The F-35s Are Coming: How Can You Be Prepared?
DRAFT Preliminary Findings – August 2017

Prepared for the Fairbanks North Star Borough by the Arcadis Project Team
Planning for Eielson Regional Growth

- **GROWTH MANAGEMENT PLAN**
- **NEXT PLANNING STEPS**

Information: Gathering / Analyzing / Sharing
Action Plan / Monitoring Strategies / Budget Development

Specific Impact Area Plan
Funding and Implementation
Eielson Regional Growth Plan Focus Areas

- Existing Conditions
- Regional Housing
- Fiscal Impact
- Education
- Transportation
- Planning + Zoning
- Utilities + Infrastructure

- Utilities + Infrastructure
- Public Safety
- Health + Social Services
- Quality of Life
- Workforce Development
- Regional Coordination
- Implementation Plan

We need your input on these topics
Building Our Future
Based on Sound Information

Information Sharing is a Two-Way Street

The Eielson Regional Growth Plan

Gap Analysis

Solutions/Planning

Recommendations

Information Seekers & Providers
- Citizens of the FNSB
- Business Community
- Infrastructure Providers: Housing/Transpo/ComFac
- Public Service Providers
- School District

Information Seekers & Providers
- Military Planners
- Local, State & Federal Leaders
- Financial Sector
- Private and Public Sector Developers
What We are Sharing Today

• Preliminary population and employment projections.

• Revised housing need estimate for F-35 population.

• What we have learned-to-date re: existing housing stock, desired housing type, and potential strategies for new housing.

• Potential increased demand for childcare, early childhood and educational services.

• Overall assumptions, methodology and schedule – how we are doing the work and what to look forward to.
As We Share This Week – Please Keep in Mind

- This is the beginning of the growth planning process.
- There is still a lot to learn from Air Force, from you.
- You need this information to plan.
- We are sharing preliminary information today to:
  - Build on the information exchange that has been happening.
  - Provide a clear understanding of preliminary assumptions and limitations of the data.
  - Understand and begin to address your concerns – you can help us ask the right follow-up questions.

- Please understand, we are sharing this information early in the process – analysis may change.
Preliminary Population Projections for F-35 Beddown Operation at EAFB

Considers two scenarios for direct employment increases at EAFB.

Both scenarios start with numbers provided by EAFB leadership:

- **Approved Scenario**: Based on positions authorized by Congress and included in the Department of Defense multi-year budget.

- **Approved + Pending Scenario**: Adds to Approved Scenario with additional positions not yet authorized by Congress but likely to be approved.

**Projections Tool**: Alaska REMI Model
What is the REMI Model?

- The Alaska REMI Model was developed for Northern Economics in a collaborative process with Regional Economic Models, Inc.
  - See www.remi.com for more information
- It is a dynamic multi-year model.
- Many other models assume everything is available locally for new development, like the F-35, it’s just not being used.
- Considers the movement of people and resources in and out of local economies over time.
Assumptions that Apply to Both Scenarios

• Alaska Department of Labor and Workforce Development (ADOLWD) forecasts used to predict **baseline population and employment figures**:
  
  
  o [http://live.laborstats.alaska.gov/indfcst/index.cfm](http://live.laborstats.alaska.gov/indfcst/index.cfm) (more info on employment forecasts)

• Timeframe for projections: **2016 through 2030**.

• Construction projects-related population and employment impacts are not yet included.
Approved Scenario Assumptions

POPULATION INCREASE BREAKDOWN

F-35 beddown plans will add to EAFB:
- 1,178 active duty personnel
- 66 federal civilian employees
- 66 technical consultants

Plus 1,584 dependents

Plus 1,696 “induced” or additional FNSB general population resulting from increased economic activity. This includes new workers AND their families. (Source AK REMI Model)

TOTAL = 4,590 new potential FNSB residents

Increases every year between 2019 and 2030 – biggest jump in 2021 and 2022.

By 2021

Subtotal
1,310 + 1,584 = 2,894

By 2030
Approved + Pending Assumptions

POPULATION INCREASE BREAKDOWN

F-35 beddown plans will add to EAFB:
- 1,284 active duty personnel
- 101 federal civilian employees
- 100 technical consultants

Plus 1,822 dependents

Plus 2,009 “induced” or additional FNSB general population resulting from increased economic activity. This includes new workers AND their families. (Source AK REMI Model)

TOTAL = 5,316 potential new FNSB residents

By 2021

Subtotal 1,485 + 1,822 = 3,307

Increases every year between 2019 and 2030 – biggest jump in 2021 and 2022.

By 2030
A Closer look at Additional Natural Growth + Induced, Approved Scenario

By 2030, 58% of total growth is result of economic migration (induced) 42% of total is result of natural growth (births).
Population and Employment Projections
Preliminary FNSB Population Projections
Approved Scenario

Change #: 4,590
Change %: 4.3%

Behind the numbers
- Between 2010 – 2016 = 3 years growth; 3 years decline.
- Each year, positive natural increase; negative net migration all years, except 2012.

Note: “Other Civilian” includes Federal civilians and technical consultants working at EAFB along with their dependents. Induced population is for the most part economic migrants moving to FNSB.


DRAFT – FNSB: Preliminary Findings, Eielson Regional Growth Plan, August 2017
Preliminary FNSB Population Projections
Approved + Pending Scenario

Change #: 5,316
Change %: 4.7%

Behind the numbers:
• Between 2010 – 2016 = 3 years growth; 3 years decline.
• Each year, positive natural increase; negative net migration all years, except 2012.

Note: “Other Civilian” includes Federal civilians and technical consultants working at EAFB along with their dependents. Induced population is for the most part economic migrants moving to FNSB.

Preliminary Employment Projections for F-35 Beddown Operations at EAFB for Approved Scenario

By 2030, 2,651 new jobs

Note: “Civilian Employment” includes federal civilian employees and technical consultants working at EAFB.
Source: Preliminary results developed by Northern Economics using the Alaska REMI Model, data from EAFB and ADOLWD Employment Forecasts summarized at http://live.laborstats.alaska.gov/indfcst/index.cfm
Preliminary Employment Projections for F-35 Beddown Operations at EAFB for Approved + Pending Scenario

By 2030, 3,081 new jobs

Note: “Civilian Employment” includes federal civilian employees and technical consultants working at EAFB.
Source: Preliminary results developed by Northern Economics using the Alaska REMI Model, data from EAFB and ADOLWD Employment Forecasts summarized at http://live.laborstats.alaska.gov/indfcst/index.cfm
Note: The High-end Scenario is expected to generate 0.6 percent more children than the Standard Scenario.

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Considerations for Educational Services

- Anticipated number of children coming to FNSB via the F-35 beddown.
- Boroughwide population projections by age.
- Number and location of schools.
- Individual school capacity.
- School zones.
- Districtwide enrollment and enrollment by school (10-year snapshot).
- Districtwide total number of military-connected students (10-year snapshot).
Considerations for Educational Services, cont’d.

- Number of military-connected students by school (10-year snapshot).
- Districtwide and by-school military-connected student family information, such as rank, rotation info, etc.
- Districtwide and by-school military-connected student grade levels.
- Districtwide and by-school military programs and partnerships.
- Bussing options and challenges.
Housing Projections
Assumptions of U.S. Air Force Projected Housing Unit Demand Increase

- Based on EAFB Approved + Pending Scenario of approximately 1,284 new active duty personnel.
- Housing estimates only for active duty personnel and their families.

When are the new personnel anticipated to arrive at EAFB?

<table>
<thead>
<tr>
<th>Year</th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
<th>TOTAL</th>
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<tr>
<td>Number of Active Duty Personnel Added to EAFB</td>
<td>1</td>
<td>0</td>
<td>76</td>
<td>566</td>
<td>641</td>
<td>1,284</td>
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</table>
Assumptions of U.S. Air Force Projected Housing Unit Demand Increase

- Not included in original U.S.A.F. estimates:
  - Additional demand by federal civilians at EAFB.
  - Additional demand by technical consultants.
  - Additional demand from induced population.

- Availability of on-base housing:
  - 125 on-base houses/units.
  - 50 on-base dorm units available.
Methodological Note on U.S. Air Force Housing Forecasts

• Air Force has determined what individual officer and enlisted personnel they need for the F-35 beddown operation.

• Air Force has used Air Force-wide statistics to determine approximately how many of those officers and personnel will be married or single, and how many personnel will have children.
Example Statistics Used in Air Force Housing Estimates

- **59%** of Air Force personnel are assumed to be married; **41%** are assumed to be single.

- Of married personnel:
  - Approximately **74%** will be married and accompanied by a non-military spouse.
  - Approximately **18%** will be married to another military person in the same unit.
  - Approximately **9%** are likely to transfer without their spouse or dependents.

*Note:* Married percentages have been rounded and sum to 101%. This accounts in part for a slight overstatement of off-base family housing needs—should be 641 rather than 647.
Forecast of F-35 Beddown Housing Demand w/Federal Civilian Employees + Technical Consultants

Approved Scenario –
- 762 Units for Active Duty Personnel +
- 119 Units Combined for Federal Civilian Employees and Technical Consultants

TOTAL = 881 potential needed housing units OFF-BASE
(this is the demand side of the housing question, NOT supply)

Approved + Pending Scenario –
- 848 Units for Active Duty Personnel +
- 181 Units Combined for Federal Civilian Employees and Technical Consultants

TOTAL = 1,029 potential needed housing units OFF-BASE
(this is the demand side of the housing question, NOT supply)

NOTE: Does not yet include additional housing demand created by the induced population – people who move to FNSB because of increased levels of economic activity.
Uncertainty in Housing Demand Estimates

• With all data-based statistics there is a level of uncertainty.

• We assume (based on standard practice) estimates of married and single officers and enlisted personnel have a 95% level of confidence. The actual number is likely to fall within +/- 2.5% of the estimate provided.

• If 59% of all active duty personnel are married under the Approved and Pending Scenario, the actual number of married personnel is likely to range from 739 to 777, with the most likely estimate to be 758.

• Unmarried personnel counts are equally uncertain, but will also depend on counts of married personnel.
  
  • Numbers of unmarried personnel will increase if counts of married personnel are lower, and decrease if counts of married personnel are higher.
Assumptions

Temporary vs. Permanent Personnel

• All active duty personnel will regularly rotate in and out of EAFB.

• After initial transition period – active duty personnel will serve 3-year assignments.

• Federal civilian employees and technical consultants would become permanent residents.

• After transition period – approximately 1/3 of all active duty personnel will leave FNSB each year to be replaced by new personnel (mostly demographically similar to outgoing population).
Housing Research and Methods: Getting from Existing Conditions and Projections to Gaps and Recommendations

Guiding Questions

• How much housing is needed and where? What exists today?
• What are the obstacles to both occupying existing and developing new housing?
• What recommendations/strategies might make sense?

What We’ve Been Doing

• Interviews: Organizations, builders, lenders.
• Reviewing data: Military forecast, economic trends, real estate data (vacancy rates), quality of existing stock.

What’s Next

• Complete data analysis & interviews
• Develop recommendations/strategies for discussion.
Housing – What We’ve Heard So Far

Units Needed

- Existing Stock
  - Vacancy
  - Quality
  - Location

- New Housing
  - Expensive
  - Utilities
  - Financing

Type of Housing

- Multi family or Single family
- Location/drive time

Units Needed

32
What We’ve Learned So Far: Existing Stock and Vacancy

March 2017, FNSB surveyed 40-50 property owners/renters (apartments, some houses).*

- Approximately **2,951 rental units**.
- Of those, **443 vacant rental units**.
- Initial mapping of 83% of 2,951 units indicates:
  - 99% of vacant apartment units are in Fairbanks area.
  - 12% vacancy rate in Fairbanks area.
  - 2.5% vacancy in North Pole area.
- 66% of vacant apartments are 1 and 2 bedrooms.
- Potentially limited quality units and high energy costs make existing stock undesirable/unrentable.
- Homeowner vacancy rate is less than 2 percent (Census, American Community Survey, 2015).

*FNSB Community Research Quarterly: http://www.co.fairbanks.ak.us/cp/Community%20Research%20Quarterly/Current.pdf
Preliminary Recommendations and Strategies for Consideration/Discussion

- Balanced approach:
  - Existing stock is part of the solution.
  - New construction – *Example*: Focus resources on a phased planned development close to EAFB.

- Consider incentives to improve financial feasibility and mitigate part of the risk.
  - Property tax abatement
  - Military facility zones
  - Loan guarantees/bridge between debt and equity
  - Infrastructure support
This Week’s Activities

THIS WEEK: Interviews with education, housing, health and social service experts and presentations.

Monday, August 14, 2017
• 7:00 p.m. – 9:00 p.m.: Salcha Senior Center – OPEN TO THE PUBLIC

Tuesday, August 15, 2017
• 11:30 a.m. – 1:00 p.m.: Fairbanks Chamber of Commerce; Carlson Center – OPEN TO THE PUBLIC
• 5:30 p.m. – 6:00 p.m.: FNSB Planning Commission; Assembly Chambers – OPEN TO THE PUBLIC

DRAFT – Preliminary Findings, Eielson Regional Growth Plan, August 2017
This Week’s Activities

Wednesday, August 16, 2017
• 10:30 a.m. – 12:00 p.m.: Greater Fairbanks Board of Realtors; Westmark Hotel Gold Room – MEMBER MEETING
• 6:00 p.m. – 8:00 p.m.: North Pole City Council, North Pole Chamber of Commerce, community members; North Pole City Council Chambers – OPEN TO THE PUBLIC

Thursday, August 17, 2017
• 2:00 p.m. – 3:00 p.m.: Interior Alaska delegation; Fairbanks Legislative Information Office – OPEN TO THE PUBLIC
• 7:00 p.m. – 8:00 p.m.: Work Session with FNSB Assembly. Assembly Chambers – OPEN TO THE PUBLIC
Next Steps

In the coming months:

- Continue information gathering and sharing with focus area experts, Air Force, Army and community leaders.
- Information sharing at community activities and events (check out: www.EAFBregionalgrowth.com).
- Develop gap analysis and preliminary recommendations.

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<tr>
<th>Schedule + Tasks</th>
<th>2017</th>
<th>2018</th>
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<td></td>
<td>Jul</td>
<td>Aug</td>
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<td>Project Initiation + Information Sharing</td>
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<td>Reconnaissance + What We Learned</td>
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<td>Drafts + Final Regional Growth Plan</td>
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Eielson Regional Growth Plan Focus Areas

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- Fiscal Impact
- Education
- Transportation
- Planning + Zoning
- Utilities + Infrastructure
- Public Safety
- Health + Social Services
- Quality of Life
- Workforce Development
- Regional Coordination
- Implementation Plan

We need your input on these topics
| How to Get Involved | Live on August 18<sup>th</sup>!  
www.EAFBregionalgrowth.com |
|---------------------|------------------------------------------------------------------|
| **Visit us Online**  | Facebook:  
https://www.facebook.com/EconDevFNSB/  
Twitter: @EconDevFNSB |
| **Learn about the project and other FNSB economic development efforts on Facebook and Twitter** | |
| **Sign up for regular project updates**  
*Sent approximately once a month* | To sign up for electronic updates, send us an email: JStepp@fnsb.us |
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2005

2016

Final decision: F-35s coming to Interior Alaska in 2020
Apr 4, 2016

$500 million in construction planned at Eielson for F-35 preparation
Apr 4, 2016

New era dawning for Eielson: Placement of F-35 squadrons caps decade-long fight by community
Fairbanks Daily News-Miner editorial
Apr 5, 2016