



Introduction

Good planning does not happen in a vacuum. Even before the final Base Realignment and Closure Plan was announced and the Lawton area learned of Fort Sill's role in the reorganized Army, there were several trends affecting the region that would dramatically impact its future, with or without BRAC. In order to fully understand, appreciate and manage the changes that may occur due to BRAC, the region must understand and acknowledge the conditions that are present within the study area prior to BRAC's influence being felt.

This chapter of the Regional Growth Management Plan introduces several factors, events and trends that have been and are impacting the study area prior to the BRAC-initiated changes. This existing profile of the region will then help to inform how BRAC changes may impact current trends (positively or negatively) in the region and provide a "baseline" upon which the additional impacts of BRAC can be measured, evaluated and planned for.

Overview of the Region, August 2007

Based on the research completed by the planning team, several "macro" or region-wide trends and factors are impacting the study area beyond those generated or felt within Comanche, Kiowa, Cotton, Tillman or Wichita counties. Over the next 10 -20 years, these broader trends may impact the region as much as any identifiable impacts related to the changes due to Fort Sill and BRAC. A brief overview of these trends is offered (as well as an illustrative model on the next page) as a pretext to the more detailed examination of study area's economic and demographic "baseline" conditions. Additionally, a review of some broad socioeconomic data within the study area communities is offered as a

means to determine the "day-to-day" life and economic conditions in each of these locales. It is important that the relationships (social, economic and otherwise) that exist between these communities are understood, since it will be these relationships that form the backbone and strength behind any future action plans and cooperative efforts to prepare for BRAC impacts.

Pre-Existing Regional Socioeconomic Conditions and Trends

First, the cumulative effects of military employment and spending (and the corresponding and complimentary multiplier impacts in their respective communities) of the Department of Defense installations across the region are tremendous. Tinker Air Force Base (Oklahoma City, OK), Altus Air Force Base (Altus, OK) and Sheppard Air Force Base (Wichita Falls, TX) are all within 100 miles of Fort Sill, and when combined, their net economic impact for the entire region was a direct input of over \$6.0 billion annually. Additionally, as evidenced by the announcement and scheduled construction of a new BAE Systems manufacturing facility in Elgin, the combined strength and presence of these facilities offers the opportunity for multiple "spin-off" opportunities for the region.

Pre-Existing Conditions & Trends Impacting the Study Area

- + Singular and Cumulative Impact of regional military installations (\$6.0 billion annually)
- + Continued development of the I-35 "megapolitan"
- + Impact of multiple gaming facilities on physical and social infrastructure
- + Impact of over-exuberant housing market and mortgage crisis on future neighborhoods



As the leader in providing Arterillery Defense strategies and innovation for all sectors of the nation's defense, Fort Sill and the Lawton area are in a unique position to encourage the development of the technology and armament to accomplish this mission also. Furthermore, since the initiation of the Base Realignment and Closure process, these facilities have learned the importance of their particular role in the overall Defense mission, and they have increasingly worked together to strengthen each others' roles and missions as they seek to consolidate and strengthen the military presence in this region. These facilities' intense focus on their core mission and their teamwork to perhaps expand and redefine their joint future missions will serve the region well if future base realignment and closure management strategies result from the Pentagon.

Second, over the last couple of years, the concept of the I-35 "megapolitan" has been a common theme in regional planning seminars and discussions in the area. Based on the research completed by leading demographers from this region, the future megapolitan along I-35, stretching from Houston to Dallas through Oklahoma City to Kansas City could contain over 15 million people within its borders by the year 2050. This crucial economic and transportation artery through the Midwest and near Western frontier will create multiple economic development opportunities for adjacent communities, including communities like Lawton. Over the last several years, much of the growth within the Oklahoma portion of the "megapolitan" has been driven by the energy sector which helped account for a 1.5% job growth across the state during 2007 (ranking Oklahoma 13th nationally in job growth during this period). With the energy, defense and technology sectors leading the way, the strength and impact of this growth corridor will be felt in Lawton and it is to be determined how the study area reacts and capitalizes on this forthcoming wave of adjacent population and economic growth.

Third, the impact of gaming facilities and activities on native lands in the region has and will continue to have great import for the study area. While it is difficult to estimate the overall impact on the local communities, the presence of a large concentration of these facilities in the central and southwestern

Oklahoma regions brings with them a growing need for an adequate physical and social infrastructure that places an uncompensated burden on the study area communities. The state gains its share of casino profits, but the positive spillover economic impacts of these facilities to the local communities (evident mostly in the hospitality sector) are generally less substantial than the consequential health care, social services care, and mental health burdens that result from the regressive impacts on the population base.

Finally, as the planning consultants began their work on the Growth Management Plan, the City of Lawton Planning Department released information that indicated that upwards of 5,500 housing units had been approved or under construction in the study area as of August, 2007. The combination of the BRAC announcement and impending growth, the strength of the state and local economies and the anticipation of a vigorous and instantaneous housing market demand may have pushed the regional and local housing industry into an over-exuberant response to these factors. This premature response may have also compromised the region's ability to effectively "manage" this growth, since many of the developments in the "pipeline" are located at the fringe of the urban areas, thus perpetuating the expensive extensions of urban infrastructure to support this new growth. Furthermore, the depth of the housing mortgage crisis is just now being realized, and the corresponding tightening of credit and the oversupply of local housing product may push the region into a negative economic condition as BRAC impacts begin to be felt. This economic slowdown and housing market instability may jeopardize the region's long term and comprehensive response to BRAC by forcing developers to build and develop units so close to the margin that the overall quality and stability of future residential neighborhoods may suffer.

Exhibit 3.1. Region Wide

Overview of the Study Area – Local Perceptions

Despite Fort Sill's overwhelmingly positive force for the area (see highlight box) and the positive impacts and trends occurring within the greater region, the entire southwest Oklahoma region has been in a gradual economic and population decline over the past ten to fifteen years. Overall population growth has been stagnant for the region (net growth equal to less than 5% since 1990), and total number of jobs in the six counties that make up the study area have actually declined by almost 10% since 1990. Like so many of its rural partners across the Midwest, southwest Oklahoma's history as an agricultural and ranching stronghold is declining and although manufacturing, assembly and service sector employment additions have helped stem the tide of economic and population loss, many of the region's more rural communities are becoming older, less economically-viable and struggling to find an economic and community development strategy that can reverse these negative trends.

ECONOMIC IMPA	ACT	
EXPENDITURE IMPACT ON THE LOCAL ECONOMY	IN CONSTANT DO	LLARS - FY 07
		\$ In Millions
Appropriate Funds Expenditures		\$829
Civilian Pay	\$122	
Military Pay	\$508	
Contracts	\$104	
Other (Travel, Transportation, Utilities, Supplies, & Equip.)	\$95	
Military Construction		\$57
Other Retail Expenditures		\$71
AAFES	\$10	
Commissary (Salaries and Other)	\$37	
Nonappropriated Funds (Salaries and Other)	\$21	
Red Cross	\$3	
TRICARE (Health Services)		\$23
Legal Claims Paid		\$1
Other Federal Expenditures		\$499
Federal School Impact Aid Contributions	\$7	
Retired Military Pay	\$492	
GRAND TOTAL		\$1,480

Figure 3-1: Economic Impact of Fort Sill in Local Economy - 2007

The impact and importance of this data for the region's overall growth management plan was found in its ability to elicit responses and perceptions from the BRAC Technical Committee members during the early stages of our research. When presented with the data, the committees pointed out several key elements of how the study area "operates on a day-to-day basis" that provided a unique and insightful examination of the perceptions underlying the study area's "baseline" characteristics.

First, as one committee member remarked, the study area can be characterized as "the region operates like a big city and suburbs" where Lawton serves as the economic engine and social service provider for the region, but increasingly the newcomers to the area are viewing the "suburbs" (Elgin, Cache, etc.) as the places they want to live and raise their children. This viewpoint is particularly troublesome for Lawton because its validity (and the potential acceleration of the trend) during BRAC growth could lead to the downward spiral that has been experienced by many "big cities." If families increasingly view Lawton as inhospitable and thus move to the suburbs, Lawton will increasingly be the home of the more indigent, more service-needy population of the region, thus creating a stronger perception of "being the big city." Furthermore, since these "suburbs" are of such a small size to begin with, their ability to provide the most basic public safety and social service needs for their current and future populations will be stretched, thus requiring assistance from Lawton to meet these needs. This report will analyze these perceptions and offer data to support or negate these trends, but perceptions are difficult to overcome with data, and this "big city and the suburbs" model could have dramatic impacts on the nature and location of BRAC growth and how it can be managed successfully.



Artillery Firepower at Fort Sill

Second, there is a perception within the region that Lawton and the surrounding communities have not fully capitalized on the positive impacts created by Fort Sill, and that the potential and likely growth and development set to occur due to BRAC offers a new opportunity in this regard. As one committee member pointed out, "...we have never really taken advantage of anything other than the sales tax dollars generated by the Fort. BAE Systems is our first real chance to see a new way to develop around Fort Sill. We need to do better than just doing the same old thing and getting the same results." There appears to be a prevailing attitude within the Lawton area that BRAC, and the growth that is expected, offers the City of Lawton a unique chance to shape growth and development in an intentional and planned way that has not been done before by the City. This attitude may provide a strong impetus for aggressive and innovative implementation strategies for the City as it confronts the changes that BRAC may bring for the community.

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- Technical Subcommittee Member

BASELINE CONDITIONS

Outlined in this section of the chapter is an examination of selected baseline conditions within the Lawton - Fort Sill study area as of August, 2007. Demographic, population, housing and economic data is presented to illustrate and describe the existing profile of the study area as it prepares for the changes anticipated due to BRAC. This "baseline" examination does not include the potential population changes resulting from "new or relocated" military personnel at Fort Sill as a result of BRAC.

Demographic Indicators

This section presents baseline population, household and income data.

Population

Between 1990 and 2000, there was an approximate 3.2% growth in the population within the study area, from 116,700 persons in 1990 to 120,400 in 2000. The greatest percent growth, at nearly 35%, was in Cache (Comanche County). Only Chattanooga and Lawton (both in Comanche County) experienced a population loss. The 2000 to 2011 population for the study area indicates an overall loss of population, estimated to be a 3.7% decline, falling from 120,400 persons in 2000 to approximately 116,000 in 2011. These are presented in *Figure 3-2*.



Wind turbines in northern Commanche County

Population Trends 1990 - 2011 Lawton - Fort Sill Study Area	1990	2000	% Change 1990 - 2000	2006	2011	% Change 2000 - 2011
Comanche County	111,486	114,996	3.1%	112,459	110,630	-3.8%
Cache City	1,757	2,371	34.9%	2,488	2,576	8.6%
Chattanooga Town	436	432	-0.9%	430	429	-0.7%
Elgin City	1,044	1,210	15.9%	1,241	1,267	4.7%
Faxon Town	134	134	0.0%	135	135	0.7%
Fletcher Town	988	1,022	3.4%	1,012	1,008	-1.4%
Geronimo Town	952	959	0.7%	960	962	0.3%
Indiahoma Town	357	374	4.8%	382	388	3.7%
Lawton City	92,920	92,757	-0.2%	88,937	86,241	-7.0%
Medicine Park Town	336	373	11.0%	374	376	0.8%
Sterling Town	696	762	9.5%	735	717	-5.9%
Apache Town (Caddo County)	1,541	1,616	4.9%	1,597	1,584	-2.0%
Cyril Town (Caddo County)	1,082	1,168	7.9%	1,137	1,117	-4.4%
Walters City (Cotton County)	2,607	2,657	1.9%	2,643	2,613	-1.7%
TOTAL	116,716	120,437	3.2%	117,836	115,944	-3.7%

Figure 3-2: Population Trends 1990-2011 for the Lawton-Fort Sill Study Area

Housing

The study area housing supply has grown from about 46,000 units in 1990 to 48,000 units in 2000, an increase of approximately 4%, as presented in *Figure 3-3*. Nearly all communities within the study area exhibited an increase in the number of owner-occupied housing units over the preceding decade. Nominal losses in the number of owner-occupied housing units were experienced in Chattanooga (one unit) and Geronimo (two units) of Comanche County and a loss of ten units in Walters (Cotton County).

Housing Indicators 1990 - 2000 Lawton - Fort Sill	COMANCHE		Chattanooga		Faxon	Fletcher	Geronimo	Indiahoma	Lawton	Medicine Park	Sterling	Apache Town	Cyril Town	Walters City
Study Area	COUNTY	Cache City	Town	Elgin City	Town	Town	Town	Town	City	Town	Town	(Caddo Co.)	(Caddo Co.)	(Cotton Co.
1990														
Total Housing Units	43,589	748	191	454	57	443	371	151	35,974	239	339	702	484	1,267
Occupied	37,569	653	170	398	50	388	323	134	30,910	144	268	613	402	1,059
Owner occupied	51.9%	66.1%	73.5%	67.9%	74.3%	68.6%	76.3%	75.6%	47.6%	46.6%	56.8%	62.3%	64.1%	62.49
Renter occupied	34.3%	21.1%	15.7%	19.8%	14.1%	18.9%	10.7%	13.2%	38.3%	13.6%	22.3%	25.1%	18.9%	21.29
Vacant	6,020	95	21	56	7	55	48	17	5,064	95	71	89	82	20
For rent	51.5%	25.5%	25.0%	45.6%	20.8%	28.3%	10.5%	31.8%	56.1%	33.3%	33.3%	6.4%	29.6%	29.29
For sale only	15.5%	16.9%	16.7%	10.8%	20.8%	11.7%	29.8%	18.2%	15.5%	16.3%	16.3%	8.8%	15.1%	15.19
Rented or sold, not occupied	6.3%	11.4%	25.0%	10.7%	25.0%	5.0%	21.1%	4.5%	5.2%	0.8%	0.8%	51.1%	3.7%	4.9
For seasonal, recreational, or occasional use	2.2%	1.1%	12.5%	0.7%	12.5%	1.7%	1.8%	2.3%	1.8%	3.9%	3.9%	8.1%	1.3%	1.09
For migrant workers	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.09
Other vacant	24.4%	45.1%	20.8%	32.2%	20.9%	53.3%	36.8%	43.2%	21.4%	45.7%	45.7%	25.7%	50.3%	49.89
2000														
Total Housing Units	45,416	936	185	496	60	476	391	164	36,434	241	347	706	502	1.251
Occupied	39,808	865	170	456	52	418	344	145	31,778	163	316	646	438	1,063
Owner occupied	52.9%	74.3%	72.7%	66.9%	71.3%	67.8%	71.2%	74.8%	47.8%	44.1%	63.1%	65.9%	67.3%	61.29
Renter occupied	34.8%	18.2%	19.4%	25.1%	15.7%	20.0%	16.7%	13.3%	39.4%	23.6%	27.9%	25.6%	19.9%	23.89
Vacant	5,608	71	15	40	8	58	47	19	4,656	78	31	60	64	188
For rent	42.8%	26.5%	11.8%	30.5%	3.6%	7.9%	28.6%	3.9%	47.9%	17.9%	35.3%	27.9%	18.3%	24.09
For sale only	19.3%	26.8%	23.5%	34.9%	21.4%	30.1%	42.9%	9.8%	19.2%	22.6%	26.5%	13.0%	24.4%	37.39
Rented or sold, not occupied	8.1%	15.0%	11.8%	12.6%	14.3%	20.6%	8.9%	33.3%	7.5%	4.7%	5.9%	3.9%	7.8%	2.99
For seasonal, recreational, or occasional use	4.9%	4.9%	23.5%	5.1%	14.3%	1.6%	1.8%	7.8%	1.6%	24.5%	2.9%	4.0%	5.8%	1.69
For migrant workers	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.09
Other vacant	24.8%	26.8%	29.4%	17.0%	46.4%	39.7%	17.9%	45.1%	23.8%	30.2%	29.4%	51.1%	43.7%	34.29
Absolute Change 1990 to 2000														
Total Housing Units	1,827	188	(6)	42	3	33	20	13	460	2	8	4	18	(16
Occupied	2,239	212	O O	58	2	30	21	11	868	19	48	33	36	` 4
Owner occupied	1,560	211	(1)	35	(0)	17	(2)	7	477	5	47	44	37	(10
Renter occupied	967	20	6	36	1	10	23	2	682	19	28	12	11	28
Vacant	(412)	(24)	(6)	(16)	1	3	(1)	2	(408)	(17)	(40)	(29)	(18)	(20
For rent	(700)	(5)	(3)	(13)	(1)	(11)	8	(5)	(611)	(18)	(13)	11	(13)	(16
For sale only	149	3	0	8	o o	11	6	(1)	109	2	(3)	(0)	3	39
Rented or sold, not occupied	75	(0)	(3)	(1)	(1)	9	(6)	6	86	3	1	(43)	2	(!
For seasonal, recreational, or occasional use	142	2	1	2	o	(0)	(0)	1	(17)	15	(2)	(5)	3	`.
For migrant workers	(0)	0	0	0	0	0	0	0	` o´	0	o	0	0	(
Other vacant	(78)	(24)	0	(11)		(6)	(9)	1 1	24	(20)	(23)	8	(13)	(39

Figure 3-3: Housing Indicators 1990-2000 for the Lawton-Fort Sill Study Area



New multi-family housing in Lawton



In broader terms, the number of households in the Lawton - Fort Sill study area is projected to increase by a nominal 1.15% from 2006 to 2011, or by about 550 households. The greatest absolute increases in housing (prior to any BRAC-related impacts) are in the communities of Cache, Walters and Elgin. Lawton is actually projected to lose about 100 households, as indicated in *Figure 3-4*.

Housing Trends 1990 - 2011					Change 200	6 to 2011
Lawton - Fort Sill Study Area	1990	2000	2006	2011	%	#
Comanche County	43,589	45,416	46,180	46,694	1.1%	514
Cache City	748	936	1,016	1,076	5.9%	60
Chattanooga Town	191	185	191	193	1.0%	2
Elgin City	454	496	526	548	4.2%	22
Faxon Town	57	60	62	64	3.2%	2
Fletcher Town	443	476	487	497	2.1%	10
Geronimo Town	371	391	404	414	2.5%	10
Indiahoma Town	151	164	172	180	4.7%	8
Lawton City	35,974	36,434	36,336	36,245	-0.3%	(91)
Medicine Park Town	239	241	250	256	2.4%	6
Sterling Town	339	347	346	345	-0.3%	(1)
Apache Town (Caddo County)	702	706	719	724	0.7%	5
Cyril Town (Caddo County)	484	502	500	501	0.2%	1
Walters City (Cotton County)	1,267	1,251	1,295	1,327	2.5%	32
TOTAL	46,042	47,875	48,694	49,246	1.1%	552
Change over Prior		1,833	819	552		

Figure 3-4: Housing Trends 1990-2011 for the Lawton-Fort Sill Study Area

Income

The average household income in the study area was \$28,800 in 1990 and increased by nearly 44% to \$41,300 in 2000. The greatest percent growth in average household income, at 73%, occurred in Cache (Comanche County). The least change, at 17%, was in Sterling (Comanche County). The inflation rate over the 1990 to 2000 time, measured as the change in the consumer price (CPI) index, was approximately 32%. This indicates that there was "real" household income growth in the study area, with exception of Medicine Park and Sterling (both Comanche County).

The projected change in the average household income, from 2000 to 2011, is 20% for all of the study area, indicating an average household income of \$49,600 in 2011. The projected income change ranges from a low of less than 9% (Medicine Park) to a high of nearly 23% (Geronimo). These are presented in *Figure 3-5*.

Average Household Income Trends	1990	2000	% Change	2006	2011	% Change
1990 - 2011 Lawton - Fort Sill Study Area			1990 - 2000			2000 - 2011
Comanche County	\$29,118	\$41,619	42.9%	\$46,113	\$50,025	20.2%
Cache City	\$26,979	\$46,710	73.1%	\$49,906	\$54,484	16.6%
Chattanooga Town	\$27,272	\$37,850	38.8%	\$39,931	\$41,860	10.6%
Elgin City	\$25,269	\$38,314	51.6%	\$40,005	\$43,026	12.3%
Faxon Town	\$32,589	\$48,487	48.8%	\$51,403	\$56,364	16.2%
Fletcher Town	\$22,464	\$34,060	51.6%	\$35,900	\$38,424	12.8%
Geronimo Town	\$22,742	\$32,534	43.1%	\$37,504	\$39,855	22.5%
Indiahoma Town	\$28,005	\$38,922	39.0%	\$40,012	\$43,594	12.0%
Lawton City	\$28,835	\$40,562	40.7%	\$45,085	\$48,825	20.4%
Medicine Park Town	\$25,939	\$31,478	21.4%	\$31,614	\$34,215	8.7%
Sterling Town	\$27,789	\$32,538	17.1%	\$34,808	\$37,258	14.5%
Apache Town (Caddo County)	\$21,651	\$35,206	62.6%	\$37,796	\$39,863	13.2%
Cyril Town (Caddo County)	\$21,502	\$35,667	65.9%	\$39,774	\$40,881	14.6%
Walters City (Cotton County)	\$22,887	\$36,395	59.0%	\$40,499	\$42,051	15.5%
TOTAL	\$28,753	\$41,326	43.7%	\$45,776	\$49,568	19.9%

Figure 3-5: Average Housing Income Trends 1990-2011 for the Lawton-Fort Sill Study Area

Conclusions - Demographic Indicators

The Lawton - Fort Sill study area is projected to lose population (2000 to 2011) exclusive of any potential BRAC-related increase. As such, it is likely that the anticipated BRAC-related population increase (military and civilian) would counter this trend. Only a nominal 1.1% increase in housing is projected for the study area (pre BRAC-related impacts) with the greatest growth in housing projected for Cache, Walters and Elgin. Across all of the study area, the 2006 average household income was estimated to be \$45,800, which is projected to increase by 20% to \$49,600 by 2011.

Economic Indicators

This section presents an overview of changes in the number of businesses and employment, by industry, within the Lawton – Fort Sill study area, including a presentation of the location quotient, a measure of the relative "strength" of the local economy to that of the State of Oklahoma.

Business Establishments

The changes in the number of business establishments (2000 to 2005), by selected industry sector, are reviewed first for Comanche County (the primary county within the study area) and this is contrasted to the State of Oklahoma. Between 2000 and 2005 there has been a 4% growth in the number of businesses in Oklahoma. In 2000, there were approximately 85,100 establishments in the state and this increased to 88,500 establishments by 2005. Over the same time, there was less than 0.5% growth in the number of businesses in Comanche County, going from just under 2,200 firms in 2000 to just over 2,200 firms in 2005. Industry sectors that exhibited a high absolute growth in businesses, in Oklahoma, included those in health care, professional and technical services and the finance and insurance industries. The professional and technical services, as well as the finance and insurance industries, had double-digit growth in Comanche County. In both the state and the county, there were losses of businesses in wholesale trade and in the retail sector. These are presented in *Figure 3-6*.

Establishments by	•					COMANCHE COUNTY			
Industry Sector	2000	2005	% Change	# Change	2000	2005	% Change	# Change	
2000 - 2005									
For., Agr., Fish	191	179	-6.3%	(12)	3	NA	NA	NA	
Mining	2,101	2,363	12.5%	262	4	7	75.0%	3	
Utilities	494	390	-21.1%	(104)	10	6	-40.0%	(4)	
Construction	7,788	8,255	6.0%	467	177	175	-1.1%	(2)	
Mfg.	3,942	3,865	-2.0%	(77)	56	53	-5.4%	(3)	
Wholesale Trade	5,005	4,616	-7.8%	(389)	77	71	-7.8%	(6)	
Retail Trade	14,147	13,727	-3.0%	(420)	432	413	-4.4%	(19)	
Trans., Whse	2,260	2,591	14.6%	331	60	68	13.3%	8	
Information	1,438	1,540	7.1%	102	32	39	21.9%	7	
Fin., Ins.	5,699	6,309	10.7%	610	159	171	7.5%	12	
Real Estate	3,257	3,795	16.5%	538	122	123	0.8%	1	
Prof., Tech.	7,969	8,926	12.0%	957	166	176	6.0%	10	
Management	474	573	20.9%	99	3	6	100.0%	3	
Admin., Support	3,700	3,958	7.0%	258	94	101	7.4%	7	
Education	658	680	3.3%	22	25	30	20.0%	5	
Health Care	8,373	9,753	16.5%	1,380	251	260	3.6%	9	
Arts, Entertain.	964	1,057	9.6%	93	29	29	0.0%	0	
Accom., Food	6,329	6,676	5.5%	347	196	197	0.5%	1	
Other Svs.	9,124	9,104	-0.2%	(20)	267	275	3.0%	8	
Auxiliary	193	NA	NA	NA	2	NA	NA	NA	
Unclassified	988	191	-80.7%	(797)	34	7	-79.4%	(27)	
TOTAL	85,094	88,548	4.1%	3,454	2,199	2,207	0.4%	` 8 [°]	

Figure 3-6: Establishments by Industry Sector 2000-2005

Employment

In terms of changes in employment, Oklahoma realized less than a 2% growth in employment between 2000 and 2005, gaining 18,700 employees. The manufacturing sector saw the biggest decline, losing more than 28,100 employees. Conversely, the health care industries added more than 19,000 employees statewide. Comanche County exhibited a near 12% increase in employment, rising from 27,600 in 2000 to 30,800 in 2005. The construction sector lost the most employees in Comanche County while the finance and insurance industries added nearly 1,000 employees. These are presented in *Figure 3-7*.

Employment by		OKLAH	OMA			COMANCE	IE COUNTY	
Industry Sector	2000	2005	% Change	# Change	2000	2005	% Change	# Change
2000 - 2005								
For., Agr., Fish	1,238	1,025	-17.2%	(213)	7	NA	NA	NA
Mining	25,242	31,155	23.4%	5,913	NA	NA	NA	NA
Utilities	9,652	8,833	-8.5%	(819)	NA	NA	NA	NA
Construction	63,039	61,415	-2.6%	(1,624)	1,503	1,241	-17.4%	(262)
Mfg.	168,580	140,428	-16.7%	(28,152)	3,578	3,554	-0.7%	(24)
Wholesale Trade	62,040	55,771	-10.1%	(6,269)	697	625	-10.3%	(72)
Retail Trade	168,278	168,914	0.4%	636	5,104	5,520	8.2%	416
Trans., Whse	34,892	36,737	5.3%	1,845	610	748	22.6%	138
Information	34,524	34,298	-0.7%	(226)	623	785	26.0%	162
Fin., Ins.	54,298	58,568	7.9%	4,270	1,112	2,108	89.6%	996
Real Estate	18,412	21,343	15.9%	2,931	447	445	-0.4%	(2)
Prof., Tech.	52,662	65,621	24.6%	12,959	1,147	1,582	37.9%	435
Management	26,827	33,283	24.1%	6,456	54	67	24.1%	13
Admin., Support	85,377	98,357	15.2%	12,980	1,529	1,828	19.6%	299
Education	17,013	17,960	5.6%	947	179	143	-20.1%	(36)
Health Care	168,890	187,899	11.3%	19,009	4,876	5,709	17.1%	833
Arts, Entertain.	13,634	15,758	15.6%	2,124	283	479	69.3%	196
Accom., Food	111,952	121,362	8.4%	9,410	3,786	4,138	9.3%	352
Other Svs.	62,292	61,305	-1.6%	(987)	1,728	1,625	-6.0%	(103)
Auxiliary	21,363	NA	NA	NA	NA	NA	NA	NA
Unclassified	1,400	253	-81.9%	(1,147)	56	3	-94.6%	(53)
TOTAL	1,201,606	1,220,285	1.6%	18,679	27,593	30,811	11.7%	3,218
Source : US Census Burea	au - County Business	Patterns and RKG	Associates, Inc.					

Figure 3-7: Employment by Industry Sector 2000-2005

Location Quotient

A reasonable reflection of how strong a local economy is performing can be measured by comparing employment growth, by specific industry sectors, to a larger economy. In this instance, the change in employment in Comanche County is compared with that of Oklahoma over the 2000 to 2005 period. If the ratio of the change in employment is near 1.0, this indicates that the county is performing similar to the larger area. If the ratio is less than 1.0, the county is weaker, and if the ratio is greater than 1.0, then the county is stronger. These are presented in *Figure 3-8*.

Comparative Location Quotients for	Location	on Quotient to	State
Comanche County 2000 - 2005	2000	2005	% Change
For., Agr., Fish	0.246	NA	NA
Mining	NA	NA	NA
Utilities	NA	NA	NA
Construction	1.038	0.800	-22.9%
Manufacturing	0.924	1.002	8.4%
Wholesale Trade	0.489	0.444	-9.3%
Retail Trade	1.321	1.294	-2.0%
Trans/Whse	0.761	0.806	5.9%
Information	0.786	0.906	15.4%
Finance/Insurance	0.892	1.425	59.8%
Real Estate	1.057	0.826	-21.9%
Prof., Tech.	0.948	0.955	0.7%
Management	0.088	0.080	-9.0%
Admin/Support	0.780	0.736	-5.6%
Education	0.458	0.315	-31.2%
Health Care	1.257	1.203	-4.3%
Arts/Entertainment	0.904	1.204	33.2%
Hotels/Food	1.473	1.350	-8.3%
Other Services	1.208	1.050	-13.1%
Auxiliary	NA	NA	NA
Unclassified	1.742	0.470	-73.0%
Source : US Census Bureau and RKG Associates,	Inc.		

Figure 3-8: Comparative Location Quotients for Comanche County 2000-2005

As indicated in *Figure 3-8*, Comanche County outperforms Oklahoma in several industry sectors, notably including hotel/food, arts and entertainment, health care, finance and insurance and retail trade. Lawton – Fort Sill (in Comanche County) serves, as the primary "urban" center for many surrounding communities (including those in the study area) and it is reasonable that many services and employment would be centered there.

Conclusions - Economic Indicators

During the 2000 to 2005 period, there was a nominal growth in business in Comanche County, at less than 1%. This compares with a slightly better growth for the State of Oklahoma of only 4%. In Comanche County, transportation, information services and education were the only industry sectors (starting from a base of 10 or more businesses) to realize a 20% growth in the number of businesses. Conversely, from 2000 to 2005 there was a 12% increase in employment in Comanche County as compared with less than a 2% across all of Oklahoma. Two industry sectors in the county experiencing strong growth included finance/insurance and health care. As indicated in the location quotient for Comanche County, the finance/insurance, hotel, health care and retail sectors strongly outperform the State.

Retail Indicators

The following section presents a baseline of the retail activity within the Lawton – Fort Sill study area. The change in retail activity, as well as future potential retail activity in the study area communities is an important consideration as a primary source of revenue (operating funds) available to the towns and cities in Oklahoma is derived through the locally collected sales tax receipts.

Retail Store Counts

There was a loss of retail stores in Comanche County and in Lawton between 1997 and 2002. The county base of retail stores declined by 4% and the city's base declined by nearly 7%, suggesting that there was some growth in the number of retail establishments, countywide, and outside of the city limits of Lawton. In 1997, Lawton accounted for 89% of all retail stores in Comanche County, but had declined marginally to an 87% representation by 2002.

As presented in *Figure 3-9*, there was a decline in the number of retail establishments across a broad variety of store types for the county and for the city. Notable exceptions include an increase in the number of health/personal care stores (drug stores) and general merchandisers.



Downtown Lawton Retail Shops

		COMANC	HE COUNTY			LAWT	ON	
Store Count by	1997	2002	% Change	# Change	1997	2002	% Change	# Change
Retail Sector								
Motor Vehicles Parts/Dealers	50	52	4.0%	2	48	52	8.3%	4
Furniture/Furnishings	27	21	-22.2%	(6)	27	21	-22.2%	(6)
Building Materials	36	36	0.0%	0	30	31	3.3%	1
Electronics/Appliances	19	22	15.8%	3	19	19	0.0%	0
Food/Beverage	44	41	-6.8%	(3)	34	30	-11.8%	(4)
Health/Personal care	35	39	11.4%	4	31	34	9.7%	3
Gasoline	63	56	-11.1%	(7)	54	48	-11.1%	(6)
Clothing/Accessory	52	39	-25.0%	(13)	51	38	-25.5%	(13)
Sports, Hobby, Music/Books	26	23	-11.5%	(3)	24	21	-12.5%	(3)
General Merchandisers	19	28	47.4%	9	19	23	21.1%	4
Miscellaneous	53	49	-7.5%	(4)	45	40	-11.1%	(5)
Nonstore	12	16	33.3%	4	10	11	10.0%	1
Accommodations/Dining/Drinking	203	190	-6.4%	(13)	179	166	-7.3%	(13)
TOTAL	639	612	-4.2%	(27)	571	534	-6.5%	(37)

Figure 3-9: Store Count by Retail Sector

Retail Store Sales

Despite a loss in the number of retail establishments, the amount of retail sales activity increased for both the county and the city between 1997 and 2002. Comanche County experienced a near 30% increase in sales, rising from \$789 million to \$1.0 billion. The increase in Lawton was similar at a 28% increase from \$753 million to \$963 million.

As presented in *Figure 3-10*, much of the individual store sales data has been suppressed for Lawton. However, exceptional growth has been realized among drug stores, hotels and dining places and gas stations. There was a noticeable decline in grocery store sales for the county and the city, perhaps reflecting increased purchasing by the military on Fort Sill, but also reflective of increased food shopping at general merchandisers and other non-traditional grocery stores.

		COMANC	HE COUNTY			LAWTO	N	
Store Sales (\$000s) by	1997	2002	% Change	# Change	1997	2002	% Change	# Change
Retail Sector								
Motor Vehicles Parts/Dealers	\$168,296	\$255,086	51.6%	\$86,790	NA	\$255,086	NA	NA
Furniture/Furnishings	\$19,495	\$20,553	5.4%	\$1,058	\$19,495	\$20,553	5.4%	\$1,058
Building Materials	\$51,030	\$76,322	49.6%	\$25,292	NA	NA	NA	NA
Electronics/Appliances	\$14,502	\$12,868	-11.3%	(\$1,634)	\$14,502	NA	NA	NA
Food/Beverage	\$76,421	\$63,179	-17.3%	(\$13,242)	\$69,384	\$53,304	-23.2%	(\$16,080)
Health/Personal care	\$21,428	\$47,606	122.2%	\$26,178	\$20,291	\$43,363	113.7%	\$23,072
Gasoline	\$60,187	\$80,210	33.3%	\$20,023	\$53,096	\$73,017	37.5%	\$19,921
Clothing/Accessory	\$25,104	\$31,900	27.1%	\$6,796	NA	NA	NA	NA
Sports, Hobby, Music/Books	\$20,502	\$21,271	3.8%	\$769	\$11,400	NA	NA	NA
General Merchandisers	\$201,962	\$252,528	25.0%	\$50,566	\$201,962	NA	NA	NA
Miscellaneous	\$22,709	\$28,600	25.9%	\$5,891	\$19,888	\$23,177	16.5%	\$3,289
Nonstore	\$10,142	\$10,795	6.4%	\$653	NA	NA	NA	NA
Accommodations/Dining/Drinking	\$96,899	\$121,504	25.4%	\$24,605	\$89,061	\$106,058	19.1%	\$16,997
TOTAL	\$788,677	\$1,022,240	29.6%	\$233,563	\$753,481	\$962,989	27.8%	\$209,508
Source : US Census Bureau and RK	G Associates,	Inc.						

Figure 3-10: Store Sales (\$000's) by Retail Sector

Conclusions - Retail Indicators

Between 1997 and 2002, both Lawton and Comanche County exhibited a loss in the number of retail establishments, notably among apparel stores and hotels, dining and drinking establishments. Both realized a better than 20% growth in the number of general merchandisers. Much of the individual sales data for Lawton has been suppressed, but overall growth in retail sales was near 28% from 1997 to 2002, or more than \$200 million.

Sales Tax

The sales tax is a primary source of revenue for local governments and municipalities in Oklahoma, often comprising a substantial portion of a municipality's income and the funding of the day-to-day cost of providing municipal services. As presented later in this analysis, sales tax revenue comprises 26% of the general fund revenues for Walters; 56% of the general fund revenues for Lawton; and 61% of the general fund revenues for Elgin.

Estimated 2006 Retail Sales Activity

Figure 3-11 depicts the estimated retail sales (2006) occurring in the three-county region and as noted, nearly 78% of the estimated retail sales activity occurs in Lawton. As a result, of the approximate \$1.2 billion in retail sales in the region, slightly more than \$930 million occurs in Lawton. In every retail merchandise line presented, such as food and beverage stores or general merchandise stores, Lawton captures 60% or more of the retail activity. In some retail categories, such as apparel or electronics, more than 90% of the regional retail sales activity occurs in Lawton.



Lawton Area Playground

Retail Sales by Merchandise Line			ESTIMATED RETAI	L SALES - 2006		
by County in Study Area for for 2006	TOTAL	Caddo Co.	Cotton Co. Co	manche Co. (part)	Lawton, OK	% Lawton
Major Merchandise Line	\$1,197,954,880	\$149,304,898	\$16,734,989	\$101,544,752	\$930,370,241	77.7%
Motor Vehicle and Parts Dealers-441	\$39,597,993	\$10,090,994	\$0	\$2,645,109	\$26,861,890	67.8%
Automotive Parts/Accsrs, Tire Stores-4413	\$39,597,993	\$10,090,994	\$0	\$2,645,109	\$26,861,890	67.8%
Furniture and Home Furnishings Stores-442	\$31,514,982	\$913,983	\$0	\$3,218,924	\$27,382,075	86.9%
Furniture Stores-4421	\$14,898,001	\$600,996	\$0	\$2,278,312	\$12,018,693	80.7%
Home Furnishing Stores-4422	\$16,616,981	\$312,987	\$0	\$940,612	\$15,363,382	92.5%
Electronics and Appliance Stores-443	\$16,334,002	\$692,000	\$0	\$408,014	\$15,233,988	93.3%
Household Appliances Stores-443111	\$2,650,001	\$265,000	\$0	\$39,712	\$2,345,289	88.5%
Radio, Television, Electronics Stores-443112	\$10,660,001	\$250,001	\$0	\$368,302	\$10,041,698	94.2%
Computer and Software Stores-44312	\$3,024,000	\$176,999	\$0	\$0	\$2,847,001	94.1%
Camera and Photographic Equipment Stores-44313	\$0	\$0	\$0	\$0	\$0	N.A
Building Material, Garden Equip Stores -444	\$231,288,004	\$21,312,998	\$1,743,997	\$38,029,804	\$170,201,205	73.6%
Home Centers-44411	\$85,458,996	\$0	\$714,000	\$903,203	\$83,841,793	98.1%
Paint and Wallpaper Stores-44412	\$2,826,000	\$0	\$0	\$0	\$2,826,000	100.0%
Hardware Stores-44413	\$1,907,000	\$1,006,001	\$59,997	\$0	\$841,002	44.1%
Other Building Materials Dealers-44419	\$57,236,487	\$10,504,287	\$243,168	\$2,670,466	\$43,818,566	76.6%
Building Materials, Lumberyards-444191	\$29,618,523	\$5,435,712	\$125,833	\$1,381,903	\$22,675,075	76.6%
Outdoor Power Equipment Stores-44421	\$1,557,997	\$7,999	\$16,999	\$340,666	\$1,192,333	76.5%
Nursery and Garden Centers-44422	\$52,683,001	\$4,358,999	\$584,000	\$32,733,566	\$15,006,436	28.5%
Food and Beverage Stores-445	\$91,970,991	\$17,241,003	\$6,337,999	\$10,034,227	\$58,357,762	63.5%
Supermarkets, Grocery (Ex Conv) Stores-44511	\$78,160,979	\$14,686,986	\$5,875,000	\$5,244,430	\$52,354,563	67.0%
Convenience Stores-44512	\$9,083,001	\$1,536,008	\$199,998	\$3,828,258	\$3,518,737	38.7%
Specialty Food Stores-4452	\$1,293,993	\$16,999	\$63,001	\$300,201	\$913,792	70.6%
Beer, Wine and Liquor Stores-4453	\$3,433,018	\$1,001,010	\$200,000	\$661,338	\$1,570,670	45.8%
Health and Personal Care Stores-446	\$83,271,971	\$21,616,984	\$2,005,002	\$3,699,161	\$55,950,824	67.2%
Pharmacies and Drug Stores-44611	\$72,817,996	\$20,874,998	\$1,909,003	\$3,166,708	\$46,867,287	64.4%
Cosmetics, Beauty Supplies, Perfume Stores-44612	\$3,951,996	\$390,001	\$95,999	\$192,113	\$3,273,883	82.8%
Optical Goods Stores-44613	\$3,149,002	\$122,000	\$0	\$11,995	\$3,015,007	95.7%
Other Health and Personal Care Stores-44619	\$3,352,977	\$229,985	\$0	\$328,345	\$2,794,647	83.3%
Clothing and Clothing Accessories Stores-448	\$59,767,953	\$3,147,951	\$695,997	\$58,216	\$55,865,789	93.5%
Men's Clothing Stores-44811	\$673,001	\$0	\$0	\$12,317	\$660,684	98.2%
Women's Clothing Stores-44812	\$3,224,009	\$1,104,000	\$257,005	\$15,803	\$1,847,201	57.3%
Children's, Infants Clothing Stores-44813	\$196,998	\$0	\$0	\$2,842	\$194,156	98.6%
Family Clothing Stores-44814	\$28,535,002	\$1,878,000	\$0	\$0	\$26,657,002	93.4%
Clothing Accessories Stores-44815	\$151,000	\$0	\$36,000	\$0	\$115,000	76.2%
Other Clothing Stores-44819	\$732,994	\$18,000	\$402,992	\$19,517	\$292,485	39.9%
Shoe Stores-4482	\$13,621,999	\$0	\$0	\$0	\$13,621,999	100.0%
Jewelry Stores-44831	\$12,632,950	\$147,951	\$0	\$7,737	\$12,477,262	98.8%
Luggage and Leather Goods Stores-44832	\$0	\$0	\$0	\$0	\$0	NA aa aa
Sporting Goods, Hobby, Book, Music Stores-451	\$29,970,008	\$0	\$0	\$2,204,815	\$27,765,193	92.6%
Sporting Goods Stores-45111	\$4,293,004	\$0	\$0	\$1,073,255	\$3,219,749	75.0%
Hobby, Toys and Games Stores-45112	\$8,287,004	\$0	\$0	\$1,096,068	\$7,190,936	86.8%
Sew/Needlework/Piece Goods Stores-45113	\$1,465,998	\$0	\$0	\$2,759	\$1,463,239	99.8%
Musical Instrument and Supplies Stores-45114	\$1,168,004	\$0	\$0	\$0	\$1,168,004	100.0%
Book Stores-451211	\$3,972,998 \$235,001	\$0	\$0	\$22,159	\$3,950,839	99.4%
News Dealers and Newsstands-451212		\$0 \$0	\$0 £0	\$10,574	\$224,427	95.5%
Prerecorded Tapes, CDs, Record Stores-45122	\$10,547,999	\$0	\$0	\$0 \$04.000.700	\$10,547,999	100.0%
General Merchandise Stores-452	\$406,431,985	\$60,651,979	\$2,102,999	\$24,889,782	\$318,787,225	78.4%
Department Stores Excl Leased Depts-4521	\$88,620,008	\$5,718,998	\$1,336,001	\$1,177,330	\$80,387,679	90.7%
Warehouse Clubs and Super Stores-45291	\$296,718,992	\$47,636,989	\$0	\$18,028,060	\$231,053,943	77.9%
All Other General Merchandise Stores-45299 Miscellaneous Store Retailers-453	\$21,092,985 \$45,176,006	\$7,295,992 \$6,074,002	\$766,998 \$1,051,005	\$5,684,392 \$5,684,669	\$7,345,603 \$21,646,221	34.8%
Florists-4531	\$45,176,996 \$6,961,015	\$6,974,002	\$1,051,995 \$78,000	\$5,504,668 \$785,045	\$31,646,331 \$4,176,968	70.0 % 60.9%
Office Supplies and Stationery Stores-45321	\$6,861,015 \$14,027,002	\$1,821,002	\$78,000 \$0	\$785,045 \$0		
Gift, Novelty and Souvenir Stores-45322	\$14,027,002 \$4,813,003	\$352,999 \$1,179,006	\$0 \$18,997	\$0 \$356,349	\$13,674,003 \$3,258,651	97.5% 67.7%
Used Merchandise Stores-4533			. ,			
Other Miscellaneous Store Retailers-4539	\$4,666,002 \$14,809,974	\$609,003	\$21,999 \$932,999	\$411,138 \$3,952,136	\$3,623,862 \$6,012,847	77.7% 46.7%
	\$14,809,974 \$162,629,995	\$3,011,992 \$6,663,004	\$932,999 \$2,797,000		\$6,912,847 \$142,317,959	46.7%
Foodservice and Drinking Places-722	\$162,629,995 \$58,042,007	\$6,663,004 \$1,725,000	\$2,797,000	\$10,852,032 \$2,709,442	\$142,317,959 \$52,740,554	87.5% 90.5%
Full-Service Restaurants-7221	\$58,943,997	\$1,735,999	\$669,001 \$2,127,000	\$3,798,443 \$5,167,040	\$52,740,554	89.5%
Limited-Service Eating Places-7222	\$87,338,000	\$4,234,003	\$2,127,999	\$5,167,949	\$75,808,049	86.8%
Special Foodservices-7223	\$6,214,997 \$10,133,001	\$411,000	\$0 \$0	\$0 \$1,885,640	\$5,803,997 \$7,965,359	93.4%
Drinking Places -Alcoholic Beverages-7224	\$10,133,001	\$282,002	\$0	\$1,885,640	\$7,965,359	78.6%

Figure 3-11: Retail Sales by Merchandise Line by County in Study Area for 2006



Estimated Consumer Demand and Capture Rates

Figure 3-12 presents estimates of consumer demand (spending potential) for Caddo and Cotton Counties, as well as for Lawton, and compares these with estimated retail sales. As indicated in Table 11, the estimated retail spending demand in Caddo County is approximately \$247.8 million and of this amount, retailers in Caddo County are capturing an approximate 60%. In other words, nearly 40% of the retail spending demand of Caddo County residents is occurring outside the county. This capture rate varies from an estimated low of only 9% for electronics and appliances (in total) to a high of 148% for automotive parts and accessories. The Cotton County retailers are capturing less than 29% of the near \$59 million in consumer demand among Cotton County residents.



Retail Demand and Capture by Merchandise Line		ESTIMAT	ED RETAIL DEMA	ND and CAPTURE	- 2006	
by County in Study Area for 2006	Caddo % Capture	Caddo Co. Co	otton % Capture	Cotton Co. L	awton % Capture	Lawton, OK
Major Merchandise Line	60.3%	\$247,804,500	28.4%	\$58,960,947	133.1%	\$698,790,31
Motor Vehicle and Parts Dealers-441	147.8%	\$6,829,235	0.0%	\$1,696,592	143.3%	\$18,740,03
Automotive Parts/Accsrs, Tire Stores-4413	147.8%	\$6,829,235	0.0%	\$1,696,592	143.3%	\$18,740,03
Furniture and Home Furnishings Stores-442	10.6%	\$8,647,813	0.0%	\$2,149,560	108.3%	\$25,271,98
Furniture Stores-4421	12.7%	\$4,725,463	0.0%	\$1,161,902	85.1%	\$14,125,59
Home Furnishing Stores-4422	8.0%	\$3,922,350	0.0%	\$987,658	137.8%	\$11,146,39
Electronics and Appliance Stores-443	8.9%	\$7,804,558	0.0%	\$1,883,517	62.9%	\$24,223,59
Household Appliances Stores-443111	17.5%	\$1,514,608	0.0%	\$369,473	54.8%	\$4,277,13
Radio, Television, Electronics Stores-443112	5.5%	\$4,535,017	0.0%	\$1,088,806	70.7%	\$14,211,60
Computer and Software Stores-44312	12.1%	\$1,467,210	0.0%	\$355,830	59.3%	\$4,803,91
Camera and Photographic Equipment Stores-44313	0.0%	\$287,723	0.0%	\$69,408	0.0%	\$930,94
Building Material, Garden Equip Stores -444	52.2%	\$40,806,281	17.1%	\$10,220,244	161.2%	\$105,577,75
Home Centers-44411	0.0%	\$14,247,839	20.0%	\$3,567,920	225.3%	\$37,207,30
Paint and Wallpaper Stores-44412	0.0%	\$935,815	0.0%	\$237,489	115.7%	\$2,442,69
Hardware Stores-44413	36.7%	\$2,743,322	8.8%	\$681,100	11.4%	\$7,401,54
Other Building Materials Dealers-44419	80.9%	\$12,982,444	7.5%	\$3,243,483	135.4%	\$32,373,53
Building Materials, Lumberyards-444191	85.9%	\$6,327,316	7.9%	\$1,602,201	138.9%	\$16,327,85
Outdoor Power Equipment Stores-44421	1.4%	\$589,900	11.5%	\$147,563	78.6%	\$1,517,31
Nursery and Garden Centers-44422	146.3%	\$2,979,645	78.9%	\$740,488	180.6%	\$8,307,50
Food and Beverage Stores-445	33.8%	\$51,068,224	54.1%	\$11,721,867	42.1%	\$138,756,76
Supermarkets, Grocery (Ex Conv) Stores-44511	33.3%	\$44,115,817	58.1%	\$10,110,061	43.9%	\$119,381,38
Convenience Stores-44512	64.9%	\$2,365,355	36.7%	\$545,245	55.6%	\$6,328,63
Specialty Food Stores-4452	1.1%	\$1,554,700	17.9%	\$352,137	21.5%	\$4,258,28
Beer, Wine and Liquor Stores-4453	33.0%	\$3,032,352	28.0%	\$714,424	17.9%	\$8,788,46
Health and Personal Care Stores-446	96.4%	\$22,433,159	37.7%	\$5,313,030	96.0%	\$58,277,98
Pharmacies and Drug Stores-44611	106.7%	\$19,560,169	41.2%	\$4,631,336	92.5%	\$50,691,50
Cosmetics, Beauty Supplies, Perfume Stores-44612	47.0%	\$829,307	48.7%	\$196,971	153.7%	\$2,130,01
Optical Goods Stores-44613	22.0%	\$555,522	0.0%	\$133,085	185.6%	\$1,624,11
Other Health and Personal Care Stores-44619	15.5%	\$1,488,161	0.0%	\$351,638	72.9%	\$3,832,36
Clothing and Clothing Accessories Stores-448	21.3%	\$14,806,876	20.2%	\$3,444,289	115.5%	\$48,388,95
Men's Clothing Stores-44811	0.0%	\$721,951	0.0%	\$170,718	29.4%	\$2,245,55
Women's Clothing Stores-44812	42.8%	\$2,579,627	43.1%	\$596,887	21.4%	\$8,626,62
Children's, Infants Clothing Stores-44813	0.0%	\$793,102	0.0%	\$168,279	7.5%	\$2,576,63
Family Clothing Stores-44814	31.7%	\$5,933,386	0.0%	\$1,377,767	140.6%	\$18,964,80
Clothing Accessories Stores-44815	0.0%	\$218,210	68.6%	\$52,516	15.5%	\$744,20
Other Clothing Stores-44819	2.5%	\$708,627	244.9%	\$164,575	12.6%	\$2,312,98
Shoe Stores-4482	0.0%	\$2,232,730	0.0%	\$503,657	190.4%	\$7,152,76
Jewelry Stores-44831	10.0%	\$1,474,568	0.0%	\$373,501	236.4%	\$5,279,06
Luggage and Leather Goods Stores-44832	0.0%	\$144,675	0.0%	\$36,389	0.0%	\$486,31
Sporting Goods, Hobby, Book, Music Stores-451	0.0%	\$5,744,099	0.0%	\$1,377,622	144.1%	\$19,261,36
Sporting Goods Stores-45111	0.0%	\$2,122,988	0.0%	\$507,950	45.8%	\$7,025,11
Hobby, Toys and Games Stores-45112	0.0%	\$1,414,205	0.0%	\$333,875	159.8%	\$4,501,13
Sew/Needlework/Piece Goods Stores-45113	0.0%	\$328,830	0.0%	\$80,996	156.3%	\$936,07
Musical Instrument and Supplies Stores-45114	0.0%	\$373,552	0.0%	\$89,083	92.6%	\$1,261,45
Book Stores-451211	0.0%	\$923,299	0.0%	\$228,624	112.4%	\$3,514,83
News Dealers and Newsstands-451212	0.0%	\$75,347	0.0%	\$18,235	104.0%	\$215,82
Prerecorded Tapes, CDs, Record Stores-45122	0.0%	\$505,878	0.0%	\$118,859	583.8%	\$1,806,91
General Merchandise Stores-452	130.3%	\$46,557,973	19.3%	\$10,897,943	237.7%	\$134,086,19
Department Stores Excl Leased Depts-4521	27.8%	\$20,577,170	27.6%	\$4,841,434	130.8%	\$61,480,11
Warehouse Clubs and Super Stores-45291	210.4%	\$22,637,172	0.0%	\$5,257,591	366.7%	\$63,001,36
All Other General Merchandise Stores-45299	218.2%	\$3,343,631	96.0%	\$798,918	76.5%	\$9,604,71
Miscellaneous Store Retailers-453	71.0%	\$9,826,151	44.7%	\$2,351,610	117.9%	\$26,836,56
Florists-4531	270.0%	\$674,547	46.6%	\$167,219	221.3%	\$1,887,23
Office Supplies and Stationery Stores-45321	16.9%	\$2,088,576	0.0%	\$508,422	231.3%	\$5,912,60
Gift, Novelty and Souvenir Stores-45322	74.3%	\$1,585,986	4.9%	\$384,793	72.5%	\$4,495,26
Used Merchandise Stores-4533	83.7%	\$727,332	12.6%	\$174,273	163.1%	\$2,221,54
Other Miscellaneous Store Retailers-4539	63.4%	\$4,749,710	83.5%	\$1,116,903	56.1%	\$12,319,92
Foodservice and Drinking Places-722	20.0%	\$33,280,131	35.4%	\$7,904,673	143.2%	\$99,369,12
Full-Service Restaurants-7221	11.6%	\$14,931,908	18.8%	\$3,554,497	118.2%	\$44,628,17
Limited-Service Eating Places-7222	30.0%	\$14,098,104	63.9%	\$3,329,207	180.2%	\$42,074,51
Special Foodservices-7223	14.5%	\$2,826,497	0.0%	\$668,736	69.0%	\$8,411,13
Drinking Places -Alcoholic Beverages-7224	19.8%	\$1,423,622	0.0%	\$352,233	187.2%	\$4,255,30

Figure 3-12: Retail Demand and Capture by Merchandise Line by County in Study Area for 2006



By way of contrast, the estimated consumer demand in Lawton, among Lawton residents, is slightly less than \$699 million; however, sales (as noted previously at \$930 million) indicates that Lawton is over-selling its local demand by about one-third. This too, varies by merchandise line, but as indicated in the preceding table, Lawton is the destination shopping location for a much broader consumer base than its own residents.

Conclusions - Sales Tax

The City of Lawton is the destination-retail location for a geography much broader than the city limits, capturing as much as 78% of all retail sales occurring in Comanche, Cotton and Caddo Counties. Despite any BRAC-related housing growth and related growth in consumer spending, it is likely that Lawton will remain as the retail "hub" as retailers prefer to locate new stores in established destinations. Exceptions include some service businesses, grocers and drug stores, which typically anchor neighborhood shopping centers. Whether or not potential BRAC related population and/ or housing growth, outside of Lawton proper, would reach a critical mass to warrant new neighborhood retail is difficult to estimate. However, it is possible that given existing and future demand for such staples as groceries, drug store purchases and some service and convenience goods, a new neighborhood retail center could be built.



New Lawton City Complex

Hospitality Sector

The consultants completed an overview analysis of the hotel market in Comanche County, Oklahoma, utilizing information and statistics provided by Smith Travel Research (STR), a nationally recognized resource for the hospitality industry data. The information from STR is from a sample of approximately 17 properties and slightly more than 1,300 rooms. According to STR, the average occupancy rate in Comanche County, from 2002 through January 2008 has been just under 60%. This is somewhat below the generally accepted industry standard of 65% that is the benchmark for breakeven performance and potentially encouraging additional development. However, the same trend data from STR indicates that the hotel occupancy rate in Comanche County fluctuates, as Wednesday through Friday occupancy rates are typically in the mid to high 70% range. The average revenue per hotel was about \$58/night during this same period, which is also somewhat low relative to investor needs for increasing the inventory of rooms.

The inventory of hotels provided by STR indicates that about 20% of the rooms (three properties) have been developed since 2004. In other words, much of the hotel inventory is older stock. A newer hotel inventory, with conveniences for both the business and vacation traveler, could assist in improving occupancy levels, as could an increase in demand resulting from expansion of personnel at Fort Sill.

Field observations indicate that the Ramada Inn (situated along the designated downtown redevelopment corridor in Lawton) is undergoing renovations. Additionally, in February, a building permit, valued at \$4.8 million, was issued to New Vision Hospitality for construction of a 47,347 SF, 75-unit Comfort Suites at 201 SE Interstate Drive. This follows on the new 90-room LaQuinta Inn & Suites, which is under construction at 1408 NW 40th. Representatives of the City of Lawton also indicate that plans have been submitted for a 64-room Days Inn. If all of these projects happen, this will represent a 17% increase to the sampled room inventory.

FISCAL ANALYSIS

This section presents an overview and analysis of revenue and expense items relative to three selected communities within the Lawton-Ft. Sill study area, namely Lawton, Elgin (both Comanche County) and Walters (Cotton County). These in turn form the basis for the spreadsheet models that are to be developed, in order to better understand the likely fiscal (as well as education) impacts associated with an increase in population and housing.

Municipal Budgets

The following section presents an overview of municipal budgets for selected communities within the Lawton – Fort Sill study area. These budgets have been benchmarked on a per household basis in order to reflect an average revenue and expense to each community.

Lawton, Oklahoma

Figure 3-13 presents an overview of the FY 2007-08 budget for Lawton, indicating an "expense" to Lawton for providing services to its residents when only general fund revenues are considered.

City of Lawton, OK	% of Revenue	Projected Total	Resources		Expenditures	Resources less
Budget Summary FY 2007-08	General Fund	Resources	per HH	Expenditures	per HH	Expenditure/HH
General Fund						
City Sales Tax	55.7%	\$19,768,575	\$547			
Franchise tax	7.7%	\$2,731,160	\$76			
Alcohol Tax	0.6%	\$197,538	\$5			
Tobacco Tax	4.1%	\$1,468,954	\$41			
Gasoline Tax	0.6%	\$203,043	\$6			
Tax Subtotal	68.6%	\$24,369,270	\$674			
All Other General Fund	19.4%	\$6,894,744	\$191			
General Fund Subtotal	88.0%	\$31,264,014	\$865			
Carry over	12.0%	\$4,249,000	\$118			
TOTAL General Fund	100.0%	\$35,513,014	\$982	\$48,025,483	\$1,328	(\$346)
CDBG Funds and Home Funds		\$1,557,596	\$43	\$1,557,596	\$43	
Other Funds		\$7,068,117	\$196	\$6,999,777	\$194	
Rolling Stock		\$2,796,919	\$77	\$2,796,919	\$77	
SUBTOTAL		\$46,935,646	\$1,298	\$59,379,775	\$1,642	(\$344
Enterprise Funds						
Water		\$13,537,464	\$374	\$5,852,122	\$162	
Sewer		\$5,452,123	\$151	\$3,855,890	\$107	
Refuse		\$7,399,774	\$205	\$3,835,101	\$106	
Waurika surcharge		\$1,700,000	\$47	\$1,700,000	\$47	
Storm Water Mitigation		\$303,520	\$8	\$303,520	\$8	
Enterprise Fund Subtotal		\$28,392,881	\$785	\$15,546,633	\$430	
ROLLING SUBTOTAL		\$75,328,527	\$2,084	\$74,926,408	\$2,072	
Sinking Funds						
Debt Service - prior 1972		\$666,971	\$18	\$666,971	\$18	
Capital Improvement Projects		\$464,723	\$13	\$464,723	\$13	
Sales Tax Improvement 2000		\$3,576,573	\$99	\$3,576,573	\$99	
GO Bonds Proceeds 2000		\$952,899	\$26	\$952,899	\$26	
Sales Tax Capital Improvement 2005		\$35,702,125	\$988	\$35,702,125	\$988	
GO Bonds Proceeds 2005		\$4,000,000	\$111	\$4,000,000	\$111	
Sinking Funds Subtotal		\$45,363,291	\$1,255	\$45,363,291	\$1,255	
TOTAL		\$120,691,818	\$3,338	\$120,289,699	\$3,327	

Figure 3-13: City of Lawton, OK - Budget Summary FY 2007-2008

As noted in *Figure 3-13*, sales tax (prior to the recent additional sales tax for capital improvements) makes up nearly 56% of the City's general fund revenue, or a little less than \$550 per household. The general fund revenues from the average household in Lawton amount to approximately \$980 per household, while the estimated expense of servicing these households is more than \$1,300 per household. The Lawton budget is "in balance" through the inclusion of enterprise funds as a revenue source. If Lawton had only the general fund to provide services to its residents there would be a net cost to the City. It is worth noting, from the earlier sales tax analysis, that Lawton is a net importer of retail sales activity, capturing 133% of its resident demand for retail consumption. Despite this "over-penetration" of retail activity, and resulting returned sales tax to the City, the general budget funding is in deficit.

Elgin, Oklahoma

Figure 3-14 presents a per household analysis of revenues and expenditures for Elgin, indicating that the community has a positive balance of revenue (estimated at slightly more than \$200 on a per household basis) relative to expenses.

City of Elgin, OK	% of Revenue	Projected Total	Resources	Projected Total	Expenditures	Resources less
Budget Summary FY 2007-08	General Fund	Resources	per HH	Expenditures	per HH	Expenditure/HH
REVENUES						
Sales Tax	61.2%	\$450,000	\$361			
Use and Tobacco Tax	2.7%	\$20,000	\$16			
Alcohol Tax	0.4%	\$2,600	\$2			
Franchise Tax	4.4%	\$32,000	\$26			
Subtotal	68.6%	\$504,600	\$405			
All Other General Fund	12.3%	\$90,527	\$73			
Transferred from Other Funds	7.1%	\$52,500	\$42			
Subtotal	88.0%	\$647,627	\$520			
EXPENDITURES						
General				\$131,311	\$105	
Fire				\$84,601	\$68	
Police				\$170,789	\$137	
Subtotal			\$520	\$386,701	\$310	\$209
Cabician			ΨΟΣΟ	ψοσο, το τ	φοισ	Ψ200
Transfers OUT						
1% Sales Tax CIP				\$150,000	\$120	
1% Sales Tax to PWA Board				\$150,000	\$120	
Subtotal				\$300,000	\$241	
Running Subtotal	88.0%	\$647,627	\$520	\$686,701	\$551	
General Fund						
Beginning Balance	12.0%	\$87,949	\$71			
Ending Balance	12.076	φ07,343	Ψ/1	\$48,875	\$39	
TOTAL	100.0%	\$735,576	\$590	\$735,576	\$590	
TOTAL	100.070	ψ100,010	φοσο	ψ100,010	4000	
Capital Improvement Fund		\$244,500		\$189,590		
CIP Beginning Balance		\$122,929		,		
CIP Ending Balance		*		\$177,839		
Subtotal		\$367,429	\$295	\$367,429	\$295	
Cemetery Capital		\$3,100		\$0	4	
Beginning Balance		\$10,666		Ψ		
Ending Balance		ψ.ο,οοο		\$13,766		
Subtotal		\$13,766	\$11	\$13,766	\$11	
Streets and Alleys Fund		\$12,300	V	\$13,892	₩	
Beginning Balance		\$33,208		Ψ10,002		
Ending Balance		φοσ,2σσ		\$31,616		
TOTAL		\$45,508	\$37	\$45,508	\$37	
Estate Fund		\$49,871	ΨΟΙ	\$39,500	ŲŪ.	
Beginning Balance		\$5,585		ψου,ουυ		
Ending Balance		ψ5,565		\$15,956		
Subtotal		\$55,456	\$45	\$55,456	\$45	
PUBLIC WORKS Authority (PWA)		\$401,700	Ψ-5	\$383,013	443	
Beginning Balance		\$180,861		φυσυ,στο		
Ending Balance		φ100,861		\$199,548		
Subtotal		\$582,561	\$468	\$582,561	\$468	
Subtotai		φ302,30 l	φ 400	\$302,30 I	\$400	
GRAND TOTAL		\$1,800,296	\$1,445	\$1,800,296	\$1,445	
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Figure 3-14: City of Elgin, OK - Budget Summary FY 2007-2008

Similar to Lawton, more than 60% of the general fund revenue in Elgin is comprised of sales tax contribution. The potential for additional housing development in Elgin may not necessarily result in significant additional retail development in Elgin.

Interviews - Conversations with representatives of Elgin indicated the following concerns, issues and comments:

- BAE Systems will be coming to Elgin and occupying portions of a 135-acre site with an approximate 150,000 SF facility.
- The Lawton Industrial Foundation is to build the facility and then lease it back to BAE.
- Elgin is to retain ownership of the underlying land (meaning that the land is City-owned and tax-exempt) and is to receive lease payments for the site.
- Elgin will assist in site preparation and development at an estimated cost of \$9 to \$10 million.
- Elgin needs a sewer system (regardless of BAE) that is estimated to cost \$2.6 million.
- Elgin may need to consider impact fees for future residential development, perhaps at \$0.50/SF.
- Local developers indicate that they can build \$150,000 homes (the price range estimated to be "affordable" for many incoming military personnel) on \(^1/4\)-acre lots.
- Elgin does not currently have a full-time fire or police force, in part explaining their surplus for current revenues versus expenditures (in the preceding table).

Cache, Oklahoma

Conversations with representatives of Cache indicated that in 2007, Cache realized approximately \$1.35 million in revenues and \$1.5 million in municipal expenses, indicating that there was, on average, a loss per every household in Cache. The representatives suggested that last year was atypical.



I-44 Exit Signage



View from Mt. Scott at twilight



Walters, Oklahoma

An examination of the budget (*Figure 3-15*) for Walters indicates a "cost" of nearly \$150 per household, relative to the general fund, for providing municipal services to its residents. Sales tax revenue in Walters, although a relatively major source of income, is not as high a percent contributor as in Lawton or Elgin. Conversations with representatives of Walters indicate that the budget is balanced (and perhaps marginally a surplus) with the transfer of enterprise funds and electricity sales.

City of Walters, OK Budget Summary FY 2007-08	% of Revenue General Fund	Projected Total Resources	Resources per HH	Projected Total Expenditures	Expenditures per HH	Resources less Expenditure/Hi
General Fund					·	
Administration - Sales Tax	26.4%	\$454.522	\$172			
Administration - Use Tax	0.9%	\$15,847	\$6			
Administration - Alcohol Tax	1.8%	\$30,245	\$11			
Administration - Cigarette Tax	0.0%	\$64	\$0			
Administration - All Other (ALL)	11.0%	\$189,697	\$72	\$236,147	\$90	(\$1
Police	1.0%	\$16,874	\$6	\$212,953	\$81	(\$7
Fire	1.0%	\$17,453	\$7	\$206,653	\$78	(\$7
Street	29.5%	\$506,500	\$192	\$892,428	\$338	(\$14
Parks	1.8%	\$31,791	\$12	\$32,912	\$12	(\$
Library	0.5%	\$8,271	\$3	\$41,126	\$16	(\$1
Airport	0.0%	\$240	\$0	\$3,578	\$1	(\$
Golf	3.2%	\$55,359	\$21	\$94,042	\$36	(\$1
Subtotal	77.2%	\$1,326,863	\$503	\$1,719,839	\$652	(\$14
Transfers						
Walters Public Works Authority WPWA	14.5%	\$250,000	\$95			
Fund Balance (+ or -)	8.3%	\$142,976	\$54			
TOTAL	100.0%	\$1,719,839	\$652	\$1,719,839	\$652	
OTHER - Graham Trust						
Beginning Fund Balance		\$1,019,613				
Interest Income		\$46,000				
Transfers - OUT		* -,		\$25,000		
Total		\$1,065,613	\$404	\$25,000	\$9	
OTHER - Fire Truck Fund						
Beginning Balance		\$4,530				
Interest Income		\$100				
Transfer - IN (WPWA)		\$15,900				
Debt Service				\$19,000		
Total		\$20,530	\$8	\$19,000	\$7	
Walters Public Works Authority						
Total Revenues		\$3,411,897	\$1,294			
Use of Fund Balance		(\$312,774)	* , -			
Expenditures				\$2,849,123		
Transfers - OUT				\$250,000		
Total		\$3,099,123	\$1,175	\$3,099,123	\$1,175	
TOTAL		\$5,905,105	\$2,239	\$4,862,962	\$1,844	

Figure 3-15: City of Walters, OK - Budget Summary FY 2007-2008

Interviews – Conversations with representatives of Walters indicated the following concerns, issues and comments:

- Walters has the capacity to absorb an additional 300 households before needing to add fire and/or police personnel (due in part to compact geography of community).
- Sewer capacity is not an issue for growth in Walters.
- Approximately 60 housing units are being built in Walters, targeting the E4/E5 military personnel. These units average 1,400 SF and are pricing in the \$135,000 range.

School/Education Budgets

The following section presents a similar analysis (in spreadsheet format) of the school/education budgets for the same three communities.

Lawton, Oklahoma

The estimated cost to educate a student in the Lawton school system is a little more than \$7,200; however, as noted in the following table, less than 10% of the revenue, on a per household basis, is derived from the property (ad valorem) tax. Another concern is to what extent the Lawton School District is reimbursed for education costs from students of military personnel living on-post and presumably not paying an ad valorem tax. This is presented in *Figure 3-16*.

Projected Total	Resources	Percent	Projected	Expenditures	Resources
Resources	per HH	per HH	Expenditures	per Student	per Student
\$11.800.000	\$326	9.7%			
' '	\$2.013	60.1%			
\$84,902,885	\$2,348	70.1%			\$5,071
\$14,511	\$0	0.0%			
\$43,000	\$1	0.0%			
\$555,155	\$15	0.5%			
\$29,738	\$1	0.0%			
\$75,000	\$2	0.1%			
\$717,404	\$20	0.6%			\$43
\$16,222,645	\$449	13.4%			\$969
\$449,978	\$12	0.4%			\$27
\$18,837,875	\$521	15.6%			\$1,125
			\$82,684,048	\$4,939	
			\$20,239,671	\$1,209	
			\$18,207,067	\$1,088	
\$121,130,786	\$3,350	100.0%	\$121,130,786	\$7,235	\$7,235
	\$11,800,000 \$325,000 \$72,777,885 \$84,902,885 \$14,511 \$43,000 \$555,155 \$29,738 \$75,000 \$717,404 \$16,222,645 \$449,978 \$18,837,875	\$11,800,000 \$326 \$325,000 \$9 \$72,777,885 \$2,013 \$84,902,885 \$2,348 \$14,511 \$0 \$43,000 \$1 \$555,155 \$15 \$29,738 \$1 \$75,000 \$2 \$717,404 \$20 \$16,222,645 \$449 \$449,978 \$12 \$18,837,875 \$521	Resources per HH per HH \$11,800,000 \$326 9.7% \$325,000 \$9 0.3% \$72,777,885 \$2,013 60.1% \$84,902,885 \$2,348 70.1% \$14,511 \$0 0.0% \$43,000 \$1 0.0% \$555,155 \$15 0.5% \$29,738 \$1 0.0% \$75,000 \$2 0.1% \$717,404 \$20 0.6% \$16,222,645 \$449 13.4% \$449,978 \$12 0.4% \$18,837,875 \$521 15.6%	Resources per HH per HH Expenditures \$11,800,000 \$326 9.7% \$325,000 \$9 0.3% \$72,777,885 \$2,013 60.1% \$84,902,885 \$2,348 70.1% \$14,511 \$0 0.0% \$43,000 \$1 0.0% \$555,155 \$15 0.5% \$29,738 \$1 0.0% \$75,000 \$2 0.1% \$717,404 \$20 0.6% \$16,222,645 \$449 13.4% \$449,978 \$12 0.4% \$18,837,875 \$521 15.6%	\$11,800,000 \$326 9.7% \$325,000 \$9 0.3% \$72,777,885 \$2,013 60.1% \$44,902,885 \$2,348 70.1% \$14,511 \$0 0.0% \$555,155 \$15 0.5% \$29,738 \$1 0.0% \$75,000 \$2 0.1% \$717,404 \$20 0.6% \$16,222,645 \$449 13.4% \$18,837,875 \$521 15.6% \$82,684,048 \$4,939 \$20,239,671 \$1,209 \$18,207,067 \$1,088

Figure 3-16: City of Lawton, OK - Budget Summary FY 2007-2008

Interviews – Conversations with representatives of the Lawton School District indicated the following concerns, issues and comments:

- A concern for the schools is the timeframe of the new students' arrival and their grade levels.
- If students arrive after October 1 then they are not in that year's budgeting cycle.
- Education costs are at about \$7,300 per student.
- Revenue sources include district level (ad valorem), local sources (grants that are earmarked), state revenues and federal sources (earmarked for by program).
- State funding generally reflects an average amount per student (hence the urgency of the October 1 timing). Other than student count, the local school district has little control over this revenue source.
- The amount of federal funding is dictated by federal mandates, programs and the number of students at need.
- The 2006-07 year realized general funds (all sources) of about \$121.2 million (note preceding table).
- Approximately \$84.9 million in revenue is from district wide sources.
- Lawton elementary school capacity is at a maximum to the southwest and a new school is required.
- New school construction estimated to be \$150,000 per classroom.
- There are two Lawton schools physically located on Ft. Sill. These are K through grade 5 and include Sheridan Road and Geronimo Road. The current estimated 2008 enrollment is about 350 and 550 students, respectively.
- Lawton schools had an open policy for inter-transfer students from other districts, but the Superintendent will seek to stop this (current enrollments will be grandfathered) until a clearer analysis of BRAC impacts and funding are presented.
- Lawton schools allow for intra-transfer of students on a space available basis.
- Lawton has lost students to Elgin and Cache over the last few years.
- Lawton school staff turnover is perhaps 7% to 10% a year, a manageable amount. This equates to 90 to 130 new teachers at varying grade levels.
- Lawton school district boundaries exceed the Lawton city boundaries to the east of the city and are less than the city boundaries to the west of the city.

- Lawton schools pick up students from two (2) dependent schools to the east and outside of the Lawton school district boundaries.
- These include Bishop elementary (about 300 students) and Flower Mound (about 300 students). These schools are pre K through grade 6.
- The Lawton schools receive these students, once they enter the 7th grade, and after that the school is then eligible to include them in their student count for state aid only.

A presentation made by the Superintendent for Lawton Schools, regarding the BRAC process, information and projections (current as of September 10, 2007) indicated the following:

- The school district anticipates a total increase of 2,300 children over the 2006 to 2011 period and of these an approximate 1,600 to 1,800 that are of school age.
- This potential increase results in the need for 100 new teachers at an average salary of \$45,000 per teacher, or \$4.5 million (annually).
- Based on class sizes and state mandates, this suggests a need for 95 to 105 new classrooms.
- Lawton schools are currently using 90 portable classrooms units, this would then effectively double that amount if no new facilities were to be built.
- Priority development could include new school and renovations at Geronimo Road (on-post).
- What, when, where and how much for ancillary facility development, such as gyms, parking, cafeterias?
- School district is currently maxed out on bonding capacity.
- Conservative cost estimates include \$6 million for new elementary school on west/southwest side of city;
 \$11.1 million for additions to nine existing elementary schools; and, \$10 million for expansion of five secondary schools.

Elgin, Oklahoma

The estimated education cost per student in the Elgin school system is a little more than \$5,500. The revenues per student exceed this dollar amount, but the revenues include the "cash forward surplus". In Elgin, less than 12% of the education resources, per household, are from local impact sources, and only about \$660 per student from the ad valorem tax. This is presented in *Figure 3-17*.

Elgin, OK - School District	Projected Total	Resources	Percent	Projected	Expenditures	Resources
Budget Summary FY 2007-08	Resources	per HH	per HH	Expenditures	per Student	per Studer
Local Impacts						
Ad Valorem Tax	\$1,005,339	\$807				\$659
Interest Earnings	\$58,000	\$47				\$38
Other	\$1.000	\$1				\$1
Subtotal	\$1,064,339	\$854	11.3%			\$697
Intermediate Sources						
County 4 mill Ad Valorem	\$116,455	\$93				\$76
Mortgage ax	\$40,037	\$32				\$26
Subtotal	\$156,491	\$126	1.7%			\$103
State Aid						
Foundation and Salary Incentive Aid	\$5,162,285	\$4,143				\$3,383
Flexible Benefit Allowance	\$569,590	\$457				\$373
Motor Vehicle Tax	\$309,963	\$249				\$203
All Other	\$365,575	\$293				\$240
Subtotal	\$6,407,413	\$5,142	67.9%			\$4,199
Federal and Other	\$968,919	\$778	10.3%			\$635
Other						
Cash Forward Surplus	\$845,700	\$679	9.0%			\$554
Expenses						
Instruction				\$5,367,600	\$3,51	7
All Other				\$3,090,577	\$2,02	5
TOTAL	\$9,442,862	\$7,579	100.0%	\$8,458,178	\$5,54	3 \$6,188

Figure 3-17: Elgin, OK - School District Budget Summary FY 2007-2008

Interviews – Conversations with representatives of the Elgin School District indicated the following concerns, issues and comments:

- There is no excess capacity at Elgin schools as the elementary, middle and high schools are all full.
- A new high school is under construction at an estimated cost of \$10 million.
- A new roof is being put on the arts center at an estimated cost of \$500,000.
- Once completed, the old high school can become the "new" middle school.
- This ripple effect of school facilities may give Elgin a 5-year cushion before more capacity needs to be built.
- The Elgin schools prefer not to add any more portable classrooms.
- Elgin has about 10% of students (or 158) as transfers from other school districts.
- At present, this does not present a budgetary problem, as the ad valorem tax for a student goes to the district where he/she resides and not where they attend school.
- If there is a significant increase in the number of transferred students, this could have an impact.

Walters, Oklahoma

The estimated education cost per student in the Walters school system is approximately \$5,900 as presented in *Figure 3-18*. Less than 12% of the education resources (per household) are derived from local sources and less than \$200/ household are from the ad valorem tax.

ocal Impacts	Resources	per HH	per HH	Expenditures	per Student	per Student
			•	,		
	#404.070	# 4.00				Φ077
Local Property Tax	\$481,076	\$182				\$677
Earnings on Investments Other Local Source	\$3,000	\$1 \$6				\$4
Other Local Source Subtotal	\$15,000 \$499,076	\$6 \$189	11.9%			\$21 \$702
Subtotai	\$499,076	\$109	11.9%			\$702
ntermediate Sources						
County 4 mill Ad Valorem	\$61,000	\$23				\$86
Mortage Tax	\$11,500	\$4				\$16
Subtotal	\$72,500	\$27	1.7%			\$102
State Aid						
Motor Vehicle Collection	\$255,000	\$97				\$359
Rural Electric Co-Op Tax	\$110,000	\$42				\$155
State Local Land Earnings	\$45,000	\$17				\$63
Categorical	\$39,228	\$15				\$5
State Vocational	\$21,300	\$8				\$30
Gross Production tax	\$21,000	\$8				\$30
Foundation and Salary Incentive Aid	\$2,053,451	\$779				\$2,888
Flexible Benefit Allowance	\$260,000	\$99				\$366
Subtotal	\$2,804,979	\$1,064	66.8%			\$3,945
ederal and Other						
No Child Left Behind	\$228,305	\$87				\$321
Disadvantaged Students	\$129,227	\$49				\$182
Subtotal	\$357,532	\$136	8.5%			\$503
Other						
General Fund Carryover 07-01-07	\$465,913	\$177	11.1%			\$655
Expenses						
Current Expenses				\$3,975,736	\$5,592	
Additional w/ increased Aid				\$224,264	\$315	
OTAL	\$4,200,000	\$1,593	100.0%	\$4,200,000	\$5,907	\$5,907

Figure 3-18: Walters, OK - School District Budget Summary FY 2007-2008

Interviews – Conversations with representatives of the Walters School District indicated the following concerns, issues and comments:

- A new high school is needed, but where is the money to come from? Bonding capacity is estimated to be only \$1.4 million and construction costs are estimated to be a minimum of \$130/SF.
- A new high school would allow the old high school to become the "new" middle school and so on.
- Enrollment in Walters includes approximately 716 students.
- This includes 67 students whose parents are military (about 9.4%). Of these students, six are special needs students.
- Approximately 43 students are from families where a parent works on Ft. Sill but is not military personnel.
- The optimum class size is 15 students per class.
- The teaching staff is 55 certified teachers. At a disadvantage with neighboring Texas in acquiring new teachers as the pay is three times better in Texas.
- The Superintendent tries to maintain an 8% to 9% carry-over of funds every year.

Conclusions

Despite a variance in education costs, per student, from the three school districts, there is a similarity in that all rely, to a varying extent, on state and federal funding. This reliance stems from the fact that the local revenue source, the property tax, only makes up 10% to 12% of the estimated total revenue. As a result, an increase in the number of households, as may be related to BRAC, could result in a shortfall to the school district, without the additional federal assistance, as presented in *Table 18*.

As presented in *Figure 3-19*, an inventory of existing housing in Lawton indicates 908 units at the various price points. Assuming the mid-point to be the selling price and hence the market value, ad valorem taxes are calculated. By way of example, if every household has one school-age child (for the homes in the \$120,000 to \$140,000 range), there are 130 students and associated education costs of \$940,600. State aid, ad valorem tax revenue and other revenues would still result in a deficit of \$138,800 in education costs, or about \$1,100 per household. It is only when the federal assistance is included that the revenue and the costs to educate are in balance (or actually a moderate surplus at \$6,400).

While this model and preceding table is hypothetical, it nonetheless illustrates the importance of funding sources, other than the ad valorem revenue, for covering education costs. Additionally, if the actual average number of students per household is, for example 1.5, then this analysis indicates a loss from all housing units priced below \$180,000.

Lawton, OK - Hypothetical Education	\$120K - \$140K	\$141K - \$160K	\$161K - \$180K	\$181K - \$200K	\$200K+	TOTAL
Impacts Based on Available Housing						
Available Housing /1.						
Unit Count	130	156	115	60	447	908
Estimated Market Value	\$16,900,000	\$23,400,000	\$19,550,000	\$11,400,000	\$100,575,000	\$171,825,000
Estimated Taxable Value	\$1,901,250	\$2,632,500	\$2,199,375	\$1,282,500	\$11,314,688	\$19,330,313
Estimated Ad Valorem Tax						
City of Lawton	\$21,389	\$29,616	\$24,743	\$14,428	\$127,290	\$217,466
Lawton School District	\$99,112	\$137,232	\$114,653	\$66,857	\$589,835	\$1,007,689
Voc Tech District	\$27,093	\$37,513	\$31,341	\$18,276	\$161,234	\$275,457
Comanche County	\$32,093	\$44,437	\$37,125	\$21,649	\$190,992	\$326,296
Estimated Student Impacts	130	156	115	60	447	908
Education Costs	(\$940,569)	(\$1,128,683)	(\$832,042)	(\$434,109)	(\$3,234,110)	(\$6,569,511)
State Aid	\$125,967	\$151,161	\$111,433	\$58,139	\$433,134	\$879,833
CITY - Ad Valorem Tax	\$99,112	\$137,232	\$114,653	\$66,857	\$589,835	\$1,007,689
Other Revenues	\$576,701	\$692,042	\$510,159	\$266,170	\$1,982,966	\$4,028,037
Subtotal NET	(\$138,788)	(\$148,248)	(\$95,797)	(\$42,943)	(\$228,176)	(\$653,952)
Estimated +/- per Housing Unit Additional Revenues	(\$1,068)	(\$950)	(\$833)	(\$716)	(\$510)	(\$720)
Estimated Federal Monies	\$146,274	\$175,529	\$129,396	\$67,511	\$502,958	\$1,021,669
TOTAL NET	\$6,419	\$26,331	\$32,767	\$23,852	\$274,272	\$366,998

Figure 3-19: Lawton, OK - Hypothetical Education Impacts Based on Available Housing

Key Issues to be Addressed

A review of the baseline conditions included in this chapter indicates that there are certain "structural" issues present within the region that warrant particular attention. The issues of minimal economic and population growth in the region and the inflexibility of municipal finance regulations pose significant challenges to the region as it seeks to define and manage its future, even before the impacts of BRAC are estimated and accounted for by each community.

Structural Economic and Demographic Issues

As the population and employment data suggests, the "growth" within the study area (population, economic and otherwise) over the last 10-15 years has been anemic and warrants particular attention. Without the infusion of new payrolls and capital construction dollars associated with BRAC, the regional growth scenario was very limited, with the energy and gaming sectors providing most of the employment and income opportunities. Clearly, Fort Sill remains the dominant economic engine for the region, but the area's reliance on and exploiting of this critical employment and income generator may require a broader, consensus-based "regional" approach to economic development and growth strategies.

Issue: Structural employment and population growth issues at the regional level may require "regional" approach to create long term solutions.

Inflexibility of Municipal Financing Structure

Perhaps the single most important finding in our review of existing, baseline conditions within the study area was the realization of the fundamental ability (or lack thereof) of the municipalities in the region to raise adequate revenues to offset the existing and anticipated costs of future growth. As the data in *Figure 3-13* through *Figure 3-15* indicated, the communities in the primary impact area (i.e. Lawton and Elgin) are barely breaking even in attempting to balance

municipal revenues versus costs for their existing population base.

Furthermore, in an attempt to understand the implications associated with the fiscal management restraints imposed by state laws, additional analyses were conducted to examine potential development and growth scenarios in the primary impact area communities of Lawton, Elgin and Cache, as well as the potential impacts for the city of Walters. Exhibit 3.2 provides a graphic depiction of the results of this preliminary analysis in which the existing municipal budgets ("AS IS" spreadsheet) are compared to hypothetical future municipal budgets ("'Greenfields' on the Edge" spreadsheet) based on the development of new housing additions at the edge of current city infrastructure limits. Exhibit 3.2 graphically displays this growth/development scenario in the Elgin community, where a "new growth area" is targeted west of Interstate 44 and removed from the current city infrastructure network. Significant new water, sewer and public safety infrastructure extensions and services would be required to adequately develop this new growth area, and the fiscal spreadsheet indicates the negative impact of these costs on the already stretched municipal budget of Elgin.

These additional analysis indicated that the anticipated costs associated with new housing growth in the key growth areas (i.e. Lawton, Cache, Elgin) would outstrip projected revenues dramatically, thus prompting one Technical Committee member to ask the fundamental question, "Can we afford to grow?" Current state laws and restrictions on a municipality's ability to fund government operations is the primary reason for this difficult and cumbersome municipal finance model. Cities are left with the annual struggle to "hope" for strong retail tax collections and/or the possibility of raising other utility rates or fees (bus rates, park user fees, etc.) to balance their budgets. This fiscal management model is flawed and it endangers the cities' ability to finance any future quality growth initiatives throughout the study area.

Issue: Fundamental inflexibility in current municipal finance structure to adequately fund the "costs" of arowth.

Exhibit 3.2. Can we arrow.