



Camp Guernsey Economic Analysis
(October 2007)

The economic analysis of the current and future expansions at Camp Guernsey was based upon utilizing data pertaining to the planned construction projects, future employment at the Camp, government spending for a runway upgrade, and the soldiers' local spending during training. These variables were inputted into a Wyoming specific Regional Economic Models Inc. (REMI) model to gauge the changes that occur each year during the analysis period (2007-2050). REMI is a regional economic forecasting and policy analysis model that includes cause and effect relationships. REMI maintains a baseline forecast and when a shock is introduced into the economy, it is able to estimate the changes that occur in the forecast for each year that the shock is inputted. Table 1 provides an overview of some of the results obtained from the REMI simulation. The data represent the changes that occur over the baseline values for each year that the shocks were inputted. The information is not additive over time, which means that results presented for each year cannot be summed together. For example, in year 2008, total employment in Wyoming increases by 67. This value represents 67 more jobs above the 2008 baseline forecast of the model. These jobs are in addition to what the model has forecasted for the year 2008.

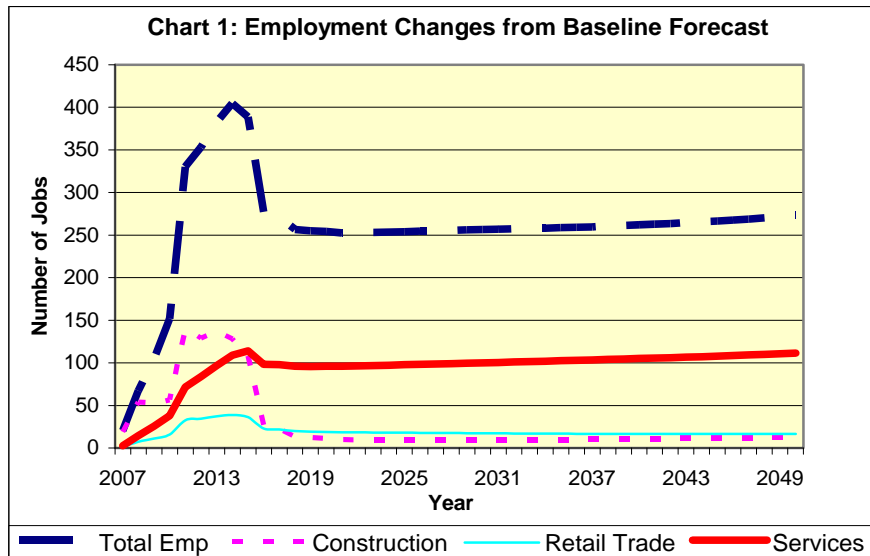
Table 1: Economic Impacts (results represent the change from the baseline forecast of that particular year, results are not additive over time)

****Results represent the changes to Wyoming's economy due to state and Federal spending to expand and upgrade Camp Guernsey.***

	2007	2008	2014	2020	2035	2045
Total Employment	20	67	405	254	259	267
Total Gross Domestic Product by State (2007 \$)	\$182,449	\$2.7 Million (M)	\$20.7 M	\$14.5 M	\$18.1 M	\$21.3 M
Output (Sales, 2007 \$)	\$1.8 M	\$5.9 M	\$21.4 M	\$7.9 M	\$10.3 M	\$12.7 M
Personal Income (2007 \$)	\$254,484	\$2.2 M	\$16.5 M	\$12.4 M	\$15.3 M	\$18.5 M
Population	2	23	277	328	329	345

Employment – The future expansions of Camp Guernsey will include additional Federal military, Federal civilian, and state jobs on post. These planned positions will be phased into the Camp over time, through 2014. These government jobs were proportioned out throughout each year of the analysis until 2014, when the total number of new positions will come on line. These additional government positions are reflected in the employment results of the analysis, as well as the additional jobs that are created due to the increased activity occurring at Camp Guernsey. Positive employment impacts occur above the baseline forecast for each year of the analysis. The largest changes in the total number of jobs above the baseline values occur in year 2014. The reasons for employment growth include the expanded number of government positions at Camp Guernsey, the construction activity taking place, and the increased number of training man-days. The events occurring at Camp Guernsey during the analysis time period, construction and additional man-days, also impact other industrial sectors of Wyoming's economy. Indirect employment impacts are registered in the retail trade and services sector. For example, in 2014, employment in the services sector increases by 109 jobs, and for retail trade, 39 more jobs above the

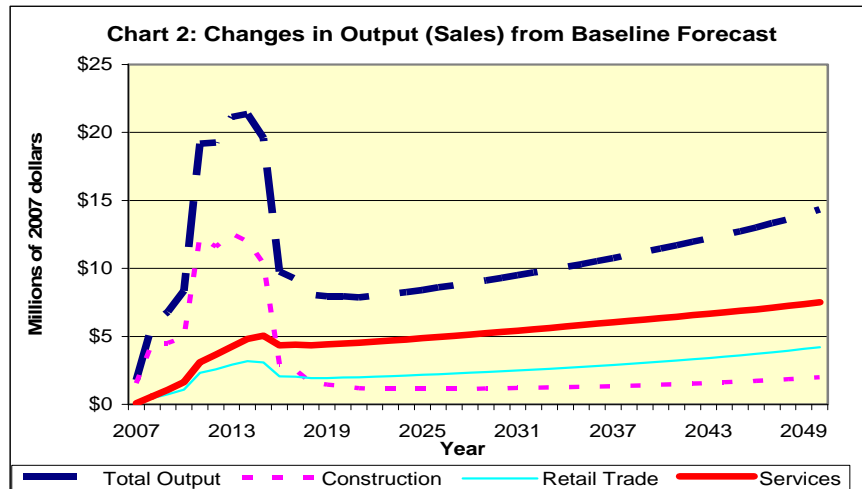
2014 employment baseline. Chart 1 depicts the changes that occur in Wyoming's total employment, as well as in the construction, retail trade, and services sectors.



Gross Domestic Product (GDP) by State – GDP by state is the total value of goods and services produced in a state. It is a measurement of a state’s output and is derived from the summation of value-added from all industries within the state. State GDP is the total market value of good and services produced by the labor and property of a state. It is considered one of the most comprehensive measures of economic activity in a state and is an excellent gauge to use in determining how the overall economy of Wyoming is affected by an economic impact. In each year of the analysis, Wyoming experiences increases above the baseline values for GDP. Large changes in Wyoming GDP from the baseline occur in the peak years of the construction phase.

Output (sales) – Wyoming’s economy experiences increases in output (or sales) over the baseline values for the entire analysis time period. Large increases in output above baseline values occur during the construction period as well as in the latter years of the analysis. The changes in output during the latter years are due to the increased number of man-days. More soldiers are training at Camp Guernsey and spending money locally on retail trade goods and in the food services and drinking establishments sector. Construction sales also increase due to the construction projects that are taking place at the Camp through the year 2020. Chart 2, on page 3, shows the changes that occur in total output as well as sales for the construction, retail trade, and services sectors.

Personal Income – Personal income is the income received by all residents in a particular area from all sources. This sum includes net earnings (what is earned from working), rental income, personal dividend income, personal interest income, and transfer payments (social security, government assistance). It also encompasses income received from businesses, Federal, state, and local governments, households, farm income, non-farm proprietor income (self-employed). The results from the REMI analysis show increases in total personal income above the baseline values for the entire analysis. Larger increases are noticeable during the peak years of construction. It is also during this time that all the new planned government positions at Camp Guernsey are fully employed. Increases in personal income above the annual baseline forecast also occur in the latter years of the analysis, which can be partially attributed to the increased number training man-days that are occurring at the Camp. The indirect employment changes that transpire also factor into the changes in personal income. As stated earlier, other industrial sectors, such as the construction, retail trade, and services sectors, experience employment changes.



Population – The changes at Camp Guernsey that were introduced into the REMI model also induce some demographic changes to Wyoming. The additional economic activity spurred by the Camp Guernsey expansions cause increases in population. The results indicate positive population changes from the baseline forecast. Population changes are typically driven by employment. An increase in the number of jobs triggers increases in population. If a person relocates for a job, they also bring their spouses and families. If those spouses also aid in filling additional job positions, they are considered economic migrants.

Training Man-Day Value – Using data from the REMI analysis, a value per training man-day was derived based upon the projected number of new training man-days taking place at Camp Guernsey in 2014. Assuming that on average, each soldier training at Camp Guernsey will spend \$5.00 locally per man-day, the results show that the value of each training man-day in 2014 is \$6.27 (this dollar amount is represented in 2007 dollars). This value per training man-day is a reflection of the direct and indirect effects induced by the soldiers’ local spending during training at Camp Guernsey. This spending occurs because of the increased number of training-man days that will occur at Camp Guernsey due to the expansion projects including the upgrade of the airfield runway.

Summary - The impacts of this analysis are associated with the planned construction projects at Camp Guernsey, which includes the upgrade to the airfield runway. This improvement to the aging runway is contingent upon state funding. The economic impacts associated with the increased activity at Camp Guernsey show the benefits associated with the State allocating the \$9.6 million that is needed for the runway upgrade. The data presented above detail the total economic impact of expanding and upgrading Camp Guernsey. A vast majority of the funding is expected to come from the Federal government. Most of the Federal funding, however, is contingent on the airfield upgrade that the State has been asked to fund. By the State funding the \$9.6 million airfield upgrade, an additional \$107.7 million in Federal spending on Camp Guernsey is expected to occur from 2007 to 2020. It is expected that by the end of the expansion period, training man-days training will increase by 615,000. This analysis provides a sense of what Wyoming’s economy would be losing if the expansion of Camp Guernsey did not proceed. In addition, the expansions planned for Camp Guernsey may lead to other high-technology businesses deciding to locate in the area. Camp Guernsey provides high-tech training to soldiers through its robotics program. This may help create a cluster effect, where businesses with high-technology components move to an area where there is a concentration of similar type businesses. The robotics program at Camp Guernsey, the planned NCAR Supercomputer in Cheyenne, and the various activities at UW might trigger other high-technology businesses to relocate to this geographic area. The expansion of Camp Guernsey may assist in the continuing effort to diversify Wyoming’s economy.