

Economic Impacts of Fort AP Hill, FY 2016

# Growing the Military Mission in Virginia

May 2018



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GROUP

THE YONKERS GROUP, LLC



# Presentation Outline

- 🏢 Purpose and Methodology
- 🏢 Direct Spending
- 🏢 Total Economic Effects
- 🏢 Key Takeaways
- 🏢 Assumptions
- 🏢 Data Sources



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# Purpose and Methodology

- 🏠 Task: estimate total economic impact of Fort AP Hill on the regional economy
- 🏠 Utilize industry standard IMPLAN input-output model to simulate the “multiplier effect” of direct, installation-related spending (direct, indirect, induced)
- 🏠 Model three distinct spending flows:
  1. Installation operations
    - DoD personnel compensation
    - Operations and Maintenance
  2. Trainee spending on the local economy
  3. Recreational spending on the local economy



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# Fort AP Hill – Direct Expenditures

Installation Expenditures, FY 2016 Fort AP Hill and Tenant Organizations	
Personnel	
Active Duty	55
Civilian	282
<b>Total</b>	<b>337</b>
Expenditures	
Payroll (inclusive of Benefits)	\$30.35 Mil
O & M (exclusive of Payroll)	\$29.47 Mil
<b>Total</b>	<b>\$59.83 Mil</b>

Source: Fort AP Hill Garrison

Note: Dollar values are in 2016 USD



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# Fort AP Hill – Direct Expenditures

Trainee Spending on the Local Economy, FY 2016	
Trainee Throughput	
Total Personnel Throughput	44,657
Average Personnel Per Day	1,342
Number of Training Days	302
Location of Night Stays	
Barracks	90%
Economy	10%
Spending Assumptions	
Lodging per day	\$89
Food / Incidentals per day	\$58
Bed Nights	
Number of Total Bed Nights	405,284
<i>Barrack Nights</i>	364,756
<i>Nights on Economy</i>	40,528
Spending on the Economy	
Lodging	\$3.61 Mil
Food	\$2.35 Mil
<b>Total Spending On The Economy</b>	<b>\$5.95 Mil</b>

Sources: Fort AP Hill Garrison; PerDiemRates.com; Travelers' Profile to Virginia, TNS TravelsAmerica, FY 2017  
 Note: Dollar values are in 2016 USD



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# Fort AP Hill – Direct Expenditures

## Recreational Visitor Spending on the Local Economy, FY 2016

Recreational Visitor Assumptions	Recreational Lodging	RV Camp Site	Family Housing	Total
Bed Nights	3,100	2,300	42	5,442
Mean Party Size	2.8	2.8	2.8	2.8
Mean Nights Stayed	2.5	2.5	2.5	2.5
Mean Party Spending	\$548	\$548	\$548	\$548
Spending less lodging	\$406	\$406	\$406	\$406
Spending per person / per day	\$58	\$58	\$58	\$58
<b>Total Spend</b>	<b>\$502,845</b>	<b>\$373,078</b>	<b>\$6,813</b>	<b>\$882,736</b>

Sources: Fort AP Hill Garrison; Virginia Visitor Profile, TNS TravelsAmerica, FY 2017

Note: Dollar values are in 2016 USD



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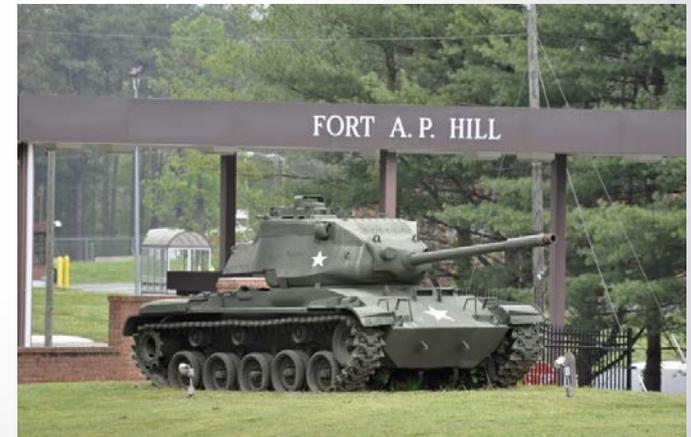
# Fort AP Hill – Total Economic Impacts

## Economic Impacts Attributable to Fort AP Hill, FY 2016

Impact Type	Jobs Supported	Labor Income	Gross Regional Product	Gross Output
Direct Effect	566	\$44.2	\$63.9	\$87.1
Indirect Effect	64	\$4.1	\$6.7	\$11.6
Induced Effect	264	\$12.1	\$22.6	\$37.6
<b>Total</b>	<b>894</b>	<b>\$60.3</b>	<b>\$93.2</b>	<b>\$136.4</b>

Source: IMPLAN v4.3.023852

Note: Dollar values are in Millions 2016 USD



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# Fort AP Hill – Total Economic Impacts



## Top 10 Impact Industrial Sectors from AP Hill, FY 2016

Sector	Industrial Sector	Jobs Supported	Labor Income	Gross Domestic Product	Gross Output
535	Employment and payroll of federal civilian	282	\$25.4	\$32.9	\$42.5
501	Full-service restaurants	69	\$1.6	\$1.8	\$3.4
536	Employment and payroll of federal military	55	\$5.0	\$10.5	\$10.8
58	Construction of other new nonresidential	45	\$2.5	\$3.4	\$6.1
499	Hotels and motels, including c...	36	\$1.1	\$2.1	\$3.7
452	Computer systems design services	35	\$4.7	\$4.6	\$5.8
449	Architectural, engineering, and...	22	\$2.3	\$2.3	\$4.0
51	Water, sewage and other systems	17	\$1.3	\$3.0	\$4.2
440	Real estate	16	\$0.3	\$2.7	\$3.6
502	Limited-service restaurants	15	\$0.3	\$0.7	\$1.2
n/a	All other industries	301	\$16.0	\$29.4	\$51.1
	<b>Total</b>	<b>894</b>	<b>\$60.3</b>	<b>\$93.2</b>	<b>\$136.4</b>

Source: IMPLAN v4.3.023852

Note: Dollar values are in Millions 2016 USD



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# Fort AP Hill – Total Economic Impacts

## Regional Labor Income Comparison (Direct, Indirect, and Induced Effects), 2016

Region	Average Labor Income	% Difference from AP Hill
Caroline County	\$36,037	-47%
Tri-county (Caroline, Spotsylvania, King George)	\$51,699	-23%
Virginia	\$60,551	-10%
AP Hill	\$67,479	0%

Source: IMPLAN v4.3.023852

Note: Labor Income is inclusive of all forms of income, including Employee Compensation (wages and benefits) and Proprietor Income.



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## ➤ Fort AP Hill, FY 2016

- Nearly **\$67 million** in **direct** spending
  - Payroll and Operations  $\approx$  \$60 million
  - Trainee Spending  $\approx$  \$6 million
  - Recreational Users  $\approx$  \$1 million
- Total economic impact  $\approx$  **894 Jobs and \$93 million in Gross Domestic Product**
- At **\$67,500**, the average AP Hill supported job pays **47%** higher than Caroline County's average job



# Assumptions

1. Impacts are modeled at the state level – not specific to Caroline County.
2. Training days are assumed at 302 for FY 2016.
3. 10% of all trainees stay on the local economy.
4. All trainees staying on the local economy are assumed to spend equal to an average FY 2017 Virginia visitor per TravelsAmerica.
5. One party (2.8 people) per bed night for recreational visitors.
6. Recreational visitor and Trainee spending assumptions are based on TravelsAmerica estimates for the average Virginia Leisure Traveler in FY 2017.
7. Impact scenario was run at the state-level using IMPLAN v4.3.023852.



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## Data Sources

1. US Department of Treasury
2. IMPLAN Input-Output Model v4.3.023852
3. Fort AP Hill Garrison
4. TNS TravelsAmerica, FY 2017



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## Sal Nodjomian, PE

Project Manager

[sal\\_nodjomian@matrixdesigngroup.com](mailto:sal_nodjomian@matrixdesigngroup.com)

(850) 279-4298



## Charlie Perham

Executive Associate

[Charlie\\_Perham@matrixdesigngroup.com](mailto:Charlie_Perham@matrixdesigngroup.com)

(850) 279-4298



## Matt Schwalb, MA

Economic Analyst

[matt\\_schwalb@matrixdesigngroup.com](mailto:matt_schwalb@matrixdesigngroup.com)

(850) 279-4298



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