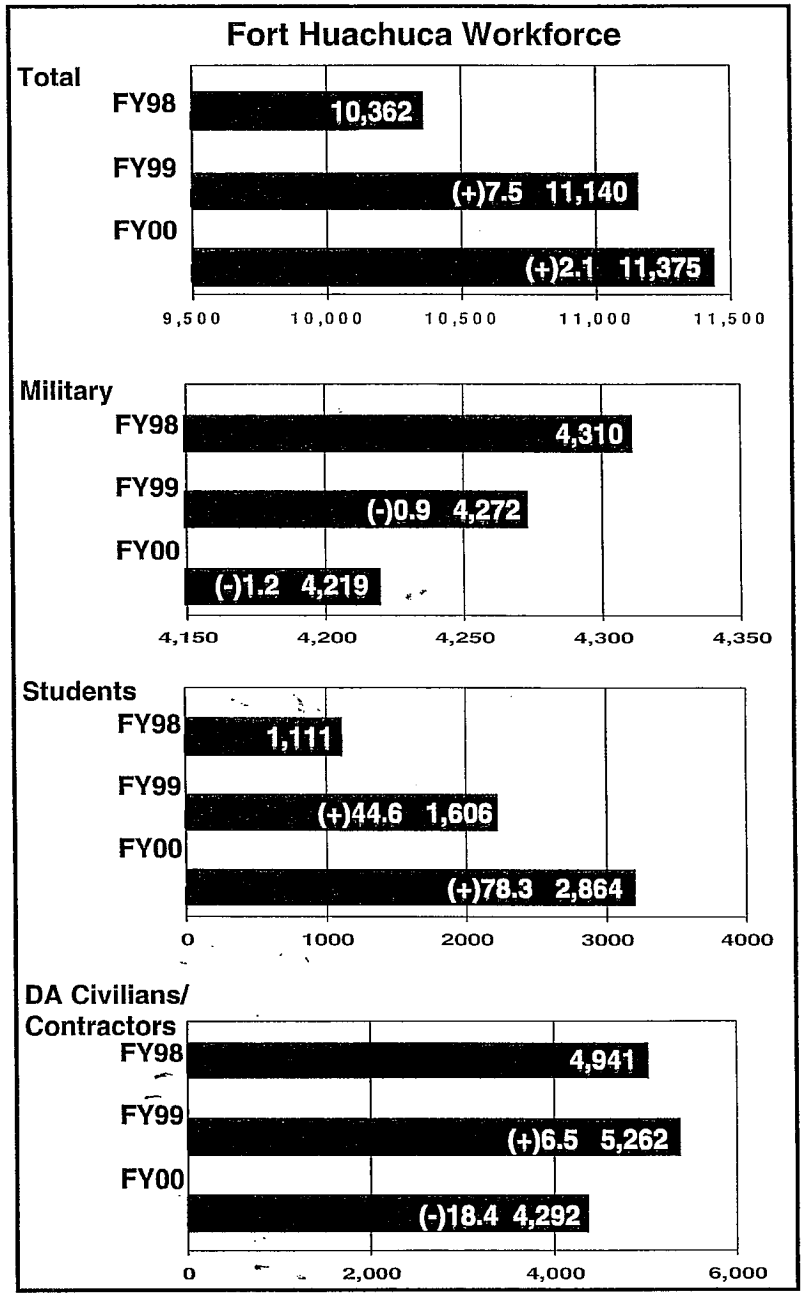
MILITARY OFF-POST RESIDENCY

	Sep 98	Sep 99	Sep 00
Own Home	302	140	158
Rent Home	707	679	613
Own Manufactured Home	12	1	1
Rent Manufactured Home	60	30	10
Rent Apartment	1,168	786	716
TOTAL	**2,249**	**1,530**	**1,498**
% Change from Prior Year		**(-)31.9**	**(+)2.1**

WORKFORCE

The Fort Huachuca workforce figures below reflect the general impact of Fort Huachuca employment.

When the AEPI economic multiplier of 3.71 in Arizona and 1.684 in Cochise County is applied to the post's 11,375 workforce, Fort Huachuca supports more than 42,201 job equivalents in Arizona. In Cochise County, Fort Huachuca supports 19,156 jobs (to include the 11,375 personnel employed on post), or 50.8 percent, of the job equivalents.



USF200011355

DEPENDENT EDUCATION

There are 1,295 children who live on Fort Huachuca and attend schools on the installation or in neighboring communities. Kindergartens through eighth-grade children attend Fort Huachuca Accommodation Schools, which are jointly operated by the state of Arizona and the U.S. Department of Education. Most of the 223 children who live on post and attend public schools in Sierra Vista attend the high school.

In addition to the 223 children living on post and attending Sierra Vista schools, there are 663 students whose parents are military personnel living off post, and there are 1,287 students whose parents are DOD civilian employees.

Federal impact funds in the amount of $5.1 million supplemented state and county funds to operate schools attended by family members of Fort Huachuca's military and DOD civilian personnel during school year 1999-00.

DISTRIBUTION OF FEDERAL IMPACT FUNDS
(Funds received in School Year 1998-99)

	Students	Allocations
Fort Huachuca	1,295	$4,523,335
Sierra Vista	2,173	$565,541
Palominas	280	25,702
Total	**3,748**	**$5,114,578**

Impact funds for this school year reflect an increase from the $4.47 million reported for the 1998-99 school year. No all school districts with eligible students submit applications for federal impact funds. Additionally, funds may not be received during the current fiscal year.

ARMY RETIREES

There are 3,353 Army retirees who choose to live in the Sierra Vista Subwatershed of the San Pedro River. Of these 3,064 receive retirement pay from the government. There are also 254 survivors of Army retirees in the area. The retirees received $60.2 million in FY 00 retirement pay and allowances. Some of these retirees are also double counted in the DOD or the Other Civilian categories of the Noonday Population of Fort Huachuca (page 3).

DOD CIVILIAN RETIREES

Approximately 1,467 retirees and 373 survivors of DOD civilian choose to live in the Sierra Vista Subwatershed of the San Pedro River. These retirees and survivors received $37.3 million in FY 00 retirement pay and allowances. Some of these retirees are also double counted in the DOD or the Other Civilian categories of the Noonday Population of Fort Huachuca (page 3).

RESERVE COMPONENTS

Fort Huachuca plays a significant role in accomplishing the mission of the Reserve Component (RC) Forces which include the Army National Guard, Army Reserve, and Marine Corps Reserve. The RC's mission has continued to be accomplished over the years with the use of military schools and training areas at Fort Huachuca. During FY 00, 5 RC units trained at Fort Huachuca.

Down from 18,660 RC Mandays in FY 99, there were 17,916 RC Mandays (49.8 full-time equivalents) used in training at Fort Huachuca in FY 00. Some personnel train on the installation for 2 days a month while others
are assigned 3-year tours as advisors. Most reservists do not have their families with them during training.

There are 2 active Army (full time) and 2 DOD civilian (full time) personnel supporting RC actives.

USF200011356

ENVIRONMENT

Fort Huachuca ended FY 00 by being 3.8 percent below the TRADOC energy goal and 8.7 percent below the Army and Federal Energy goals. Fort Huachuca also reduced its water consumption by 5.4 percent (35 million gallons) in FY00 from FY 99 levels. The electrical consumption levels of 99,936,000 kilowatt-hours were 3.3 percent higher than FY 99 levels. The electrical cost of $6.650 million was 1.8 percent higher than FY 99 levels. These increases were mainly due to increased student load that caused double shifting in some buildings. The natural gas use of 356,792 Million British Thermal Units (MBTU) was 7 percent lower than FY 99 but the cost of $1.346 million was 0.6 percent higher than in FY 99. The primary driver for the low use was an extremely warm winter while the higher price was caused by market conditions.

During FY 00 work was started on the third task order of the Energy Savings Performance Contract. Work completed in FY 00 included high efficiency lighting retrofits in 33 buildings. Fort Huachuca also installed six new Photo Voltaic powered parking lot lights at Greely Hall. Mirrors were replaced on the Dish-Stirling solar thermal electric generator. In FY 00 there were 760 each 1.5 GPM showerheads installed to bring the total at the end of the FY to 1000 for the Fort. In FY 00 there were 35 waterless urinals installed bringing the total on Fort Huachuca to 310.

In FY 00, approximately $4.3M was spent by the Installation Environmental and Natural Resources Division on environmental compliance, conservation, restoration and pollution prevention.

Environmental efforts included hazardous waste management, cultural resources projects, underground storage tank management, safe drinking water compliance including the Consumer Confidence Report, air quality projects, and natural resources management. In addition to there efforts, the Commanding General signed a Record of Decision on 31 January 2000 to finalize the Fort Huachuca Installation Real Property Management Plan Environmental Impact Statement.

Another significant event was completion of formal consultation with the U.S. Fish and Wildlife Service when a biological opinion was issued on October 27, 1999. This document included a Memorandum of Agreement signed by the Commanding General and details compliance efforts associated with endangered and threatened species.

Water conservation efforts continued during the year, and included the design of a proposed aquifer recharge project, installation of additional water

conservation technology and continuation of the Water Wise Energy Smart conservation education program. Fort Huachuca's FY 2000 water pumping was about 100 acre feet less than FY 1999 water pumping, due to conservation efforts throughout the fort.

Conservation efforts included historic adobe rehabilitation, big game hunts, endagered species management plans, Geographic Information Systems development, Fort Huachuca Conservation Committee and fire management planning. A significant cooperative project with Fort Huachuca, Arizona Game and Fish Department, a local land owner and the National Wild Turkey Federation was capture and transfer of Gould's turkeys from the Huachuca Mountains to the Galiuro Mountains.

Following the initial meeting with Native American tribal representatives in 1999, two conferences were held in FY 00. Serveral concerns were resolved and Fort Huachuca continues to establish a spirit of cooperation.

In FY 00, Fort Huachuca continued to work closely with the Upper San Pedro Parnership, consisting of state, local and federal land management agencies focused on sustainable water resources management projects. Several projects were awarded by the partnership during the year.

DISBURSEMENTS

Fort Huachuca, just like civilian communities, is a consumer of goods and services in support of its day-to-day operations. In addition to those goods and services that are common to civilian communities, Fort Huachuca is a consumer of high technology industrial goods because of the intelligence-related and information systems missions of activities located here.

Fort Huachuca expended $1,002.9 million in FY00 when pay and other categories of expenditures are added to goods and services; 49.0 percent ($491.2 million) was expended in Arizona. Overall expenditures by the post show a increase of $100.3 million from the previous fiscal year while expenditures in Arizona reflect a $7.8 million decrease from FY99.

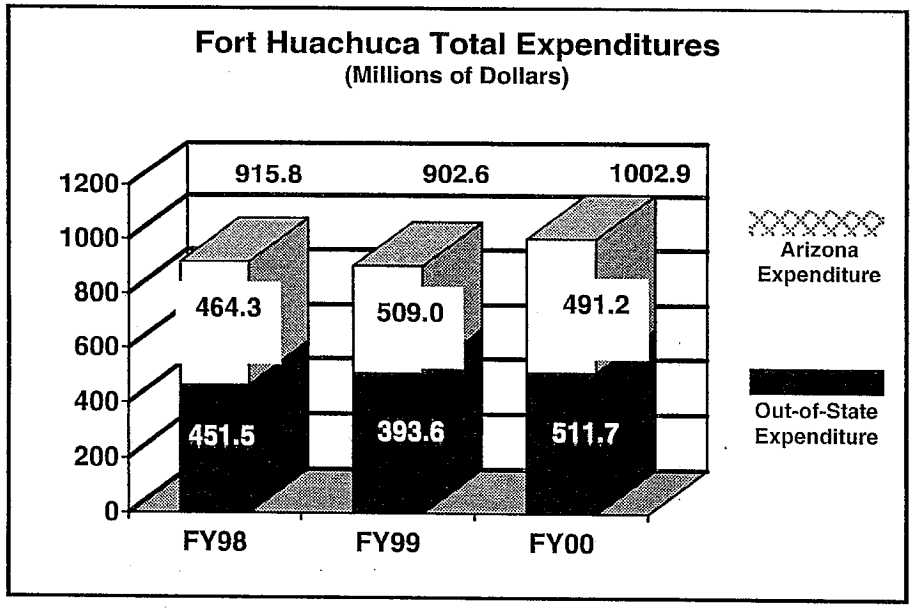
PURCHASES

Fort Huachuca expended $205.2 million for the purchase of goods and services in the state during FY00. Fort Huachuca's purchases outside Arizona amounted to $511.7 million, a 29.3 percent increase from the $393.6 million in FY 99.

USF2000113357

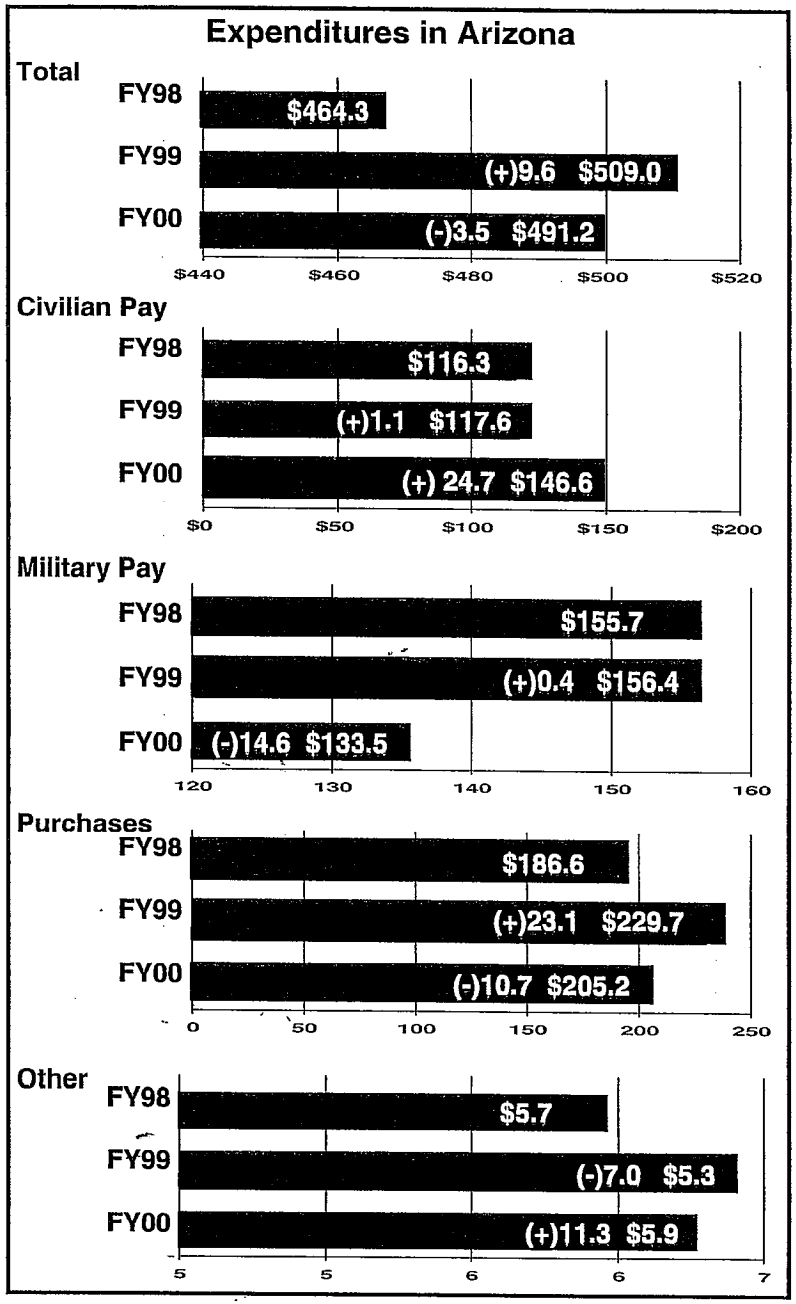
EXPENDITURES

There has been a steady decline in Fort Huachuca's total expenditures over the past few years. However, this year expenditures showed a slight increase

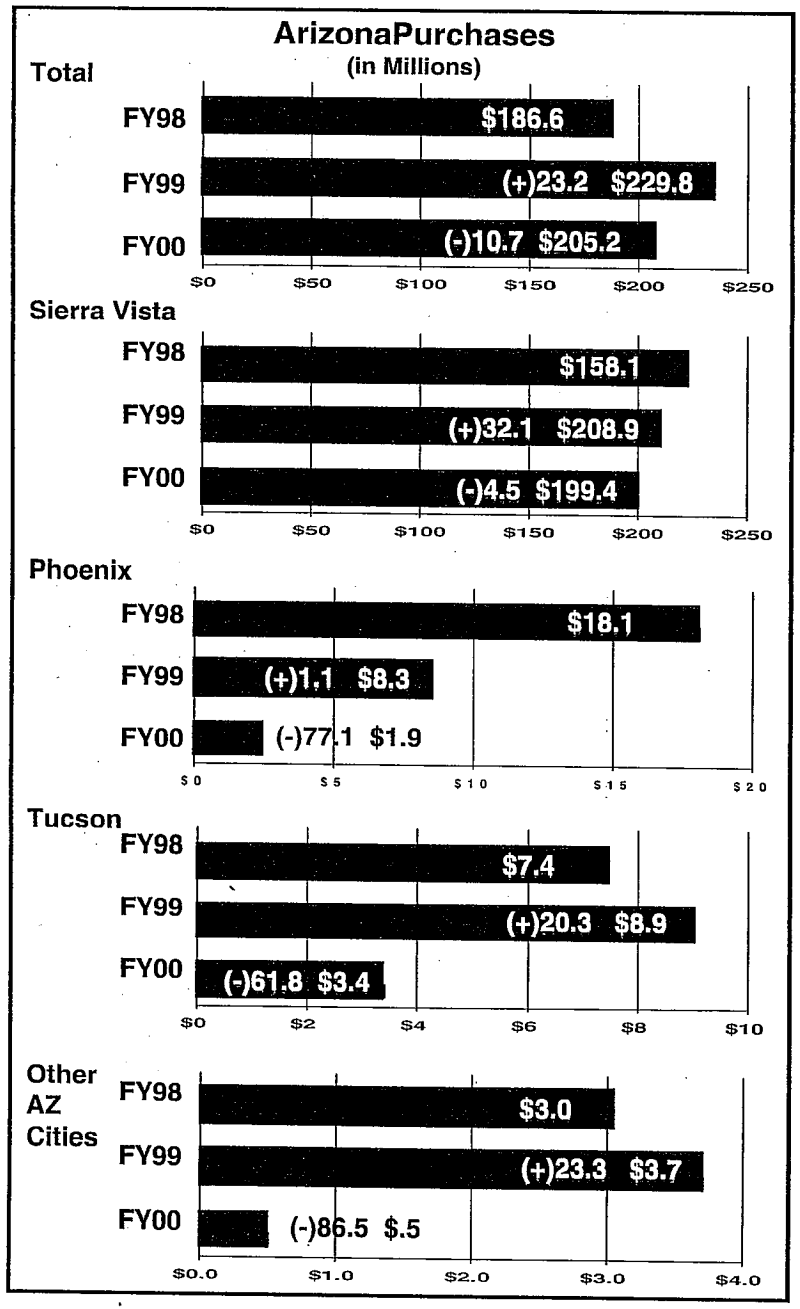


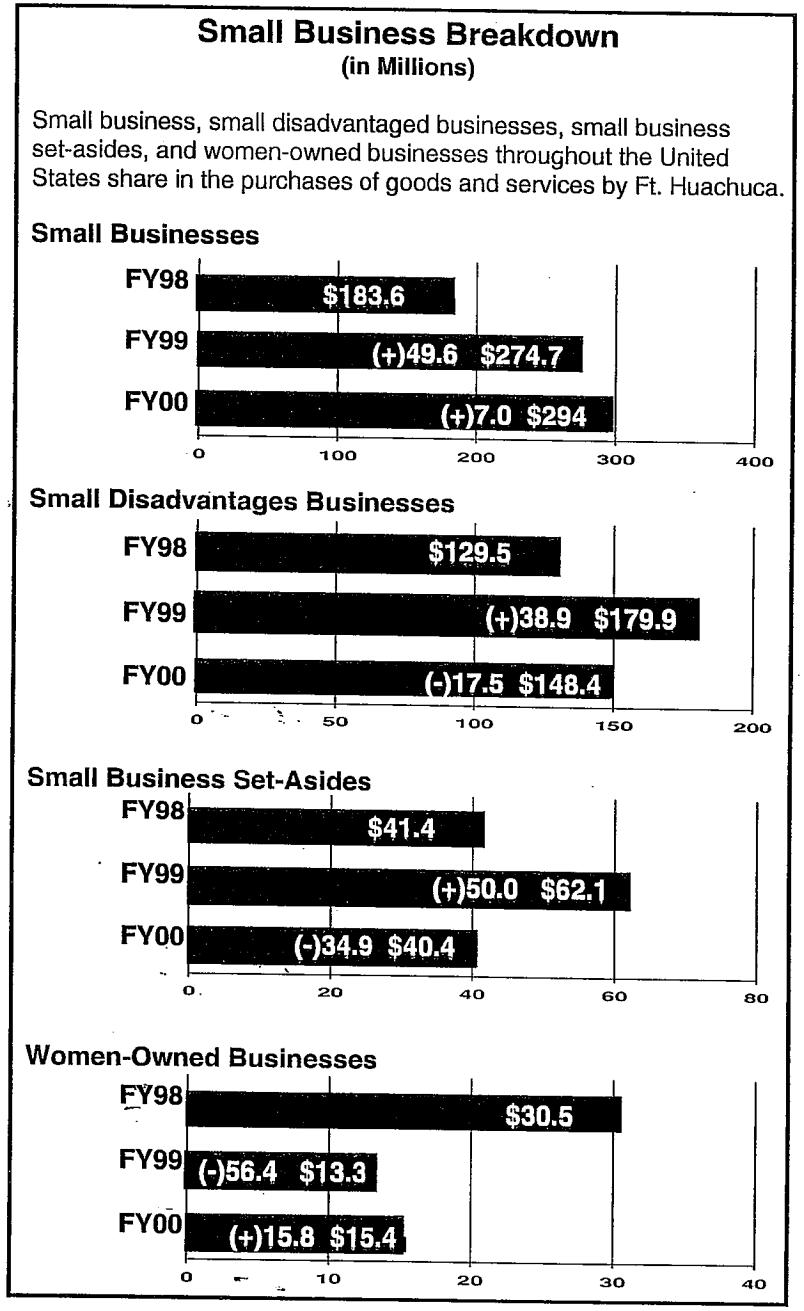
On the following charts, the MILITARY PAY category includes the $5.3 million payroll for Yuma Proving Ground, which is serviced by the Fort Huachuca Defense Accounting Office. The PURCHASES category is the purchase of goods and services. The OTHER category includes $5.1 million in impact funds to Arizona school districts for military and DOD civilian children attending schools in the area; $.49 million for damage claims processed through the Office of the Staff Judge Advocate; and $.27 million for Army Emergency Relief grants and loans.

Note: Prior year data on pages 10-15 has not been adjusted for inflation.

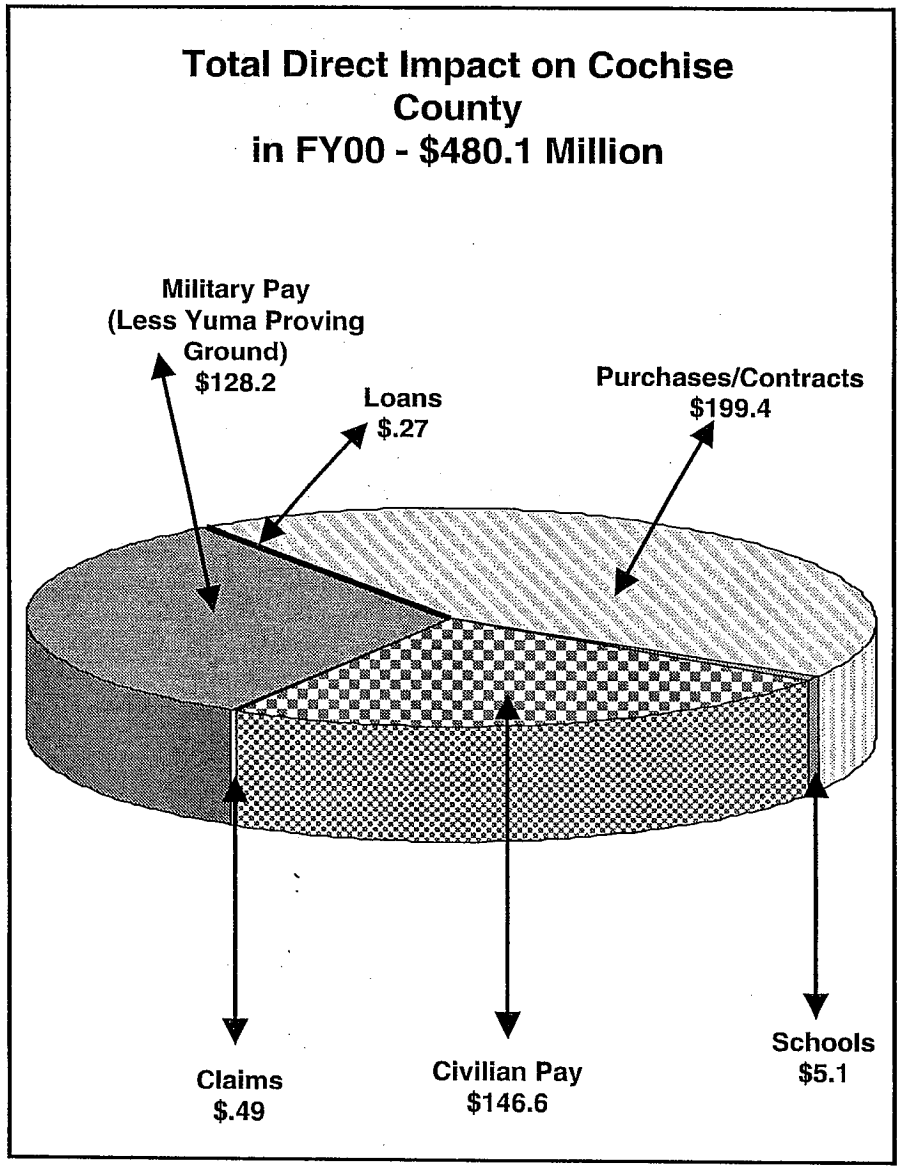


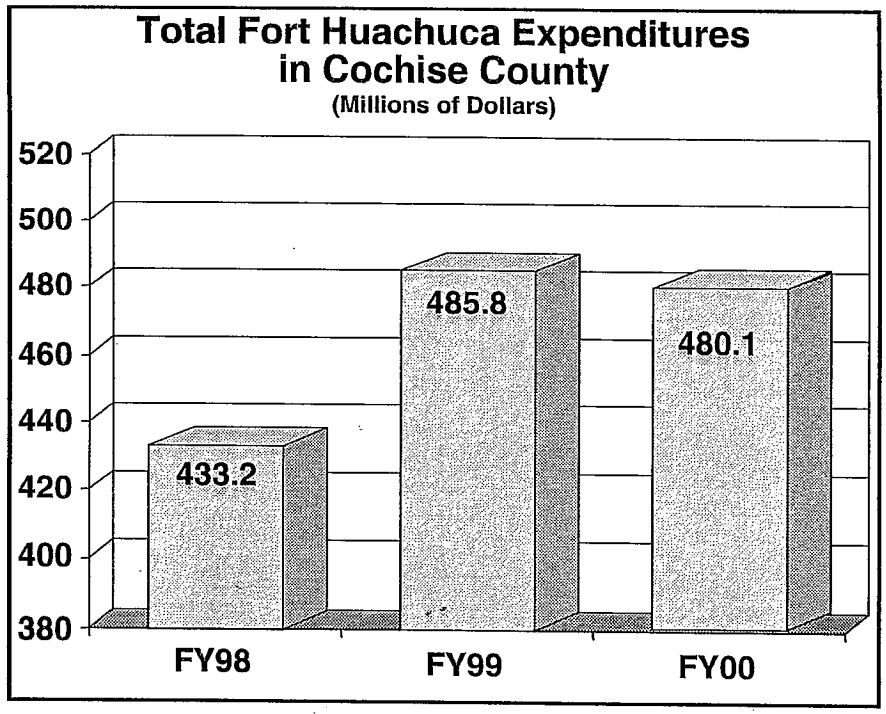
USF200011358





USF2000113 59





Fort Huachuca's contribution to the Cochise County economy is reflected in the above graph. In FY00, Fort Huachuca spent $480.1 million in Cochise County, which is a decrease of 1.2 percent, or $5.7 million, from the previous year's expenditures.

The value of the Fort Huachuca's expenditures increases when the AEPI Economic Impact Multipliers of 1.684 (county) and 3.71 (state) are applied to the 480.1 million in expenditures made in Cochise County in FY00. The extended impact of those Fort Huachuca expenditures totals $808.5 million for Cochise County and $1,781.2 million for the State of Arizona.

Fort Huachuca is a part of TRADOC, headquartered at Fort Monroe, Virginia. Besides the U.S. Army Intelligence Center and Fort Huachuca, the following organizations are major tenants located on Fort Huachuca: Headquarters, U.S. Army Signal Command; U.S. Army Electronic Proving Ground; Department of Defense Joint Interoperability Test Center; and U.S. Army Communications Security Logistic Activity.

More than 40 commands, agencies, and activities are located here representing the U.S. Army, U.S. Air Force, U.S. Navy, U.S. Marine Corps, and the Army and Air National Guard, plus several other Federal agencies.

USF200011360

FY 01 OUTLOOK

Fort Huachuca will continue to exert a positive economic influence on the local, regional, and state economy of Arizona. While Fort Huachuca's Budget and Permanent staffing levels are projected fairly stable, there continue to be an increase in the number of TDY Military Students in the future. The net effect of this trend is projected to continue throughout FY01 and FY02.

USF200011361