



## Military Transformation Task Force

# Fort Sam Houston Economic Impact Update

*March 2009*

### Summary

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City of San Antonio



Bexar County



Greater San Antonio  
Chamber of Commerce

San Antonio will realize significant gains as a result of the 2005 Base Re-alignment and Closure (BRAC) actions. Fort Sam Houston is the major recipient of BRAC expansion and will gain approximately 12,500 new jobs and nearly 10,000 new family members. Construction at Fort Sam Houston (FSH) to accommodate the growth is projected to be approximately \$2.8 billion.

In a nutshell, BRAC will bring to FSH:

- An internationally renowned teaching and research hospital;
- The largest school for training medical technicians in the world—10,000 students at any one time and some 47,000 graduates per year
- Management and Command Centers for Fifth Army, Sixth Army, Military Property Management and Military Health Care; and
- Jobs in six targeted industries—health care and health care education, communications, technology, intelligence and security.

Of the 12,500 new positions coming to FSH, nearly 4,000 are new students and the remaining 8,500 will be US Department of Defense (DoD) military and civilian personnel.

Although BRAC has provided FSH and the community with tremendous growth, San Antonio will also be losing military personnel and missions. Brooks City Base will lose approximately 2,188 DoD military and civilian personnel. Similarly, Lackland AFB will lose 1,439 personnel primarily due to the consolidation of Level-1 trauma at Brooke Army Medical Center. Randolph AFB will gain 233 personnel but an additional 509 personnel from other missions will be leaving the community. As a result, the net positive impact of BRAC across San Antonio's bases is approximately 8,500 personnel.

This update focuses solely on Fort Sam Houston—it's economic impact as of 2008 and the impact of the forthcoming BRAC activities at the Post.

## Fort Sam Houston Economic Impact—2008

### Economic Impact

<b>Total</b>	<b>\$2,420,036,496</b>
Military & Civilian Spending	\$1,941,952,364
Contracts	\$478,084,132

### Earnings

<b>Total</b>	<b>\$2,349,058,344</b>
Earnings to Military Personnel	\$1,242,322,952
Earnings to Civilian Personnel	\$284,738,031
Earnings Due to Spending of Base Personnel	\$638,064,447
Earnings Due to Base Contracts	\$183,932,914

### Employment

<b>Total</b>	<b>49,972</b>
Military	19,939
Civilian	4,783
Employment Due to Personnel Spending	19,775
Employment Due to Contracts	5,475

**Sales Tax Revenue** **\$4,756,843**

Expansion at Fort Sam Houston is currently underway. From 2006 through 2008, 1,656 personnel had moved to the Post. These moves over the past three years were due to Army Modular Force growth (Grow the Army Initiative) and other small BRAC-related moves. The bulk of the moves will occur in 2010 and 2011 when nearly 10,000 new personnel will arrive. Even though most of Fort Sam Houston's growth is yet to come, its impact on the San Antonio's economy continues to grow. While the Post employs 24,722 personnel, military contracts and military and civilian personnel spending support the employment of 25,250.

## Economic Impact of Fort Sam Houston Due to BRAC 2005

<b>BRAC 2005's Potential Economic Impact on Fort Sam Houston</b>	<b>\$8,298,019,680<sup>1</sup></b>
<b>Additional Consumer and Operating Expenditures as a Result of BRAC</b>	<b>\$1,589,142,347</b>
<b>Net New Consumer Expenditures</b>	<b>\$1,250,148,575</b>
<b>Net New Operating Expenditures</b>	<b>\$338,993,772</b>
Net New Local Contracts	\$305,797,204
Net New Purchase Card	\$33,196,568
<b>Potential Economic Impact due to BRAC Construction (2005-2011)</b>	<b>\$6,708,877,333</b>
<b>Additional Sales Tax Revenue</b>	
Construction (2005-2011)	\$10,413,318*
Operations (Annually, after BRAC completion)	\$4,901,077

The potential economic impact from Fort Sam Houston due to the BRAC expansion is tremendous and projected at nearly \$8.3 billion. The economic impact due to the enormous amount of construction taking place on Post to accommodate the new missions accounts for approximately 80% of the impact. While the construction impact will be relatively short-lived, once BRAC is completed the economic impact from Fort Sam Houston will increase by nearly \$1.6 billion annually with additional annual sales tax revenue of \$4.9 million.

<sup>1</sup> Does not include the 4,000 students that will be assigned to the Medical Education & Training Command BRAC expansion.

\*Contractors do not pay sales tax on materials purchased for military construction projects.

## Employment Impact of Fort Sam Houston due to BRAC 2005

<b>Potential Additional Fort Sam Houston Employment Supported by BRAC 2005</b>	<b>90,190</b>
<b>On-Going Increased Supported Employment as a Result of BRAC</b>	<b>28,403</b>
<b>From New Employment of Personnel</b>	<b>12,502</b>
<b>From Net New Consumer &amp; Operating Expenditures</b>	<b>15,903</b>
From New New Consumer Expenditures	12,416
From New New Operating Expenditures	3,487
From Net New Local Contracts	3,098
From Net New Purchase Card	389
<b>Potential Employment Supported by BRAC Construction (2005-2011)</b>	<b>61,785</b>

The potential employment supported by BRAC growth at Fort Sam Houston is also impressive. Again, the relatively short-lived construction related employment accounts for approximately 69% of the total impact. This does not mean that the BRAC-related construction will lead to the employment of approximately 62,000 construction jobs. Rather, it means that the amount of funding being expended on BRAC construction supports nearly 62,000 jobs. Similarly, after BRAC is completed, the increase in personnel and missions at the Post could support the employment of over 15,000 in the community.

## Earnings Impact of Fort Sam Houston due to BRAC 2005

<b>Potential Fort Sam Houston Earnings Impact due to BRAC 2005</b>	<b>\$3,534,377,088<sup>1</sup></b>
<b>On-Going Increased Earnings as a Result of BRAC</b>	<b>\$1,325,891,755</b>
<b>New Earnings to Personnel</b>	<b>\$831,142,497</b>
<b>Net New Consumer and Operating Expenditures</b>	<b>\$494,749,258</b>
From Net New Consumer Expenditures	\$379,372,490
From Net New Operating Expenditures	\$115,376,768
From Net New Local Contracts	\$104,078,293
From Net New Purchase Card	\$11,298,475
<b>Earnings due to Construction (2005-2011)</b>	<b>\$2,208,485,333</b>

The earnings potential as a result of BRAC at Fort Sam Houston is substantial at approximately \$3.5 billion. Again, construction related earnings accounts for nearly 63% of the total. However, on-going earnings that will result from new personnel and missions, estimated at \$1.3 billion annually, will provide a very positive impact to the community through personnel spending and new contracts to local businesses.

<sup>1</sup> Does not include the 4,000 students that will be assigned to the Medical Education & Training Command BRAC expansion.

## Fort Sam Houston BRAC Growth—2006 to 2011

Mission/Organization	2006	2007	2008	2009	2010	2011	Total
Army Modular Force	302	267	622	338	411	479	<b>2,419</b>
Medical Education & Training Command	0	2	5	9	886	3,698	<b>4,600</b>
San Antonio Military Medical Center	0	0	0	0	0	2,130	<b>2,130</b>
Battlefield Health & Trauma	0	0	0	0	230	0	<b>230</b>
Directed Energy Lab	0	11	0	0	84	28	<b>123</b>
Other BRAC	7	158	117	601	1,247	870	<b>3,000</b>
<b>Total</b>	<b>309</b>	<b>438</b>	<b>744</b>	<b>948</b>	<b>2,858</b>	<b>7,205</b>	<b>12,502</b>

*Mission growth data from the San Antonio Joint Program Office, December 31, 2008.*

## Acknowledgements

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*"Fort Sam Houston Economic Impact Update"*,  
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