

SDS true stimulus

Pipeline would dwarf federally funded projects

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Of the nearly \$500 million allocated to Colorado transportation projects by the American Recovery and Reinvestment Act, otherwise known as “the stimulus,” about \$42 million will be allocated to El Paso County.

The money will pay for two projects: an intersection at Woodmen Avenue and Academy Boulevard, and a bridge on Highway 24 near Falcon.

The projects will create jobs and enhance the regional transportation network, but their impact is negligible compared to the Southern Delivery System.

SDS will, if built as planned, bring water from the Arkansas River to Colorado Springs via a massive pipeline. The estimated capital cost dwarfs the Colorado transportation stimulus program — and its economic impact will be heavily concentrated in the Pikes Peak region.

The project’s capital cost will be, according to the final environmental impact statement prepared by the Bureau of Reclamation, between \$1.09 billion and \$1.21 billion. Construction spending on Phase 1 will be between \$500 million and \$554 million.

The potential economic impacts would not be confined to Colorado Springs or El Paso County. If the preferred alternative from Pueblo Reservoir is constructed, Pueblo workers and businesses also stand to benefit. But if it’s constructed from a diversion point above Pueblo Reservoir, and follows the Highway 115 alignment through Fremont County, most of those benefits would flow to Canon City and Fremont County.

The bureau estimates that Phase 1, which is anticipated to begin late this year and continue through 2012, will generate more than \$377 million of direct construction spending, including more than \$136 million for construction labor.

Those numbers will translate into a construction work force averaging 669 people from 2009 through 2012, with a peak projectwide work force of 849 workers.

But given the economic slowdown, will the project begin as scheduled?

“Our current schedule is to begin construction at the end of this year,” said Janet Rummel, a spokeswoman for Colorado Springs Utilities. “(But) we’re monitoring changes in demand and matching that with supply projections so we can make any necessary adjustments in timing for the project.”

Rummel confirmed that once the project is under way the economic benefits won’t be confined to Colorado Springs.

“Projects this size don’t come around often,” she said. “Local companies — stores, restaurants, gas stations, and motels, among others — will profit from the multiplier effect of money spent on goods and services by the project itself and the people working on it.”

Dan Centa, president of the Pueblo Economic Development Corp., said his organization has not taken a position on SDS, but “we’re aware of the potential impacts.”

The Fremont Economic Development Corp. had no qualms about endorsing SDS.

In a letter to the Fremont County Commissioners, chairman Mike Bandera said that “it is our understanding that more than \$60 million would be spent for construction labor in Fremont County if the project goes through our county ... It is anticipated that 50 (percent) to 75 percent of the labor force will come from our region if the Highway 115 option is selected. The capital cost for the SDS facilities that would be built in Fremont County is estimated to approach more than \$230 million. For these reasons, we urge you to approve the application for a Special Review Use Permit for the project ...”

On Tuesday, the commissioners voted unanimously to endorse the project, subject only to conditions which SDS project director John Fredell has called “fair and reasonable.” The Pueblo County Commissioners are scheduled to decide whether and upon what conditions to issue a similar “Special Review Use Permit” for the project March 16.

Despite the Fremont commissioners’ decision, The Pueblo Chieftain, which has strongly opposed SDS, plans no change in its editorial policy.

“We believe that it should (take water) below the confluence of Fountain Creek and the Arkansas River,” said associate publisher Jane Rawlings.

That alternative has been rejected by CSU as the most expensive and least practical of all possible routes.