



**A sustainable approach to our environment & quality of life - for current & future generations**

**Comments at Utilities Board Meeting 11/16/05  
SaveTheSprings Founder & Chair Dave Gardner**

**CSU PROPOSED 2006 BUDGET & RATES**

The utility growth subsidy doesn't meet our community's needs, and it's hurting struggling families and current employers; there's a better way to do economic development. So we're asking this council to implement gas and electric development charges, and to eliminate the several hundred thousands of dollars in public funding for the private, special-interest EDC.

Why do we continue to talk about the utility growth subsidy? It's not a vendetta against homebuilders or developers. It's about sound fiscal and economic policy. It's because I believe in the free market except in rare cases where doing what's best for the public is not profitable. We need to be very careful about what we subsidize – and the unintended consequences of those subsidies. Subsidies gave us USAirways. The free market gave us Southwest Airlines. Let's take an example close to home: right now we know we're looking at a price tag of at least \$2 billion for the complete SDS project when you include financing costs. What is our return on investment for that? We don't know. What if after NEPA and Pueblo County are finished with us the cost balloons to \$4 billion? Does it still make sense to build? It would be so much smarter to completely connect those costs with the marketplace that is creating the demand for that water, instead of the current residents of Colorado Springs.

It's time to get our utility out of the economic development business. The current program is unneeded, it's grossly inefficient, it's very unwise economic policy, and it's punitive and unfair to current employers we should be nurturing, and to residential ratepayers who can least afford it.

No one here is a villain or an idiot. Our community has been doing what communities across the nation have done for decades. But those communities are beginning to wise up. They're recognizing that old approach to economic development has put them in a death spiral. They suffer the same staggering infrastructure backlogs we do. They didn't realize there were so many unintended consequences and hidden costs of subsidized growth. According to the American Society of Civil Engineers, the backlog nationally is over 1.6 trillion dollars. We've all been engaged in a race to the bottom.

We don't expect it to be easy for you to take a giant step back from this problem and examine the big picture, to take a long-term view. And we expect you'll continue to be under tremendous pressure from those who profit from the current policies. They'll compare us to other cities that lag behind on the trend toward letting the true costs of growth be born by that activity. They'll capitalize on your fear that economic disaster could result. But the truth is, economic disaster awaits those who sit still, paralyzed by fear, unable to see the handwriting on the wall, unwilling to look at true best practices and learn from past experience.

Meanwhile, enlightened cities across the country are starting to get it. What about Colorado Springs?

It's time for us to join the 21<sup>st</sup> century. I'm very optimistic about our future. I believe we can focus our efforts on economic development that doesn't destroy this treasure called the Pikes Peak region. Economic development that doesn't steal from the poor and give to the rich. Economic development that doesn't depend on gambling with our future water supply. Economic development that is enlightened and innovative and sustainable – good for us, good for our employers, and good for our children.