

## HUGHES: CITY HAS NO ECONOMIC REASON TO EXIST

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REASON TO EXIST

BY DAVE HUGHES

YOUR HUB CONTRIBUTOR

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This is a timely story in two parts about the uncertain economic paths I think Colorado Springs has taken the last 70 years and why I believe they are dead ends. Colorado Springs is a nice place to live, and I think residents have been tolerably satisfied with everything, including their jobs and incomes. Until recently. We are now 8 percent below the average income of the rest of the US. Our economy is far too dependent on the decisions made in Washington or in corporate board rooms -in other cities Colorado Springs has not developed an independent economy. It is not master of its own economic soul. Could it be? I think so. One first has to

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grasp how it got here. In this city, business and government are joined at the hip and have been since 1940. ' When General Palmer came West and founded his city in 1871, it was largely with money from England brought here through the influence of Dr. Bell, founder of Manitou Springs. People were attracted by the Rocky Mountains, the Garden of the Gods, the resort of Manitou Springs (whose waters were thought to have medical benefits), alongside the real and demonstrable medical benefits from the dry air, altitude and sunshine that helped people with respiratory diseases such as tuberculosis. Many who came here had money and the area became a health resort. Some wealthy industrialist businessmen came here for their health. They recovered and launched successful enterprises. George Hagerman CITY HAS NO ECONOMIC REASON TO EXIST The huge \$45 million Intel Building. being shut down before it even fully operated. started the Midland Railroad in the mid—1880s. The Midland served the Cripple Creek mines after the 1891 gold rush. It brought plants and jobs to Colorado City and the west side. Mine ownership opportunities from gold mining brought wealth to Colorado Springs. From 1891 to the 1930s, Colorado Springs had some money, earned locally. Visionaries like Spencer Penrose and Thayer 'Lutt of the Broadmoor and El Pomar, helped seed a tourism industry that was bound to grow as the automobile began to attract tourists But when world conditions promised war, local visionaries realized that gas rationing and other things would hurt tourism. So the local business leaders begged Washington for an Army Base: Camp Carson. They got it, plus federal dollars for construction and payrolls. DAVE HUGHES, YOURHUB CONTRIBUTOR But after WWII, Camp Carson wasn't needed. I somewhat cynically believe that 99 percent of the local motivation became # and still is — economic security, not National Security. Once Colorado Springs got a taste of the Federal dollar, it went back, and still is going back, for more. . Now what is wrong with that? Nothing, if this overwhelmingly Republican region didn't pretend it was "scally "conservative." It proclaims from the editorial pages and policies of its largest newspaper, The Gazette, and in political campaigns, that it disdains expenditures of tax money on government bureaucracies, including on military waste. Yet it has managed, with a straight political face for the past 50 years, to fight for Federal tax dollars in the form of expansion and retention of local military facilities and related defense industries. All the defense decisions that affect El Paso County's economy are made in Washington. Why are we so sure there always will be 20,000 to 30,000 military jobs here, with all the civilian and contract workforce accompanying? What will we do if we enter a sustained period of "peace" after Iraq and Afghanistan? After the Korean War, Carson shrunk and was almost closed. I think Carson will shrink again, even if it stays. And with the battle over Pinon Canyon, I see clearly that state and federal politicians will not fight for Colorado Springs against ranchers, environmentalists or other jealous cities like Pueblo. Local and nationally elected politicians have been ineffective in bolstering the Army's case for Carson and the Army's need for training area expansion. For all the prestige of NORAD and Space Command, and the Air Force Academy, the total number of jobs they offer in comparison with the payrolls from Carson are pretty small. In the '70s came a laudable effort by Steve Shuck and others to attract high-tech manufacturing industries not related to defense. A Silicon Mountain scheme. That began to work. But you have to look at two big factors one recent, one endemic. First, the growing trend in overseas "outsourcing" of manufacturing to lower costs has robbed Colorado Springs of thousands of jobs. ' But why have so many plants departed? Why have IBM, and Digital, and Apple, and MCI WorldCom, and Intel, and now Hewlett Packard come and gone? You have to look deeper at national and global trends. Colorado Springs is not big enough to attract the main headquarters and home plants of the biggest corporations. Colorado Springs only can

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attract “branches” of large firms. And in this society of accelerating change, the first thing corporations lop off are their “branches.” Or they make radical changes in the way they do things, Harlin 1, Do .Wallt-rs, liNI’-( like outsourcing. Even before Intel’s huge plant on Garden of the Gods Road was filled with promised jobs, the chip industry changed. And it shut down. Finally, the very political “conservatism” that keeps local taxes down is also a huge obstacle in El Paso County to “competing” with other cities that can give prospective new businesses large incentives and tax breaks to locate in their towns. Tourism can never support the half million now living in the Colorado Springs area. We are not a big university town, like Boulder. We are not a mining town. We are not a transportation hub. We are not an agricultural town. What are we? Frankly, we have no fundamental economic reason even to exist. Ever thought of that? Yet, I have seen no sign that the business or political leadership of Colorado Springs or El Paso County has any fresh ideas about the growing economic problems of this region. There are no visionary leaders in El Paso County.