

SOUTHERN DELIVERY SYSTEM | eNews

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SDS Important to Regional Economy: A recently released independent economic development study revealed that the [Southern Delivery System](#) (SDS) will have a very important economic impact, helping to drive the local and regional economy over many years by contributing to the creation of thousands of jobs and billions of dollars in earnings for the population. Now under construction, SDS will provide water to Colorado Springs, Security, Fountain and Pueblo West through 2046 and beyond.

The study [Economic Impacts of the Southern Delivery System on the Regional Economy of Pueblo, Colorado Springs and Surrounding Areas](#) was commissioned by the Colorado Springs Chamber of Commerce Center for Regional Advancement and performed by Summit Economics LLC.

According to the report, the economic impact study modeled two possible scenarios: One, in which SDS is built as planned, in accordance with more than two decades of planning, permitting and design. The other is one in which the community's plans are halted and SDS is not built.

“What the economists found with this modeling is that the blade cuts both ways,” said Martin Wood, Chair of the Board of Directors for the Center for Regional Advancement, the 501(c)(3) arm of the Greater Colorado Springs Chamber of Commerce. “Without completion of SDS, Colorado Springs’ demand for water, based on historical trends, exceeds its ability to reliably deliver water to its customers in 2016 or soon thereafter. Uncertainty over water keeps employers from expanding or locating operations here, and as children grow up and need jobs, they have to leave the area to find them.”

Among the report's other key findings:

Need for SDS

- SDS's most urgent mission is backing up the community's aging water pipelines and providing diversity to the communities' water supply at a time of uncertainty involving the [Western drought and demand for Colorado River water](#).

Cost of Building SDS and the Community's Return on Investment

- The cost of building SDS (as measured by bonds issued for financing) for existing water customers is significantly less per capita than other water projects built throughout the history of Colorado Springs.
- The water rate percentage increases necessary to build SDS are less than or similar to rate increases necessary to build previous parts of the water system.

- In terms of the community's return on investment, completion of SDS and the water it will supply to the community will cause nearly the capital cost of SDS Phase I to be returned annually to El Paso County's economy in personal earnings by 2020.
- For every dollar invested in SDS in the coming decades, El Paso County's economy is expected to receive \$5.50 return in local gross domestic product (GDP).

Regional Jobs

- SDS construction will create up to 786 jobs in the 2011-2015 timeframe.
- As many as 13,175 jobs could be generated by a growing economy certain of its water supply – as soon as 2020.
- Without SDS, employment growth is expected to be 36 percent lower than it would be with SDS by 2050.
- Construction jobs will benefit both El Paso and Pueblo Counties at an annual average employment of 573 and 159 respectively. Over the life of the construction project \$127.6 million in earnings will be paid to El Paso County residents and \$35.5 million to Pueblo County residents.

The report concluded, "Hesitating to move forward with SDS would have serious economic consequences to Colorado Springs and El Paso County with impacts felt among all of its regional neighbors. While most serious policymakers and stakeholders actively engaged in western water issues over the last century recognize water on its own does not drive an economy, they readily acknowledge water is the quintessential infrastructure needed to support economic development when a community is fortunate enough to possess the opportunity. The leadership and citizenry of Colorado Springs understood this throughout the City's 137-year history and were willing to bear the front-end costs to benefit themselves and future generations."

For more information on the Southern Delivery System, visit www.SDSWater.org.

Southern Delivery System | eNews is an electronic newsletter designed to keep interested public officials and members of the public up to date on developments associated with the Southern Delivery System. Please forward it to anyone you think would be interested. Contact us at sdsinfo@csu.org to subscribe or unsubscribe.

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