

Economic and Social Impacts of Fort Lyon Supportive Residential Community on Bent County and Surrounding Areas



A Study for the Bent County
Development Foundation

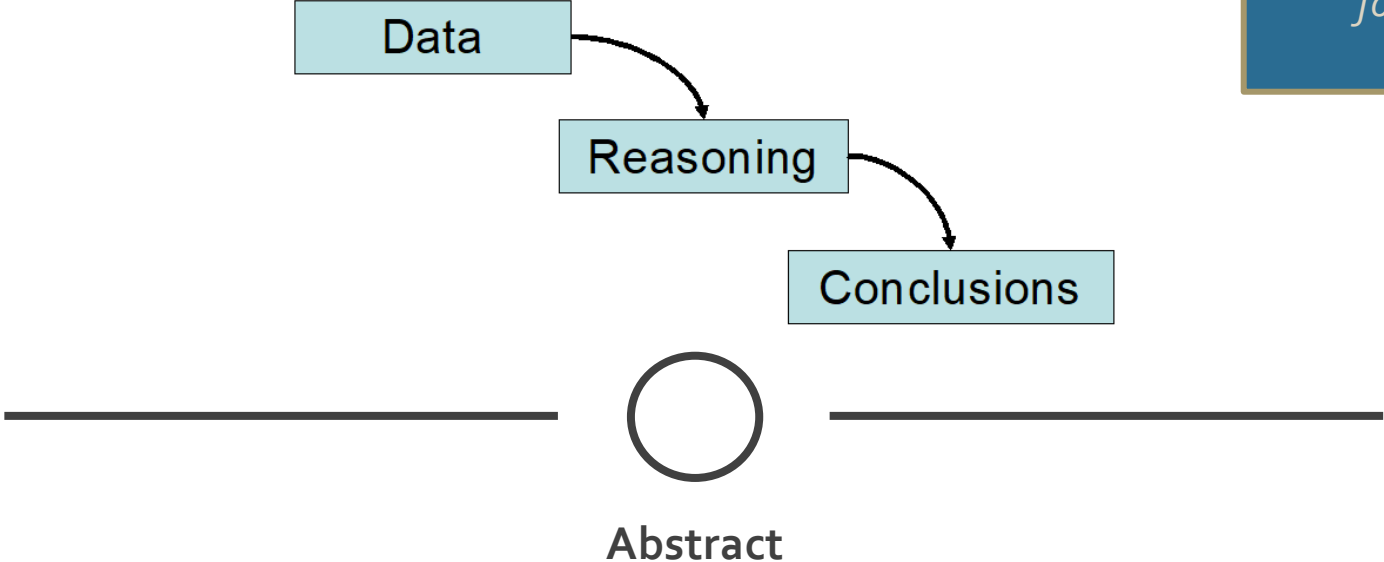
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Operating at the intersection of commerce and community, we provide empirical research and rigorous analysis to facilitate objective and nonpartisan support for sound decision making and collaborative efforts.



Summit Economics researched the economic and social impacts of the Fort Lyon Supportive Residential Program on Bent County and the surrounding region. The Fort Lyon program draws homeless individuals from around Colorado. The methodology involved compiling primary and secondary data from various sources and conducting numerous interviews in Bent County. RIMS multipliers from the Bureau of Economic Analysis were used to model operating expenditures of Fort Lyon as well as household spending by current and former residents as they continue their journey to recover from homelessness in Bent County. Local social impacts were considered, especially those relating to crime, substance abuse, workforce, community engagement, and local public finances.

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Summary of Findings

Economic history: The population of Bent County has declined by more than half in the last century due to decreasing job and economic opportunities. Since 2007, the economic decline has continued with all of the top 10 sectors declining in employment. Only healthcare remained stable. Despite job declines the number of households increased and the population stabilized, as did the number of employer and sole proprietor establishments. This stabilization appears related to more people choosing Las Animas and Bent County for affordability and quality of life. Fort Lyon could be playing a part in change.

Economic monetary impacts are readily measured for Bent County and the surrounding region. The impacts originate from spending associated with Fort Lyon operations as well as current and former resident spending in the area. In total these three sources of spending into the local economy total approximately 9.5 million annually. This direct spending results in 70 and 117 jobs in Bent County and the neighboring region respectively. Other indicators are: Earnings (\$2.6m Bent, \$3.4m Region), GDP (\$3.9m Bent, \$5.4m Region), and total Output (\$6.1m Bent, \$8.7m Region). The impacts represent approximately 3% of the Bent County and 0.3% of the Region economies. Regional GDP has increased by \$49 million since the inception of the current program.

Concerns related to crime: In addition to the jobs and dollar impacts, there are numerous potential social and qualitative economic impacts. Based upon reprioritized Bent County spending towards policing soon after Fort Lyon opened, as well as some press reporting by media outlets, it appears the greatest concerns relate to crime, including criminalized vagrant behaviors. This appears to be a common response from communities, but the literature and our research in Bent County do not support the concerns.

Criminal activity derived from Fort Lyon's past and present population living in Bent County does not appear on a systemic level. Single events such as a murder, while very disturbing, are far less relevant than an observable and documentable pattern. Trends reported by the Sheriff's office from 2012 to 2021 are less reliable over time as crime bureaus caution against drawing firm conclusions since different sheriffs display a range of priorities, policing models, and reporting.

More recent reported trends indicate violent crime increased (from 2016-20) along with DUI/Drug arrests (from 2019-21). A recent study of Colorado inmates found former homeless inmates are significantly less likely to be incarcerated for violent crimes and more likely to have drug offenses and trespassing convictions.

Summary of Findings (cont.)

More recent state mandated reporting by all Colorado county Sheriffs indicates the Bent County jail has expanded by approximately 50% in terms of beds followed by more inmates. This suggests the development of a governmental prison enterprise. Furthermore, other reported metrics do not indicate arrests of past or present residents of Fort Lyon as competency evaluations decreased 7-fold from 2020 to 2021 and then went to zero. Similarly, classifying arrestees as homeless also dropped to zero within a year of commencing the required reporting.

The lack of arrests of Fort Lyon residents is supported by a Fort Lyon case manager who was born and raised in Las Animas, and who regularly reviews the inmate population at the County jail. The case manager states he recognizes only a small percentage (less than 2%) of arrestees who are past residents of Fort Lyon.

Drug and Alcohol Addiction: Nevertheless, media generated interviews from the Sheriff and medical emergency services in 2019 did point to drug and alcohol issues and arrests. This is supported by literature reviews indicating poor health conditions and very high rates of alcohol and drug addiction among the homeless population. In some cases, alcohol and drugs are a form of self medication by individuals suffering from mental illness and the homeless population does have a much higher incidence of mental illness. Hence, one would expect a

higher incidence of such problems from past Fort Lyon residents who are not succeeding with their recovery efforts.

How big of a problem? Overall, approximately 18 homeless (or at very high risk of becoming homeless) residents of Bent County enter the program annually. These local residents clearly benefit from Fort Lyon. Residents of Fort Lyon commit to sobriety during their stay and future recovery and the graduation rate is impressive at 42% of residents. This results in an estimated 8 locals dramatically benefitting from Fort Lyon. Most departing residents return to their former communities; however, we estimate 3 new people with addiction problems could be leaving the program annually and staying in Bent County. This compares to an estimated 6 new residents graduating and staying in Bent County in permanent housing as contributing members of the community. In both cases, past Fort Lyon residents not from the Lower Arkansas Region are likely to migrate away from Bent County over time.

Benefits to Bent County and the Region: There is enthusiastic support for Fort Lyon among many people in the surrounding community. Among the most ardent supporters are businesses and community groups who engage with Fort Lyon and its departing residents. The success realized by many who participate in the program positively impacts the local labor

Summary of Findings (cont.)

market which struggles to find reliable workers. In addition, the presence of the facility has expanded local addiction treatment services, appears to be contributing to the positive direction of the housing market, and is contributing to the local Veterans community. There is a high level of positive engagement of former and current residents with the community; especially in Las Animas and La Junta.

Mistaken Identity? The opening of Fort Lyon occurred in the same decade as the legalization of recreational marijuana and rapidly rising housing prices creating migration towards more affordable housing. These factors appear to be impacting the Las Animas town, as well as Bent and Otero Counties and may, in some cases, be causing mistaken identity among homeless or near-homeless individuals, visitors to dispensaries, or generally households of lesser means. It is very hard, without asking, to know someone's situation. Where there is a sense of who's who, like at the local library, the only identified homeless patrons were transients with no connection to Fort Lyon.

Timing of Impacts: There is a difference between start-up impacts and ongoing impacts. Bent County did make a \$480,000 investment as an incentive to locate the supportive residential program at Fort Lyon. Furthermore, the initial surge in changed residency did challenge the County's social services, but with time it

appears demand for social services declined in Bent County relative to the region.

In conclusion: The overall impacts appear positive beyond the obvious monetary impacts on the local economy. From a long-term local economic and wellbeing perspective, Fort Lyon offers a significant opportunity for Bent County and the Lower Arkansas region. If nothing else, it dramatically increases the local health and human services institutional infrastructure available regionally during a time when addiction is on the rise in areas such as sports betting.

Being sensitive to the bad and continuing to follow-up with enhanced outreach while focusing on the opportunities to positively impact many local and Fort Lyon residents is paramount to the future success of Fort Lyon and Bent County. This requires a continued commitment to high quality communication which is especially important among policy makers as they seek to improve community wellbeing.

The success found in recovery can continue to sprout innovation in the region through entrepreneurship, fellowship, and community service minded groups like the first homeless initiated American Legions Post in the country.

Research Overview

This study was **commissioned by the Bent County Development Foundation (BCDF)** to consider the economic and social impacts of the Fort Lyon Supportive Residential Community for homeless individuals on the surrounding areas.

The Fundamental Issue: Fort Lyon has a long and varied history dating back to the 1800s. Today Fort Lyon serves Colorado's homeless, often with substance abuse and/or mental health issues, by offering a community of up to 250 residents attempting to recover their lives in a safe location with peer support and wrap around services to maximize their prospects for success. While it appears the vast majority of Bent County and Las Animas residents support the effort of Fort Lyon residents in their recovery, some people in the area, including elected officials, question the value of Fort Lyon to Bent County and the Lower Arkansas region. Such negative perceptions are fairly common when judging homeless and substance abuse recovery programs and the people participating in the programs.

The Purpose of this report is to document the impacts, whether positive or negative, of Fort Lyon and its current and past residents on the surrounding area.

Fort Lyon

A history of service

Since 1867, Fort Lyon, originally a military outpost on the Santa Fe Trail, has been a significant asset to both the residents and economy of Bent County. The Fort has a long history of providing service to the United States and the southeast region of Colorado, to include protecting travelers on the Santa Fe Trail, serving the Navy as a sanitarium to treat sailors with tuberculosis and to providing medical and mental health services to veterans of the United States Military. For over 150 years, Fort Lyon has served those in need and today that tradition continues. The Fort Lyon campus is now owned by the State of Colorado. After initially serving as a correctional facility for special needs, low risk inmates, Fort Lyon became the home of the current Supportive Residential Facility serving Colorado's homeless. Ft Lyon today provides formerly homeless individuals with opportunities for a stable recovery and reintegration. The program is increasingly seen as a national model of success.

The [Fort Lyon Supportive Residential Community](#) provides recovery-oriented transitional housing for up to 250 homeless individuals from across Colorado.

The program combines recovery-oriented transitional housing with peer led counseling, as well as educational, vocational, employment services. It uses a wrap around case management model to identify individual needs on a holistic basis. Such needs might include accessing social service benefits as well as physical and mental health services. Residents initially enter into a group residential setting and eventually may move into a cottage living environment on campus.

Program participation is completely voluntary and sobriety is required for all residents.



Study Overview – Impacts & Methodology



Dollar Impacts

From program and facility expenditures and local spending from current and former residents in Bent and surrounding counties (Otero, Prowers, Kiowa, Baca, Las Animas).



Socio-Economic Impacts

Related to crime, incarceration, substance abuse, workforce, community infrastructure, business creation and regional growth.



Methodology

Secondary research of similar facilities' impacts on their neighboring areas, as well as on crime and the homeless. Primary and secondary data compilation and analysis where available.

Interviews from across the community including businesses, social service workers, public officials, residents and former residents.

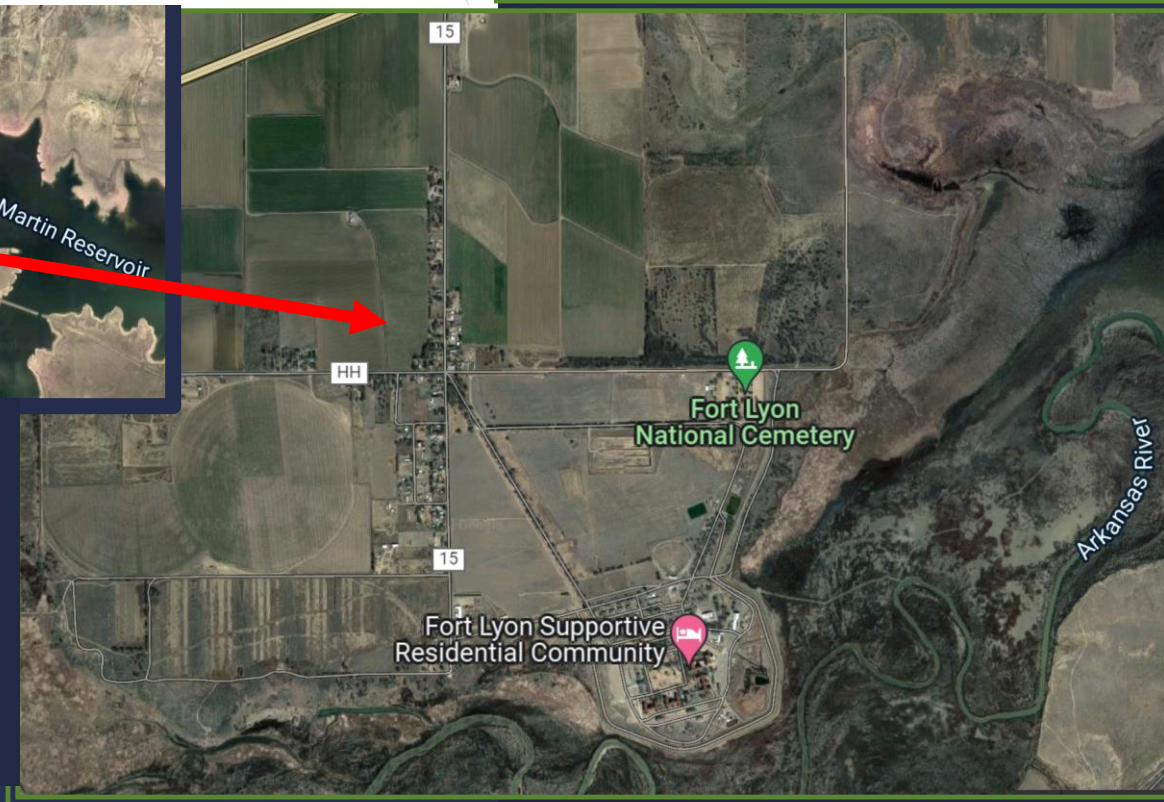
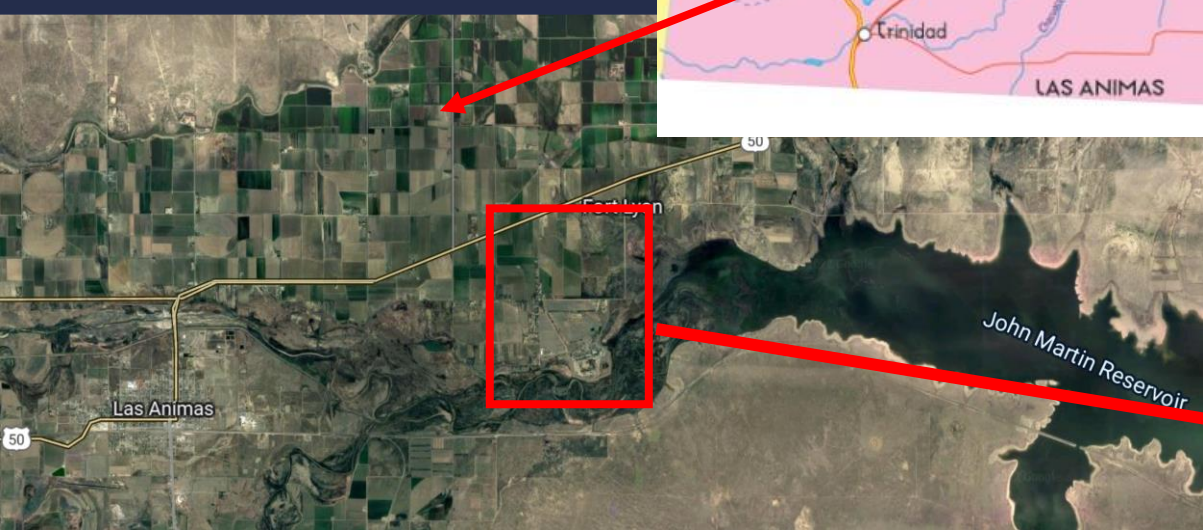
Windshield tour of Las Animas and Fort Lyon and its surrounding neighborhood

Red boxes are map insets.
Arrows point to detail in the inset



Zones of Influence

More quantifiable dollar impacts are measured for Bent County and the five counties adjacent to Bent County.



Impact Zones: Impacts emanate from the source (Fort Lyon) with the greatest impacts typically occurring closer to the facility – the neighborhood, Las Animas, Bent and Otero Counties, and then the surrounding counties.

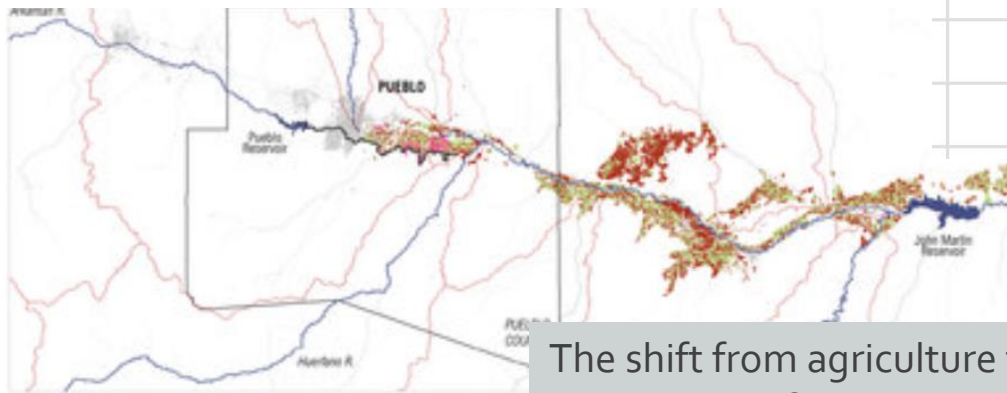
100 Years of Economic History

The early white settlement of the lower Arkansas River valley was closely connected to the productivity of the river irrigating the surrounding land. Bent County's population peaked in 1920 and then showed some volatility as measured by the decennial censuses. Increasing agricultural productivity and the resulting labor displacement from the land combined with accelerating urbanization and periods of drought to encourage young people in the lower Arkansas River Valley to leave for greater opportunity in the cities. Simultaneously speculators and farmers found financial rewards from selling farms and ranches for the water rights to water companies and municipal utilities.

Combined, these factors have led to household population declines in Bent County of approximately 0.9% per year over the last century. The location of prisons in Bent County helped offset the total population decline and create jobs in the area.

Year	Population
1920	9,705
1930	9,134
1940	9,653
1950	8,775
1960	7,419
1970	6,493
1980	5,945
1990	5,048
2000	5,998
2010	6,499
2020	5,650

Excluding persons living in group quarters, the population of Bent County decreased from 9,705 in 1920 to 4,108 in 2020



The shift from agriculture to urbanization accelerated after WWII resulting in the common practice of "buy and dry" (noted by red dots on the map) decreasing land productivity along the Lower Arkansas River.

Bent County Industry Employment

Bent County Annual Employment By Top Ten Industries (Colorado Demography Office)

Industry Employment	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Local Government	448	475	456	454	442	401	404	428	419	421	424	416	410	415
Agriculture	402	406	386	380	356	357	380	371	382	398	445	416	418	380
Retail Trade	104	106	98	95	106	91	96	98	91	89	89	93	97	87
Health Services	62	59	66	60	56	59	63	62	59	63	74	66	64	63
Accommodation and Food Services	87	82	77	69	68	56	58	56	71	65	63	60	57	56
Finance Activities	57	56	54	49	56	53	53	59	61	59	49	50	51	53
Construction	67	43	37	46	32	37	48	44	46	50	42	46	51	37
Federal Government, Civilian	49	54	47	55	47	46	42	40	37	39	36	36	34	36
Other Services	88	96	91	72	69	72	70	58	62	56	59	56	48	33
State Government	221	239	236	224	187	47	41	31	32	33	31	30	27	27

The chart above shows the top ten NAICS industries based on their 2020 employment. For this period (2007 to 2020), these industries accounted for between 75% and 82% of total employment in the county. The sectors with the most workers were local government, agriculture, and retail trade. During this period, employment in health services and financial activities was flat. The number of workers in the other eight sectors declined. The decline in state government, about 190 total jobs in 2010 and 2011, was caused by the closure of the Fort Lyon prison. The industries not included in this table, accounting for about one-fourth of employment, posted slight job gains since 2007.

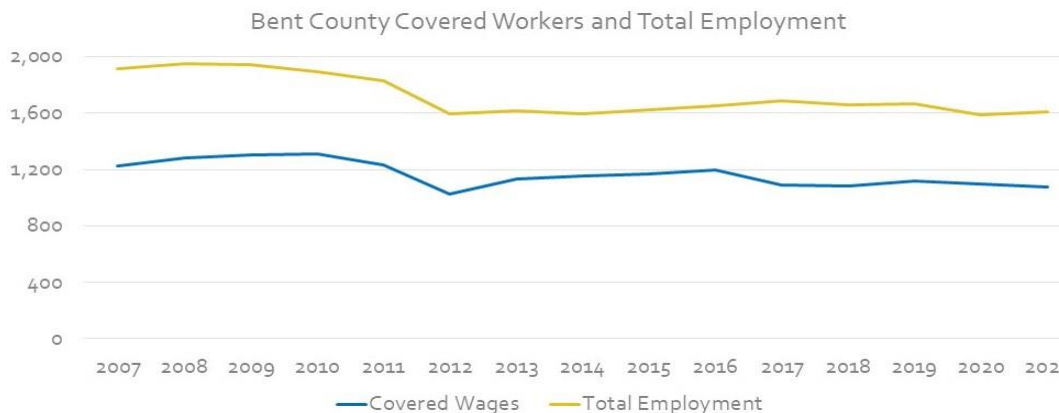
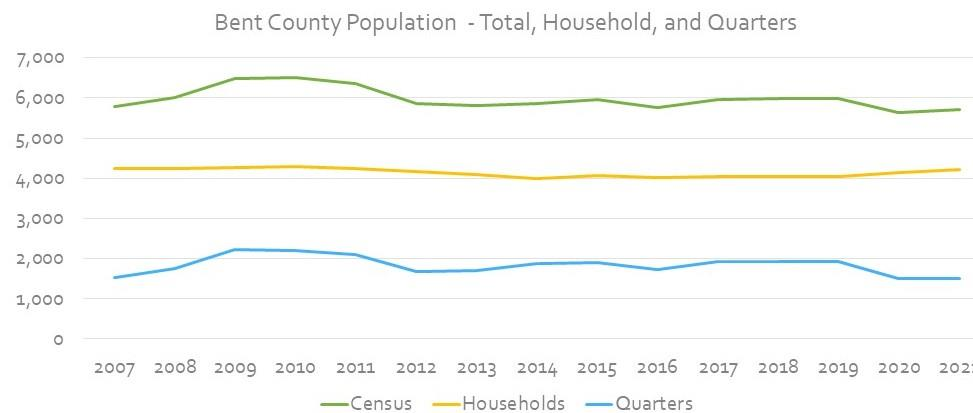
Bent County Population and Employment

Bent County Population

The upper chart to the right shows the total Bent County population (green), the household population (yellow), and people living in quarters (blue). Over the past three decades, the population in many rural communities was negative, flat, or slightly positive. The three lines illustrate the impact of the Fort Lyon Prison closure in March 2012. A Denver Post article written a year earlier stated, “the closure plan called for transferring 399 inmates to private prisons and 86 inmates with medical needs to two state prisons.” The total county population has not returned to the 2012 level while the household population stabilized.

Bent County Employment

The lower chart to the right shows the total Bent County employment (yellow) as compiled by the State Demography Office. It includes sole proprietors. The blue line shows covered wages employment (companies that pay wages and salaries). The difference between the two lines represents sole proprietors. A December 2011 article from the Pueblo Chieftain indicated that over 200 employees at Fort Lyon would be terminated by March 2012 with the closure of the correctional facility housed there. The chart reflects a decline in 2011 and 2012. Total employment and covered wages for 2021 remain below the 2011 total.



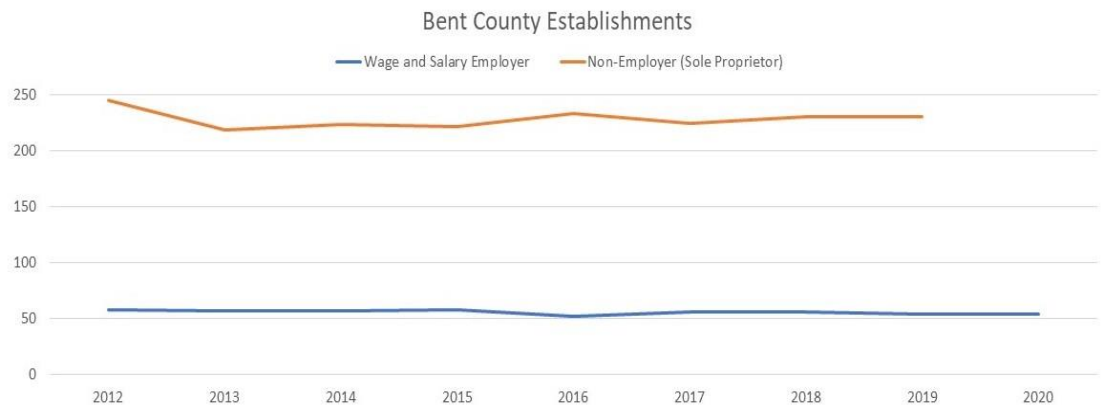
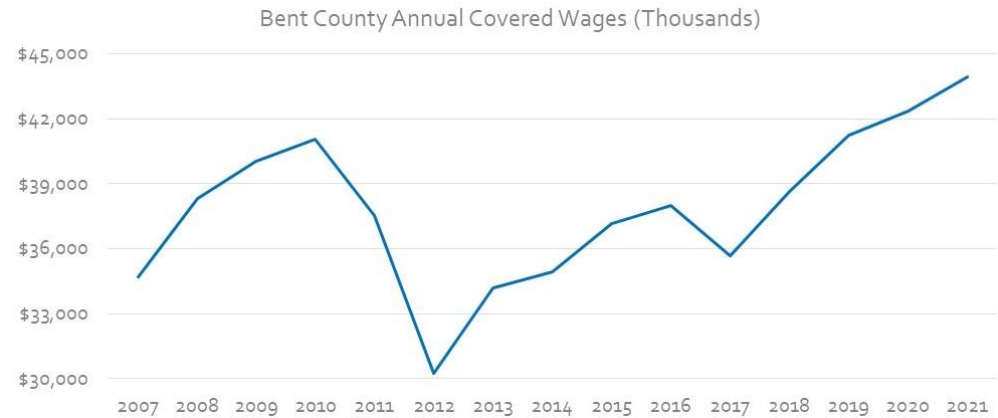
Bent County Covered Wages and Establishments

Bent County Annual Covered Wages

The upper chart to the right shows the volatility of the total Bent County annual wages covered by unemployment insurance. Wages increased from \$34.7 million in 2007 to \$41.1 million in 2010. With the closure of the Fort Lyon prison, they dropped quickly and rose slowly. Finally, in 2019 they reached \$41.2 million. Average Weekly Wages (not shown) peaked at \$603 in 2010 and fell rapidly with the closure of the Fort Lyon prison. There was weak growth to \$630 in 2017. Average weekly wages for Bent County experienced strong growth from 2017 to 2021 (\$772). These wages are not adjusted for inflation and reflect strong demand for labor with a compounded average annual growth rate of 5.2% since 2017.

Bent County Establishments

The lower chart to the right shows the number of Bent County establishments (both data sets lag). The blue line is wage and salary establishments. It has been very consistent between 2012 and 2020. The orange line represents sole proprietors. The number declined by 27 from 2012 to 2013 in response to the closure of the Fort Lyon prison and remained flat through 2015. Most business establishments are sole proprietors; however, a majority of people work for covered businesses (they are wage and salary companies).



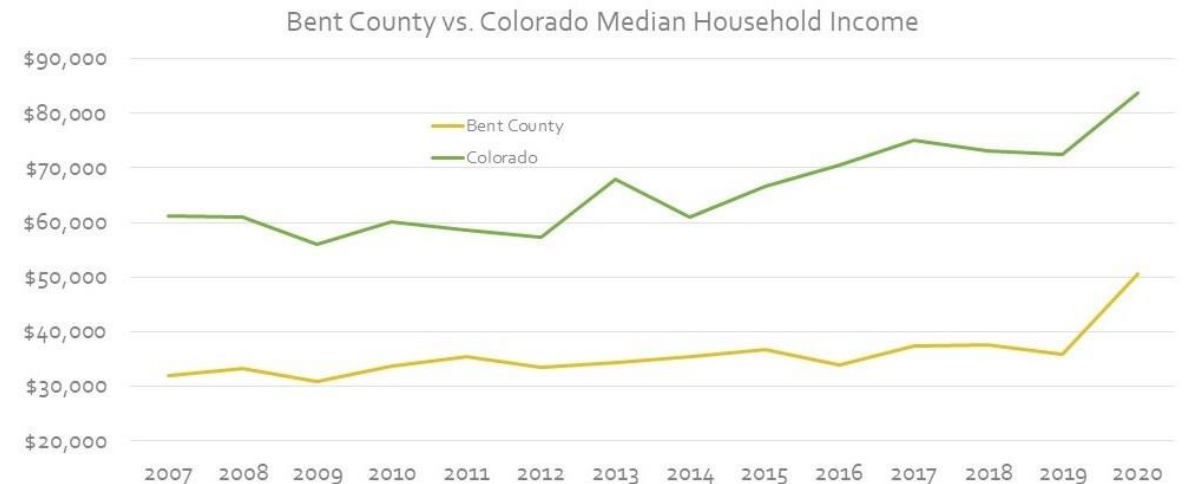
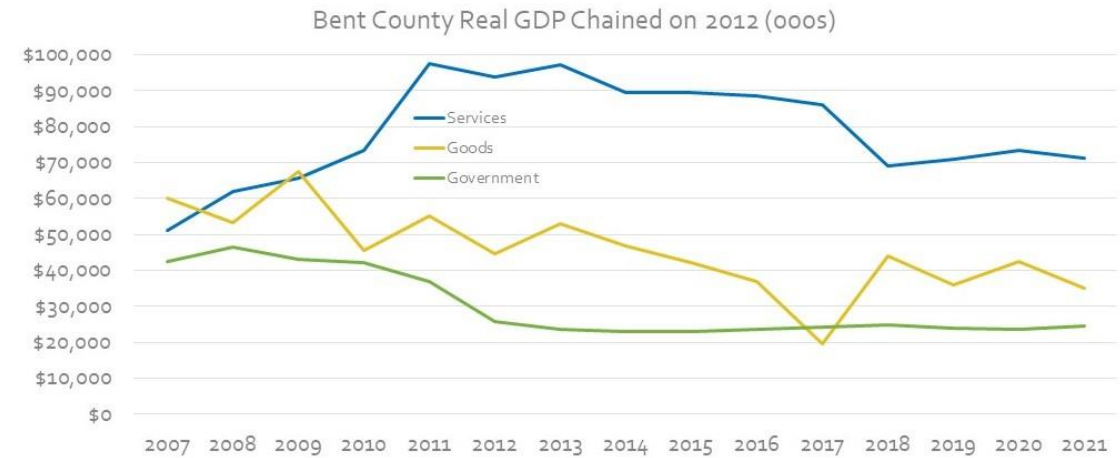
Bent County Median Household Income and Real GDP

Bent County Real GDP by Services, Goods, and Government

The Fort Lyon prison closure affected all aspects of the economy. The upper chart to the right shows the total Bent County real GDP from 2007 to 2021 for services, goods, and government industries. The government data (green) peaked at \$46.5 million in 2008. It plummeted to \$24.6 million by 2021, while goods (yellow) peaked at \$67.4 million in 2009 and slipped to \$35.0 million by 2021. Finally, the high point for services real GDP (blue) was \$97.6 million in 2011 before dropping to 71.3 million in 2021. The peak for total real GDP was \$189.5 million in 2011. By 2021, the value had declined to \$148.7 million.

Bent County vs. Colorado Median Household Income

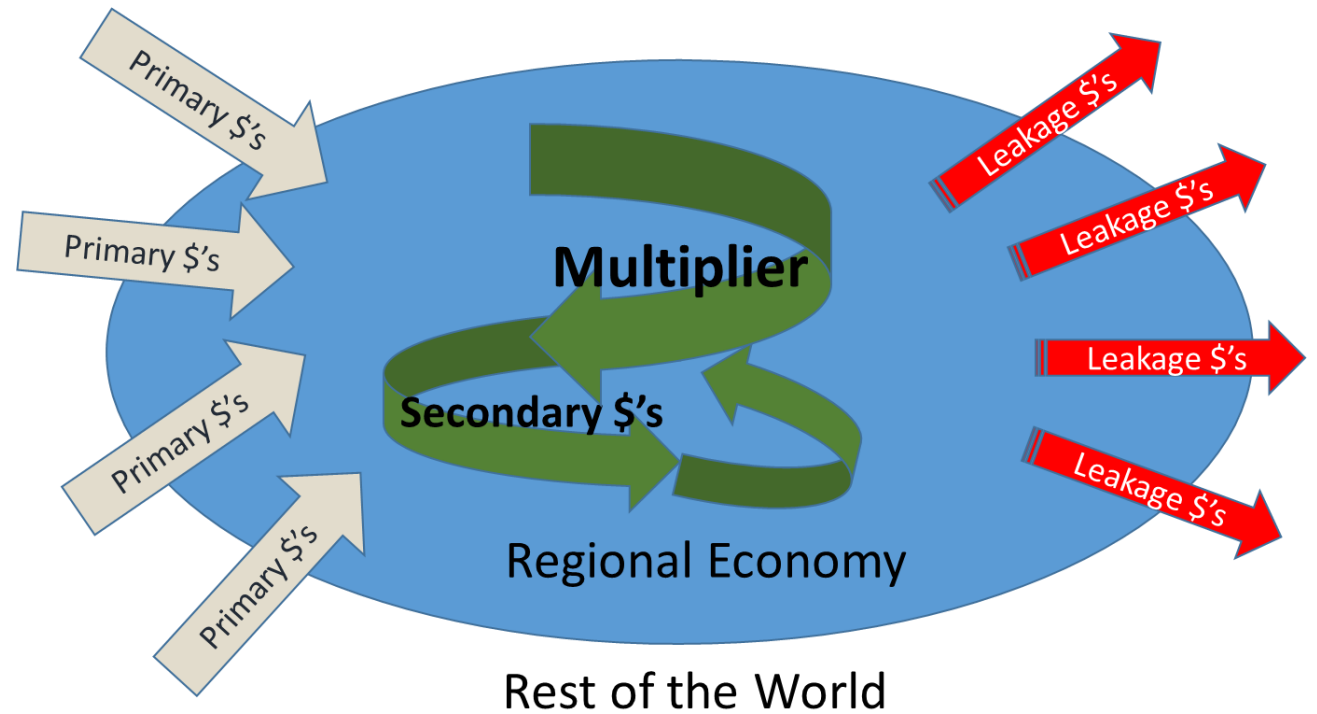
The lower chart to the right compares the median household income (MHI) for Bent County population (yellow) and Colorado (green). Between 2007 and 2019 the Bent County MHI increased by an annualized rate of 0.9% compared to 1.4% for Colorado. Most likely, the sharp increase in 2020 was a result of COVID-19 stimulus programs. In 2020 the Bent County's MHI was \$32,043 compared to \$72,499 for Colorado.



Overview of a local economy

Modern local and regional economies have an economic base created by primary or basic dollars flowing into the community from a variety of non-local (rest of world) sources. In the Lower Arkansas Region, the economic base is created largely from:

- Agricultural exports
- Railroad operations
- State and federal dollars paying for colleges, prisons, healthcare, and social services
- Retirement incomes received from Social Security, pensions, and non-local investments



PRIMARY or **BASIC** dollars flow into the local or regional economy from the rest of the world. These dollars create the **ECONOMIC BASE**. Some of these dollars are recirculated in the local economy creating a **MULTIPLIER** of the original primary dollars. Other dollars are **LEAKED** back out to the rest of the world through non-local purchases and cease multiplying in the local economy.

Monetary Economic Impacts

Initial changes in expenditures or jobs from a project or event are **DIRECT** activity or impacts.

Direct Activity

(May be primary/basic or local in origin)

Creates Indirect and Induced Activity **OR GETS MULTIPLIED**

When combined Direct, Indirect and Induced equals **Total Activity or Impacts**

The **size of the multiplier** is determined by average income levels associated with the initial direct impact, the ability of the region to purchase goods and services produced within the region, and any savings being reinvested back into the region. Money leaking or being spent outside the region decreases the multiplier.

Common economic indicators include employment, labor incomes or earnings (from employment and proprietors), value added (contribution to local GDP), output (proxy to revenues less cost of non-local goods in certain sectors).

Ft Lyon Operations	
Program expenditures in area	\$ 2,350,000
Facility maintenance & repairs	\$ 2,500,000
Transportation	\$ 118,000
Subtotal	\$ 4,968,000
Current Resident Impacts	
Cash from work, benefits, transfers	\$ 960,000
Non-Cash from SNAP	\$ 78,000
Non-Cash from Medicare/Medicaid	\$ 1,440,000
Non-Cash education tuition	\$ 30,000
Subtotal	\$ 2,508,000
Prior Resident Impacts	
Cash from work, benefits, transfers	\$ 1,263,529
Non-Cash from SNAP	\$ 81,000
Non-Cash from Medicare/Medicaid	\$ 493,000
Non-Cash education tuition	\$ 15,000
Non-Cash housing vouchers	\$ 150,000
Subtotal	\$ 2,002,529
Total Household Impacts	\$ 4,510,529
Total Direct Impacts	\$ 9,478,529
Summit Economics	

Direct Economic Impacts from Fort Lyon

The vast majority of the direct impacts from Fort Lyon and its present and past residents are primary or basic impacts since the dollars are flowing into the region from the rest of the world. The most notable primary dollars come from the State of Colorado to pay for Fort Lyon operations and from the U.S. government in the form of transfer payments for SSDI, food SNAP, and Medicaid. Education tuition also typically comes from outside the region and some of the jobs held by residents are export based.

Existing residents in the region who use Fort Lyon are not included in direct impact calculations assuming they had the same benefits before entering Fort Lyon and thus there is no net increase in dollars flowing into the region from them.

Total Economic Impacts

The estimated direct impacts (see detail on previous slide) create indirect and induced impacts as measured by indicators including employment, earnings (from employment and proprietors), value added (contribution to local GDP), output (proxy to revenues less cost of non-local goods in certain sectors).

The impacts in Bent County represent slightly over 3% of the Bent County economy and 0.3% of the regional economy. Since its inception in 2013, Fort Lyon has added \$50 million to regional GDP.

The jobs and earnings multipliers are 1.08 and 1.21 for Bent County and the Lower Arkansas region respectively.

Prior residents are the net new residents from the Fort Lyon program who came from outside the region and exited the program and stayed in Bent County.

	Bent County	Lower Arkansas Region***
Direct Impact		
Fort Lyon Operations	\$ 4,968,000	\$ 4,968,000
Current and Prior Residents *	\$ 4,510,529	\$ 4,510,529
Total	\$ 9,478,529	\$ 9,478,529
Total Output		
Fort Lyon Operations	\$ 5,479,704	\$ 6,607,440
Current and Prior Residents *	\$ 648,163	\$ 2,091,081
Total	\$ 6,127,867	\$ 8,698,521
Total Jobs **		
Fort Lyon Operations	64	87
Current and Prior Residents *	6	31
Total	70	117
Total Earnings		
Fort Lyon Operations	\$ 2,374,704	\$ 2,732,400
Current and Prior Residents *	\$ 208,838	\$ 647,261
Total	\$ 2,583,542	\$ 3,379,661
Total Value Added/GDP		
Fort Lyon Operations	\$ 3,527,280	\$ 4,173,120
Current and Prior Residents *	\$ 399,182	\$ 1,254,829
Total	\$ 3,926,462	\$ 5,427,949
* Cash and non-cash receipts & benefits of net new Ft Lyon residents living in Bent County only. ** Jobs by place of work. *** Includes Baca, Bent, Kiowa, Las Animas, Otero and Prowers Counties		
Bureau of Economic Analysis RIMS, Summit Economics		

Socio-Economic Impact Overview

Social Impacts

- Crime and incarceration
- Greater demand for mental and physical health as well as social services
- Attitudes toward sponsoring project entities from community involvement & resident behaviors
- Rates of addiction
- Changes on community quality of life and wellbeing

Qualitative Economic Impacts

- Workforce availability and productivity
- Local tax dollars reallocated to address negative impacts from the project
- Proximate (neighboring) property value
- Number and size of local business and non-profit organizations
- Local government, college, and private organization revenues

The location of socio-economic impacts is a function of distance from Fort Lyon, size of populations, and nodes of economic activity. Some impacts could be greatest in the surrounding residential area due to close proximity while others will be especially strong in Las Animas and La Junta due to the relative size of populations and economic activity. As a general rule, the further away a community is from an impact source, the lesser the impact; all things being equal.

Crime & Homeless Populations

The criminal justice system and homelessness are closely related. Being forced to live outside can result in citations or arrests for minor infractions like loitering or sleeping in public places, which increases the likelihood that those experiencing homelessness will encounter the legal system. Additionally, those who are or have been involved in the criminal justice system are more likely to experience homelessness if they are cut off from their families and social services while facing housing and employment discrimination.

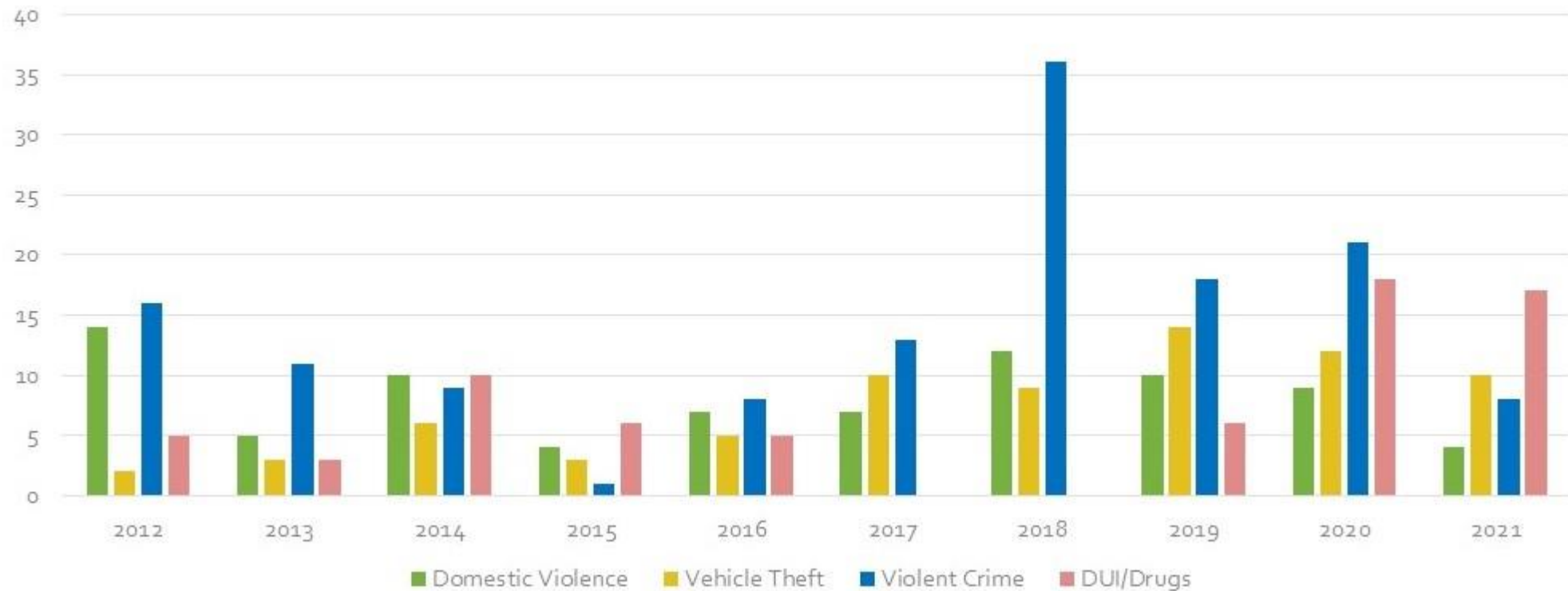
A Study of Homelessness in Seven Colorado Jails (June 2018) “found that homeless inmates reported higher rates of mental illness and were charged with significantly fewer violent crimes but significantly more drug and trespassing crimes than non-homeless inmates.”

When compared to the regular population, a person's life expectancy is shortened by about 20 years after becoming homeless. In addition to higher rates of mortality and social marginalization, the homeless are more likely to be a victim of criminal offenses. Victimization is linked to serious public health issues because it raises the risk of mental illness and physical health issues, aggravates pre-existing conditions, increases the possibility that someone might become violent, lowers quality of life, and is expensive for social and health services.

Domestic abuse is a major problem. Women still experience homelessness most frequently as a result of domestic violence.

Bent County Crime Statistics

Bent County Crime – Colorado Crime Statistics (Bent County Sheriff)



The Colorado Crime Statistics website provides data, in six categories, from the Bent County Sheriff's office. Property and hate crimes occur much less frequently than the top four categories shown in the graph (domestic violence, vehicle theft, violent crime, and DUI/drugs). The most notable trend is the increase in the top categories since 2015. There are concerns that public policy has increased the difficulty of enforcing problems related to drugs. Auto thefts and break-ins are prevalent in the metro areas and now include rural communities. From 2012 to 2017, the early years of Fort Lyon there was generally less crime in most categories. Note that crime bureaus caution against drawing firm conclusions as different sheriffs can report differently as well as be more or less aggressive in crime enforcement

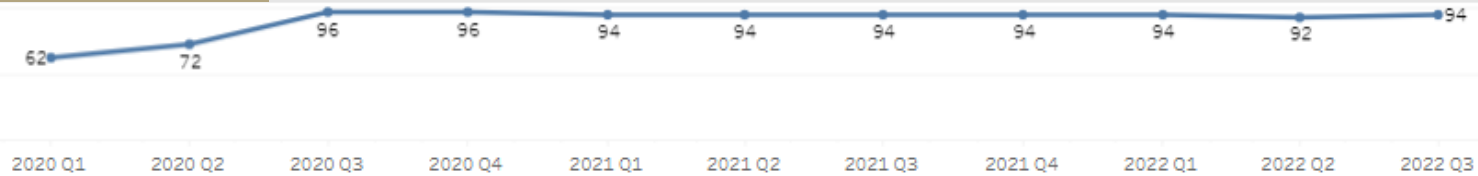
Bent County Jail Incarceration

House Bill 19-1297 enacted on May 31, 2019, requires county jails collect information regarding their facility and inmates and report this information to the Division of Criminal Justice (DCJ) on a quarterly basis.

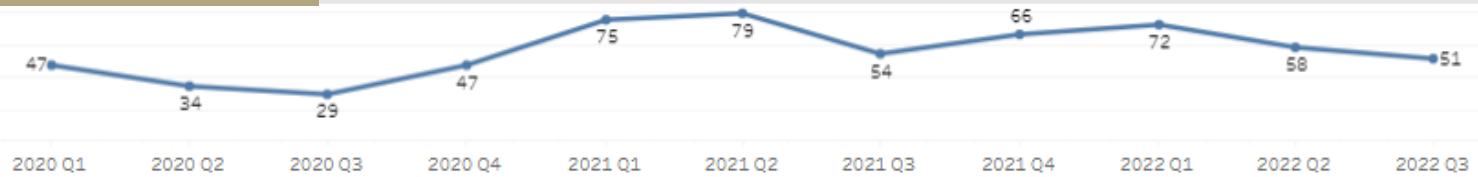
According to this data, Jail Capacity increased by 55% from the 1st to 3rd quarter of 2020. The Inmate Census climbed as the subsequent to the Jail Capacity expansion. It appears jail capacity was increased to support inmate transfers from other facilities outside Bent County.

Competency Evaluations and Homeless inmates declined and remained close to or at zero beginning in the first quarter of 2021.

Jail Capacity



Inmate Census



Competency Evaluations



Homeless



Prevalence of Addiction to drugs and alcohol

A core requirement of living at Fort Lyon is a resident initiated and enforced rule for full compliance with sobriety. Not everyone is successful. From 2018 to 2022, 19% of residents left without clarity as to where they are going and their condition. However, most do appear to maintain sobriety while at the facility and are successful when they depart through graduation after longer terms of stay. It appears the programs are sufficiently successful to result in a positive reputation in southeast Colorado for many locals who are suffering, or who have a loved one suffering, from drug and alcohol abuse.

A 2019 article in *Colorado Politics* (Goodland, Nov 2019 updated in Nov 2022) highlights "Drugs Alcohol Vagrancy". Unfortunately, the article fails to note what has been updated, but it does point to Sheriff Six stating "that 14 of 35 people were from the Fort." The Sheriff did not respond to an interview request for this study. The ambulance service in Bent County reported in 2018 that 5% of the 915 calls related to Fort Lyon residents either on or off campus.

According to Chris Martinez, a Fort Lyon case manager who was born and raised in Las Animas, and who regularly reviews the inmate population at the County Jail, states he recognizes only a small percentage (less than 2%) of arrestees who are past residents of Fort Lyon. He further asserts that more are past acquaintances from Bent County and that in some cases there is a request Fort Lyon assist in getting local residents on a road to recovery. This is a critical point since Fort Lyon's presence provides quality programming and a community for sobriety and recovery.

Evaluating data from the Fort Lyon 2018 and 2022 Annual Reports we find approximately 18 individuals from Bent County enter the Fort Lyon program annually and, using the overall success rate, 8 graduate from the program. On net ("exit to" less "came from") Bent County sees an increase of 13 prior Fort Lyon residents on an annual average basis. The increases for Otero and Prowers were 9 and 3 people respectively. Given 23% of residents leave Fort Lyon due to noncompliance while in the program, and assuming the same ratio applies to those exiting to Bent County, the negative additional impact of individuals suffering from substance abuse totals 3 annually. In contrast, the net increase in the number of residents exiting to Bent County with permanent housing is estimated to be 6. Over nine years since 2013, this methodology yields an increase of 126 sober and recovering residents in Bent County versus 27 new substance abusers at high risk of homelessness for a net improvement of 99.

By way of comparison, 12% of Bent County's youth ages 16 to 19 are "disengaged" (not enrolled in school, unemployed, or not in the labor force) as reported through the American Community Survey. This equates to roughly 6 individuals per year enter the disengaged youth category and another 6 of the disengaged youth becoming adults as they turn 20. This is relevant due to the long-term cost imposed on communities from young people not developing life-long skill sets through work or school. Such youth are more likely to face poor physical and mental health and lower incomes. Over the same nine years this impact equates to 54 new potentially challenging individuals residing in Bent County.

Over time out-migration, especially among the young and old reduces the impacts from all these numbers.

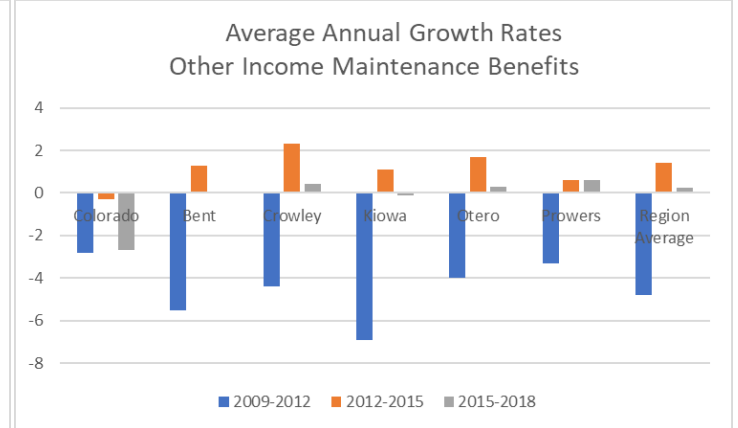
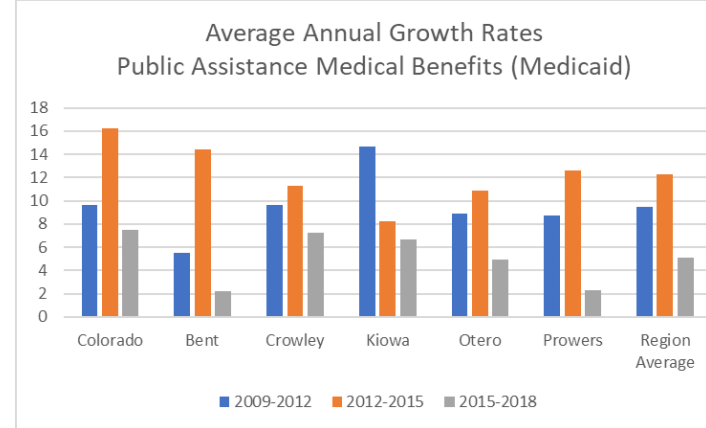
Demand for health care & social services

Given the years of neglect of their own health by the long-term homeless population, it's reasonable to assume that health care needs are substantial as homeless individuals enter supportive residential programs. This appears true for both physical and mental health.

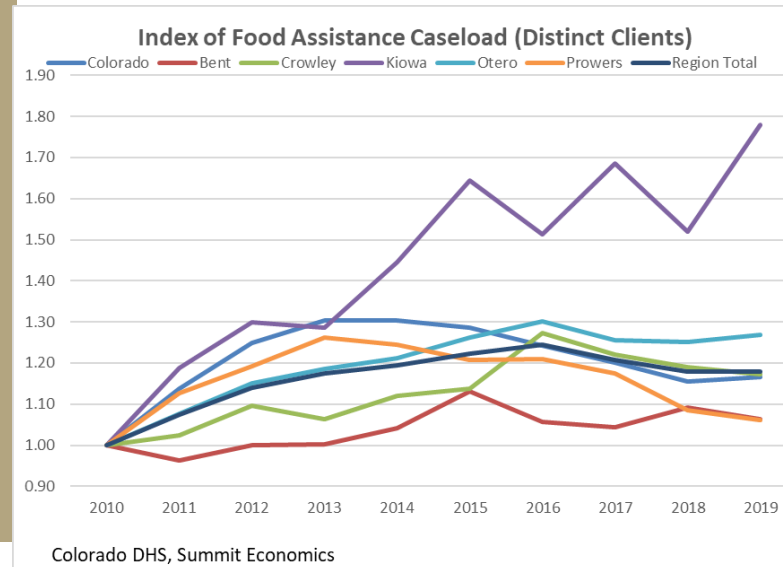
Fort Lyon assists in providing access for residents to health and recovery programs as well as connecting residents to social services and transfer payments available to poor individuals through federal, state, and local programs.

An interview with Bent County DHS revealed a significant surge in applications for social services in the two years following Fort Lyon's opening as a supportive residential facility. Interviews with Fort Lyon residents and case managers confirms high demand for both physical and mental health services from providers in Las Animas, La Junta, and Lamar.

RESADA, an alcohol and drug treatment facility established in 1977, has played a key role and has expanded since Fort Lyon was established.



Bureau of Economic Analysis (BEA) data on transfer payments to individuals (above charts) suggests possible changes since 2009. The Fort Lyon Correctional Facility closed in 2011 followed by the opening of the Supportive Residential Facility for the homeless in 2013. One would expect both Medicaid and Other Income Maintenance to increase dramatically in Bent County relative to the state and the region. This did not occur with Medicaid except possibly in Bent County in the 2013-15 period. Other Income Maintenance did increase in the region relative to the state both in the 2012-15 period and 2015-18 period, but not specifically in Bent County.



An index of the food assistance caseload reported by Colorado DHS is shown to the left with 2010 being indexed to 1. Data trends are consistent with the economic recovery from the Great Recession. By 2013 to 2016, the Lower Arkansas region demonstrated sufficient recovery to see food assistance caseloads level off and decline in some counties. Bent County showed the slowest increase relative to 2010 caseloads and by 2019 saw the rate of case increases since 2010 less than half of all other areas except Prowers County. The entire region saw a rate of increase 2/3rds less than the state.

These two employees are essential to the store. We hired one of them just four months after buying the store and he helped establish our reputation and customer service. The other helps us reach out to customers in other communities. There have been so many success stories that come out of that program. It is a very different type of (rehabilitation) program. It gives them the tools they need to live in sobriety. The employees from there are great additions to the community. Susan



They [Fort Lyon residents] are some of the finest people I have met. Jackie

They are great workers. I had a hard time getting anyone to apply and get to work consistently and be reliable. These folks are so grateful and thankful to go through the (Fort Lyon) program. They show up on time and have a vested interest in what they are doing. They are conscientious, detail-oriented and self-motivated. They've also helped me bring others on board, vouching for people (other Fort Lyon residents) we later hired.

Brian

Local Attitudes toward Fort Lyon

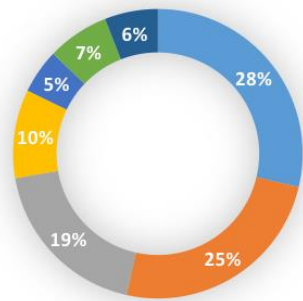
In general, we found positive attitudes towards the recovery of lives occurring at Fort Lyon. Residents indicated being treated well in Las Animas and feeling safe, especially on campus. In return, some Fort Lyon residents are contributing to the community through volunteering.

Businesses seem especially positive due, in part, to the prospects for additional, reliable labor as well as spending by Fort Lyon residents in stores in Las Animas and La Junta.

At a Bent County Commissioners meeting in September, 12 of the 21 people speaking at the meeting said they supported the program, according to minutes from the meeting. Four others who spoke had concerns about the program and five others made neutral comments.

However, some people express concern regarding “vagrants” congregating under bridges and in parks. Encampments along the Arkansas River are pointed to, as is urinating in public spaces. Most local residents are quick to acknowledge that such problems are only partially related to Fort Lyon. One regional travel blogger summarized Las Animas as “It’s a quiet place that knows how to enjoy the finer things in life” while noting negatives including “a high number of strange people, unleashed dogs, and abandoned houses.”

Reasons for homelessness



- Household dispute
- Action by landlord
- Unable to pay rent/mortgage
- Asked to leave household
- Harassment/violence
- Other
- Left hospital/prison/care

5 Elements Associated with Wellbeing

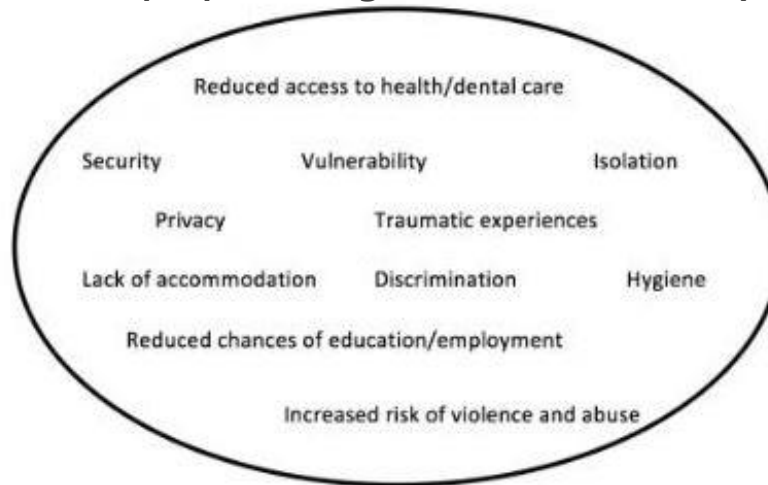
1. How you occupy your time or simply liking what you do every day: **Career**
2. Having strong relationships and love in your life: **Social**
3. Effectively managing your economic life: **Financial**
4. Having good health and enough energy to get things done on a daily basis: **Physical**.
5. The sense of engagement you have with the area where you live: **Community**.

Is **Community Wellbeing** better or worse due to the Fort Lyon facility and its residents?

According to Gallup, after decades of surveying around the world, there are five key elements associated with individual wellbeing (see list to left). Without surveys it is impossible to accurately assess whether Bent County is improving or declining in such an assessment. However, one can speculate based upon the different factors.

1. Career is probably rather neutral except for opportunities to work at Fort Lyon or more viable local businesses.
2. Social is not likely to be impacted except to the degree Bent County residents at risk of homelessness or experiencing similar factors to a homeless lifestyle find opportunities to engage in recovery and develop positive relationships through Fort Lyon programs.
3. Financial is primarily about a sense of security. This is unlikely to be affected except for businesses and their employees experiencing greater sales and more jobs and workers due to Fort Lyon.
4. Having good health can be impacted by having a wider array of health related services in the area due to Fort Lyon.
5. Those groups and individuals who engage Fort Lyon and its residents report liking their experience. One of the criteria is whether people "feel safe". To the degree people encounter strangers in their community they may feel less safe. This may have a higher incidence in Bent County.

Factors perpetuating the homeless lifestyle



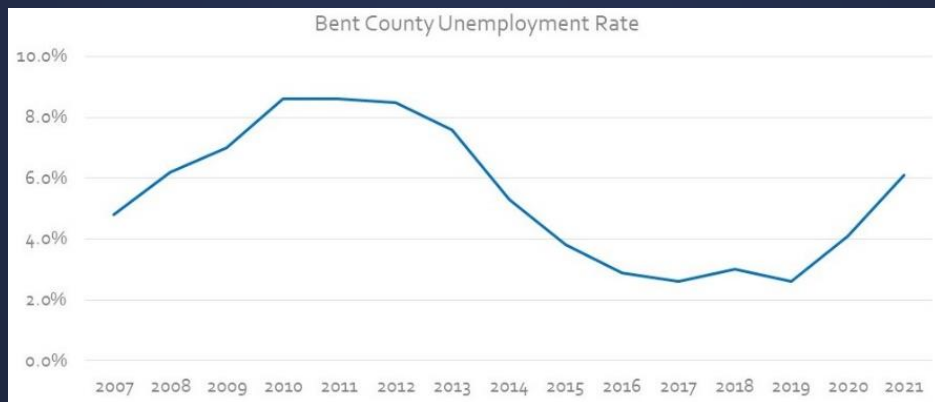
Given their prior state of homelessness and their current state at Fort Lyon, it is clear residents have highly elevated their wellbeing. But what about the surrounding community?

Graphics from [Health and wellbeing needs of the homeless, the physiotherapist's role - Physiopedia \(physio-pedia.com\)](https://www.physio-pedia.com/Health_and_wellbeing_needs_of_the_homeless,_the_physiotherapist's_role)

Workforce availability and productivity

Bent and Otero Counties, especially Las Animas and La Junta, are beneficiaries of the additional labor supply brought to the area by Fort Lyon.

During early 2022, the unemployment rate in Bent and Otero Counties dropped significantly, to 3.6% and 4.9%. Respectively. The rate in Colorado is 3.5%.



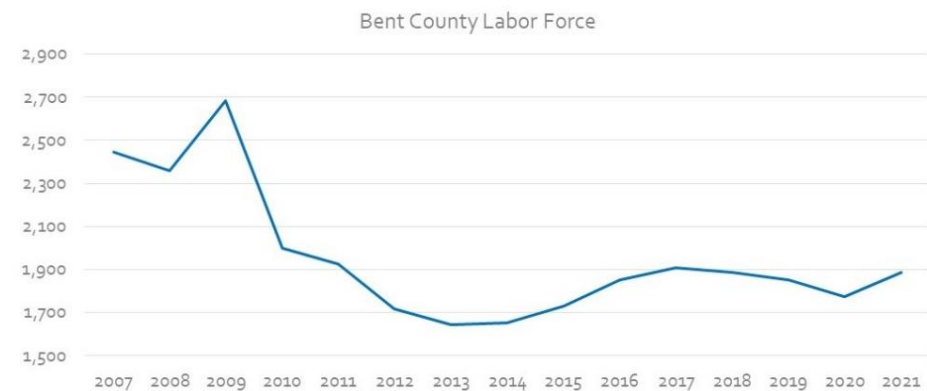
The number of people in the Bent County labor force declined from 2009 to 2013 but increased slightly between 2014 and 2017. (See chart to the right.) The Bent County labor force has remained about the same size between 2018 and 2021.

A number of Fort Lyon current and past residents actively engage the labor market and are sought after for their wide range of skill sets, capabilities, and sobriety. In addition to Fort Lyon hiring past program participants, companies that have hired residents include:

- Mountain Prairie/Hormel hog farms
- Thaxton grocery market
- Family Dollar and Dollar General
- Mechanic repair shops
- Lumber yard
- Museum and National Cemetery
- Village Inn
- S.E. Mental Health

In addition, former residents have started businesses in construction and bicycle repair.

The demand for Fort Lyon labor appears greater than can be supplied as programming at the facility discourages full time work until residents are through the sobriety phase and are well into recovery. A big paycheck and job stresses can set a resident back in their treatment. This reality moderates the labor force expansion coming from Fort Lyon.



Number and size of local business and non-profit organizations and revenues received from Fort Lyon located in the area

3 of 17 employees at Thaxton's Food Market are current residents or graduates of the Fort Lyon program. The program and its residents spend \$100,000 a year at the market.

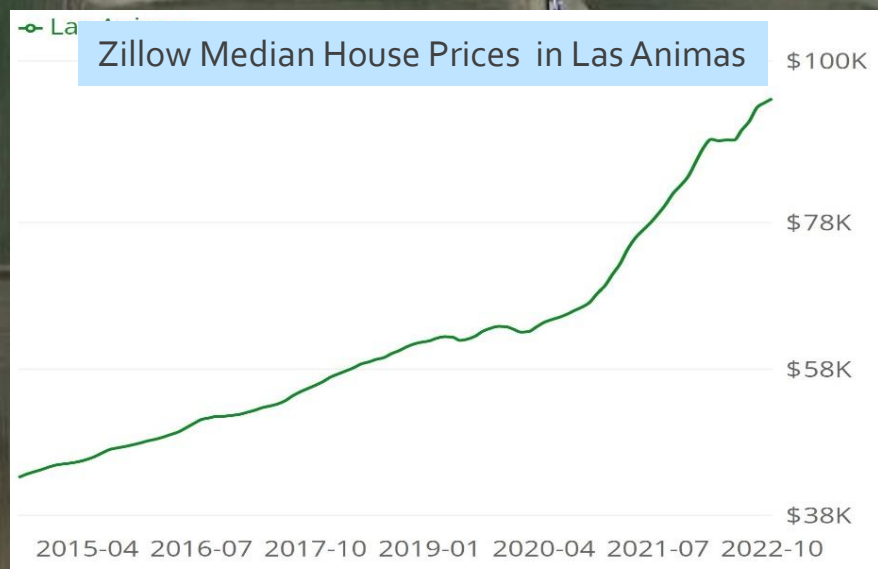
One can speculate that Valumed Pharmacy also generates significant sales from Fort Lyon residents.

2 of 8 employees at Hat & Spur Hardware are graduates of the Fort Lyon program.

The program and its residents are major customers of Miller Auto Parts, spending more than \$10,000 annually at the store.

Fort Lyon residents founded the world's first American Legion Post made of members who are homeless. The post was later merged with the Las Animas post.

Fort Lyon graduates own Rikki Dee's Bike Shop, manage the Bent County Community Center and are active volunteers in Seed and Supply Church and several other local churches.



A 2018 Colorado Politics article highlights several neighbors expressing frustration over behaviors of residents with one unidentified neighbor being "livid about the problems they see on an almost daily basis".

Neighboring Property Values

Does Fort Lyon impact surrounding property values? Economic theory indicates some land uses positively or negatively impact properties within close proximity. Parks have a significant positive impact while major highway interchanges or prisons can have a negative impact. Research on property value impacts from neighboring supportive housing typically shows facilities have no negative and a potential slight positive impact. This is partially due to preexisting conditions in neighborhoods with supportive facilities since the surrounding area has often already suffered decades of decline and deferred maintenance.

This appears to be the case for residential properties within approximately 1.25 miles of the main campus of Fort Lyon. According to Tom Brann of Norm Murphy and Associates, Las Animas is a smaller market without amenities like a hospital and community college. He believes Las Animas has been impacted by recreational marijuana and does not feel the Fort Lyon neighborhood suffers from stigmas impacting property values. According to Brann, the Fort Lyon area used to be rather popular when the facility was run by the VA. That is not the case today. "It's more rundown with deferred maintenance and small homes."

A cursory drive through the neighborhood did not reveal evidence to the contrary through a prevalence of "No Trespassing" signs which are often present when petty crime, solicitation, and vagrancy are common.

Home Prices	
Region	\$ 129,883
Las Animas	\$ 95,445
Ft Lyon	\$ 71,000
Region is Ordway to Lamar. Ft Lyon are recently sold (6 properties)	
Zillow, Summit Economics	

Impacts on Bent County Government Operations

An analysis was conducted of Bent County revenues and expenses from 1975 through 2016. All items were compared on an indexed basis to the surrounding counties combined into a single region. Given all counties have a similar economic base one would assume that the relative indices of Bent County and the Region would generally move together over time. To the degree there is divergence over a period of time, something occurred in one area or the other. The periods of analyses were 1975 to 2000, 2001 to 2011 when Fort Lyon was a Colorado correctional facility, and 2012 to 2016 after the correctional facility closed and Fort Lyon became a supported residential facility for Colorado's homeless. By looking at noticeable changes from the last period compared to prior periods, impacts of Fort Lyon on Bent County might be inferred. The results of the analysis are on the following two pages.

In addition, interviews were attempted, and in some cases conducted, with two Bent County Commissioners, the Sheriff, Mayor of Las Animas, and administrators. None of the local politicians were available for interview with the Mayor of Las Animas indicating Fort Lyon was a Bent County issue. The County Administrator did reach out to Summit Economics in early January 2023 and was interviewed twice. A spreadsheet showing impacts to County expenditures, along with any counterbalancing revenues if from sources other than the County, was requested. No such analysis was received. This is not surprising as detailed managerial accounting is seldom conducted to ascertain specific financial impacts of facilities or industries. Hence assessments of impacts are typically anecdotal. The County Administrator did mention a \$480,000 investment into a new boiler for Fort Lyon at the time of its opening. Apparently, the County's auditor at the time advised caution against using too many County resources to support Fort Lyon at the risk of bankrupting the County. No adverse comments were found in actual audit reports from 2012-14.

Summit reached out to administrators where one would expect impacts to be most noticeable: Social Services, Public Health, and the Public Library. Social services reported impacts in the two years after opening due to Fort Lyon residents moving into the county and possibly having their cases transferred from other counties. This was a coordinated effort or process with Fort Lyon. In recent years, the effort does not appear burdensome, although it appears there is always room for improving the process to make it more efficient and effective. Public health reported no impact except during the pandemic when vaccinations were administered at Fort Lyon. A Board member of the public library indicated no knowledge of current or past Fort Lyon residents hanging out at the library and believes some people may be making judgements about library patrons who might appear different in dress and hygiene.

Impacts on Bent County revenues

To be clear, no data can establish causality. However, noted trends that changed direction or volatility might give a hint of where one might look for impacts. The revenue line items that stand out due to their relative change in the 2012-16 period are shown in the table. The blue highlighted item shows the most promise of a possible impact. The indices across different periods represent the ratio of the Bent County dollar level indexed to its 1975 level divided by the Region indexed to its 1975 dollar level.

	Average 1975- 2016	Average 1975- 2000	Average 2001- 2011	Average 2012- 2016	2012-16 % of Revenues	Comments on Fort Lyon Supported Residential Period Relative to the Region in Prior Periods
Cigarette Tax	1.14	1.00	1.20	1.68	0.0%	Most dramatic relative increase of all revenues. Good possibility due to Fort Lyon due to high prevalence of smoking
Intergovernmental Revenue	1.22	1.09	1.52	1.25	48.2%	2014-15 saw significant drop. Returned to prior levels since 1990s, but not as high as 2008-10 period. Would need more detail.
Total Tax Revenue	0.79	0.78	0.77	0.90	30.1%	Sustained higher levels not seen in prior periods.
Property Tax	0.95	0.88	1.01	1.23	25.1%	Sustained higher levels not seen in prior periods. Curious coming out of real estate crash associated with the Great Recession. Could be due to commercial property demand associated with recreational marijuana. However, lower demand from closed correctional facility should have created lower prices initially and perhaps Bent County has become a more desirable place to live pushing up housing demand.
Other Revenues from State	1.01	0.98	1.15	0.87	6.5%	Dropped to very low levels in 2011 and 2013-15 returning to second highest level in 2016. Volatility consistent with 2001-11 period.
Specific Ownership Tax	0.93	0.96	0.85	0.97	2.3%	Returned to pre-correctional facility (2001-11) relative levels. Requires more research of specific equipment taxed to assess possible impacts.
Interest Revenue	0.80	0.78	0.92	0.65	0.4%	Lowest level of all periods with similar volatility. Can assume due to lower levels of reserves possibly due to \$450k investment in new boiler at Fort Lyon.

Intergovernmental Revenue (48% of all 2012-16 Total Revenue) declined and Total Tax Revenue increased relative to the surrounding Region. Both State and Federal (not shown) revenues declined along with interest revenue. Combined these revenues represented 14.3% of total revenues. The most significant increase in relative taxes (30.1% of Bent County's total revenues) came from property taxes (25.1% of total revenues).

Impacts on Bent County Expenditures

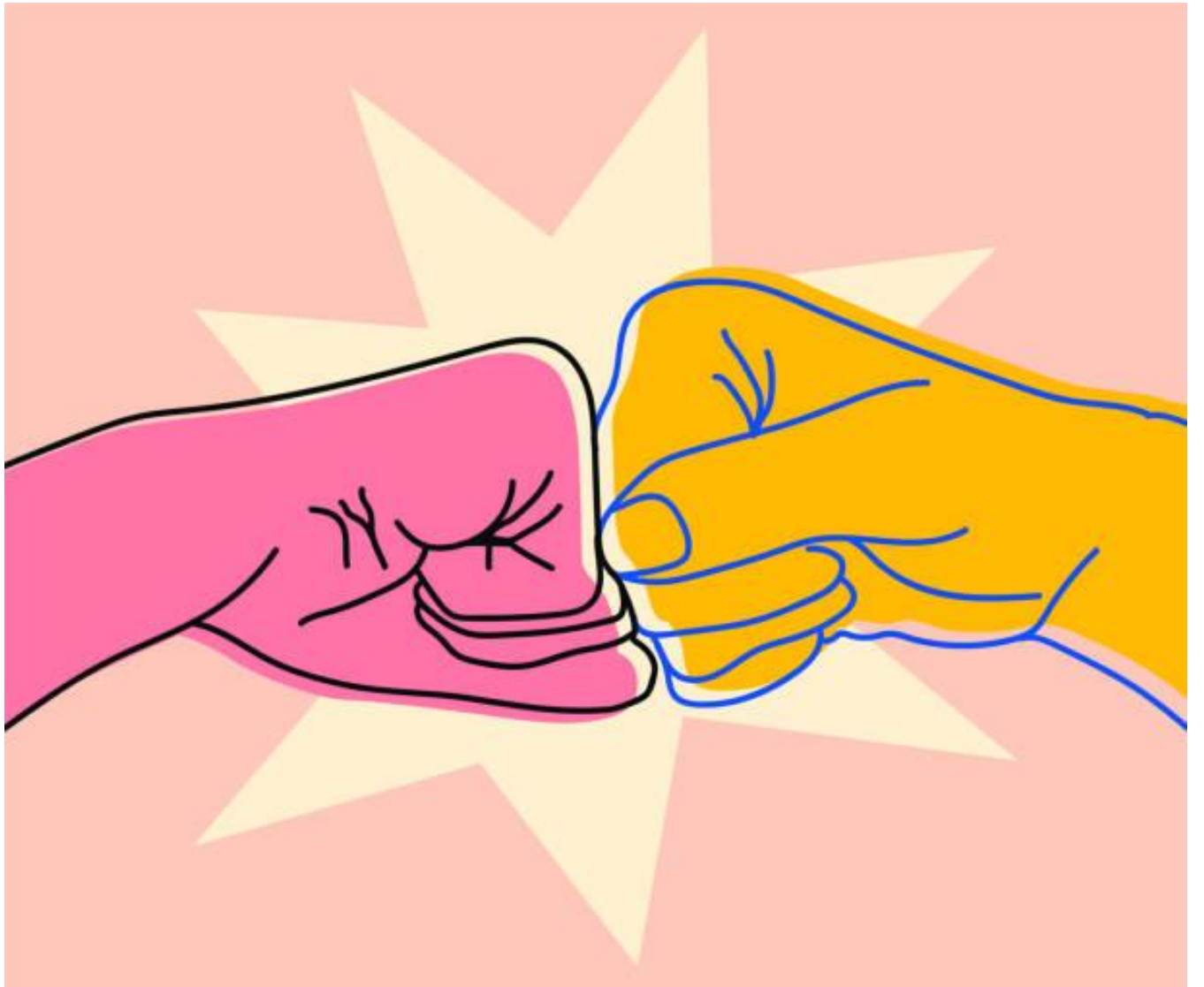
The only expenses that saw dramatic changes for Bent County relative to the Region in the 2012-16 period were Public Health and Miscellaneous which combined represented 12.4% of the County's expenses during the period. (Note total expenses ran 101.1% of total revenues.) Public Health saw dramatic decreases after a peak period from 2001-11. Perhaps it was a return to normal after the correctional facility closure assuming the County assisted the State with health services. More detail is needed to understand Miscellaneous.

Other major shifts in the Bent County to Region index by period can be found in Social Services and Public Safety.

	Average 1975- 2016	Average 1975- 2000	Average 2001- 2011	Average 2012- 2016	2012-16 % of Expenses	Comments on Fort Lyon Supported Residential Period Relative to the Region in Prior Periods
Public Health	3.19	2.65	4.80	2.42	9.1%	Dramatic declines not seen since the early 1990s. 2016 was lowest level ever. Curious as to what might cause such a drop relative to other counties.
Miscellaneous	6.93	6.73	4.85	12.51	3.3%	Very substantial and consistent increases since 2011. Would need to know details. Perhaps related to investments or incentives for Fort Lyon.
Social Service	1.15	1.07	1.26	1.32	21.4%	Generally consistent going back to 2005 with peak year in 2016 after low years in 2014-15. Would expect to see higher levels, but none noted unless 2016 is the beginning of a new peak period.
Total Public Safety	1.16	1.01	1.28	1.69	18.5%	Notably higher in 2012-13. Later levels consistent with 2004-06. Trending higher. Appears responsive to opening of Fort Lyon. Could also relate to marijuana.
Police	1.26	1.03	1.43	2.05	13.5%	Highest period and lowest volatility of all periods. Prior period 2001-11 was notably higher than pre-2001. Could be a long-term trend. Possible response to concerns over Fort Lyon and recreational marijuana. Could be related to changes in policing philosophy.
Other Public Safety	1.65	1.77	1.50	1.33	5.0%	Lowest of all periods and trending lower in 2001-11 with greater volatility. Appears to have been decreased to increase police expenditures.
Transfers Out	0.61	0.53	0.91	0.42	2.0%	Lowest years since pre-correctional facility following peak years in 2011-12. Would need more detail on what transfers were for.
Total Public Works	4.79	4.70	5.10	4.57	13.6%	After peaking in 2001-11, has dropped and become more consistent with prior periods as well as less volatile.
Streets	4.59	4.65	4.60	4.23	12.1%	Other than low years in 2012-13, very consistent with historical.

While Bent County's indexed (to 1975) Social Service expenditures have remained more or less the same relative to the Region's index since 2005, there was greater volatility with 2016 (the last year evaluated) being the peak year following low years in 2014-15. Public safety shifted resources to policing from other public safety and other expenditure categories. Furthermore, Policing expenses were less volatile in 2012-16. Refer to the line item comments for more detail.

Conclusions & Recommendations

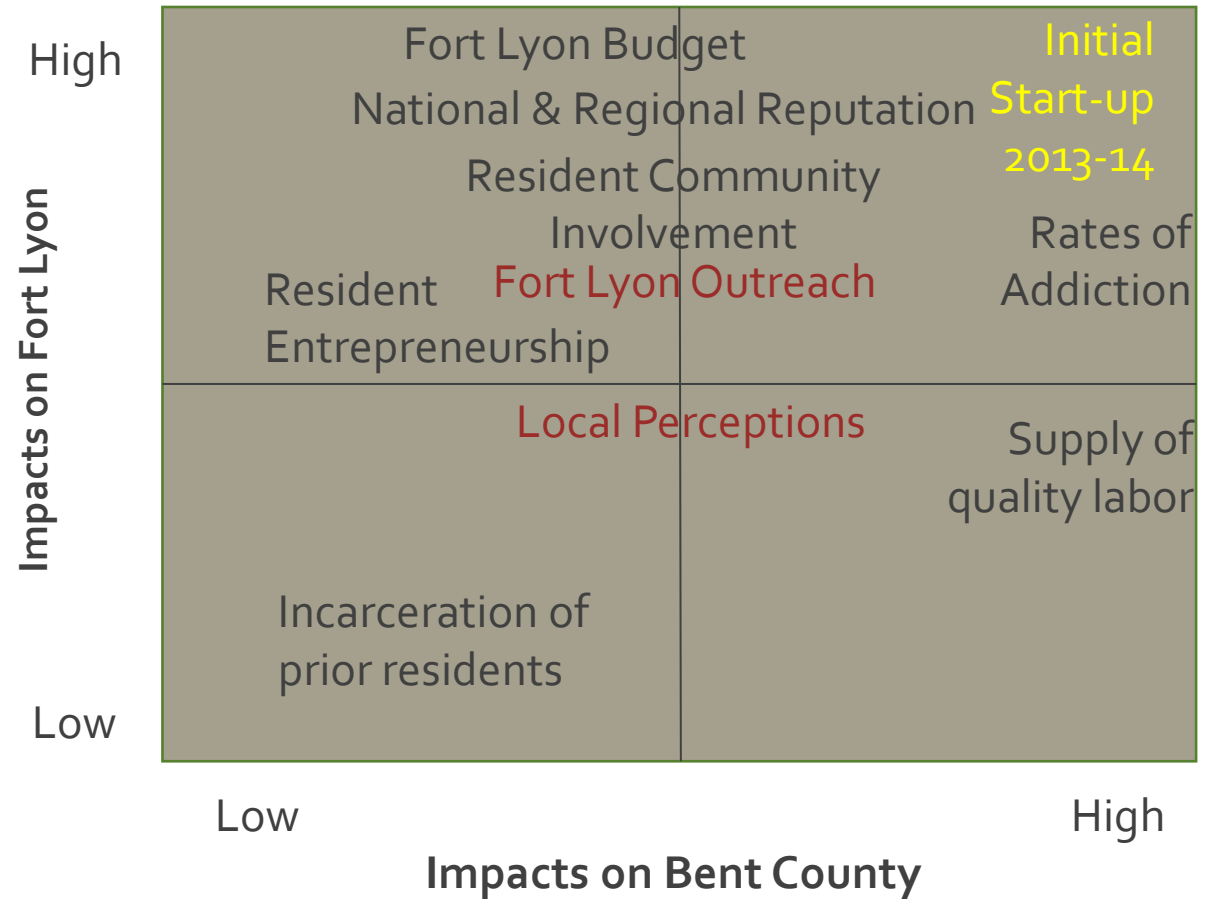


Perceptual Map

Various attributes mentioned in this study are shown in the two-dimensional map. The map reflects the generalized degree of impact of each attribute on both the Fort Lyon program and Bent County. While the initial start-up had a high impact on both the program and County, those impacts are no longer relevant except to the extent they continue affecting public policy associated with Fort Lyon.

The greatest impacts on Bent County appear to come from the supply of quality labor provided by current and past residents as well as rates of drug and alcohol addiction attributable to some Fort Lyon residents who leave the program unsuccessfully (negative) and greater availability of long-term recovery programs available to the residents of Bent County (positive).

Both Fort Lyon and Bent County stand to benefit as the positive reputation of outcomes spread. While there are episodes of incarcerated residents, this appears to be relatively minor. A less perceived attribute is the entrepreneurship and community engagement/service of past residents who have found homes and stayed in the region. Combined, the attributes create perceptions and form a range of local attitudes that are influenced with program outreach.



Key Fundamentals

- ❖ Fort Lyon's rates of exit into housing appear impressive compared to other supportive residential programs addressing the entirety of conditions of homelessness - including drug and alcohol abuse.
- ❖ We estimate 1.2% of the Bent County 2020 population were graduates of Fort Lyon with permanent housing when they departed the program. This group created their own after program peer support system and contribute significantly to Bent County's economy and wellbeing.
- ❖ While the program is largely positive, periodic observations of "abnormal" behavior, vagrancy and loitering by strangers does impact local perceptions of undesirable impacts of Fort Lyon on the local community. The perceptions appear more prevalent closer to Fort Lyon and in Las Animas. Unfortunately, it is very difficult to differentiate between prior Fort Lyon residents and Bent County residents. The legalization of retail marijuana sales in Las Animas probably exacerbates this challenge when it's the only location in the region for retail recreational marijuana.

From a long-term local economic and wellbeing (quality of life) perspective, Fort Lyon offers a significant opportunity for Bent County and the Lower Arkansas region. It is clearly positive from an economic perspective. From a social perspective, the opportunity is significant as well. Being sensitive to negative influences while focusing on the opportunities to impact many local and Fort Lyon residents positively is paramount to the future degree of success in Bent County. This requires maintaining positive energy surrounding the possibilities and a continued commitment to high quality communication on a regular basis between Fort Lyon and local public officials in criminal justice, healthcare, and social services.

Concluding Thoughts

Research across multiple disciplines points to negativity bias being more dominant in our day-to-day thinking, emotions, and decision making. Some research suggests it takes five good experiences to counter one negative event of equal salience.

This is especially relevant in living with people who are either homeless or living on the edge of homelessness. The tendency not to engage or get to know people whose appearance or behaviors may be different, means we are less likely to find the opportunity to have positive encounters. At best many of our encounters are neutral – we simply ignore them. This exaggerates the bias.

Fortunately, attitudes across America appear to be evolving towards a more empathetic perception of homeless populations in terms of the causes of homelessness.

Fort Lyon is an incredible community asset with non-local program funding. It appears more households in the Lower Arkansas Valley are becoming aware of its potential to positively impact their lives and those they love.

We expect the Fort Lyon model to spread to other communities.

Causes of homelessness seems to be increasing across America. The legalization of sports betting alone will increase financial hardship and household stresses. The same is true with increasing housing costs. Financial and household stress often coexists with substance abuse. Substance abuse can lead to higher incidence of domestic violence and child neglect. The fact that most families and households know at least one person, possibly including themselves, suffering from substance abuse should assist with the evolution in perceptions towards homelessness.

This is the good in the bad. Hopefully, we can focus on clear patterns instead of single events as we formulate our judgements about those around us. This is especially important among policy makers as they seek to improve the wellbeing of their communities.