Community Leadership Visit

Colorado Springs, Colorado

June 24-26, 1999
BACKGROUND...

Learning from the experiences of other communities and bringing home ideas for a better Springfield area the foundation of the Chamber's Community Leadership Visit program. This year's trip to Colorado Springs marked the sixth annual leadership visit coordinated by the Chamber.

A delegation of 32 business and governmental leaders (listed on page 2) participated in the June 24 - 26 visit. Learning from Colorado Springs' experiences in economic development, the program agenda focused on various topics, including air transportation, tourism and utility deregulation. Additionally, the military and sports have a particularly strong economic impact on Colorado Springs. Springfield participants studied these important sectors of the Colorado Springs economy during tours of the U.S. Air Force Academy and the U.S. Olympic Training Center.

Pikes Peak, altitude 14,110 ft., and the "Gateway" to Garden of the Gods. Photo by Ron Ruhoff.
PARTICIPANTS...

Penni Adams
Daniel, Clampett, Powell & Cunningham

Jim Anderson
Springfield Area Chamber of Commerce

Rob Baird
Concrete Company of Springfield

Brad Bodenhausen
Springfield Area Chamber of Commerce

Lance T. Brown
Urban Districts Alliance

Steve Burch
Bank of America

Jerry Clark
Springfield-Branson Regional Airport Board

Dave Coonrod
Greene County Commission

Gary Deaver
City Utilities Advisory Board

Nancy Fazzino
United Way of the Ozarks

Tom Finnie
City of Springfield

Lee Gannaway
Mayor, City of Springfield

Gary Gibson
Springfield City Council

Olin Grooms
Springfield-Branson Regional Airport Board

Teri Hacker
Springfield City Council

Mike Hoeman, M.D.
The Diagnostic Clinic

Evelyn Honea
City of Springfield

Tracy Kimberlin
Springfield Convention & Visitors Bureau

Bryan Magers
Magers Lodgings

Ralph Manley
Springfield City Council

Fred May
City of Springfield

Dr. Norman Myers
Ozarks Technical Community College

Lisa Nally
Springfield Area Chamber of Commerce

Karl Plumpe
City Utilities

Bill Reser
Springfield Board of Public Utilities

Mary Lilly Smith
City of Springfield

Joe Turner
Great Southern Bank

John Twitty
City Utilities

Bob Vanaman
Springfield City Council

John Whittington
Springfield Board of Public Utilities

Greg Williams
Springfield Area Chamber of Commerce

Sheila Wright
Springfield City Council
ECONOMIC DEVELOPMENT...

The Colorado Springs Economic Development Corporation operates as a 501c(6) not-for-profit development corporation, independent of the Greater Colorado Springs Chamber of Commerce. In business since 1991, the Economic Development Corporation operates on an annual budget in excess of $1 million and employs a staff of nine. EDC funding comes from 400 member-investors and $100,000 per year from Colorado Springs Utilities, the local municipal utility. Ninety percent of the organization's effort is devoted to community development, indicative of the philosophy that community development "creates" economic development.

In the late 1980's, Colorado Springs was identified as the Resolution Trust Corporation's "Capital City," with more than 300 foreclosures occurring in the city each month. The EDC instituted a brand image campaign to familiarize corporate decision-makers with the location advantages Colorado Springs can offer business and industry. Focusing on the city's existing base of employers (i.e. Ft. Carson, aerospace, high technology and sports), the EDC strives to assist in the creation of 2,000 primary jobs annually at an average salary of $30,000 per year. Today, the EDC can point to a direct relationship between new jobs and 1) local bank deposits; 2) home sales; and 3) automobile sales - all of which have risen substantially since the economic decline of the late 1980s.
The unemployment rate in Colorado Springs now fluctuates in the range of 3 percent, as opposed to the overall state rate of 2.7 percent. But the Colorado Springs metropolitan area has witnessed a growing underemployment challenge, similar to that of the Springfield area. The Colorado Springs area attracts more than 70 business or industrial prospect visits yearly. According to EDC officials, the organization's "closing rate" (the number of prospects who visit the community versus the number who locate to the city) is nearly 67 percent. While the EDC operates independently of other organizations in the community, a strong partnership appears to exist between the EDC, the Greater Colorado Springs Chamber of Commerce, Colorado Springs Utilities and the Convention and Visitors Bureau.

**MAJOR EMPLOYERS...**

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AIR TRANSPORTATION...

The Colorado Springs Airport was founded in 1927 and has become one of the city's most dynamic and successful operations due to a significant military influence and a proactive development program initiated in 1988. Rapid city growth in the mid-1980s resulted in a push to develop the airport's new terminal facility. Colorado Springs voters twice overwhelmingly approved a $67 million bond issue for major development projects, while the Federal Aviation Administration provided $108 million of additional funds for the development of a 13,500-foot runway and extensive taxiway systems.

The airport serves more than 2.5 million passengers annually, over three times the yearly total of Springfield-Branson Regional Airport. The Colorado Springs Airport's master plan includes an aggressive business development plan to complement the community's overall economic development efforts. The Airport plans to develop 900 acres for commercial, office and industrial usage, as well as 140 acres for a planned golf course development. Administration officials aggressively market the airport to prospective airline carriers and focus on the travel and tourism industry. The airport's proximity to the southern suburban regions of Denver has been a positive influence in attracting travelers from the state's largest city to the Colorado Springs Airport, becoming a "reliever facility" for Denver International Airport.

Colorado Springs Airport officials described their philosophy as "adopting change and creating the future," indicating that while building new facilities and extending runways and taxiways may not necessarily guarantee new business development, not doing so would prevent future development. In the words of Aviation Director Gary Green, "If you build it, they may come. But if we do nothing and not build it, we guarantee you that they will not come."

"If you build it, they may come. But if we do nothing and not build it, we guarantee you that they will not come." — Gary Green, Aviation Director, Colorado Springs Airport
Utilities...

Colorado Springs Utilities is a municipal utility, governed by the Colorado Springs City Council using the John Carver Governance Model (which is characterized by a governing body that sets strategic goals, approves a budget, and allows professional staff wide parameters to achieve those goals.) Overall, the Colorado Springs Utilities operation is about twice the size of City Utilities of Springfield.

Colorado Springs Utilities has created an aggressive marketing program to address the industry's deregulation and restructuring issues, focusing on unique customer services (i.e. payment protection and surge protection.) To accomplish this program, the utility has an annual marketing budget of $4.7 million. By comparison, the annual marketing budget for City Utilities of Springfield is $950,000. Another important issue is the undergrounding of utilities in the Colorado Springs area. A surcharge of five cents per-meter, per-month accounts for more than $250,000 annually dedicated for undergrounding utility lines in older areas of the community. By comparison, City Utilities dedicates $500,000 annually for undergrounding utility lines, without imposing a surcharge.

Recently, Colorado Springs Utilities developed a SWOT analysis (Strengths, Weaknesses, Opportunities and Threats) to evolve from an old-style utility to a "new age provider" and to identify the course of action for the future relative to deregulation and competitiveness. Similarly, City Utilities has had a Restructuring and Competition Task Force in place for more than two years to guide CU through utility deregulation. The result in Colorado Springs has been the development and implementation of measurable, customer-focused strategies to provide value-added products and services, communications and pricing to solidify customer loyalty and reduce the impact of deregulation. But even with its progressive approach to providing value-added products and services, Colorado Springs Utilities has been very careful not to compete with existing local businesses. In fact, the utility worked with the Colorado Springs Chamber to establish a committee to review proposed products and services in order to prevent competition with businesses.
MILITARY RELATIONS...

Colorado Springs is a military town. With 40,000 military and civilian employees at four installations in the Colorado Springs area, the Department of Defense payroll is over $1 billion annually. The total economic impact of the military is more than $2 billion, with 85,000 direct and indirect jobs included in this important sector which comprises nearly 40 percent of the Colorado Springs economy.

To support and enhance this crucial part of the local economy, the Colorado Springs Chamber started a Military Affairs Council (MAC) in 1941. The MAC consists of 110 members who pay $200 a year in addition to their regular Chamber investment. Through monthly meetings, the Council fosters open communications between the local business community and military leadership, working to solve any conflicts before they arise. Past successes of the MAC include:

- The "Keep Fort Carson" campaign to save the local Army post during the Base Realignment and Closure (BRAC) process in 1994.

- The attraction of the U.S. Air Force Academy to Colorado Springs. The Academy, with 4,000 cadets and 6,000 personnel, is now an esteemed educational institution as well as Colorado's leading tourist attraction.

- The attraction of the U.S. air defense program to Peterson Air Force Base, and the location of Schriever AFB.

- Regular series of social events, including "Hail and Farewell" ceremonies and send-off banquets for departing officers.

- Ongoing Washington lobbying efforts to promote a strong national defense and new military developments which would benefit the Colorado Springs area.
CVB AND SPORTS CORPORATION...

Colorado Springs was founded as a tourist destination in 1872 and it remains a popular site for visitors to this day. With six million visitors a year, tourism has a $817 million economic impact on Colorado Springs.

The Colorado Springs Convention and Visitors Bureau has an annual budget of about $3 million, with revenue sources including a two percent hotel-motel tax, a one-percent car rental tax, county funding and membership programs. More than 60 percent of the CVB's budget is used for marketing to prospective visitors and 76 percent of all inquiring callers actually visit Colorado Springs. But the Colorado Springs CVB sees itself as more of a political organization than a marketing organization. The CVB has formed a Political Action Committee which has been successful in recent local elections.

Springfield participants also noticed the strong emphasis the CVB places on data and market research. A 1998 Conversion Study to identify Colorado Springs' tourist market led to a targeted television advertising campaign in Texas. The study also focused on the importance of "branding the destination," and as a result, the phrase "Colorado Springs at Pikes Peak" is now incorporated in all community marketing efforts.

Partnerships are also a key focus of the Colorado Springs CVB. One of the most successful affiliations is between the CVB and the Colorado Springs Sports
Corporation. The business of sports is a sizable part of the Colorado Springs economy. And with numerous national athletic organizations based there, like the U.S. Olympic Committee, attracting and hosting sporting events has become a major component of the community's visitor attraction efforts. The Sports Corporation mission includes:

- Promoting economic development by seeking sports organizations to locate in the area.
- Sponsoring events to encourage collaboration among local sports organizations.
- Assist USOC and other organizations in hosting athletic events.
- Produce activities, clinics and scholarship programs for local youth sports.

The Colorado Springs Sports Corporation receives funding from diverse sources, including grants, sponsorships, special events, membership investment (ranging from $45 to $1,000) and a building rental program for non-profit organizations. The CVB provides $110,000 a year to the Sports Corporation for marketing.

As home to the U.S. Olympic Training Center, Colorado Springs is the “nation’s capital” of amateur sports.
RECOMMENDATIONS...

The importance of community partnerships was the main theme that emerged as the Springfield delegation learned about economic development in Colorado Springs. The delegation observed that Colorado Springs is focused on cooperation and communication between local government, community organizations and the private sector. This is probably the most important idea to reinforce because that type of communication and collaboration already exists in Springfield. We need to make sure that it continues.

Other observations and recommendations from the various segments of visit include:

- The Colorado Springs Economic Development Corporation relies heavily on research and analysis in its business retention and expansion program. Locally, the Springfield economic development partnership organizations should strive to improve in the use of research and analysis based on the Colorado Springs model.

- The Colorado Springs Airport's involvement in business development and its approach to community collaboration is very important to the community. The Springfield-Branson Regional Airport is in a unique position to identify similar opportunities and have an even greater positive economic development impact here. Perhaps we in Springfield could consider a bond issue for airport capital improvements similar to the example we saw in Colorado Springs.
- Colorado Springs Utilities provides a "best practice" case study in its preparation and approach to upcoming utility restructuring issues. Primarily, the strong emphasis on customer service and marketing (with a large budget devoted to those functions) could serve as a model for City Utilities of Springfield.

- Although we recognize that the Springfield area does not compare with Colorado Springs in terms of military impact, we can still learn from the Colorado Springs Military Affairs Council. We should continue to seek ways to improve the Springfield Chamber's Military Relations program and further highlight the positive economic impact of Fort Leonard Wood.

- The successful coordination of efforts between the Colorado Springs Convention and Visitors Bureau and the Colorado Springs Sports Corporation was noted. We should support the efforts currently underway to establish a Greater Springfield Sports Commission to expand the valuable visitor attraction opportunities of hosting regional and national athletic events in our community.