

SPRINGS: CITY OF MISSED OPPORTUNITY

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OPPORTUNITY

Colorado Springs' size, political approach responsible for dearth in local jobs

BY DAVE HUGHES

YOUR HUB CONTRIBUTOR

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. I have to start by saying Colorado Springs is a nice place to live, and the majority of residents have been tolerably satisfied with everything including their jobs and incomes. Until recently. In fact we are now eight per cent below the average income of the rest of the US. Colorado Springs is no longer, for younger people, a city of opportunity. Its economy and the welfare of many who live here is far too dependent on the decisions made far away, either in Washington or in the corporate board rooms in other distant cities. Colorado Springs has not developed the independent economy. It is not master of its own economic soul. Could it be? I think so. One first has to grasp how it got here and why it — pretty much as a business and government “community” — made the choices it has.

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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. There was the combination of the appeal of 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. That brought people here, many of whom had money. It became a health resort. And they rode on Palmer's Railroad.

But that too faded when effective drug therapy took over. Some, able and wealthy industrialist businessmen came here for their health and recovered enough to stay and actually launch successful jobproducing enterprises. George Hagerman started the Midland Railroad in the mid-1880s, originally intended to only serve the Silver Mines of Aspen. The Midland became even more important serving 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 across Colorado Springs. For a time. From 1891 to the 1930s, Colorado Springs had some money, earned locally Visionaries like Spencer Penrose and Thayer Tutt of the Broadmoor and El Pomar, whose fortunes actually came from Kennicott Copper (after backing a copper engineer named Jackling) out of the early profits they gained from the Colorado Philadelphia Gold Mill, looked even further ahead. They helped seed a tourism industry that was bound to grow as the automobile began to attract tourists. But when world conditions , promised war, a few local visionaries realized that gas rationing and other things would hurt the only growing sector the area had to offer: tourism. So the local business leaders fatefully begged Washington for an Army Base: Camp Carson. Federal dollars for construction and payrolls. They got it. But after WWII was over, and Camp Carson was actually not needed anymore, 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 Republic 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 work force 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. We are not going to have a ground war with China or Russia.

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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 of all, the growing trend in overseas "outsourcing" of manufacturing to lower costs has robbed Colorado Springs of tens of thousands of jobs over the last 10 years. But Why have so many plants themselves departed from Colorado Springs? Why have IBM, and Digital, and Apple, and MCI WorldCom, and Intel, and now Hewlett Packard come and gone?

Well you have to look deeper at national and global trends. Colorado Springs is not big enough — which even Denver is — to attract the main headquarters and home plants of the biggest corporations including volatile high tech ones. Colorado Springs only can attract "branches" of large firms. And in this Future Shock — accelerating change — society, when even the largest tech corporations have it change rapidly or die, the first thing they lop off are their "branches" or make radical changes.

Way before Intel's large brand plant on Garden of the Gods Road was filled with promised jobs, the chip industry changed. And they shut down and now can't even sell their gigantic \$45 million plant. Finally the very political "conservatism" that keeps local taxes down, is also a huge obstacle in El Paso County to "competing" with other cities by giving prospective new businesses large incentives and tax breaks to locate in their towns. We will continue to lose on relocations on the manufacturing front.

Seasonal tourism can never support the half million now living in the Colorado Springs metro area. We are not a big university town, like Boulder. We are not a milling 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 have any fresh ideas about the growing economic problems of this region. There are no visionary leaders in El Paso County. There is a need for an entirely new vision for the economy of Colorado Springs. Next week, I'll present one in Part 2: A New Economy of Colorado

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