

## *OTHER VOICES, THE GAZETTE*

January 10, 2004

### Managing Growth is Not about Pointing Fingers

Three letters addressed the issue of “Growing pains” in the January 4 Gazette. Two from representatives of the Housing and Building Association (HBA) of Colorado Springs defended their member builders and developers. But the whole issue of how to pay the economic and environmental costs of growth is not about who to blame. It’s about recognizing the unintended consequences of the decisions of many well-meaning people in land use and transportation planning, utilities, homebuilding and development, as well as the choices of home buyers and the votes of local citizens.

HBA President-elect Kevin Walker writes that “growth is revenue positive to local governments.” But as documented in our recent study (available at [web.uccs.edu/ccps](http://web.uccs.edu/ccps)) city tax revenue per person actually *declined* between 1980 and 2000 when adjusted for inflation. Revenues went up, but not as fast as the combination of inflation plus population. The city has less per person to spend on infrastructure or public services than it did twenty years ago. This is a result of the tax structure we have in Colorado – TABOR, Gallagher, and heavy dependence on sales vs. property taxes. No amount of hand-wringing is going to change that structure without the direct consent of voters.

It is “government’s job to collect revenue in exchange for services and infrastructure” as Thomas Murdoch writes, but voters control the tax laws that govern that stream of revenue. Under TABOR revenues can never go up faster than inflation plus population growth without voter authorization. Intelligent planning by elected officials has to be about transportation, building code and land use decisions that lower the per capita cost of delivering city services and infrastructure to work within the tax revenue stream we have. That’s what most people call “smart growth.” This doesn’t have to be exclusionary as alleged by The Gazette editorial, also on January 4, but can create more affordability.

Not only does more efficient use of land reduce residential land costs and transportation costs, evidence that growth can pay for itself through “density efficiencies” for roads and utilities comes from studies by the developer funded Urban Land Institute. If a city can keep costs relatively low while maintaining a high quality of life the most productive businesses and workers choose to locate and remain there. This doesn’t hurt our economy and our citizens, it’s the ultimate economic development strategy! Yes, roads are crowded because we are driving more – in large part because of sprawl development vs. the more compact patterns of the past. Transportation costs are now a larger part of household budgets than food, and have outpaced the share going to housing in sprawling cities like Houston and Indianapolis.

A large share of funding for new schools comes from the business sector, as Scott Smith of the HBA points out. As in most of the country, our commercial property tax

rates are significantly higher than residential rates. But when we have rapid residential development in districts like Falcon (District 49) with little commercial property to share the burden the equation breaks down. Even when developers paid up front for a new elementary school, there still wasn't even enough tax revenue to run the school system for all the new students.

That's just one example of what many call "growth not paying for itself." It's a result of fragmented local governments, tax laws, city and county planning codes that have encouraged sprawl, and a host of other factors. It's a complex problem and we need to work together more and point fingers less. Developers and builders who truly have a long term stake in this community need to be part of that solution. The Gazette, while it always benefits from more potential readers, also has a stake in the long term economic viability of the Pikes Peak region.

In the January 4 editorial The Gazette also says that growth has never paid its own way in the past and shouldn't be asked to now. But until thirty years ago, population growth *was* accompanied by a rising standard of living for most U. S. citizens. Only in the last few decades have housing prices and transportation costs become rapidly increasing shares of household budgets. It's no accident that rising costs in these areas followed on the heels of a radical shift in development patterns that use more and more land per person and are heavily auto-oriented.

As I see it, smart growth is about making housing AND transportation more affordable through more effective land use. Contrary to being exclusionary or elitist, smart growth policies stress mixed-use and transit-friendly development styles that more easily accommodate the lower income and the elderly than would more business as usual development.

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