

Changes are due so growth can pay for itself

Local schools must come up with lots of cash for new schools to accommodate growth, as highlighted in a series of recent Gazette articles. When taxpayers don't support bond issues, solutions range from bussing students to schools in older neighborhoods to holding classes in trailers.

Does growth "pay for itself" locally? The answer is clearly no when it comes to schools. The City of Colorado Springs asks its' consultants to look ONLY at expected new city tax dollars revenues vs. spending when it approves development plans. Thus, a stream of reports shows city revenues enhanced by growth. (In light of SCIP initiatives, it appears there are substantial unfunded city growth impacts not included in these studies.)

However, it is schools that really bear the brunt of growth costs. Yet the gatekeepers of development, the city and county, continue to exclude impacts of growth on other governments when they assess development plans. For almost a decade, school districts throughout El Paso County have come to voters with numerous bond issues dealing with growth. Their record of success is mixed. School funding is also hard hit by the fact that while children from new homes show up at the door almost immediately, taxes on newly developed properties (vs. vacant or agricultural land) can take up to two years under Colorado law to reflect the value of improvements.

Growth *could* pay for itself under certain circumstances. But to cheerfully assume that it will in light of all we have seen just doesn't make sense. If future growth in El Paso County is to pay its' way, three things must happen.

First, property tax rules need to be re-structured so that school districts, which depend solely on property taxes for building new schools, will benefit from the increased values. Where schools must be built before revenues will be realized, compensatory fees should be part of the development package. In addition, Colorado tax laws, including the TABOR and Gallagher amendments, have driven down property tax revenues per capita even as real estate values have soared. Many of the smaller school districts in eastern El Paso County, like Falcon, have some of the lowest bonding capability per student in the entire state. This makes it extremely difficult for them to handle new growth (for a detailed analysis of district by district bonding capability and property tax values see <http://web.uccs.edu/ccps>). The city and county also have declining property tax revenues and would benefit from such a change.

Second, estimates of growth costs must include the effects on all units of government, and on "quality of life" factors important to local residents. Otherwise, commercial and residential developments will be approved as paying their own way on a narrow basis but result in an unhappy public looking for remedies. Loss of the mountain backdrop and open space, as well as increased time spent in traffic are examples of real costs of growth borne by the people of the Pikes Peak region rather than any governmental unit.

Third, land use planning at the City and the County must shift to "smart growth". Development patterns that lead to closing down some schools while building new ones probably aren't very smart, at least in fiscally conservative Colorado Springs. The same holds for raising taxes to build new infrastructure while the old sits underutilized. Largely unfettered growth has contributed to traffic congestion, needs for new roads and schools, and loss of the mountain

backdrop and valued open space. The same amount of new population could have been accommodated in different growth patterns with less cost and impact. If “smart growth” means anything, it must mean growth that fits the needs and the pocketbooks of the people.

Some call any kind of planning excessive government intervention. These are often the same folks ready to support government spending on new roads and schools in their area. Without those, a new development wouldn't have much value. Developers, local governments and citizen groups need to work together to see what growth patterns will match with what local residents are willing to pay. Otherwise, the city and county, as well as our school districts, will constantly be playing catch-up: asking for new taxes to pay for previously unfunded growth costs. “Smart growth” occurs when the tax system and land-use planning can work together so that new development automatically generates enough taxes to pay for new costs.

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