

aspendailynewsonline

Published on Aspen Daily News Online (<http://www.aspendailynews.com>)
The Ireland Depression

Editor:

I have great news. Economic recovery is just around the corner. How do I know? According to the Aspen Daily News the eminent economist, Mick Ireland, predicts that Aspen's booming real estate and construction economy is not coming back. Ireland, is of course, an inverse indicator. Put a minus sign in front of his predictions and you have an accurate view of the future.

Of course Mick could do something to prove his forecast wrong. He could, for example, cut sales taxes. Margaret and I like to shop in Aspen, and we do occasionally. However, we patronize Aspen stores that arrange to deliver to our home in the unincorporated part of Eagle County. That way we pay a 2 percent sales tax, not Aspen's almost 10 percent sales tax. If Mick wants to make things better, he could propose cutting Aspen's sales tax. Those of us who have a choice might choose to pay the sales tax to Aspen.

Mick could also make it easier to park. Aspen has many great stores. However, those who live out of town have to plan their shopping carefully if they want to park for free. In Aspen you get two free hours of parking once a day. On the other hand, you can drive to Cherry Creek and park all day for free. For those of us who live downvalley Cherry Creek is now more attractive than Aspen. Aspen's parking policies have no doubt hurt the sales of Aspen businesses. Sales revenue would rise and employment increase if parking rules were eased and if sales taxes were cut. But then Mick's self-fulfilling forecast would be proven wrong.

Mick could also make larger cuts in the city's budget. The drop in real-estate prices will almost certainly force significant reductions in the city's 2011 or 2012 budgets, especially if Mick's forecast is correct. Aspen should begin to prepare now by cutting expenditures by 25 percent, not a paltry 10 percent. Otherwise the city will need to look for new sources of revenue within two years (read higher taxes). Of course Mick knows this. Mick recognizes that Aspen's taxes rates will have to increase to offset the drop in real estate values and construction activity he and his fellow councilmen have caused. Mick and the council have the power to make his forecast wrong. However, they won't. They will leave it to their successors to solve the "Ireland Depression."

Philip Verleger
Carbondale and Denver

archive_date:
1 day

Source URL: <http://www.aspendailynews.com/section/letter-editor/136859>