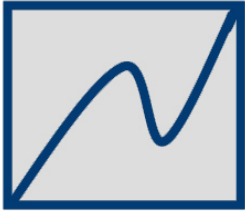


# Double Dip Anyone?

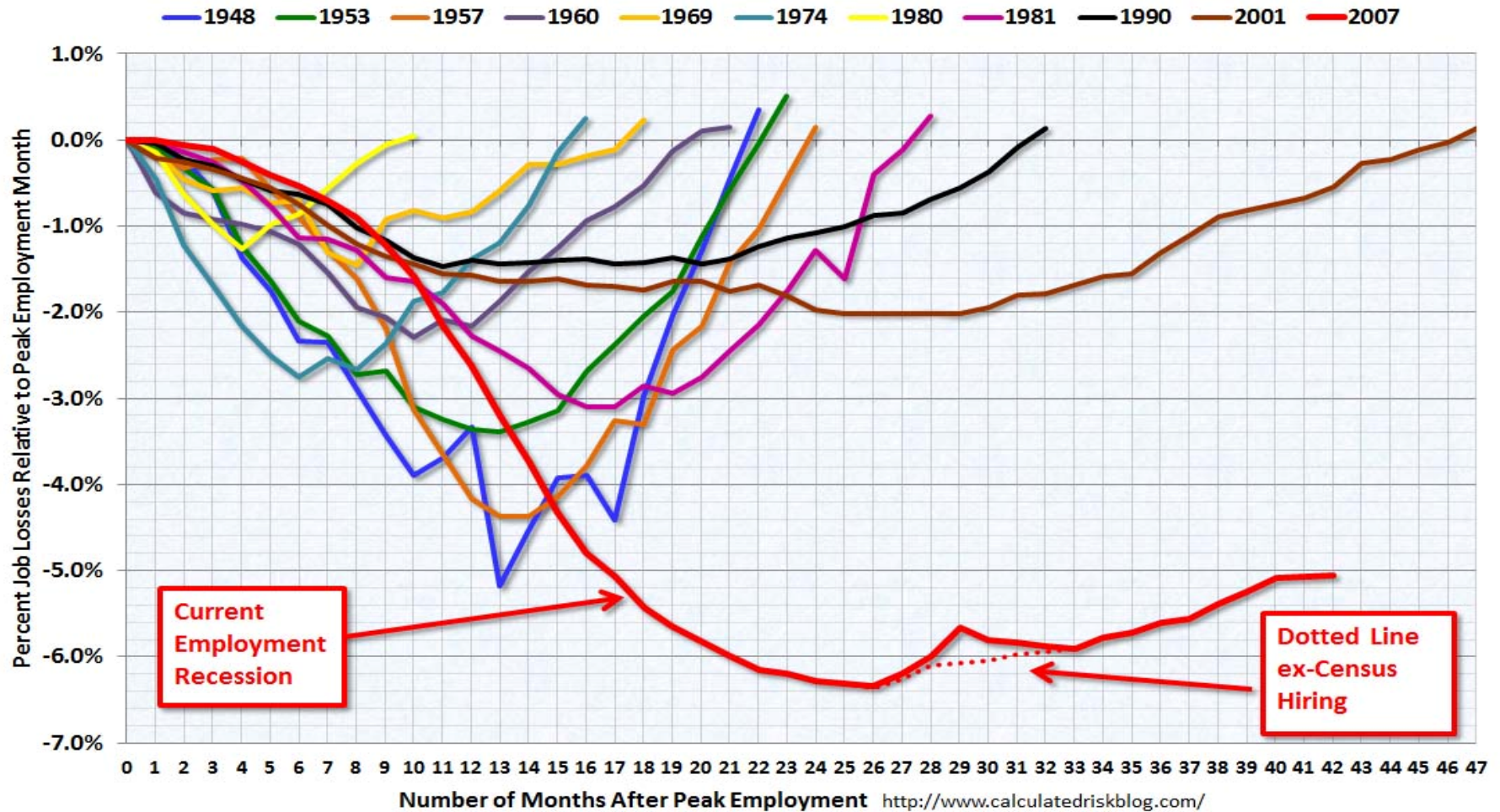
IT'S A COIN TOSS

Presented to US Bank  
September 28, 2011

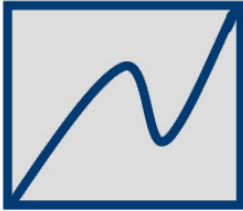


# U.S. Job Creation is More Difficult

Percent Job Losses in Post WWII Recessions







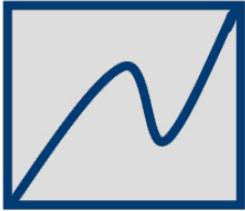
# Colorado Springs Economic Indicators

## Monthly Economic Indicators Summary - August 2011 Colorado Springs Metro Area

Monthly Indicator	Aug-10	Aug-11	Change	% Change	Good News Bad News
Wage and Salary Jobs	248,300	245,100	-3,200	-1.3%	Bad News
Initial Claims for Unemployment	469	360	-109	-23.2%	Good News
Unemployment Rate	9.5%	9.3%	-0.2%	-2.1%	Good News
Single Family Home Permits (units)	118	117	-1	-0.8%	Bad News
New Auto and Truck Registrations	1,481	2,109	628	42.4%	Good News
Taxable Retail Sales (in millions)	\$453.8	\$508.0	\$54.2	11.9%	Good News
Hotel Occupancy Rate	77.0%	77.8%	0.8%	1.0%	Good News
Foreclosure Filings	427	334	-93	-21.8%	Good News

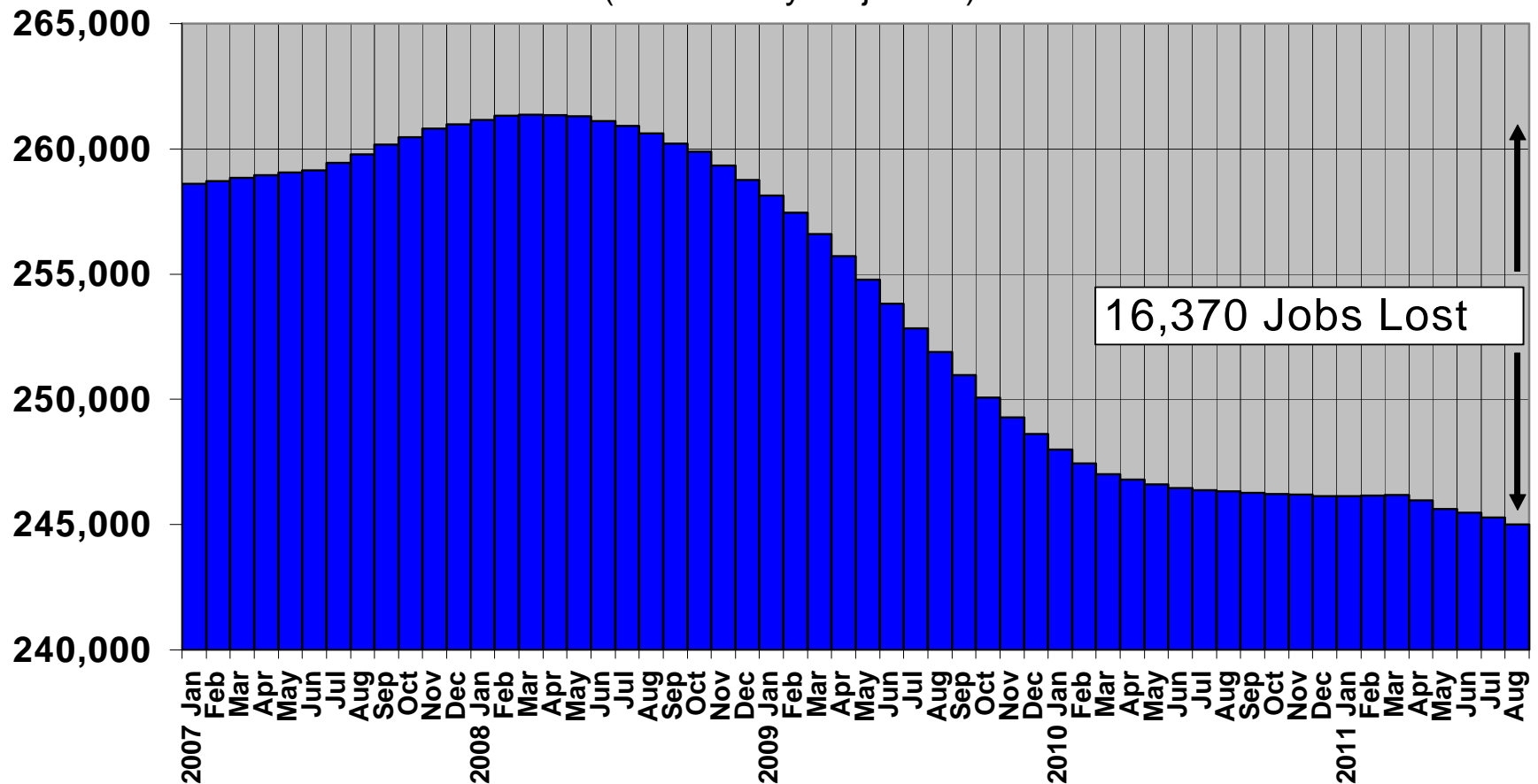
Source: Various published sources.

(Note: The data in the table is not seasonally adjusted and is not adjusted to an annual rate)

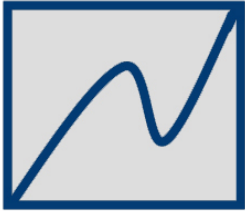


# Jobs in C.S. 2007 to Present

**Total Payroll Jobs  
Colorado Springs MSA**  
(Seasonally Adjusted)

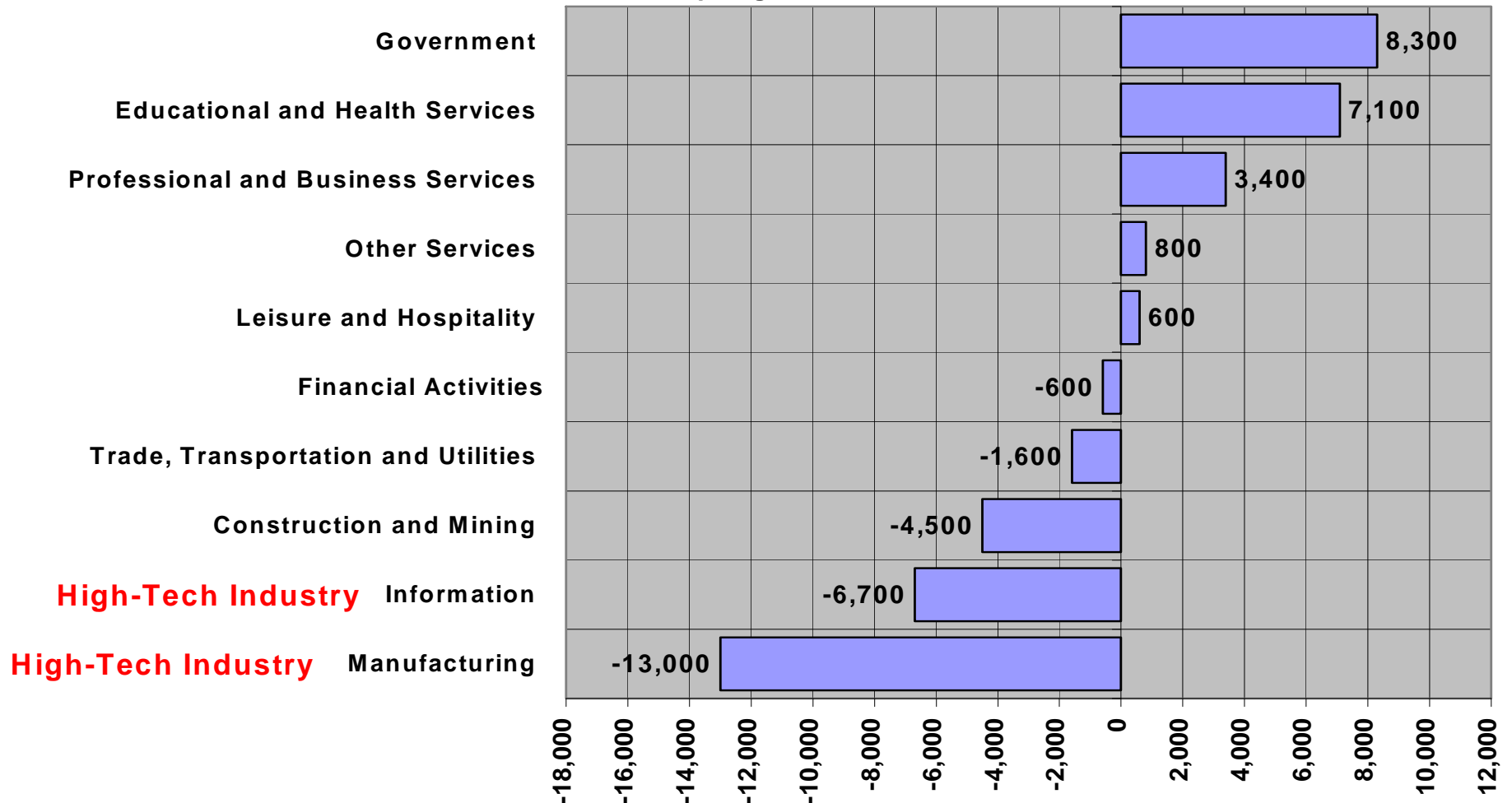


Source: Colorado Department of Labor and Employment and Summit Economics



# Job Changes by Sector

Change in Paroll Jobs by Industry  
Colorado Springs MSA, 2001 - 2010



Source: Colorado Department of Labor and Employment



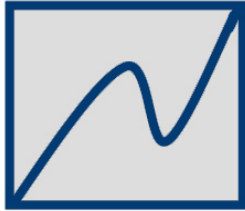
# The Military

## Military Base Employment Colorado Springs Metro Area, 2011

Base	Military Personnel Assigned	Civilian Employees	Total
Fort Carson	24,300	5,610	29,910
Peterson AFB	5,484	5,743	11,227
Air Force Academy	2,078	3,605	5,683
Schriever AFB	2,220	5,874	8,094
<b>Total</b>	<b>34,082</b>	<b>20,832</b>	<b>54,914</b>

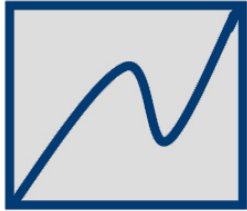
Source: Colorado Springs Chamber of Commerce and local military bases

Note: Does not include 4,700 AFA cadets, but includes military personnel on deployment.



# Structural History

<b>Colorado Springs Metro - Population &amp; Employment Changes 1970 - 2010</b>					
	<b>1970</b>	<b>1980</b>	<b>1990</b>	<b>2000</b>	<b>2010 E</b>
Population	240,100	312,600	397,500	516,929	622,263
10 Yr Change		72,500	84,900	119,429	105,334
Employment	116,503	170,287	235,412	346,162	371,350
10 Yr Change		53,784	65,125	110,750	25,188
Employment/ Population 10 Yr Change Ratio		0.74	0.77	0.93	0.24
Wage & Salary	102,189	142,840	195,445	281,843	287,790
% of Total	87.7%	83.9%	83.0%	81.4%	77.5%
Private Non-Farm	59,813	113,936	171,106	276,609	286,022
% of Total	51.3%	66.9%	72.7%	79.9%	77.0%
Government	55,682	55,190	63,233	68,092	83,661
% of Total	47.8%	32.4%	26.9%	19.7%	22.5%
Proprietor	14,314	27,447	39,967	64,319	83,560
% of Total	12.3%	16.1%	17.0%	18.6%	22.5%
Source: Bureau of Economic Analysis, Census Bureau, Summit Economics					



# The Springs vs. Colorado

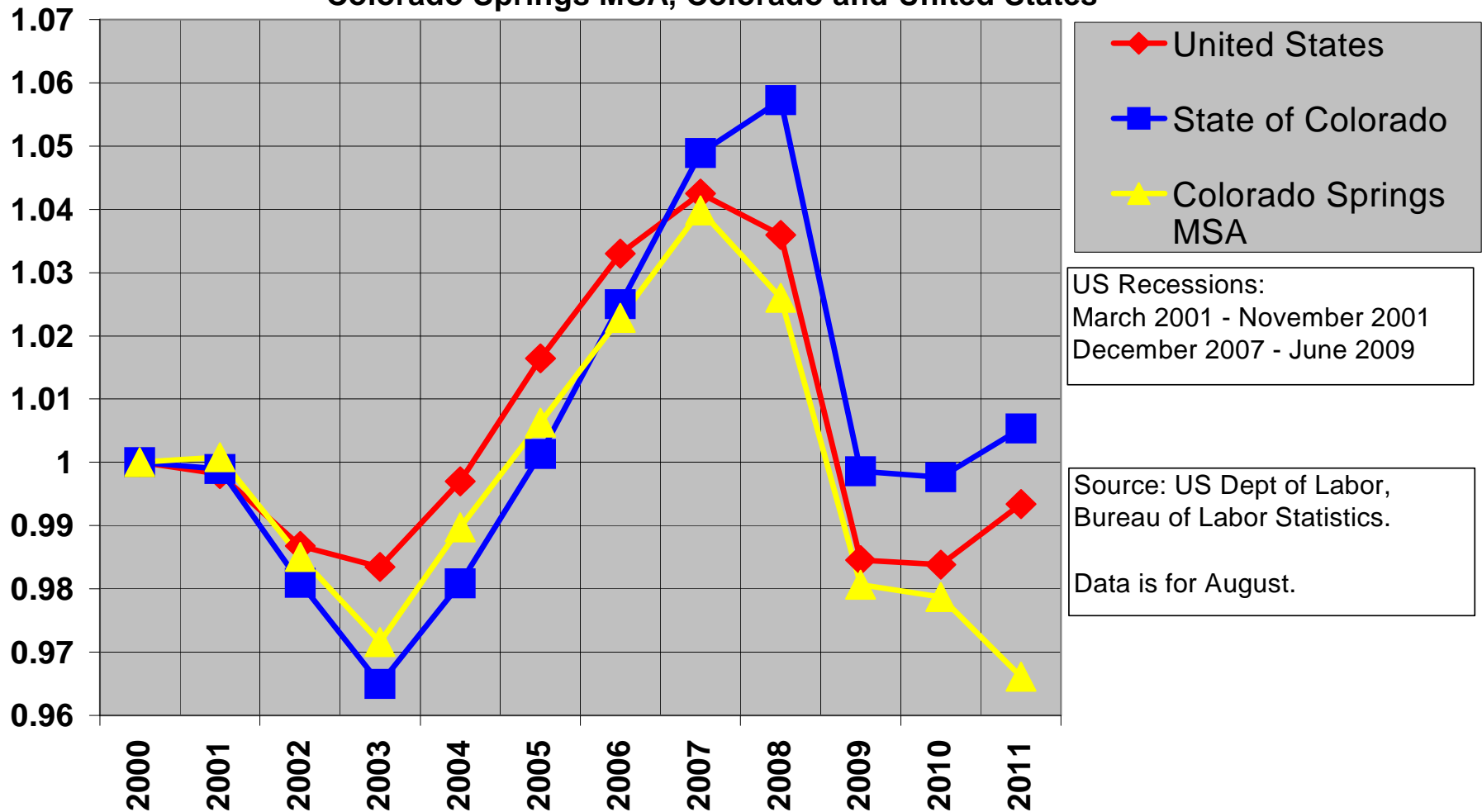
## GDP ANNUAL GROWTH BY METRO AREA

	2009-10	2007-10	2001-10
Boulder	4.5%	1.6%	2.3%
Colorado Springs	4.5%	3.0%	4.5%
Denver	2.8%	2.3%	4.1%
Ft Collins	3.6%	1.9%	4.1%
Grand Junction	-2.3%	0.4%	5.7%
Greeley	3.8%	1.0%	4.2%
Pueblo	2.4%	3.3%	3.3%
Source: BEA, Summit Economics			



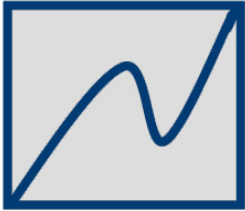
# Relative Job Growth C.S. vs. Colorado & U.S.

**Relative Payroll Job Growth (2000 = 1.00)  
Colorado Springs MSA, Colorado and United States**



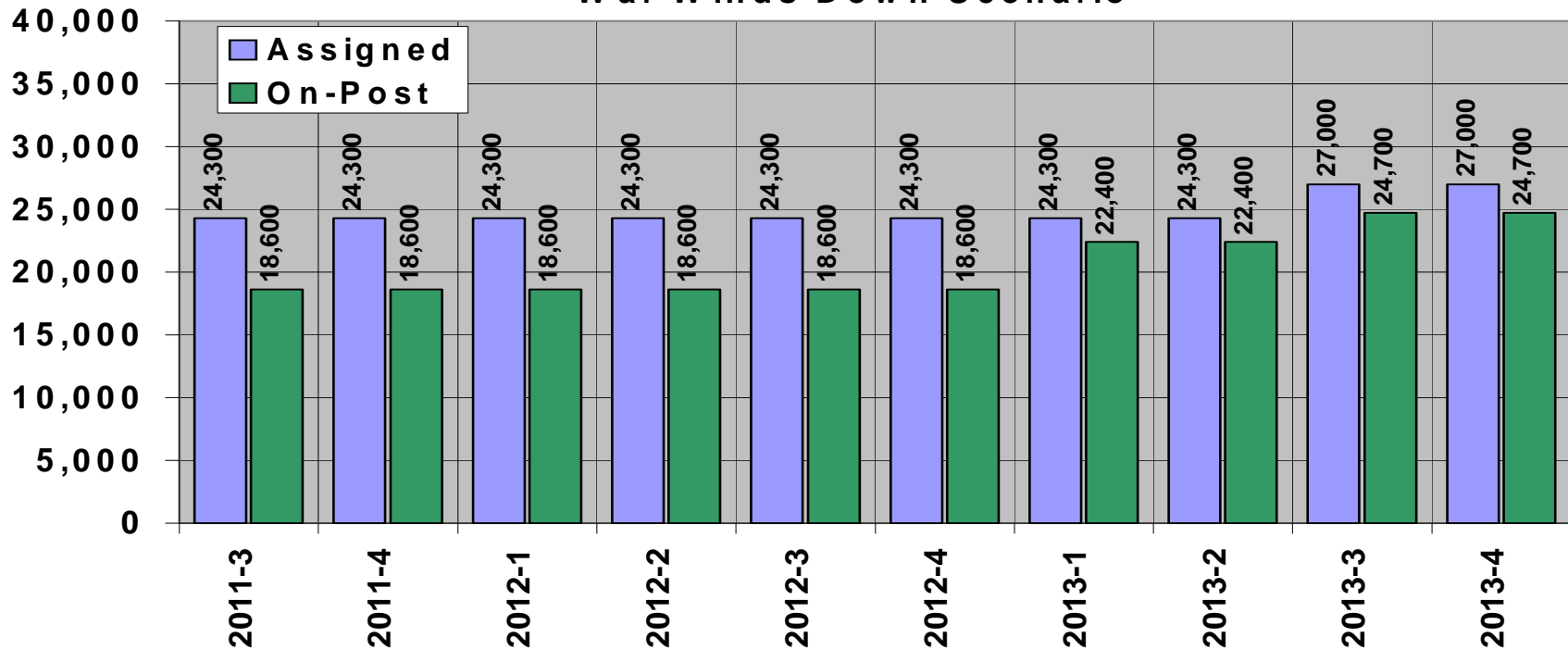
US Recessions:  
March 2001 - November 2001  
December 2007 - June 2009

Source: US Dept of Labor,  
Bureau of Labor Statistics.  
  
Data is for August.



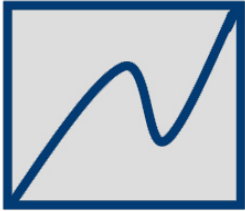
# Fort Carson Forecast

**Fort Carson  
Estimated Troops Assigned and On-Post  
War Winds Down Scenario**

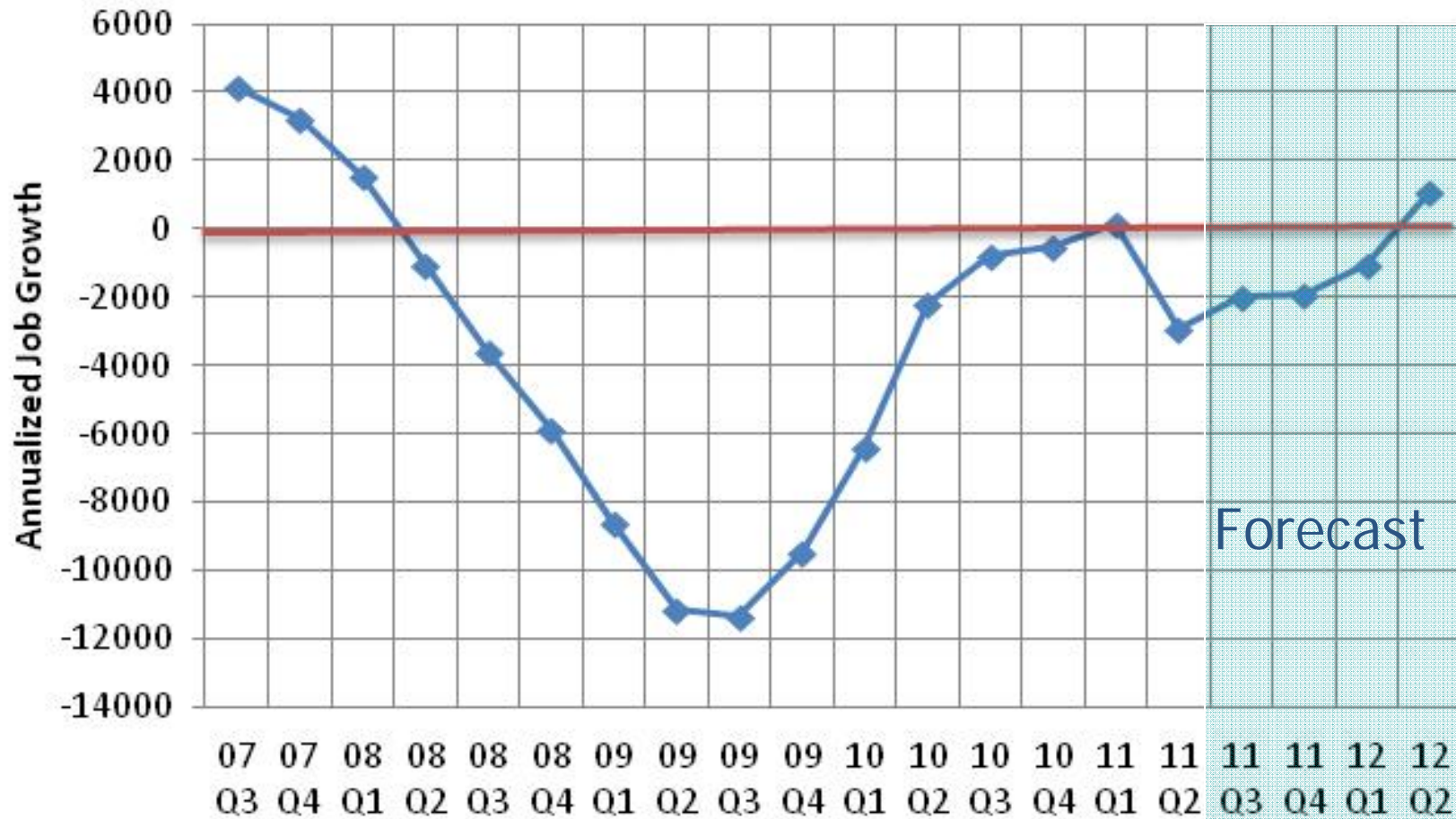


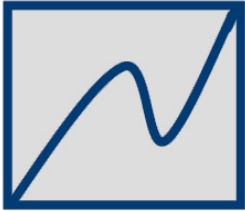
Notes: Includes the Aviation Brigade announced for location at Fort Carson in the 3rd Qtr of 2013.

Source: Summit Economics from various military and local sources.



# Job "Growth" Forecast Getting Back to Positive in 2012





# Workers & Retirees 2010 to 2040

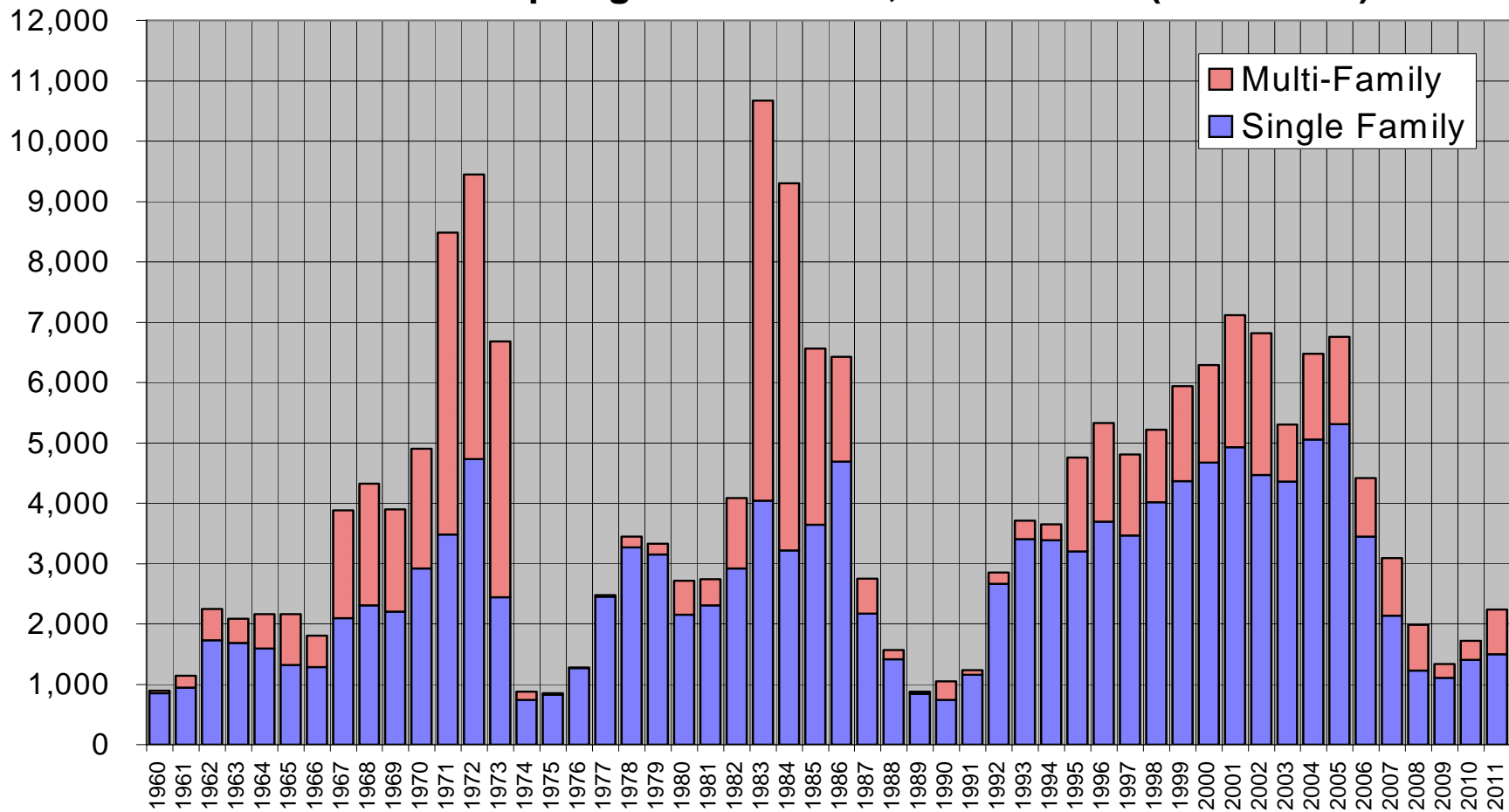
## Worker Age/Retiree Ratio

Year:	20-64	65+	Ratio
2010	385,926	61,788	6.2
2015	403,593	82,546	4.9
2020	423,555	107,383	3.9
2025	440,924	134,336	3.3
2030	461,027	157,447	2.9
2035	496,121	168,038	3.0
2040	535,421	172,394	3.1

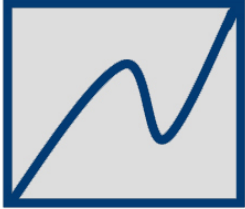


# Housing Cycles

**Housing Construction (Units)**  
**Colorado Springs Metro Area, 1960 - 2011 (estimated)**

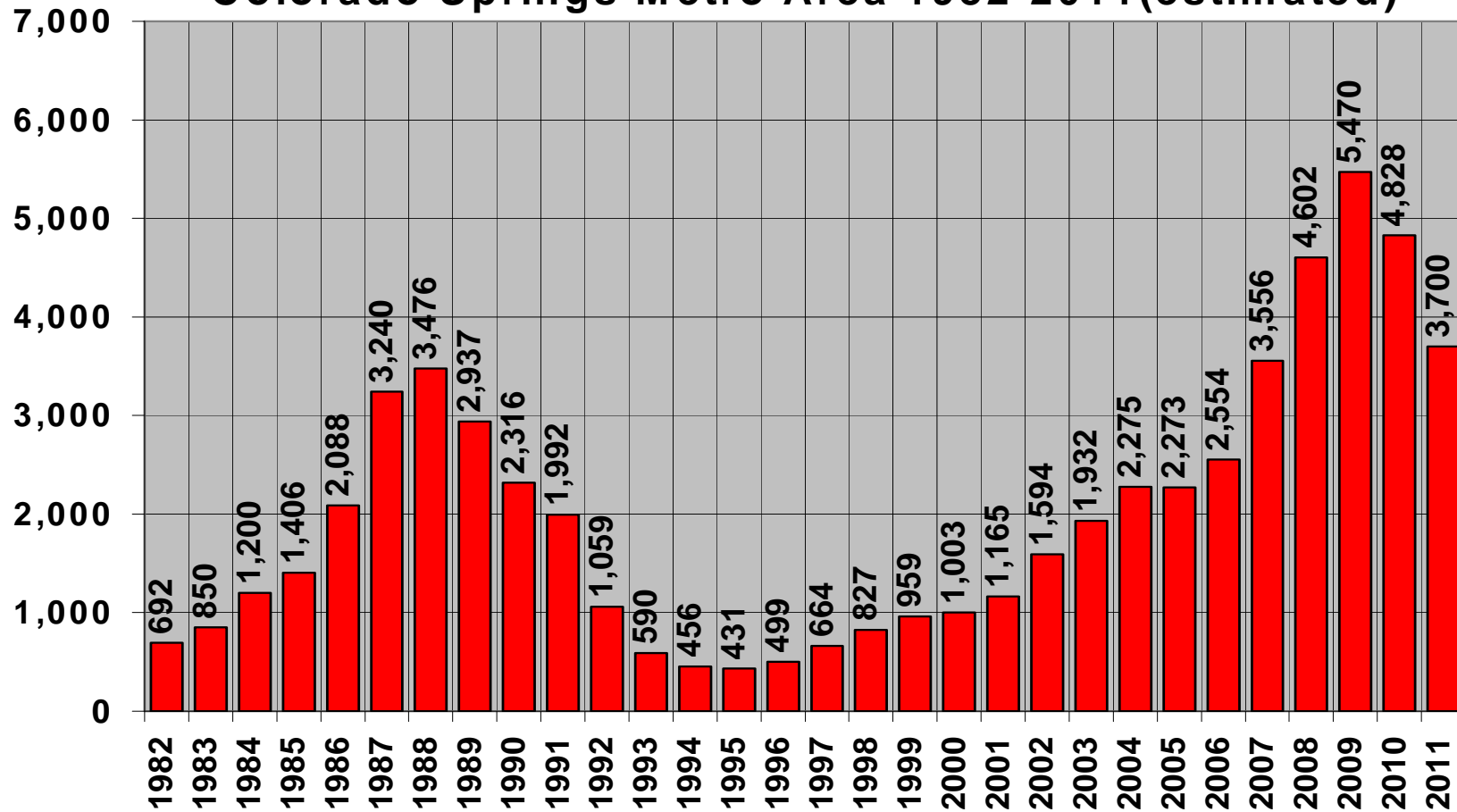


Source: Regional Building Department

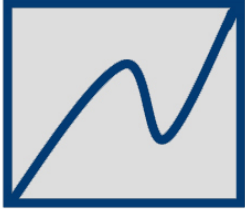


# Foreclosures

**Foreclosure Filings**  
**Colorado Springs Metro Area 1982-2011(estimated)**

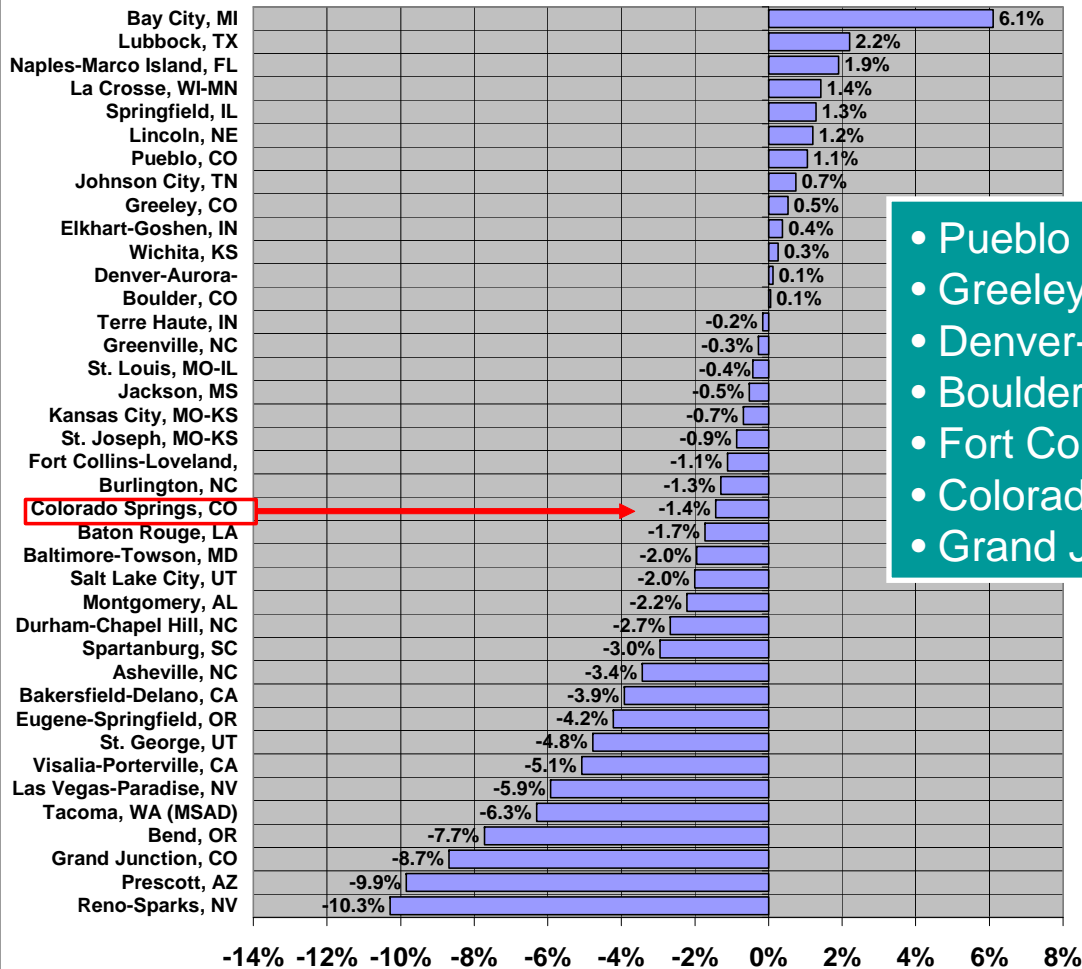


Source: El Paso County Public Trustee and Summit Economics

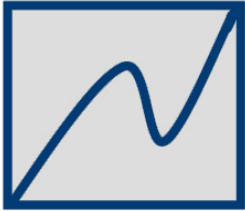


# House Prices

Comparison of Annual Percent Change in Single Family Home Values, 4th Qtr 2009 to 4th Qtr 2010

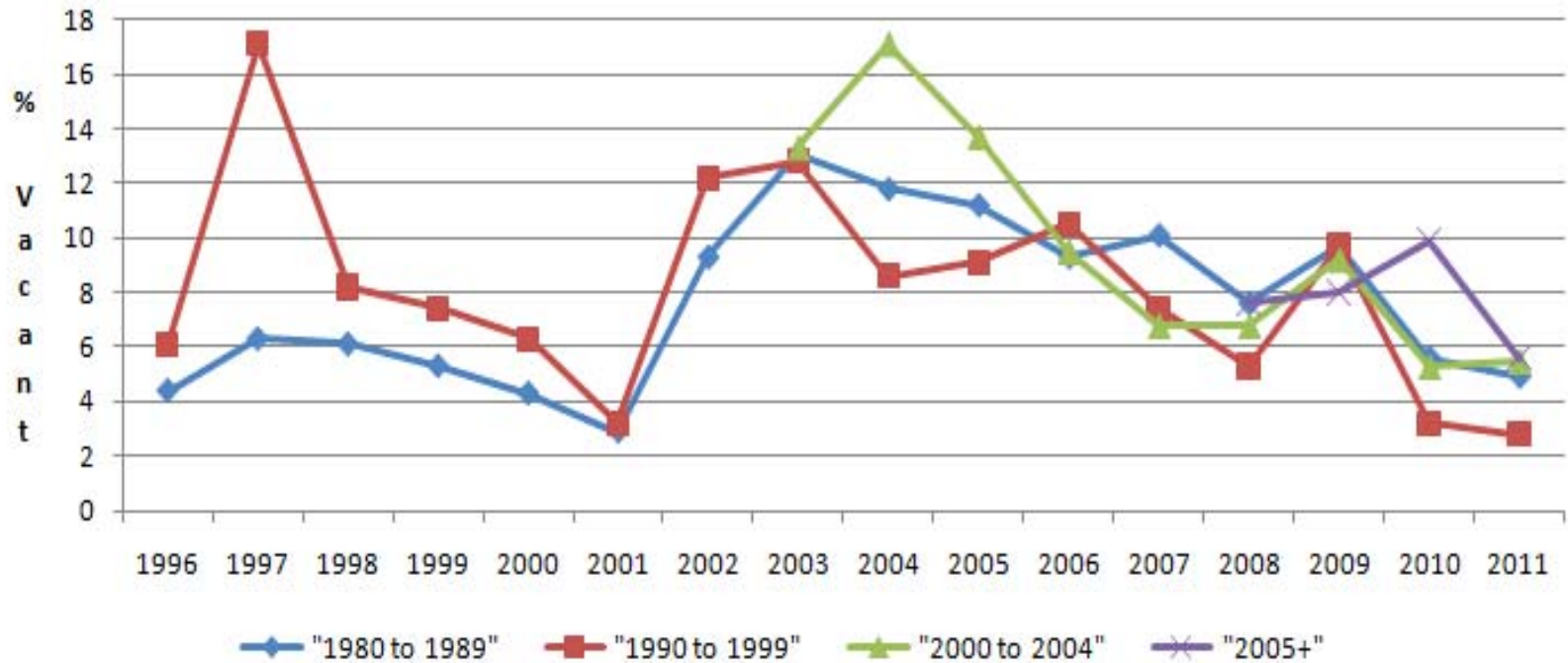


- Pueblo 1.1%
- Greeley 0.5%
- Denver-Aurora-Broomfield 0.1%
- Boulder 0.1%
- Fort Collins-Loveland -1.1%
- Colorado Springs -1.4%
- Grand Junction -8.7%

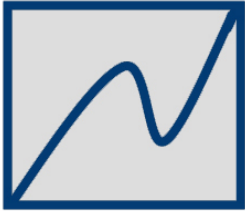


# Multi-Family Vacancy

## Vacancy by Age of Construction 1996-2011

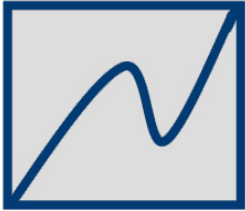


Colo Division of Housing, VonStroh, Summit Economics



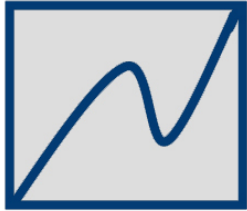
# Housing Forecast 2012 - 2013

- Declining foreclosures w/ possible uptick
- Price stability in single-family housing with improvement in number of existing home sales
- Multi-family market ramping up for a new expansion cycle – new units at 700 to 1,300 units per year
- Single-Family new home market slow improvement. Niche markets the key



# Other Outlooks

- Modest decline to slow continued improvement in retail sales
- Baby boomers shifting expenditure patterns to home improvements and health care
- Auto sales continue to improve – pent-up demand and fuel efficiency
- Softness in office and retail space will continue -- a longer term trend.
- Niche manufacturing is doing well.



# Long Term Challenges Short Term Volatility

- L-T There are changing fundamentals in the economy.
- S-T Investors & consumers timid due to volatility
- Upside – Pikes Peak Regional economy expands with population growth, a resurgence of entrepreneurship and capital access, private sector company growth to replace future government job losses, and a modest resurgence of home building.