

BISBEE
Outlook
2006 • 2007



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Painting by Sam Woolcott
Photographed by Randy Saville

Photography

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Design

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A review of the national, state, and local economy



The Belleza Fine Arts Gallery is owned and operated by the Women's Transition Project in Bisbee, Arizona.

Photo: CER Staff



Robert Carreira
Director
Cochise College
Center for
Economic Research

At the national level in 2005, real Gross Domestic Product (GDP) – the value of all final goods and services produced in the United States and adjusted for inflation – increased at a rate of 3.2 percent. This was slower than the 3.9 percent rate of growth seen a year prior. In the third quarter of 2006, GDP increased at a sluggish annual rate of 1.6 percent, according to preliminary estimates. This followed stronger growth of 5.6 percent in the first quarter and 2.6 percent in the second quarter. The annualized growth rate of GDP in the first 9 months of 2006 was 3.3 percent; however, this is heavily influenced by the stronger growth in the first quarter.

According to the U.S. Department of Commerce, the slowed growth in the third quarter of 2006 was due primarily to acceleration in imports, a downturn in private

inventory investment, decreases in residential fixed investment, and decelerations in personal consumption expenditures for services. Also contributing to the slowed growth in the third quarter were declines in state and local government spending. These were partially offset by increases in personal consumption expenditures for durable goods along with equipment and software, as well as increases in federal government spending.

Employment at the national level improved in 2005, with the unemployment rate dropping from 5.5 to 5.1 percent, its lowest level since 2001. The year 2005 saw a net increase of 2 million non-farm jobs. This was down slightly from 2.1 million jobs created in 2004. In the first 9 months of 2006, the national unemployment rate averaged 4.7 percent and the national economy added 1.2 million jobs, according to preliminary estimates. This is down from the first 9 months of 2005, which saw the creation of 1.4 million jobs.

The Consumer Price Index (CPI) rose 3.4 percent in 2005, significantly higher than the 2.7 increase seen in 2004. In the

first 9 months of 2006, the CPI increased at an annualized rate of 3.4 percent. In September 2006, the CPI was 2.1 percent higher than it was in September 2005. The index for energy, which rose 17.1 percent in 2005, and advanced at annual rates of 21.8 and 23.8 percent in the first two quarters of 2006, respectively, declined at a 15.6 percent annual rate in the third quarter of 2006. For the first 9 months of 2006, energy costs rose at a seasonally adjusted annual rate of 8.3 percent.

The Federal Open Market Committee (FOMC) raised the targeted federal funds rate by 25 basis points at each of 17 meetings between June 2004 and June 2006. The most recent increase on June 29 of this year brought the targeted rate to 5.25 percent, its highest level since January 2001. Since June, the FOMC has paused its rate-raising campaign as economic growth has slowed and inflation has come under control. The federal funds rate is the interest rate at which financial institutions lend balances at the Federal Reserve to each other overnight. The Fed has no power to directly raise or lower this rate, but influences the rate primarily through its open-market operations, which consist of the purchase and sale of U.S. government securities. The federal funds rate is a major determinant of interest rates throughout the economy.

Between September 2005 and September 2006, the average contract rate on a fixed, 30-year conventional mortgage increased from 5.97 to 6.63 percent. However, the September 2006 rate of 6.63 percent was down from 6.83 percent in July. Mort-

gage rates traditionally rise and fall with changes in the federal funds rates, though mortgage rates were slow to respond to increases in the federal funds rate that began in June 2004. It was not until the middle of 2005 that mortgage rates began to increase. The recent pause by the Fed in raising interest rates was followed almost immediately by declining mortgage rates.

At the state level, economic indicators offer good reason for optimism. Arizona's GDP by state (previously Gross State Product) rose 9.1 percent in 2005, according to advance estimates. This made Arizona's economy the fastest-growing in the nation, as measured by increases in GDP by state. The largest contributors to economic growth at the state level in 2005 were durable goods manufacturing; real estate, rental and leasing; and construction.

Between 1997 and 2004, Arizona's GDP by state rose at an average annual rate of 5.2 percent, making it the fastest growing state, economically, in the nation during that period. GDP by state is the most comprehensive measure of the overall economic activity of each state and is the primary tool for measuring economic growth within states.

The unemployment rate in Arizona dropped to 4.7 percent in 2005, its lowest level since 2001. This was down from 5 percent a year prior. In the first 9 months of 2006, statewide unemployment declined to a seasonally adjusted rate of 4.4 percent.

Arizona added 125,600 non-farm jobs in 2005, for a job growth rate of 5.3 percent. This was the state's highest rate of job

growth since 1996. In the 12 months ending in September 2006, Arizona's economy added 119,000 non-farm jobs, for a 12-month job growth rate of 4.7 percent.

At the county level, the unemployment rate for 2005 came in at 4.9 percent, down slightly from 5 percent in 2004. The county's 2005 unemployment rate was below the national average of 5.1 percent, but two-tenths of a percentage point above the statewide rate. In 2005, Cochise County had the 5th lowest unemployment rate of Arizona's 15 counties, behind only Mohave, Yavapai, Maricopa, and Pima counties. Cochise County's unemployment rate in 2005 was at its lowest level since 2001. In the first 9 months of 2006, the county's seasonally adjusted unemployment rate averaged 4.8 percent.

In 2005, Cochise County added 1,900 non-farm jobs for job growth of 5.4 percent, its highest level on record, with records going back to 1994. In the 12 months ending in September 2006, the county added 850 non-farm jobs, for a 12-month job growth rate of 2.3 percent.

Bisbee's unemployment rate in 2005 was 5.4 percent, its lowest level since 2001. In the first 9 months of 2006, the Bisbee's seasonally adjusted unemployment rate averaged 5.2 percent.

Taxable sales in Cochise County's incorporated cities totaled \$1.26 billion in 2005, up 7.5 percent from 2004. This represents healthy, inflation-adjusted growth of 4.1 percent. Retail sales in the incorporated cities totaled \$731.8 million in 2005, up 5.7 percent from 2004. This reflects moderate, inflation-adjusted growth of 2.3 percent.

Restaurant and bar sales in the incorporated cities increased to \$97.4 million in 2005, up 8.6 percent from a year prior, reflecting strong, inflation-adjusted growth of 5.2 percent. Accommodation receipts in Cochise County's incorporated cities surged to \$27.7 million in 2005, up an astonishing 19.5 percent from 2004. This reflects inflation-adjusted growth of 16.1 percent. Accommodation receipts include hotel, motel, and other lodging.

At the city level, Bisbee's total taxable sales in 2005 increased to \$67.1 million, up 24.1 percent from 2004, for inflation-adjusted growth of 20.7 percent. In the first

The trend in the real estate market in Bisbee has followed the countywide trend for resale homes.

Photo: CER Staff



half of 2006, total sales dropped to \$31.5 million. This was down 4.3 percent from the same period of 2005, showing inflation-adjusted growth of -8.1 percent.

Bisbee's retail sales in 2005 increased to \$29.4 million, up 7.8 percent from 2004. This reflects healthy, inflation adjusted growth of 4.4 percent. In the first 6 months of this year, retail sales totaled \$15.4 million. This was up 6.5 percent from the same period a year prior, or 2.7 percent in inflation-adjusted terms.

Bisbee's restaurant and bar sales in 2005 climbed to \$5.9 million, up 16.9 percent from 2004, reflecting inflation-adjusted growth of 13.5 percent. Sales in this category were even stronger in the first 6 months of 2006, with sales from January through June totaling \$3.1 million. This reflects a 22.6 percent increase from the same period in 2005, for robust inflation-adjusted growth of 18.8 percent. The strong growth in Bisbee's restaurant and bar sales reflects the opening of several new establishments, as well as increased patronage by local residents, including those residing elsewhere in Cochise County.

Bisbee's accommodation receipts in 2005 inched upward to \$5.9 million, failing to keep pace with the rate of inflation. While sales in this category were up 2.6 percent, the inflation-adjusted growth was -0.8 percent. Sales in this category dropped even further in the first 6 months of 2006, with sales from January through June totaling only \$1 million. This reflects a 36.8 percent decrease from the same period in 2005, for inflation-adjusted growth of -40.6 percent.

The steep decline in Bisbee's accommodation sales likely reflects the departure of workers previously involved in the construction of the city's wastewater system. High gas prices may have also played a role, discouraging domestic tourism. Also, the recent period of decline follows strong performance in 2003 and 2004, when accommodation sales surged 13.9 and 29.1 percent, respectively. The inflation-adjusted declines seen in 2005 and the first half of 2006 likely reflect a market adjustment following this period of strong growth. Often, such periods of strong growth result from transient factors, and thus are unsustain-



Bisbee's retail sales in 2005 increased to \$29.4 million, up 7.8 percent from 2004. This reflects healthy, inflation adjusted growth of 4.4 percent.

Photo: CER Staff

able. For example, part of the surge in 2004 was associated with the filming of the Stephen King movie *Desperation*, which gave a temporary boost to the city's sales.

In 2005, the Cochise County housing market was characterized by a shift away from new home construction and toward the purchase of existing homes. Permits for new, single-family residential construction grew at their slowest rate in years, and new home closings declined for the first time in years. At the same time, the volume of sales of existing homes grew by over 15 percent as homeowners and investors sought to cash in their equity and capitalize on higher home prices. In the first 8 months of 2006, Cochise County saw a further slowing of new construction, along with a slowing of the resale market. Higher interest rates and market corrections from the previous housing boom are likely to continue to slow new construction and the resale market, which will lead to further stabilization of home prices. In the coming years, there will be a continued shifting from a seller's to a buyer's market.

The trend in the real estate market in Bisbee has followed the countywide trend for resale homes. New construction, however, has been slow over the past decade due to the previous sewer-hookup moratorium, which was lifted in late 2005. While new construction has been slow in the city since the lifting of the moratorium, with only four permits issued for new residential construction in the city from January through August of this year, there are currently 100 new homes planned for the San Jose area of the city over the next 3 years.

Taking steps forward *in* Bisbee

Participants climb over 1,000 steps during the annual Bisbee 1,000 race.

Photo: CER Staff



Stephen Pauken
Bisbee City
Manager

Bisbee is a very busy place. During 2006, lots of the typical activity has occurred, and many new and old things have been happening. This year has seen the hiring of a new city manager and a new finance director, and a resurgence of this city in the Mule Mountains that is truly an American original.

Bisbee is truly moving forward. Our financial performance for the current fiscal year is testimony to our resurgence. General fund revenues are up 35 percent for this fiscal year compared to an increase of only 7 percent in general fund expenditures. We attribute this to efforts to establish a year-around economy in Bisbee, rather than being only a winter destination for tourists. The city is working with its business community, visitor center, and local attractions to establish Bisbee as the place to be, year-round.

On the development front, Bisbee teamed up with the State Historic Preservation Office to host a planning “charette” that focused on Old Bisbee. This planning session involved all aspects of the community to identify the fate of the new town, and what it could become. Many of the results of this charette will be incorporated in future plans for our historic old town to make it an even better place without losing its charm and historic significance.

We are also moving ahead on other fronts. We have five potential new mixed-residential developments on the horizon. The possibility exists that between 100 and 2,000 new housing units, along with new business and retail opportunities, could be approved by the city in the next year. While most of this new development will appear in the San Jose area of the community, it will benefit all of Bisbee with new tax revenue, jobs, and shopping opportunities.

The city is also working on revitalizing existing areas of the community. The Bakerville area is slated for drainage improvements, and we hope to dedicate

additional funds to repave streets in this area through CDBG funding. Tin Town has drawn the attention of state and federal authorities, and soon we will be able to provide outlets to this area for the first time. We have also established a rapport with Cochise County that will help us to repave Arizona Street, the main street of Warren, this year.

Bisbee is also working to turn its assets into opportunities. Bisbee Municipal Airport is aggressively widening its main runway, installing new lighting, adding a fire suppression system, and selling ground leases for new private hangars. The town owns a multitude of land all around the town that is not fit for urban use and can be sold for residential, commercial, and industrial purposes. We are in the process of selling these parcels for the benefit of the people of Bisbee, and for economic development.

The new San Jose Wastewater Treatment Plant is finished, and running. This

plant was designed to produce an EPA standard of B+ water, but is, in fact, producing A+ water. Along with the Upper San Pedro Partnership, Bisbee is funding the re-use of this reclaimed water for irrigation of the Turquoise Valley Golf Course. We have not only succeeded in improving our environment, but we will also use this reclaimed water to reduce the demand for domestic water from our sole-source aquifer. That's a big plus for our community.

Last, but not least, Bisbee had municipal elections in September and returned the incumbent mayor and all three councilmembers to office. Additionally, all three city issues on the ballot were adopted by the people of Bisbee. This ensures continuity of local government, and it is a sign that the people of Bisbee are confident in this city's future. We are looking forward to a bright economic future for the people of Bisbee, and the region as a whole.

Many of the city's 25 art galleries and 17 antique stores are located on this charming downtown stretch.

Photo: CER Staff



The City of Bisbee

In the 1980s, Bisbee succeeded in diversifying its economy to include government, tourism, and light manufacturing.

Photo: CER Staff



Bisbee, the county seat of Cochise County, is located 94 miles southeast of Tucson, 205 miles southeast of Phoenix, and 7 miles from the U.S./Mexico border. Bisbee was founded in 1880 as an Old West mining camp and was incorporated in 1902. The city is named after Judge DeWitt Bisbee, a financial backer of the Copper Queen Mine.

By the early 1900s, Bisbee was the largest city between St. Louis and San Francisco, with a population of 20,000. In 1908, a fire destroyed most of Bisbee's commercial district along Main Street. Reconstruction began immediately and by 1910 most of the district had been rebuilt.

Bisbee was once one of the world's richest mineral sites. During nearly a century of mining, 8 billion pounds of copper, 102 million ounces of silver, and 2.8 million ounces of gold along with millions of pounds of zinc, lead, and manganese were produced. By 1974, ore reserves had been depleted and by the end of that year Phelps Dodge curtailed open-pit operations. The following year Phelps Dodge ceased underground operations.

With the departure of its industrial base, the real estate market in Bisbee collapsed as hundreds of homes went on the market. This increase in the supply of available homes caused home prices to drop significantly, drawing retirees, "hippies," and eventually a new group of speculators. These new residents purchased property and contributed to the renovation of the city. In the 1980s, Bisbee succeeded in diversifying its economy to include government, tourism, and light manufacturing.

Today, Bisbee is an artist and retirement community. The city hosts monthly special events and is a popular tourist destination. In March 2005, the National Trust for Historic Preservation – the nation's largest, private, nonprofit preservation organization – named Bisbee one of "America's Dozen Distinctive Destinations." Bisbee is the first city in Arizona to earn this distinction. The honor gives a boost to Bisbee's already strong tourism industry. "Old Bisbee" is a registered national historic landmark.

The City of Bisbee offers numerous community facilities, including a library, 25

art galleries, 17 antique stores, 20 restaurants, three museums, 13 parks, a swimming pool, tennis courts, an 18-hole golf course, and numerous baseball, football, basketball, and little league baseball facilities. Bisbee is served by 240 hotel and other lodging rooms. The capacity of the largest facility is 990. Bisbee is also served by a municipal airport with three runways (5,900 feet; taxiway with pilot-activated lights/beacon).

Bisbee is home to the Queen Mine Tour, which attracts thousands of visitors each year and offers train rides through old mining tunnels; and the Bisbee Mining and Historical Museum, a Smithsonian Institute affiliate. Nearby locations of interest include the historic John Slaughter Ranch, Agua Prieta, the cities of Tombstone and Douglas, ghost towns of Charleston and Dos Cabezas, Fort Bowie National Historic Site, Fort Huachuca, Coronado National Memorial, Cochise Stronghold, Texas Canyon, San Bernardino Wildlife Refuge, Chiricahua National Monument, Coronado National Forest, the Chiricahua Mountains, and Historic Arizpe in Sonora, Mexico. To learn more about the City of Bisbee, visit the city's website at www.cityofbisbee.com.

Bisbee's wastewater treatment facility

In August 2006, Bisbee opened its new wastewater treatment facility, financed in part by a grant from the North American Development Bank through its Border Environment Infrastructure Fund, which is funded by the U.S. Environmental Protection Agency. The remaining construction costs were covered by a loan and a grant from the U.S. Department of Agriculture Rural Development, a loan from the Arizona Water and Infrastructure Finance Authority, and equity funds from the city. In addition, the Border Environment Cooperation Commission provided a grant through its Project Development Assistance Program for final design.

The new 1.2-million-gallon-per-day wastewater treatment plant was constructed at a site in the San Jose section of the city. The project also involved constructing

a new pump station, a force main to convey sewage from the Mule Gulch wastewater treatment facility, the retirement of the Warren wastewater treatment facility lagoon; and replacement of 120,000 feet of the previously existing collection lines.

Prior to the wastewater treatment project, Bisbee had been under a sewer hookup moratorium. The moratorium was part of a Consent Order entered into by Bisbee and the Arizona Department of Environmental Quality (ADEQ) in 1997 and again in 2001. The moratorium severely restricted new construction while Bisbee worked to improve the city's public sewer system.

The wastewater project upgraded the city's century-old sewer system. As the project progressed, the moratorium was lifted in neighborhoods where the upgrades had been completed. In September 2005, the moratorium was lifted in Warren, and then in October 2005, the last of the moratoriums was lifted in the communities of Old Bisbee, Saginaw, and Lowell, opening the door for new construction in the city. Prior to the lifting of the moratorium, additional bathrooms or other utilities that may have strained the sewer system could not be added without prior approval from ADEQ.

Bisbee municipal airport

Bisbee Municipal Airport is a general aviation airport serving southeastern Arizona for both business and recreational aviation. The airport is located three miles south of the Bisbee suburb of Warren on South Arizona Street and about two miles from the U.S.-Mexican border and town of Naco. There are 23 aircraft stationed at the airport.

Bisbee Municipal Airport has one 5,900-foot, paved runway with pilot-activated runway lights. There is also a 2,900-foot dirt runway. The facility has a large ramp area with 31 tie-downs, 10 shade hangars, and three enclosed hangars. Bisbee Airport has approximately 19 acres available for commercial development. The airport has a current and approved master development plan from the City of Bisbee and the Arizona Department of Transportation.



Since 2001, Copper State Aircraft Services has provided fixed base operator (FBO) services. The FBO oversees daily operations, including the fueling of aircraft, mechanical services, and 24-hour security. A courtesy car is provided by the

City of Bisbee to transport visitors from the airport to the city. In the event the courtesy car is not available, the flight line crew transports visitors. Other services include a CATS (Computerized Testing) Center that allows people to take aviation-related and non-related tests at the airfield at their convenience.

Daft Damsel Aviation provides comprehensive aviation maintenance including repair of airframe and power plant, fabric repair and replacement, and aircraft detailing. Inspection services and mobile avionics are also available upon request.

Grants are currently in process for improving the runway, updating the electrical system, and providing fire suppression for the airport. Funds are also being made available for updating the Airport Master Plan.

Approximately 442 visiting aircraft – many of them return visitors – arrived in Bisbee in the 12-month period from October 2004 to October 2005. Total flight operations for the same period were 4,071. The courtesy car was utilized 82 times, transporting 198 people into town and the surrounding area.

COST OF LIVING COMPARISONS, 2003-2006

	SIERRA VISTA-DOUGLAS MICRO AREA	TUCSON	PHOENIX	FLAGSTAFF	LAKE HAVASU	PRESCOTT	YUMA
2003, 1st Quarter	93.6	97.5	97.1	106.7	*	*	100.0
2003, 2nd Quarter	96.5	96.5	98.5	106.1	*	*	*
2003, 3rd Quarter	95.8	94.9	97.2	107.0	99.5	102.4	*
2003, 4th Quarter	95.5	97.3	98.5	108.7	102.2	*	100.7
2004, 1st Quarter	98.0	96.1	98.7	109.5	103.1	106.5	*
2004, 2nd Quarter	104.0	98.1	99.0	106.9	107.0	107.3	99.3
2004, 3rd Quarter	100.7	95.0	99.2	111.5	106.7	109.2	98.4
2004, 4th Quarter	100.4	94.4	98.7	109.7	109.6	*	94.7
2005, 1st Quarter	98.7	96.2	96.8	107.3	106.2	111.5	94.1
2005, 2nd Quarter	100.5	96.6	96.9	109.3	107.1	*	98.7
2005, 3rd Quarter	98.0	97.4	99.0	*	106.6	111.6	98.0
2005, 4th Quarter	94.0	97.3	100.4	112.4	109.4	111.6	99.4
2006, 1st Quarter	98.0	100.3	103.8	116.1	114.1	107.5	106.3

*Data not available. Note: The average for all participating places nationwide equals 100. Each participant's index is read as a percentage of the average for all places. Source: ACCRA Cost of Living Index.

SIERRA VISTA-DOUGLAS MICRO AREA, COST OF LIVING 2005-2006

	COMPOSITE INDEX	GROCERY ITEMS	HOUSING	UTILITIES	TRANS- PORTATION	HEALTH CARE	MISC. GOODS & SERVICES
1st Qtr, 2005	98.7	97.6	98.2	121.6	98.6	97.4	93.1
2nd Qtr, 2005	100.5	98.5	99.8	96.0	105.6	97.5	102.2
3rd Qtr, 2005	98.0	112.5	92.5	94.7	98.1	98.8	98.0
4th Qtr, 2005	94.0	94.8	86.2	99.6	101.5	96.5	96.3
1st Qtr, 2006	98.0	101.7	90.2	116.5	101.7	95.0	96.8

Note: The average for all participating places nationwide equals 100. Each participant's index is read as a percentage of the average for all places. Source: ACCRA Cost of Living Index.

BISBEE WEATHER

MONTH	AVG. HIGH	AVG. LOW	MEAN	AVG. PRECIP.	RECORD HIGH	RECORD LOW
January	56°F	30°F	43°F	2.08 in	74°F (2000)	-9°F (1987)
February	60°F	32°F	46°F	1.16 in	79°F (1986)	12°F (2002)
March	67°F	36°F	51°F	1.07 in	87°F (1989)	18°F (2002)
April	73°F	41°F	57°F	0.33 in	93°F (1989)	22°F (1999)
May	81°F	49°F	65°F	0.16 in	98°F (2005)	26°F (1988)
June	90°F	57°F	74°F	0.59 in	106°F (1990)	37°F (1991)
July	88°F	62°F	75°F	4.52 in	103°F (1989)	51°F (1986)
August	84°F	59°F	72°F	3.93 in	95°F (1986)	46°F (1987)
September	82°F	54°F	68°F	2.40 in	91°F (2004)	36°F (1986)
October	74°F	45°F	60°F	1.61 in	89°F (2000)	19°F (2004)
November	64°F	36°F	50°F	1.10 in	81°F (1988)	12°F (2004)
December	56°F	30°F	43°F	1.78 in	75°F (1987)	8°F (1987)

Source: The Weather Channel ©

Industrial properties

Several industrial properties are available with utilities at the Bisbee Airport Industrial Park. In nearby Naco, Sonora, Mexico there is an industrial park operated under the maquiladoras (twin plant) concept that allows U.S. companies to operate in Mexico. For more information on industrial properties in Bisbee, contact the City of Bisbee at (520) 432-6000. For more information on investing in Sonora, Mexico, visit the Arizona Office of Trade in Sonora's website at <http://www.arizonain-sonora.com>.

Arizona Enterprise Zone Program

Bisbee is located in the Cochise County Enterprise Zone, currently in effect through 2011. This zone also includes the communities of Benson, Douglas, Huachuca City, Tombstone, Willcox, and portions of Sierra Vista. Companies that

locate to enterprise zones may be eligible to benefit from two tax incentive programs.

The Arizona Enterprise Zone program was enacted in 1989 and revised by subsequent legislation. The goal of the Enterprise Zone program is to improve the economies of areas in the state with high poverty or unemployment rates by enhancing opportunities for private investment. The program provides income tax credits for non-retail businesses creating new jobs in zones, and property reclassification for small manufacturers investing in a zone.

In 1993, property tax benefits were added to the program. In 1996, the program was revised to encourage the creation of quality jobs that paid a state-designated wage and for which employers paid 50 percent of health insurance costs. In 1998, the program was extended for three years. In 1999, legislation was passed to allow insurers to use credits to offset premium taxes. In 2001, the program was again extended, the investment threshold for small manufacturers in rural Arizona was lowered, and qualified companies were allowed to conduct up to 10 percent retail activity at the zone location. In 2002, the program was revised to strengthen administrative procedures and help target the program more closely toward its purpose as an economic development tax incentive. In 2006, the program was extended for 5 years and revised to allow certain family-owned manufacturers to qualify under the EZ property tax reduction. Additionally, qualified commercial printers using lithography or flexography printing processes will now be able to participate in the program.

The Enterprise Zone program provides for an income and premium tax credit for net increases in qualified employment positions at a site located in the enterprise zone, except for those at a business location where more than 10 percent of the activity is the sale of tangible personal property at retail. Tax credits may total up to \$3,000 per qualified employment position over three years, for a maximum of 200 employees in any given tax year. A qualified employment position is a full-time permanent job (1,750 hours per year), pays an hourly wage above the "Wage Offer by County" (\$8.14 in 2006 for the Cochise

County Enterprise Zone), and provides health insurance to employees for which the employer pays at least 50 percent.

The program also provides for property tax benefits in conjunction with property reclassification for qualified manufacturing businesses locating or expanding facilities in the enterprise zone. A manufacturer in an enterprise zone is eligible for an assessment ratio of 5 percent on all personal and real property (for primary tax purposes only) in the zone for five years if it is: (1) either minority-owned, woman-owned, or small (as defined by enterprise zone rules); and (2) makes an investment in fixed assets in the zone of \$500,000, \$1 million, or \$2 million, depending upon the location of the facility. For more information on the Enterprise Zone program, contact the Cochise County Grants Administrator at (520) 432-9742, or the Arizona Enterprise Zone Administrator at (602) 771-1213.

Tax rates

PRIVILEGE TAX

The city sales (or privilege) tax in Bisbee is added to a base of 6.1 percent, which includes county and state taxes, for most categories of sales. The general privilege tax rate in Bisbee is 2.5 percent, for a total (city, county, and state) tax of 8.6 percent. An additional hotel/motel tax of 2.5 percent is added to hotel/motel stays, for a total tax



View of the Pythian Castle, one of the many historic Bisbee buildings converted into rentable residencies.

Photo: CER Staff

BISBEE TRANSACTION PRIVILEGE (SALES) TAX RATES, 2006

CATEGORY	COUNTY AND STATE	CITY OF BISBEE	TOTAL
Privilege Tax	6.10%	2.50%	8.60%
Hotel/Motel (Additional Tax)	6.05%	2.50%	11.05%

Source: Arizona Department of Revenue and Cochise College Center for Economic Research.

BISBEE PROPERTY TAX RATES, 2006 (PER \$100 ASSESSED VALUE)

DISTRICT	PRIMARY	SECONDARY	TOTAL
City of Bisbee	2.3798		2.3798
Bisbee Unified School District	4.2770	1.9662	6.2432
Cochise County General Government*	2.9160		2.9160
Library*		0.1551	0.1551
Flood Control*		0.2597	0.2597
Cochise College*	1.7868		1.7868
Arizona Fire District Assistance Tax**		0.0919	0.0919
TOTAL	11.3596	2.4729	13.8325

*Rate applies to all property in Cochise County. **Rate applies to all property in Arizona. Source: Cochise County Treasurer and Cochise College Center for Economic Research.

of 11.05 percent (Note: The state and county combined tax for hotel/motel stays is 6.05 percent).

PROPERTY TAX

The combined total of all primary and secondary city, school district, county, state, and special district property taxes for property located in Bisbee is \$13.8325 per \$100 assessed value. This is down from \$14.5366 in 2005, due to decreases in school district taxes, the county general government tax, and the statewide school district assistance tax, which was eliminated in 2006. The declines were partially offset by increases in the tax levied by the City of Bisbee, as well as an increase in the statewide fire district assistance tax.

In Arizona, assessed value is based on an assessment ratio of the property's value. The state uses the following assessment ratios:

- 24.5 percent: Mines and mining claim property, and standing timber; local telecommunications service, gas, water, and electric utility company property; pipeline company property producing oil; gas property; commercial and industrial real property not included in other classes; and commercial and industrial personal property exceeding \$59,099 of full cash value.
- 21 percent: Railroad operating property, private car company property, and airline flight property.
- 16 percent: Agricultural real property,

golf courses, and vacant land; and agricultural personal property exceeding \$59,099 of full cash value.

- 10 percent: Owner-occupied residential property; and leased or rented residential property.
- 5 percent: Noncommercial historic property, foreign trade zone property, qualifying military reuse zone property, qualifying enterprise zone property, qualifying environmental technology property, and qualifying environmental remediation property.
- 1 percent: Possessor interests; improvements to commercial historic or historic residential rental property (for up to 10 years).

Primary and secondary education

The Bisbee Unified School District operates one public elementary school, one middle school, one junior high school, and one high school. The student enrollment was 1,003 in 2005. With an enrollment of 401 students, Bisbee High School offers a number of extra-curricular activities including sports teams for students, fine arts, and music programs. Vocational programs are offered in business technology, industrial technology, culinary arts, and computer drafting. At-risk student support is available in math, English, and writing.

Bisbee Middle School, with an enrollment of 212, and Lowell Junior High School, with 126 students, offer state stan-

dards-based curriculum and a wide variety of extra-curricular activities. Greenway School, with an enrollment of 264 serves students in Pre-K through 3rd grades. Facilities at each school have been recently remodeled.

The Bisbee Unified School District maintains a "No Child Left Behind" Department consisting of three staff members at the district office, as well as several paraprofessionals at each school building. This department is responsible for providing Title I Reading and English Language Learners (ELL) services throughout the district. The department services the children of the school district, as well as the staff, by providing professional development in the areas of reading, ELL, parent involvement activities, homeless education, consolidation plan, DIBELS and GRADE testing, district reading committee, family learning bags, data analysis, and more.

Arizona Learns, a program within the Arizona Department of Education, evaluates each Arizona school and assigns a rating with respect to the school's ability to meet or exceed the Arizona Standards of Education. The ratings include: Excelling, Highly Performing, Performing Plus, Performing, and Underperforming. Ratings are issued each fall term for the previous year.

Bisbee schools were rated as follows for the 2004-2005 school year: Bisbee High School: Performing; Bisbee Middle School: Performing Plus; Greenway Primary School: Performing Plus; and Lowell Junior High School: Performing Plus.

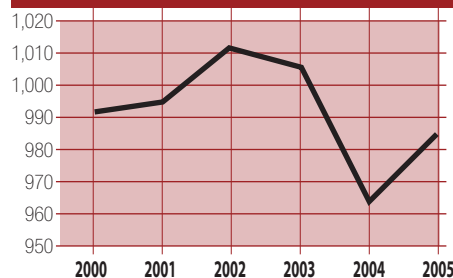
In addition to the Bisbee Unified

BISBEE UNIFIED SCHOOL DISTRICT

SCHOOL	2005 ENROLLMENT	ARIZONA LEARNS RATING*
Bisbee High School (9-12)	401	Performing
Bisbee Middle School (4-6)	212	Performing Plus
Greenway Primary School (Pre-K-3)	264	Performing Plus
Lowell School (7-8)	126	Performing Plus
TOTAL ENROLLMENT	1,003	

*2004-2005 school year. Source: Arizona Department of Education.

BISBEE UNIFIED SCHOOL DISTRICT, AVERAGE DAILY MEMBERSHIP, 2000-2005



Source: Arizona Department of Education.

BISBEE CHARTER SCHOOLS

SCHOOL	2005 ENROLLMENT	ARIZONA LEARNS RATING*
PPEP TEC - Manuel Borjorquez Learning Center	25	Performing
TOTAL ENROLLMENT	25	

*2004-2005 school year. Source: Arizona Department of Education.

School District schools, the City of Bisbee also has a charter high school: PPEP TEC - Manuel Borjorquez Learning Center, with an enrollment of 25 in 2005. PPEP TEC High School serves grades 9-12. The mission of PPEP TEC High School is to provide quality educational programs and services to students, ages 15 through 21 in grades 9 through 12, who are at risk of becoming permanent dropouts of the public education system, and to provide students with the knowledge, skills, and abilities necessary to obtain employment or continue their education in postsecondary institutions. In the 2004-2005 school years, PPEP TEC was assigned an Arizona Learns rating of Performing.

The Bisbee Unified School District operates one public elementary school, one middle school, one junior high school, and one high school.

Photo: CER Staff



Post-secondary educational opportunities

COCHISE COLLEGE

Cochise College, a comprehensive “learning community” college, provides high-quality learning opportunities by offering a diverse curriculum in general education and liberal arts, direct employment programs, and various community courses and events that provide educational, cultural, and recreational services beyond formalized classroom instruction.

Cochise College was established in 1961 as the second community college in Arizona. The original 540-acre Douglas Campus, which opened in 1964, is unique in its architecture and provides panoramic views of the Mule and Chiricahua Mountains, as well as neighboring Sonora, Mexico. The Douglas Campus is located approximately halfway between Bisbee and Douglas, about 15 miles southeast of Bisbee. The campus comprises 17 buildings and serves more than 1,400 students. This traditional campus is home to a number of academic buildings housing classrooms, faculty and staff offices, and computer labs, as well as a full-service library, an airport/aviation programs, residence halls, athletic facilities, and a cafeteria.

The Cochise College Douglas Campus is also home to the Center for Southwest Studies, established to further the studies of historical and natural attractions. The center is dedicated to exploring, protecting,

and disseminating information about cultural and natural resources, and contributes to the local economic development of the region. Cochise College and the Center for Southwest Studies partner with many organizations to identify and implement entrepreneurial activities related to the rich historical, cultural, and geographical characteristics of Southeast Arizona and the border region. Cochise College prides itself as a leader in border-related studies, training, and research.

Cochise College also maintains an Adult Education Program in Douglas offering programs in General Education Development (GED) in both English and Spanish; English for Speakers of Other Languages (ESOL); Reading Preparation; Math Preparation; Citizenship; and Family Literacy. In early 2005, the program began offering English GED classes online. For more information on the Adult Education Program, call (520) 364-3736 or visit their website at www.cochise.edu/adulteducation.

The development of community-directed college programs and services district-wide has included Workforce Training and Community Education, the Small Business Development Center, the Career Services Center, the Online Campus, the Prison Education Program, Adult Education, and the Center for Economic Research. Cochise College continues to provide quality educational opportunities to the people of Cochise County and spe-

cific populations in the southwestern United States.

Cochise College is accredited by the Higher Learning Commission of the North Central Association. To learn more about Cochise College, visit www.cochise.edu.

UNIVERSITY OF ARIZONA SOUTH

The Tucson Campus of the University of Arizona established UA South in Sierra Vista, an official branch campus of the university, as part of its land grant mission to serve the citizens of the State of Arizona. The Sierra Vista branch campus is located approximately 26 miles from Bisbee. The mission of UA South is to provide quality liberal arts and professional instruction that allows the citizens of the State, and primarily Cochise County, to obtain degrees and develop fully their intellectual and professional capabilities as well as gain an appreciation of diversity; to enrich instruction through the integration of technology in resident and distance learning programs; and to foster regional economic development and provide expertise for generating solutions to community problems through the education and public service activities of faculty, staff, and students.

UA South offers upper-division courses for students to complete undergraduate degree programs in cooperation with Cochise College and other Arizona community colleges. This program is often referred to as "2 + 2." Graduate degrees are also offered in select disciplines. UA South is a commuter campus, with schedules designed to accommodate working adults and returning students. Throughout Arizona, students may also take advantage of UA South courses available online.

In addition to its campus in Sierra Vista, UA South maintains an office in Douglas, approximately 23 miles southeast of Bisbee, which serves the needs of Southeast Cochise County and Northern Mexico. For more information, visit www.uas.arizona.edu.

CRIME RATE, 2005 (PER 1,000 POPULATION)

LOCATION	POPULATION	VIOLENT CRIME	PROPERTY CRIME	ARSON	TOTAL CRIME	CRIME RATE (PER 1,000 POPULATION)
United States	296,410,404	1,390,695	10,166,159	NA	11,556,854	39.0
Arizona	6,044,985	30,478	287,345	NA	317,823	52.6
Cochise County	131,790	796	4,286	32	5,114	**39.3
Benson	4,740	7	240	0	247	52.1
Bisbee	6,570	10	324	0	334	50.8
Douglas	17,195	44	696	0	740	43.0
Huachuca City	1,830	4	29	0	33	18.0
Sierra Vista	43,690	123	1,482	9	1,614	36.9
Tombstone	1,610	*	*	*	*	*
Willcox	3,885	15	236	0	251	64.6
Unincorporated Areas	52,270	593	1,279	23	1,895	36.3

*Data not available. **Estimated by the Cochise College Center for Economic Research based on reporting for all areas except Tombstone. Source: Federal Bureau of Investigation, Uniform Crime Reports; Arizona Department of Economic Security; and Cochise College Center for Economic Research.

BISBEE CRIME RATE, 2001-2005 (PER 1,000 POPULATION)

2001	51.5
2002	50.8
2003	47.8
2004	58.6
2005	50.8

Source: Federal Bureau of Investigation, Uniform Crime Reports; Arizona Department of Economic Security; and Cochise College Center for Economic Research.

Crime rate

The crime rate in Bisbee in 2005 was 50.8 crimes per 1,000 population, which was below the statewide crime rate of 52.6. Bisbee's crime rate dropped steadily between 2001 and 2003, but then increased in 2004. The 2005 crime rate of 50.8 crimes per 1,000 residents was down from 58.6 in 2004.

The crime rate reflects data reported in the Federal Bureau of Investigation's (FBI) Uniform Crime Report and includes violent crimes (murder and non-negligent manslaughter, forcible rape, robbery, and aggravated assault), property crimes (burglary, larceny-theft, and motor vehicle theft), and arson, which is reported separately. The crime index measures only crimes that are reported to local law enforcement agencies.

Healthcare

COPPER QUEEN COMMUNITY HOSPITAL

The Copper Queen Community Hospital (CQCH), located in Bisbee, is a full-service community health care facility. The local medical staff includes 24 physicians, 6 of whom are local fully active physicians and 18 of whom are consultants. The hospital is fully accredited by the Joint Commission on Accreditation of Health Care Organizations, the nation's leading review and accreditation body, and is certified as a service provider by Medicare and licensed by the Arizona Department of Health Services. CQCH has been recognized as one of the 100 Top Regional Hospitals.™ This award recognizes hospitals for clinical excellence and efficient delivery of care. CQCH is one of only four hospitals in Arizona selected to receive this award.

CQCH serves more than 25,000, many of whom are unemployed, have low family incomes, and are uninsured or underinsured. The CQCH has expanded its services to include diagnostic services in outlying areas, both in physician offices and in sliding-fee-scale clinics. In June 2004, the hospital absorbed the former Copper Cities Physicians Practice and established Rural Health Clinics in Bisbee and Douglas.

In December 2003, the hospital completed a \$4.6 million renovation project, including infrastructure improvements to the heating, ventilating, and electrical systems and interior. The Imaging Services/Radiology Department was totally refurbished with new fluoroscopy, flat plate x-ray, CT scanner, and bone density scanner. Other areas of the hospital that received major improvements were the med/surg unit, food services, and cardio-pulmonary department.

The hospital provides a broad range of services including inpatient and outpatient care, general surgery, emergency, rehabilitation, home health, diagnostic imaging, and laboratory services.

The hospital was constructed in 1961 and operated by the Phelps Dodge Corporation to service the medical needs of the booming local copper industry. Hospital ownership passed on to the Cochise County Hospital Association, then to a local non-profit community group in 1977. That group, the Bisbee Hospital Association (BHA) continues to own and operate the hospital as the center of local health care resources through its volunteer Board of Directors elected from the BHA membership. For more information, visit www.cqch.org.

CHIRICAHUA COMMUNITY HEALTH CENTERS, INC

The Chiricahua Community Health Centers, Inc. (CCHCI) is a nonprofit organization comprised of three centers and a mobile unit, providing family health care to all patients in medically underserved areas of Cochise County. Using a sliding-fee-scale program in Cochise County for medical and dental care, CCHCI's medical practitioners see a variety of patients. Clinics are located in Bisbee, Elfrida, and Douglas.

The CCHCI began offering services in Bisbee in April 2003. As a federally qualified community health center, CCHCI brought a new form of primary and preventive care to Bisbee. Through the sliding-fee-scale program, patients without insurance can apply for services at CCHCI.

Services available at the Bisbee clinic include treatment of chronic diseases and common illnesses; immunizations (by appointment); a limited pharmacy (for prescriptions written by a CCHCI provider); well woman – including family planning services; well man healthcare; well child and well baby care; preventative medicine; sports/DOT physicals; and special clinics for depression, diabetes, and senior citizens.

CCHCI offers patient assistance for pharmaceuticals, bilingual (English/Spanish) services, in-house electronic AHCCCS applications processing capabilities, and referral services. CCHCI also offers an in-house laboratory and dental care (dental in Elfrida only). For more information, visit www.aachc.org.



The Copper Queen Community Hospital, located in Bisbee, is a full-service community health care facility.

Photo: CER Staff

SOUTHEASTERN ARIZONA BEHAVIORAL HEALTH SERVICES, INC.

SouthEastern Arizona Behavioral Health Services, Inc. (SEABHS) is a private, not-for-profit behavioral health organization serving adults and children from Cochise, Santa Cruz, Graham, and Greenlee counties. These four counties make up the geographic service area (GSA-3) for state planned and funded services. SEABHS maintains an outpatient location in Bisbee.

SEABHS is an at-risk provider for the Community Partnership of Southern Arizona, one of the state's four regional behavioral health authorities charged with the responsibility of planning and administering state-funded programs for Arizona State Department of Health Services. As a private, not-for-profit corporation with a community-based volunteer board of directors, SEABHS is only partially funded by the public domain. Qualified professional behavioral health practitioners and interventionists are available throughout the region to provide services to a wide range of consumers from public entities to private individuals with diversified payer sources.

SEABHS, using a model of employed staff and subcontractors, is a managed care provider of a full continuum of behavioral health care services including outpatient treatment services which include psychiatry and medication management crisis services, available 24 hours a day, 7 days a week. For more information, visit www.seabhs.org.

Demographics

Local residents and visiting tourists enjoy a mid-morning meal at the Bisbee Breakfast Club.

Photo: CER Staff



Population estimates and projections

The population of Bisbee as of July 2005 was 6,570, according to estimates by the Arizona Department of Economic Security (DES). This represents a 0.2 percent decrease from 2004 and a 7.9 percent increase since Census 2000.

According to the U.S. Census Bureau, Bisbee's population declined by 12.1 percent during the 1990s, while Cochise County as a whole grew at 20.6 percent and

the State of Arizona experienced rapid population growth of 40 percent. Bisbee's overall population growth of 7.9 percent since 2000 has lagged behind that of Cochise County, which has grown by 11.9 percent, and the state, which has grown by 17.8 percent.

In 2005, Bisbee ranked as the 50th largest incorporated sub-county area of 88 areas statewide. Based on its population growth rate since Census 2000, Bisbee ranked as the 52nd fastest-growing, incorporated sub-county area of the 88 areas.

If recent population growth trends continue, the population of Bisbee can be expected to reach 6,970 in 2010 and 7,370 in 2015. Cochise County's population is projected to reach 146,666 in 2010 and 161,458 in 2015.

POPULATION COMPARISONS, 1990-2005

	BISBEE		COCHISE COUNTY		ARIZONA	
	POPULATION	GROWTH	POPULATION	GROWTH	POPULATION	GROWTH
1990	6,288	-	97,624	-	3,665,228	-
2000	6,090	-12.1*	117,755	20.6%*	5,130,632	40.0%*
2001	6,095	0.1%	120,845	2.6%	5,319,785	3.7%
2002	6,140	0.7%	123,945	2.6%	5,470,720	2.8%
2003	6,360	3.6%	125,430	1.2%	5,642,725	3.1%
2004	6,585	3.5%	129,600	3.3%	5,845,250	3.6%
2005	6,570	-0.2%	131,790	1.7%	6,044,985	3.4%

*Indicates total growth over the period 1990-2000. Source: Figures for 1990 and 2000 obtained from the U.S. Census Bureau. Figures for 2001-2005 are estimates provided by the Arizona Department of Economic Security.

Race and ethnicity

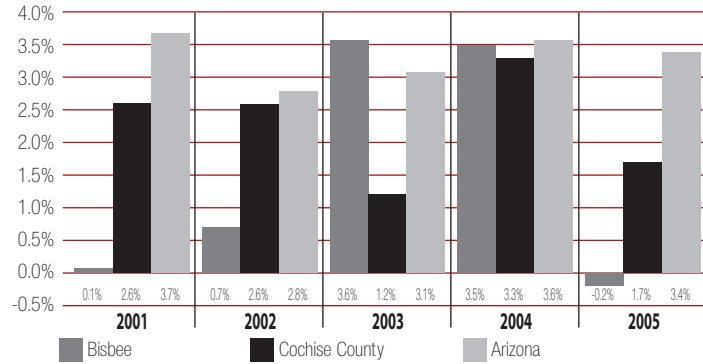
In 2000, according to the U.S. Census Bureau, approximately 34.4 percent of Bisbee's population was Hispanic or Latino (of any race) compared to a 30.7 percent Hispanic/Latino population for all

POPULATION PROJECTIONS, 2006-2015

YEAR	BISBEE	COCHISE COUNTY
2006	6,650	134,833
2007	6,730	137,791
2008	6,810	140,749
2009	6,890	143,708
2010	6,970	146,666
2011	7,050	149,625
2012	7,130	152,583
2013	7,210	155,541
2014	7,290	158,500
2015	7,370	161,458

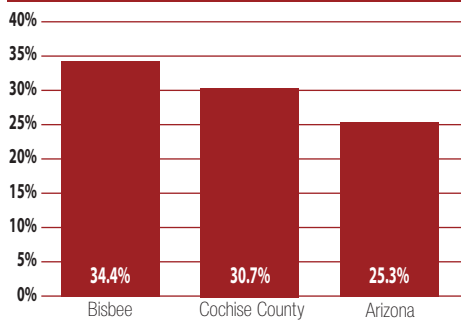
Note: Population projections by the Cochise College Center for Economic Research using U.S. Census data for 1990 and 2000, and Arizona Department of Economic Security mid-year population estimates for 2001 through 2005.

POPULATION GROWTH, 2001-2005



Source: Arizona Department of Economic Security and Cochise College Center for Economic Research.

HISPANIC/LATINO POPULATION, 2000



Source: U.S. Census Bureau - Census 2000 and Cochise College Center for Economic Research.

of Cochise County, and a 25.3 percent Hispanic/Latino population statewide. The CER estimates that, in 2006, Hispanics/Latinos comprise 33.1 percent of the Bisbee population. If recent trends continue, the Hispanic/Latino population in Bisbee is projected to drop to 32.3 percent of the city's population by 2010. (Note: The U.S. Census Bureau considers Hispanic an ethnicity, not a race; thus, there is no separate racial classification for Hispanics. According to the Census Bureau, people identifying themselves as Hispanic may be of any race.)

According to the U.S. Census Bureau, Bisbee's population was 84.1 percent White, 0.5 percent Black or African American, 1.2 percent American Indian or Alaska Native, 0.6 percent Asian or Pacific Islander, and 13.7 percent other (including

mixed race) in 2000. Based on a continuation of trends between 1990 and 2000, the CER estimates that, in 2006, the racial composition of Bisbee is 77.6 percent White, 0.5 percent Black or African American, 1.4 percent American Indian or Alaska Native, 0.7 percent Asian or Pacific Islander, and 19.8 percent other (including two or more races combined).

The largest changes in Bisbee's racial composition in recent years have occurred in the segment of the population classifying themselves as "other," which has increased significantly; and the segment of the population classifying themselves as White, which has decreased significantly. It is important to note that shifts in the racial composition of Bisbee do not necessarily represent changing demographics alone, but may include differences in how residents choose to classify themselves.

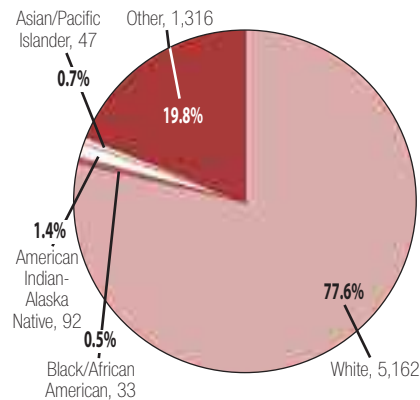
If recent trends continue, in 2010 the racial composition of Bisbee will be 73.3 percent White, 0.5 percent Black or African American, 1.5 percent American Indian or Alaska Native, 0.8 percent Asian or Pacific Islander, and 23.9 percent other (including two or more races combined). The fastest-growing racial group in Bisbee between 2006 and 2010 is projected to be the group classifying themselves as "other" (including two or more races combined), projected to grow by 26.6 percent. The slowest growing racial group is projected to be the group classifying themselves as White, projected to decline by 1 percent.

BISBEE HISPANIC/LATINO POPULATION, ESTIMATES AND PROJECTIONS, 2006-2010

YEAR	HISPANIC OR LATINO (OF ANY RACE) % OF TOTAL POPULATION	HISPANIC OR LATINO NUMBER
2006	33.1%	2,201
2007	32.9%	2,214
2008	32.7%	2,227
2009	32.5%	2,239
2010	32.3%	2,251

Note: Estimates and projections by the Cochise College Center for Economic Research using U.S. Census data for 1990 and 2000, and Arizona Department of Economic Security mid-year population estimates for 2001 through 2005.

BISBEE RACIAL GROUPS ESTIMATES, 2006



Note: Estimates by the Cochise College Center for Economic Research using U.S. Census data for 1990 and 2000, and Arizona Department of Economic Security mid-year population estimates for 2001 through 2005.

BISBEE POPULATION BY RACE, ESTIMATES AND PROJECTIONS, 2006-2010

	2006	2007	2008	2009	2010	ESTIMATED GROWTH 2006-2010
White	5,162 77.6%	5,151 76.5%	5,138 75.5%	5,125 74.4%	5,108 73.3%	-1.0%
Black or African American	33 0.5%	33 0.5%	34 0.5%	34 0.5%	35 0.5%	5.0%
American Indian and Alaska Native	92 1.4%	95 1.4%	98 1.4%	101 1.5%	105 1.5%	14.3%
Asian or Pacific Islander	47 0.7%	50 0.7%	52 0.8%	54 0.8%	56 0.8%	18.0%
Other	1,316 19.8%	1,401 20.8%	1,488 21.8%	1,576 22.9%	1,666 23.9%	26.6%
Total	6,650	6,730	6,810	6,890	6,970	4.8%

Note: Estimates and projections by the Cochise College Center for Economic Research using U.S. Census data for 1990 and 2000, and Arizona Department of Economic Security mid-year population estimates for 2001 through 2005. The U.S. Census Bureau considers Hispanic an ethnicity, not a race; thus, there is no separate racial classification for Hispanic. According to the Census Bureau, people identifying themselves as Hispanic may be of any race.

BISBEE LANGUAGE SPOKEN AT HOME, ESTIMATES AND PROJECTIONS, 2006-2010 (PERSONS 5 YEARS AND OLDER)

	2006	2007	2008	2009	2010
English Only	4,922	5,032	5,143	5,255	5,368
Language other than English	1,346	1,314	1,281	1,246	1,211
• Do not speak English very well	333	329	324	318	312
Speak Spanish	1,200	1,171	1,140	1,108	1,075
• Do not speak English very well	287	283	278	273	268

Note: Estimates and projections by the Cochise College Center for Economic Research using U.S. Census data for 1990 and 2000, and Arizona Department of Economic Security mid-year population estimates for 2001 through 2005.

Language spoken at home

In 2000, approximately 73.9 percent of Bisbee's population aged 5 years and older resided in homes where English was the only language spoken, compared to 70.5 percent countywide and 74.1 percent statewide. Of those who speak a language other than English, 23.1 percent reported they spoke English less than "very well." Of those who resided in homes where a language other than English was spoken, most (89.6 percent) also spoke Spanish. Of Spanish speakers, 22.5 percent reported they spoke English less than "very well."

Based on a continuation of trends between 1990 and 2000, the CER estimates that, in 2006, approximately 78.5 percent of the population aged 5 years and older reside in homes where English is the only language spoken, up considerably from the

2000 figures. Of those who speak a language other than English, the CER estimates that, in 2006, approximately 24.7 percent speak English less than "very well," also up substantially from the 2000 figures.

Of those residing in homes where a language other than English is spoken, it is estimated that, in 2006, approximately 89.1 percent also speak Spanish, down slightly from the 2000 figures. Of those who speak Spanish at home, the CER estimates that 23.9 percent speak English less than "very well," up considerably from the 2000 figures. Thus, the recent trend has been toward a decline in the number of Bisbee residents aged 5 years and older who speak a language other than English at home; however, there has also been a drop in the English proficiency levels of residents who speak a language other than English at home.

If recent trends continue, the CER projects that, in 2010, the percentage of the population aged 5 years and older who will reside in homes where English is the only language spoken will increase to 81.6 percent. Of those speaking a language other than English at home, the CER projects those speaking English less than “very well” will increase to 25.8 percent.

Of those who reside in homes where a language other than English is spoken, it is estimated that 88.8 percent will also speak Spanish in 2010, down slightly from current estimates. Of those who speak Spanish at home, the CER estimates that English proficiency will continue to decline, with 24.9 percent speaking English less than “very well” in 2010, up from current estimates.

Sex and age

Bisbee’s population, as of Census 2000, was 52.5 percent female and 47.5 percent male. This was a slight shift from the 1990 population, which was 52.4 percent female and 47.6 percent male. The CER projects the male-female distribution will remain relatively stable for the foreseeable future.

According to Census 2000, the median age of the city’s population that year was 43.2 years, considerably higher than the median age of 36.9 years for all of Cochise County and 34.2 years statewide. In 2000, 78.4 percent of Bisbee’s population was aged 18 years and older, and 23 percent was

aged 62 years or older.

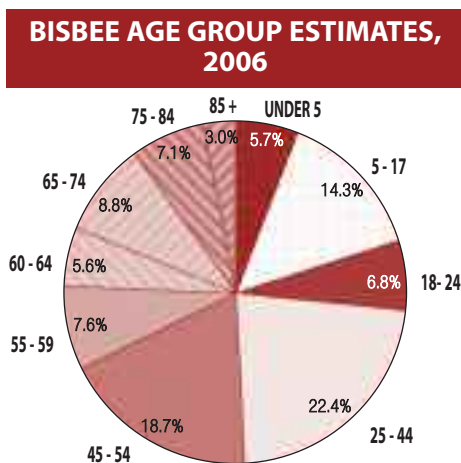
Based on recent trends, the CER estimates that, in 2006, Bisbee’s largest age group is the 25 to 44 years group, comprising 22.4 percent of the city’s population. The next largest age group, according to CER estimates, is 45 to 54 years, comprising 18.7 percent of the city’s population.

If recent trends continue, the CER estimates that, in 2010, the three largest age groups will be 25 to 44 years (21.2 percent of the population); 45 to 54 years (20.7 percent of the population); and 5 to 17 years (13.3 percent of the population). The three fastest-growing age groups between 2006 and 2010 are projected to be 45 to 54 years (projected to grow by 16.3 percent), 85 years and over (projected to grow by 16.1 percent); and 55 to 59 years (projected to grow by 14.8 percent).

Household characteristics

According to Census 2000, the average Bisbee household size that year was 2.15 persons, down from 2.34 in 1990. Based on trends between 1990 and 2000, the CER estimates the average household size in 2006 to be 2.04. If recent trends continue, Bisbee’s average household size is projected to drop to 1.96 persons per household by 2010.

Of total Bisbee households, 53.5 percent were classified as family households as of Census 2000. A total of 25.1 percent of households had individuals under the age



	UNDER 5	5-17	18-24	25-44	45-54	55-59	60-64	65-74	75-84	85+	TOTAL
2006	382 5.7%	950 14.3%	454 6.8%	1,488 22.4%	1,242 18.7%	505 7.6%	372 5.6%	586 8.8%	473 7.1%	199 3.0%	6,650
2007	384 5.7%	944 14.0%	459 6.8%	1,487 22.1%	1,291 19.2%	523 7.8%	375 5.6%	580 8.6%	479 7.1%	207 3.1%	6,730
2008	386 5.7%	941 13.8%	464 6.8%	1,486 21.8%	1,341 19.7%	542 8.0%	378 5.6%	573 8.4%	484 7.1%	215 3.2%	6,810
2009	389 5.6%	934 13.6%	469 6.8%	1,483 21.5%	1,393 20.2%	560 8.1%	381 5.5%	566 8.2%	490 7.1%	223 3.2%	6,890
2010	391 5.6%	929 13.3%	475 6.8%	1,479 21.2%	1,445 20.7%	580 8.3%	384 5.5%	559 8.0%	496 7.1%	231 3.3%	6,970

Note: Estimates by the Cochise College Center for Economic Research using U.S. Census data for 1990 and 2000, and Arizona Department of Economic Security mid-year population estimates for 2001 through 2004.

Note: Estimates and projections by the Cochise College Center for Economic Research using U.S. Census data for 1990 and 2000, and Arizona Department of Economic Security mid-year population estimates for 2001 through 2005. Discrepancies due to rounding.

BISBEE POVERTY STATUS, ESTIMATES AND PROJECTIONS, 2006-2010

	2006	2007	2008	2009	2010
Total Families	1,477	1,482	1,486	1,490	1,494
Families below poverty level	152	147	142	137	132
Families below poverty level (%)	10.3%	9.9%	9.6%	9.2%	8.8%
Total Families with children under 18 years	665	665	665	665	664
Families with children under 18 years below poverty level	127	124	121	118	115
Families with children under 18 years below poverty level (%)	19.0%	18.6%	18.2%	17.8%	17.4%
Total Families with children under 5 years	125	114	102	91	79
Families with children under 5 years below poverty level	22	19	16	13	10
Families with children under 5 years below poverty level (%)	17.9%	16.6%	15.2%	13.9%	12.6%

Note: Estimates and projections by the Cochise College Center for Economic Research using U.S. Census data for 1990 and 2000, and Arizona Department of Economic Security mid-year population estimates for 2001 through 2005.

cent of Bisbee's population had resided in the same house for at least 5 years. Approximately 19.8 percent of Bisbee's population aged 5 years and older had relocated to the city within the previous 5 years from outside Cochise County.

Poverty status

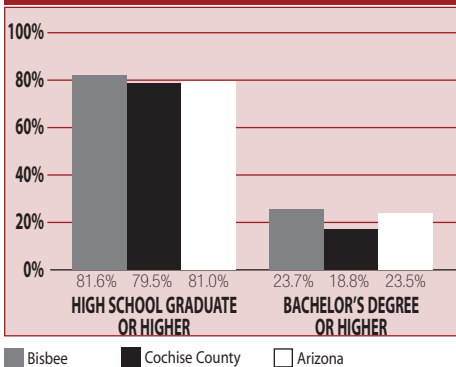
According to the U.S. Census Bureau, in 1999 there were 1,476 families in Bisbee. Of these, 190 or 12.9 percent lived below the poverty level. Based on growth trends between 1989 and 2005, the CER estimates that in 2006 there are 1,477 families in Bisbee, of which 152 or 10.3 percent live below the poverty level. If recent trends continue, by 2010 there will be 1,494 families in Bisbee, of which 132 or 8.8 percent will live below the poverty level.

In 1999, according to the Census Bureau, there were 680 families in Bisbee with related children under 18 years old. Of these, 149 or 21.9 percent lived below the poverty level. Based on growth trends between 1989 and 2005, the CER estimates that in 2006 there are 665 families with related children under 18 years old in Bisbee, of which 127 or 19 percent live below the poverty level. If recent trends continue, by 2010 there will be 664 families with related children under 18 years old in Bisbee, of which 115 or 17.4 percent will live below the poverty level.

U.S. Census Bureau data for 1999 also indicate there were 206 families in Bisbee with related children under 5 years old. Of these, 56 or 27.2 percent lived below the poverty level. Based on growth trends between 1989 and 2005, the CER estimates that in 2006 there are 125 families with related children under 5 years old in Bisbee, of which 22 or 17.9 percent live below the poverty level. If recent trends continue, by 2010 there will be 79 families with related children under 5 years old in Bisbee, of which 10 or 12.6 percent will live below the poverty level.

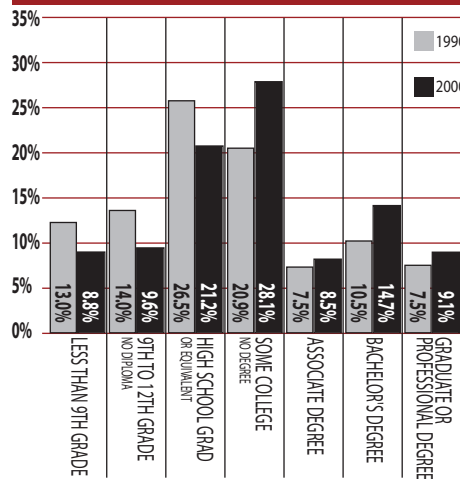
The trend in recent years has been for the total number of families to increase slightly, while the number of families with children has declined. The poverty level for all families, including those with children, has dropped steadily since 1999.

EDUCATIONAL ATTAINMENT COMPARISONS, 2000*



*Population 25 years and older. Source: U.S. Census Bureau - Census 2000 and Cochise College Center for Economic Research.

BISBEE EDUCATIONAL ATTAINMENT*, 1990-2000



*Population 25 years and older. Source: U.S. Census Bureau - Census 2000 and Cochise College Center for Economic Research.

of 18, and 31.5 percent had individuals aged 65 years and older. A total of 7.4 percent of Bisbee households were headed by single mothers of children under the age of 18, compared to 7.1 percent countywide and 6.8 percent statewide. Of Bisbee's population aged 15 years and older, 44.9 percent were married (excluding those who were separated), 2.1 percent were separated, 18.4 percent were divorced, 9.7 percent were widowed, and 24.9 percent had never been married as of Census 2000.

According to the U.S. Census Bureau, as of the year 2000 approximately 55.1 per-

Educational attainment

Of the population aged 25 years and older, 81.6 percent had at least a high school diploma or equivalent as of Census 2000, compared to 79.5 percent countywide and 81 percent statewide. Approximately 23.7 percent of Bisbee residents held a bachelor's degree or higher in 2000, compared to 18.8 percent for the county and 23.5 percent statewide.

Between 1990 and 2000, according to U.S. Census Bureau data, the number of Bisbee residents with less than a 9th grade education dropped from 13 to 8.8 percent of the city's population aged 25 years and older. At the same time, the number of city residents with a 9th to 12th grade education, but without a high school diploma, dropped from 14 to 9.6 percent of the city's population; the number of high school graduates (or equivalent) decreased from 26.5 to 21.2 percent; and the number of residents with some college, but no degree, increased from 20.9 to 28.1 percent. The number of residents with an associate degree increased from 7.5 to 8.5 percent of the city's population aged 25 years and older; the number of residents with a bachelor's degree increased from 10.5 to 14.7 percent; and the number of residents with a graduate or professional degree increased from 7.5 to 9.1 percent.

Of the total Bisbee population aged 25 years and older, the number of residents with a high school diploma or higher increased from 73 to 81.6 percent between

1990 and 2000, while those with a bachelor's degree or higher increased from 18 percent to 23.7 percent. Thus, the trend has been toward expanded educational attainment, particularly at the post-secondary education level.

Based on trends between 1990 and 2000, the CER estimates that, in 2006, approximately 86.8 percent of Bisbee's population have attained a high school diploma or higher and 27.1 percent have attained a bachelor's degree or higher. If recent trends continue, in 2010 the number of residents having earned a high school diploma or higher will reach 90.2 percent of the city's population, and the number of residents having earned a bachelor's degree or higher will reach 29.4 percent.

Military veterans

Between Censuses 1990 and 2000, the number of Bisbee residents who were civilian veterans of the military decreased from 980 to 975. As a percent of the city's population aged 18 years and older, civilian veterans of the military declined slightly between 1990 and 2000 from 20.6 to 20.5 percent. Based on trends between 1990 and 2000, the CER estimates that in 2006 there are 1,085 civilian veterans of the military, or 20.4 percent of the city's population aged 18 years and older, residing in Bisbee. If recent trends continue, this number will reach 1,153 by the year 2010, while stabilizing at 20.4 percent of the population aged 18 years and older.

BISBEE EDUCATIONAL ATTAINMENT, ESTIMATES AND PROJECTIONS, 2006-2010

YEAR	PERCENT HIGH SCHOOL GRADUATE OR HIGHER	PERCENT BACHELOR'S DEGREE OR HIGHER
2006	86.8%	27.1%
2007	87.6%	27.7%
2008	88.5%	28.3%
2009	89.3%	28.8%
2010	90.2%	29.4%

Note: Includes population 25 years and over. Estimates and projections by the Cochise College Center for Economic Research using U.S. Census data for 1990 and 2000, and Arizona Department of Economic Security mid-year population estimates for 2001 through 2005.

BISBEE CIVILIAN VETERANS OF THE MILITARY, ESTIMATES AND PROJECTIONS, 2006-2010

YEAR	NUMBER OF CIVILIAN VETERANS OF THE MILITARY	CIVILIAN VETERANS OF THE MILITARY AS A % OF THE POPULATION 18 YEARS AND OLDER
2006	1,085	20.4%
2007	1,102	20.4%
2008	1,118	20.4%
2009	1,136	20.4%
2010	1,153	20.4%

Note: Estimates and projections by the Cochise College Center for Economic Research using U.S. Census data for 1990 and 2000, and Arizona Department of Economic Security mid-year population estimates for 2001 through 2005.

Employment

Team Home Loan Consultant, Chris Bailey offers services at the new Countrywide Home Loans that recently opened in Bisbee.

Photo: CER Staff



ANNUAL UNEMPLOYMENT RATE COMPARISONS, 2001-2006

	BISBEE	COCHISE COUNTY	ARIZONA	UNITED STATES
2001	5.4%	4.9%	4.7%	4.7%
2002	6.5%	5.9%	6.1%	5.8%
2003	6.4%	5.7%	5.7%	6.0%
2004	5.5%	5.0%	5.0%	5.5%
2005	5.4%	4.9%	4.7%	5.1%
2006*	5.2%	4.8%	4.4%	4.7%

*January through August only; seasonally adjusted by the Cochise College Center for Economic Research. Source: Arizona Department of Economic Security.

Employment, unemployment, labor force, and job growth

In 2005, Bisbee's unemployment rate averaged 5.4 percent, according to estimates by the Arizona Department of Economic Security (DES). This was above the countywide rate of 4.9 percent and the statewide rate of 4.7 percent. Nationwide, the unemployment rate for 2005 averaged 5.1 percent. Bisbee's unemployment rate in 2005 was down one-tenth of a percentage point from 5.5 percent a year prior, and represents the lowest rate the city had seen since 2001. In the first 8 months of 2006, Bisbee's seasonally adjusted unemployment rate was 5.2 percent.

It is important to note that Bisbee's month-to-month unemployment rates reflect seasonal patterns evident in employment data for most localities. The trend in Bisbee has been for higher-than-average unemployment rates to prevail in January, February, March, June, July, and August, while lower-than-average rates prevail in April, May, September, October, November, and December.

According to DES estimates, Bisbee's civilian labor force in 2005 consisted of 3,215 potential workers, of whom 3,040 were actually employed. The civilian labor force consists of those persons aged 16 years and older who either are employed or are actively seeking work. Countywide, the 2005 civilian labor force, according to DES estimates, comprised 55,650 actual or potential workers, of which 52,925 were employed.

According to DES estimates, job growth in Bisbee for 2005 was 3.1 percent, reflecting the creation of 90 new jobs over the year. This was the highest rate of job growth since the beginning of the new millennium.

Occupations and classes of workers

Workers in Bisbee are employed in a broad range of occupations. According to data collected during Census 2000, of those workers aged 16 years and older, 29.7 percent were employed in sales and office occupations; 29 percent were employed in

management, professional, and related occupations; and 26.2 percent were employed in service occupations. Production, transportation, and material moving occupations employed approximately 9.1 percent of the city's workers, while construction, extraction, and maintenance operations employed approximately 5.9 percent. Farming, fishing, and forestry occupations employed 0.2 percent of Bisbee workers in 2000.

Approximately 50.5 percent of Bisbee workers were private wage and salary workers, while 35.6 percent were government workers as of Census 2000. Self-employed workers in unincorporated businesses comprised 12.6 percent of Bisbee workers, while unpaid family workers accounted for 1.3 percent.

Industries

The industry grouping employing the largest number of Bisbee workers, as of Census 2000, was educational, health and social services, which employed approximately 20.3 percent; followed by retail trade, which employed 14.7 percent; public administration, which employed 14.3 percent; the arts, entertainment, recreation, accommodation, and food services industry grouping, which employed 9.9 percent; professional, scientific, management, administrative, and waste management services, which employed 7.9 percent; construction, which employed 7.4 percent; and other services, which employed 5.6 percent. The industry groupings of manufacturing; finance, insurance, real estate, and rental and leasing; agriculture, forestry, fishing and hunting, and mining; transportation and warehousing, and utilities; and wholesale trade each employed less than 5 percent of Bisbee workers as of Census 2000.

Major employers

In 2006, Cochise County was the top employer in the Bisbee area, employing 678 fulltime equivalent (FTE) employees. An FTE employee equals one fulltime or two part-time employees. The Copper Queen Community Hospital was the second-largest employer, with 168 FTE employees.

Third was the Bisbee Unified School District, employing 133 FTE employees. The City of Bisbee held the fourth-ranked position, with 100 FTE employees. Catholic Community Services in Southeastern Arizona was the fifth-ranked top employer, with 79 FTE employees.

According to the U.S. Census Bureau's 2004 ZIP Code Business Patterns, all business establishments in the Bisbee area (zip code 85603) employed fewer than 250 employees that year. Of the 177 business establishments in the Bisbee area in 2004, a total of 89, or 50.3 percent, employed fewer than 5 workers; 135 or 76.3 percent employed fewer than 10 workers; and 163 or 92.1 percent employed fewer than 20 workers.

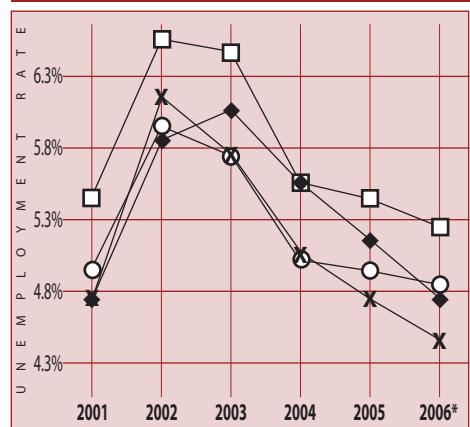
Between 2002 and 2004, the number of business establishments in the Bisbee area dropped from 195 to 177, according to the

BISBEE CIVILIAN LABOR FORCE, EMPLOYMENT, JOB GAINS, AND JOB GROWTH RATES, 2001-2005

	CIVILIAN LABOR FORCE	EMPLOYMENT	JOB GAINS	JOB GROWTH RATE
2001	2,895	2,739	—	—
2002	2,999	2,803	64	2.3%
2003	3,078	2,882	79	2.8%
2004	3,123	2,950	68	2.4%
2005	3,215	3,040	90	3.1%

Source: Arizona Department of Economic Security and the Cochise College Center for Economic Research.

UNEMPLOYMENT COMPARISONS, 2001-2006



BISBEE
 COCHISE COUNTY
 ARIZONA
 UNITED STATES

*January through August only; seasonally adjusted by the Cochise College Center for Economic Research. Source: Arizona Department of Economic Security.

BISBEE MONTHLY UNADJUSTED AND SEASONALLY ADJUSTED UNEMPLOYMENT RATES, 2004-2006

		UNADJUSTED RATE	SEASONALLY ADJUSTED RATE
2004	January	6.4%	6.1%
	February	5.8%	5.6%
	March	5.9%	5.8%
	April	5.7%	5.8%
	May	5.3%	5.6%
	June	5.6%	5.4%
	July	5.8%	5.5%
	August	5.6%	5.5%
	September	5.5%	5.6%
	October	5.2%	5.3%
	November	4.9%	5.2%
	December	4.8%	5.2%
2005	January	5.3%	5.0%
	February	5.5%	5.3%
	March	5.5%	5.3%
	April	5.3%	5.3%
	May	5.0%	5.3%
	June	5.5%	5.3%
	July	5.7%	5.4%
	August	5.7%	5.5%
	September	5.8%	5.8%
	October	5.5%	5.6%
	November	5.3%	5.6%
	December	5.1%	5.5%
2006	January	6.2%	5.8%
	February	5.5%	5.3%
	March	5.1%	4.9%
	April	5.2%	5.3%
	May	4.8%	5.1%
	June	5.6%	5.4%
	July	6.1%	5.8%
	August	4.3%	4.2%

Source: Unadjusted rates provided by the Arizona Department of Economic Security; seasonally adjusted rates estimated by the Cochise College Center for Economic Research.

U.S. Census Bureau. With this came a decrease in the number of employees from 1,641 to 1,583, a drop of approximately 3.5 percent. During this time, however, the total annual payroll of businesses located in Bisbee increased from \$29.5 to \$30.1 million. On a per employee basis, this represented an increase in payroll from \$17,991 to \$19,001 per employee, per year – a 5.6 percent increase.

Earnings and income

The *median household income* in Bisbee for 2005 was approximately \$31,354, compared to \$36,027 for all of Cochise County, \$44,282 statewide, and \$46,242 nationwide. The *median family income* for Bisbee in 2005 was approximately \$41,300, com-

pared to \$42,785 for the county, \$51,458 statewide, and \$55,832 nationwide. Bisbee's *per capita income* in 2004 was approximately \$21,628, compared to \$20,187 for the county, \$23,365 for the state, and \$25,035 nationwide. National, state, and county figures are estimated by the U.S. Census Bureau; city figures are estimated by the CER.

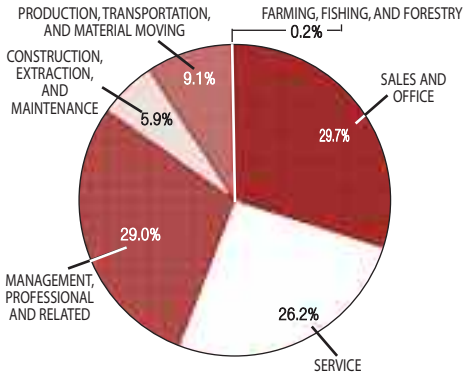
The average wage per job in Bisbee in 2005 was approximately \$14.15 per hour, compared to \$16.04 countywide, \$16.84 statewide, and \$18.21 nationwide. The average annual salary in Bisbee in 2005 was \$29,431, compared to \$33,369 for the county, \$35,028 for the state, and \$37,870 nationwide. National wages are estimated by the U.S. Bureau of Labor Statistics; state and county wages are estimated by DES; and city wages are estimated by the CER using a census share model.

Cochise County employment

DES tracks employment on a monthly basis, by industry grouping, using the North American Industrial Classification System (NAICS) and makes this data available for the state and county levels. These figures are not available for sub-county areas. In 2005, Cochise County's average annual employment grew by 1,575 jobs, for total job growth of 3.1 percent. Non-farm employment in the county expanded by 5.4 percent, increasing from 35,150 to 37,050. This reflects a net gain of 1,900 jobs. (Note: The differential between total job creation and non-farm job creation is accounted for by job losses in the agricultural sector. For more information on this, please see the Cochise County Agriculture section of this publication.)

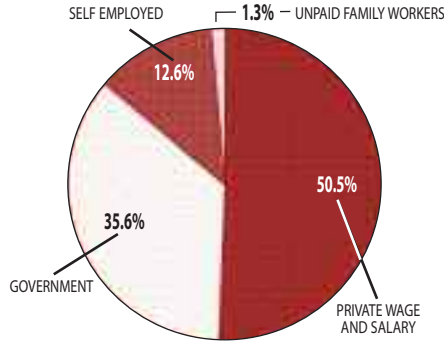
The fastest growing industry grouping in 2005, as measured by percent change, was professional and business services, which grew by 600 jobs for job growth of 16 percent. Other industry groupings that experienced job growth were mining and construction, which grew by 275 jobs (11.1 percent); state and local government, which grew by 500 jobs (7.4 percent); leisure and hospitality, which grew by 200 jobs (5.1 percent); educational and health services, which grew by 175 jobs (4.6 per-

BISBEE OCCUPATIONS 2000



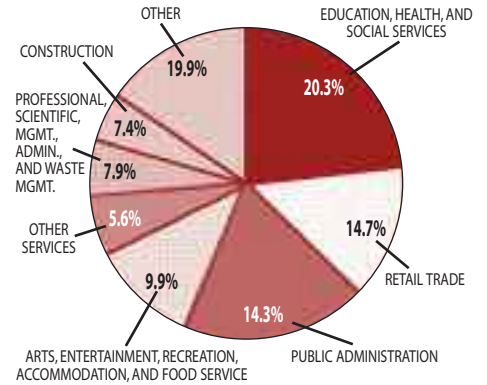
Source: U.S. Census Bureau and Cochise College Center for Economic Research.

BISBEE CLASSES OF WORKERS 2000



Source: U.S. Census Bureau and Cochise College Center for Economic Research.

INDUSTRIES IN BISBEE, 2000 BY PERCENT OF WORKFORCE



Note: Includes only those industries comprising at least 5 percent of the workforce. Source: U.S. Census Bureau and the Cochise College Center for Economic Research.

cent); federal government, which grew by 175 jobs (3.7 percent); financial activities, which grew by 25 jobs (2.6 percent); and trade, transportation, and utilities, which grew by 75 jobs (1.2 percent). Industry groupings that lost jobs in 2005 were other services, which lost 50 jobs (-4.7 percent); and information, which lost 25 jobs (-5 percent). The manufacturing industry remained unchanged in 2005, stabilizing at 850 jobs.

Outlook

Bisbee's labor force is projected to reach 3,637 in 2011. The unemployment rate is expected to drop to 4.6 percent in 2007 and 2008. Wages and salaries can be expected to grow by about 2.4 percent per year.

At the county level, the CER projects the total number of jobs will grow by an average of 2.6 percent annually between 2006 and 2009. The number of jobs in the county is forecasted to reach 58,750 in 2009.

The total number of non-farm jobs in the county is projected to grow by 2.1 percent per year over the next 4 years, reaching 40,200 jobs in 2009. Private-sector jobs in the county are forecasted to grow by 2.2 percent annually over the next few years, reaching 27,075 in 2009. Government jobs are projected to grow by 1.9 percent per year over the next few years, reaching 13,125 in 2009.

The goods-producing sector of the local economy, which includes mining and

construction, as well as manufacturing, is projected to experience an average annual job growth rate of 2.2 percent, reaching 3,925 jobs in 2009. Most of these jobs will be in the construction industry, as steady population growth offsets declines that would otherwise be expected to result from rising long-term interest rates. Job growth in this category should be slow in 2006, as a result of inflationary pressures on building and construction materials resulting from increased demand worldwide; however, the pace should pick up in 2007 and beyond as the supply of materials expands and the market re-establishes equilibrium.

The service-providing sector in Cochise County is projected to experience average annual job growth of 2.1 percent, reaching 36,275 jobs in 2009. The service-providing sector includes trade, transportation, and utilities; information; financial activities; professional and business services; educational and health services; leisure and hospitality; other services; and government.

Overall, it is projected that 5,825 jobs will be created in the county in the years 2006 through 2009. Of these, 3,150 are projected to be non-farm jobs, while the remaining 2,675 are projected to occur in the agricultural sector. Of the 3,150 non-farm jobs, 2,200 are projected to be in the private sector and 950 in government.

Of total non-farm job creation in Cochise County, the industry groupings projected to see the largest numbers of new jobs are federal government, educational

BISBEE'S TOP 10 EMPLOYERS, 2006

EMPLOYER	NUMBER OF FULLTIME EQUIVALENT (FTE) EMPLOYEES*
Cochise County	678
Copper Queen Community Hospital	168
Bisbee Unified School District No.2	133
City of Bisbee	100
Catholic Community Services in Southeastern Arizona	79
Bisbee Grille, Coffee Co., Bisbee Hospitality Group	78
Copper Queen Hotel	48
Safeway	44
Turquoise Valley Golf, Restaurant & RV	38
Department of Homeland Security: Customs/Border Protection Field Operations, Naco Border Patrol Station	34

*A fulltime equivalent employee equals one fulltime employee or two part-time employees. For employers with multiple site locations, the number of fulltime equivalent employees reflects only those employees reporting to work in Bisbee. This list includes only those employers who responded to the annual major employer survey. Source: Cochise College Center for Economic Research.

BISBEE BUSINESS ESTABLISHMENTS BY EMPLOYMENT-SIZE CLASS, 2004

NUMBER OF ESTABLISHMENTS BY EMPLOYMENT-SIZE CLASS

INDUSTRY	TOTAL	1-4	5-9	10-19	20-49	50-99	100-249
Total Establishments	177	89	46	28	9	3	2
Accommodation & food services	37	12	14	8	2	1	0
Admin, support, waste mgt, remediation services	6	2	3	1	0	0	0
Arts, entertainment & recreation	2	2	0	0	0	0	0
Construction	10	3	6	1	0	0	0
Educational services	1	1	0	0	0	0	0
Finance & insurance	4	2	1	1	0	0	0
Health care and social assistance	20	6	3	6	2	1	2
Information	3	1	2	0	0	0	0
Management of companies & enterprises	1	1	0	0	0	0	0
Manufacturing	1	1	0	0	0	0	0
Mining	2	1	0	0	1	0	0
Other services (except public administration)	19	14	3	2	0	0	0
Professional, scientific & technical services	19	14	2	3	0	0	0
Real estate & rental & leasing	7	6	1	0	0	0	0
Retail trade	34	15	10	5	3	1	0
Transportation & warehousing	4	4	0	0	0	0	0
Unclassified establishments	1	1	0	0	0	0	0
Utilities	2	1	1	0	0	0	0
Wholesale trade	4	2	0	1	1	0	0

Note: Includes businesses located in zip code 85603. Source: U.S. Census Bureau 2002 ZIP Code Business Patterns and Cochise College Center for Economic Research.

BISBEE BUSINESS ESTABLISHMENTS, EMPLOYEES, AND PAYROLL, 2001-2004

	2001	2002	2003	2004
No. of Business Establishments	183	195	182	177
Number of Employees	1,599	1,641	1,581	1,583
Annual Payroll	\$28,705,000	\$29,523,000	\$27,279,000	\$30,078,000
Annual Payroll Per Employee	\$17,952	\$17,991	\$17,254	\$19,001

Note: Includes businesses located in zip code 85603. Source: U.S. Census Bureau.

and health services, professional and business services, and mining and construction.

Federal government jobs are projected to grow by 700 in the years 2006 through 2009, for average annual job growth of 3.4 percent. The strong growth in this category will be driven by the federal government's continued emphasis on homeland security and efforts to secure the nation's border with Mexico.

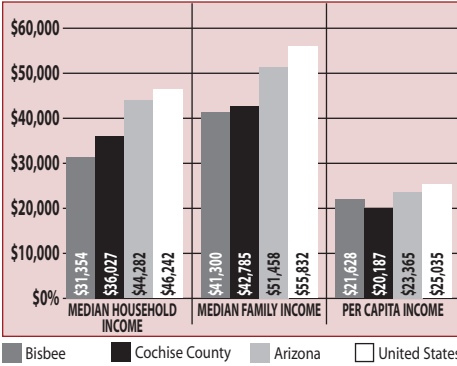
The industry grouping of educational and health services is projected to grow by 600 jobs in the years 2006 through 2009, for average annual job growth of 3.6 percent. An increase in the population of school-age children is expected to increase demand for workers in educational services. An aging population resulting from longer life spans and the continued influxes of retirees will increase demand for health services workers.

The industry grouping of professional and business services is projected to grow by 500 jobs in the years 2006 through 2009, for average annual job growth of 2.8 percent.

The industry grouping of mining and construction is projected to grow by 375 jobs in the years 2006 through 2009, for average annual job growth of 3.3 percent. Most of the new jobs will occur in construction as residential and business development continues throughout the county and steady population growth counteracts increases in long-term interest rates and inflationary pressures.

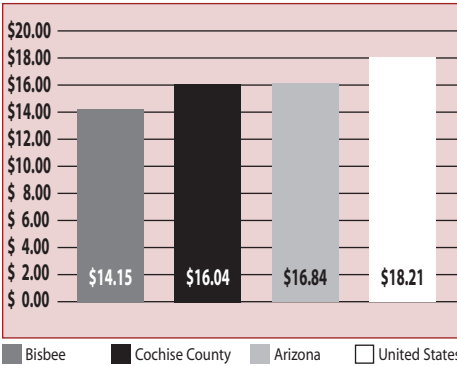
The industry grouping of leisure and hospitality is projected to grow by 200 jobs in

INCOME COMPARISON, 2005



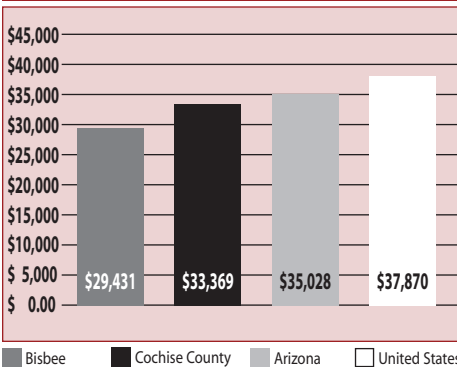
Source: U.S., Arizona, and Cochise County figures are reported by the U.S. Census Bureau. City figures are estimated by the Cochise College Center for Economic Research using a Census Share Model.

AVERAGE HOURLY WAGE COMPARISONS, 2005



Source: U.S. figures are reported by the U.S. Bureau of Labor Statistics. State and county figures are reported by the Arizona Department of Economic Security. City figures are estimated by the Cochise College Center for Economic Research using a Census Share Model.

AVERAGE ANNUAL SALARY COMPARISONS, 2005



Source: State and county figures are reported by the Arizona Department of Economic Security. Sub-county figures are estimated by the Cochise College Center for Economic Research using a Census Share Model.

the years 2006 through 2009, for average annual job growth of 1.5 percent. The projected growth is attributable to increased tourism as a result of local efforts to attract more visitors, as well as increased activity at Fort Huachuca, which brings an increasing number of military and civilian personnel to the area on temporary duty status.

The industry grouping of trade, transportation, and utilities is projected to grow by 275 jobs in the years 2006 through 2009, for average annual job growth of 1.1 percent.

State and local government jobs are projected to grow by 250 jobs in the years 2006 through 2009, for average annual job growth of 0.9 percent.

The industry grouping of financial activities is projected to grow by 175 jobs in the years 2006 through 2009, for average annual job growth of 4.2 percent. Strong job growth in this category will be driven by increased business and residential development in the area, necessitating increased and expanded financial

COCHISE COUNTY EMPLOYMENT BY CATEGORY, 2004-2005

	2005	2004	CHANGE	% CHANGE
TOTAL EMPLOYMENT	52,925	51,350	1,575	3.1%
Total Nonfarm	37,050	35,150	1,900	5.4%
Total Private	24,875	23,650	1,225	5.2%
GOODS-PRODUCING	3,600	3,350	250	7.5%
Mining and Construction	2,750	2,475	275	11.1%
Manufacturing	850	850	0	0.0%
SERVICE-PROVIDING	33,450	31,800	1,650	5.2%
Private Service-Providing	21,275	20,300	975	4.8%
Trade, Transportation, and Utilities	6,425	6,350	75	1.2%
Information	475	500	-25	-5.0%
Financial Activities	975	950	25	2.6%
Professional and Business Services	4,350	3,750	600	16.0%
Educational and Health Services	3,950	3,775	175	4.6%
Leisure and Hospitality	4,100	3,900	200	5.1%
Other Services	1,025	1,075	-50	-4.7%
Government	12,175	11,500	675	5.9%
Federal Government	4,950	4,775	175	3.7%
State and Local Government	7,225	6,725	500	7.4%

Note: Numbers are rounded to the nearest 25. Discrepancies are due to rounding. Source: Arizona Department of Economic Security and Cochise College Center for Economic Research.

COCHISE COUNTY JOB GROWTH PROJECTIONS, 2006-2009

	2006		2007		2008		2009	
	NUMBER	GROWTH	NUMBER	GROWTH	NUMBER	GROWTH	NUMBER	GROWTH
Total Number of Jobs	54,325	2.6%	55,800	2.7%	57,275	2.6%	58,750	2.6%
Total Non-farm Jobs	37,450	1.1%	38,375	2.5%	39,300	2.4%	40,200	2.3%
Total Private Sector Jobs	25,100	0.9%	25,775	2.7%	26,425	2.5%	27,075	2.5%
Goods Producing	3,575	-0.7%	3,700	3.5%	3,800	2.7%	3,925	3.3%
Mining & Construction	2,750	0.0%	2,875	4.5%	3,000	4.3%	3,125	4.2%
Manufacturing	825	-2.9%	825	0.0%	800	-3.0%	800	0.0%
Service-Providing	33,875	1.3%	34,675	2.4%	35,500	2.4%	36,275	2.2%
Private Service Providing	21,525	1.2%	22,075	2.6%	22,625	2.5%	23,150	2.3%
Trade, Transportation, and Utilities	6,425	0.0%	6,525	1.6%	6,600	1.1%	6,700	1.5%
Information	475	0.0%	475	0.0%	475	0.0%	450	-5.3%
Financial Activities	1,025	5.1%	1,075	4.9%	1,100	2.3%	1,150	4.5%
Professional and Business Services	4,325	-0.6%	4,500	4.0%	4,675	3.9%	4,850	3.7%
Educational and Health Services	4,075	3.2%	4,225	3.7%	4,400	4.1%	4,550	3.4%
Leisure and Hospitality	4,100	0.0%	4,175	1.8%	4,275	2.4%	4,350	1.8%
Other Services	1,100	7.3%	1,100	0.0%	1,100	0.0%	1,100	0.0%
Government	12,350	1.4%	12,600	2.0%	12,875	2.2%	13,125	1.9%
Federal Government	5,125	3.5%	5,300	3.4%	5,475	3.3%	5,650	3.2%
State and Local Government	7,225	0.0%	7,300	1.0%	7,400	1.4%	7,475	1.0%

Note: Rounded to nearest 25. Forecasts by the Cochise College Center for Economic Research.

BISBEE EMPLOYMENT FORECAST, 2006-2011

	2006	2007	2008	2009	2010	2011
Labor Force	3,309	3,369	3,346	3,503	3,570	3,637
Unemployment Rate	5.1%	4.6%	4.6%	4.5%	4.4%	4.3%
Average Hourly Wage	\$14.51	\$14.87	\$15.23	\$15.59	\$15.96	\$16.32
Average Annual Salary	\$30,185	\$30,938	\$31,691	\$32,444	\$33,197	\$33,950

Forecasts by the Cochise College Center for Economic Research.

support activities.

The industry grouping of “other services” is projected to grow by 75 jobs in the years 2006 through 2009, for average annual job growth of 1.8 percent.

The information industry is projected to decline by 25 jobs in the years 2006 through 2009, for average annual job growth of -1.3 percent. Manufacturing is also projected to decline by 25 jobs in the years 2006 through 2009, for average annual job growth of -1.5 percent. The projected declines in information and manufacturing are attributable to increased foreign competition and excess capacity in these markets.

A note on employment data

Employment data are widely regarded as one of the most important economic indicators. However, employment figures are subject to sizable revisions. For the most up-to-date employment data for the local economy, please visit the CER’s website at www.cochise.edu/cer.

Retail *and* trade



Taxable sales in Bisbee for 2005 totaled \$67.1 million, up 24.1 percent from 2004. Adjusting for inflation which was 3.4 percent, this represents real growth of 20.7 percent.

Photo: CER Staff

Although the population of Bisbee is 6,570, the commercial market in the Bisbee area serves a much larger population, including tourists, sightseers, shoppers, and other visitors from across Cochise County and those traveling from other areas of the state and nation, as well as international visitors. According to the Arizona Department of Transportation, in 2005 a total of 9,500 vehicles per day traveled along SR 80 through the Brewery Gulch area of Bisbee.

Total taxable sales

Total taxable sales in Bisbee include the categories of communications and utilities; construction; manufacturing; wholesale trade; retail trade; real estate, rental and leasing; restaurant and bar; accommodation; services; and the category of "other." Retail trade accounted for 45.8 percent of Bisbee's total taxable sales from June 2005 through May 2006, making it the largest category of taxable sales in the city. This was followed by construction, which accounted for 16.5 percent; restaurant and bar, which accounted for 9.7 per-

cent; communications and utilities, which accounted for 8.4 percent; services, which accounted for 6 percent; and real estate, rental and leasing, which accounted for 5.8 percent. All other categories of sales each accounted for less than 5 percent of total sales.

Taxable sales in Bisbee for 2005 totaled \$67.1 million, up 24.1 percent from 2004. Adjusting for inflation which was 3.4 percent, this represents real growth of 20.7 percent. In the first 6 months of 2006, taxable sales totaled \$31.5 million. This was down 4.3 percent from the same period in 2005, reflecting inflation-adjusted growth of -8.1 percent.

In 2005, taxable sales in Bisbee accounted for 5.3 percent of total taxable sales in Cochise County. This was up from 4.6 percent in 2004. Much of the growth in 2005 was associated with construction of the city's new wastewater treatment facility, including taxable construction contracting and expenditures by workers associated with the project. Other construction projects in 2005 contributed substantially to the growth in the city's taxable sales.

AVERAGE ANNUAL DAILY TRAFFIC COUNT, 2003-2005

LOCATION	2003	2004	2005
SR 80, West Blvd - Bisbee	4,500	4,900	4,900
SR 80, Brewery Gulch	8,500	9,700	9,500
SR 80, SR 92 / Bisbee Rd	5,400	6,300	5,700
SR 80, Warren Cutoff	5,400	6,200	5,500

Note: Figures are rounded to nearest hundred. Source: Arizona Department of Transportation.

BISBEE TOTAL TAXABLE SALES, 2001-2006

YEAR	SALES	% CHANGE	INFLATION-ADJUSTED GROWTH
2001	\$44,445,450	-5.4%	-8.2%
2002	\$47,861,380	7.7%	6.1%
2003	\$49,597,340	3.6%	1.3%
2004	\$54,048,540	9.0%	6.3%
2005	\$67,066,120	24.1%	20.7%
2006*	\$31,521,940	-4.3%	-8.1%

*January through June only; percent change and inflation-adjusted growth based on same period a year prior. Note: Inflation-adjusted growth is calculated using the inflation rates as determined by the Consumer Price Index (CPI). Data shown are estimates. Source: Arizona Department of Revenue and Cochise College Center for Economic Research.

Retail sales

According to the U.S. Census Bureau, in 2004 there were 34 establishments in Bisbee whose primary business was retail trade. This was down from 37 a year prior, but up from 33 in 2002.

In 2005, retail sales in Bisbee totaled \$29.4 million, up 7.8 percent from 2004, for inflation-adjusted growth of 4.4 percent. Bisbee's retail sales in 2005 accounted for 4 percent of all retail sales countywide. This was up slightly from 3.9 percent in 2004.

From January through June 2006, retail sales in Bisbee slowed somewhat from the trend seen in 2005. In the first 6 months of the year, retail sales were up 6.5 percent, for inflation-adjusted growth of 2.7 percent, when compared to the same period of 2005.

In 2005, retail sales per capita in Bisbee totaled \$4,476, up 8.1 percent from a year prior, for inflation-adjusted growth of 4.7

percent. This represents the strongest growth in per capita retail sales in the city since the beginning of the new millennium.

Retail sales in Bisbee were strong in 2005 and into the first half of 2006, despite the tightening of monetary policy at the national level, which has resulted in higher interest rates throughout the economy. Higher interest rates typically have the effect of discouraging borrowing and slowing consumer spending.

Restaurant and bar sales

In 2005, restaurant and bar receipts in Bisbee totaled \$5.9 million, up 16.9 percent from 2004. This represents inflation-adjusted growth of 13.5 percent. In the first 6 months of 2006, restaurant and bar sales grew at an even stronger pace, showing growth of 22.6 percent when compared to the same period of 2005, reflecting infla-

tion-adjusted growth of 18.8 percent.

In 2005, Bisbee's restaurant and bar sales accounted for 6.1 percent of the countywide total, up from 5.6 percent in 2004. The strong growth in Bisbee's restaurant and bar sales reflects the opening of several new establishments, as well as increased patronage by local residents, including those residing elsewhere in Cochise County.

Accommodation sales

In 2005, accommodation receipts in Bisbee totaled \$3.1 million, up 2.6 percent from 2004. This represents inflation-adjusted growth of -0.8 percent. In the first 6 months of 2006, accommodation sales declined by 36.8 percent when compared to the same period of 2005, reflecting inflation-adjusted growth of -40.6 percent.

In 2005, Bisbee's accommodation sales accounted for 11.3 percent of the county-

BISBEE TOTAL TAXABLE SALES BY CATEGORY, JUNE 2005-MAY 2006

INDUSTRY GROUP	SALES	PERCENT OF TOTAL SALES
Communications & Utilities	\$5,556,680	8.4%
Construction	\$10,962,840	16.5%
Manufacturing	\$572,760	0.9%
Wholesale Trade	\$137,680	0.2%
Retail Trade	\$30,382,760	45.8%
Real Estate, Rental & Leasing	\$3,821,320	5.8%
Restaurant & Bar	\$6,411,520	9.7%
Accommodation	\$2,368,840	3.6%
Services	\$3,966,640	6.0%
Other	\$2,133,240	3.2%
TOTAL	\$66,314,280	

Note: Data shown are estimates. Source: Arizona Department of Revenue and Cochise College Center for Economic Research.

BISBEE RETAIL SALES, 2001-2006

YEAR	SALES	% CHANGE	INFLATION-ADJUSTED GROWTH
2001	\$25,504,907	-3.3%	-6.1%
2002	\$26,375,880	3.4%	1.8%
2003	\$27,736,600	5.2%	2.9%
2004	\$27,280,080	-1.6%	-4.3%
2005	\$29,409,960	7.8%	4.4%
2006*	\$15,428,360	6.5%	2.7%

*January through June only; percent change and inflation-adjusted growth based on same period a year prior. Note: Inflation-adjusted growth is calculated using the inflation rates as determined by the Consumer Price Index (CPI). Data shown are estimates. Source: Arizona Department of Revenue and Cochise College Center for Economic Research.

BISBEE RETAIL SALES PER CAPITA, 2001-2005

YEAR	RETAIL SALES PER CAPITA	% CHANGE	INFLATION-ADJUSTED GROWTH
2001	\$4,185	—	—
2002	\$4,296	2.7%	1.1%
2003	\$4,361	1.5%	-0.8%
2004	\$4,143	-5.0%	-7.7%
2005	\$4,476	8.1%	4.7%

Note: Based on population estimates provided by the Arizona Department of Economic Security and sales tax collection data provided by the Arizona Department of Revenue.

BISBEE RESTAURANT & BAR SALES, 2000-2006

YEAR	SALES	% CHANGE	INFLATION-ADJUSTED GROWTH
2001	\$4,497,683	1.0%	-1.8%
2002	\$5,018,480	11.6%	10.0%
2003	\$4,670,880	-6.9%	-9.2%
2004	\$5,042,640	8.0%	5.3%
2005	\$5,893,800	16.9%	13.5%
2006*	\$3,064,760	22.6%	18.8%

*January through June only; percent change and inflation-adjusted growth based on same period a year prior. Note: Inflation-adjusted growth is calculated using the inflation rates as determined by the Consumer Price Index (CPI). Data shown are estimates. Source: Arizona Department of Revenue and Cochise College Center for Economic Research.

wide total, down from 13.2 percent in 2004. The steep decline in Bisbee's accommodation sales likely reflects the departure of workers previously involved in the construction of the city's wastewater system. High gas prices may have also played a role, discouraging domestic tourism. Also, the recent period of decline follows strong performance in 2003 and 2004, when accommodation sales surged 13.9 and 29.1 percent, respectively. The inflation-adjusted declines seen in 2005 and the first half of 2006 likely reflect a market adjustment following this period of strong growth. Often, such periods of strong growth result from transient factors, and thus are unsustainable. For example, part of the surge in 2004 was associated with the filming of the Stephen King movie *Desperation*, which gave a temporary boost to the city's sales.

Business establishments

According to the U.S. Census Bureau, as of 2004 there were 177 business establishments located in the Bisbee area (zip code 85603). The industry with the largest num-

ber of businesses was accommodation and food services, with 37 establishments, followed by retail trade, with 34 establishments; healthcare and social assistance, with 20 establishments; professional, scientific, and technical services, with 19 establishments; other services (except public administration), also with 19 establishments; and construction, with 10 establishments. Other industries in Bisbee each had fewer than 10 establishments.

Between 2002 and 2004, the number of business establishments in the Bisbee area declined from 195 to 177. The only industries to grow in terms of the number of new establishments were administrative support, waste management, and remediation services; management of companies and enterprises; mining; retail trade; transportation and warehousing; unclassified establishments; and utilities, each of which added one establishment. Industries that saw the largest drop in the number of businesses were construction, which declined by six establishments; and arts, entertainment, and recreation, which declined by three establishments.

BISBEE BUSINESS ESTABLISHMENTS, 2002-2004

INDUSTRY	2002	2003	2004
Accommodation and food services	39	39	37
Admin, support, waste mgt, remediation services	5	6	6
Arts, entertainment and recreation	5	3	2
Auxiliaries	1	0	0
Construction	16	12	10
Educational services	3	2	1
Finance and insurance	5	4	4
Healthcare and social assistance	22	22	20
Information	3	3	3
Management of companies and enterprises	0	1	1
Manufacturing	3	0	1
Mining	1	1	2
Other services (except public administration)	21	19	19
Professional, scientific and technical services	19	17	19
Real estate, rental and leasing	9	4	7
Retail trade	33	37	34
Transportation and warehousing	3	4	4
Unclassified establishments	0	1	1
Utilities	1	1	2
Wholesale trade	6	6	4
TOTAL	195	182	177

Note: Data for zip codes 85603. Source: U.S. Census Bureau.

BISBEE ACCOMMODATION SALES, 2000-2006

YEAR	SALES	% CHANGE	INFLATION-ADJUSTED GROWTH
2001	\$2,373,211	-5.5%	-8.3%
2002	\$2,078,020	-12.4%	-14.0%
2003	\$2,367,580	13.9%	11.6%
2004	\$3,056,260	29.1%	26.4%
2005	\$3,135,680	2.6%	-0.8%
2006*	\$1,048,300	-36.8%	-40.6%

*January through June only; percent change and inflation-adjusted growth based on same period a year prior. Note: Inflation-adjusted growth is calculated using the inflation rates as determined by the Consumer Price Index (CPI). Data shown are estimates. Source: Arizona Department of Revenue and Cochise College Center for Economic Research.

BISBEE SHARE OF TOTAL COUNTY SALES, 2004-2005

CATEGORY	2004	2005
Total Taxable Sales	4.6%	5.3%
Retail	3.9%	4.0%
Restaurant & Bar	5.6%	6.1%
Accommodation	13.2%	11.3%

Note: County total includes only those sales occurring in the incorporated cities and towns. Source: Arizona Department of Revenue and Cochise College Center for Economic Research.

Bisbee retail out-shopping survey

In 2006, the Cochise College Center for Economic Research (CER) conducted a survey of Bisbee residents to determine their level of retail out-shopping. Out-shopping refers to shopping done by Bisbee residents at businesses located outside the City of Bisbee. The intercept survey included 409 Bisbee residents and was conducted at Bisbee grocery stores at random days and times over a six-week period. The survey utilized a confidence level of 95 percent, with a margin of error of plus or minus 5 percent.

Residents reported conducting between 45 and 50 percent out-shopping for most categories of retail goods. The categories that saw the lowest levels of out-shopping were health and personal care items; beer, wine, and liquor; gasoline; and groceries.

Retail out-shopping patterns provide an indication of unmet demand for retail goods or a lack of competitive pricing with-

in the city, encouraging residents to shop elsewhere. Categories of retail goods with a high level of out-shopping present an opportunity for new businesses to enter the market to supply these goods, or for existing businesses to expand within the market.

The 2006 retail out-shopping survey also revealed that Bisbee residents conducted an average of 5.2 percent of their retail shopping over the internet, and 2.6 percent via catalogs. The retail out-shopping survey also included a space for free-response comments. A total of 43.5 percent of respondents entered comments. Of those providing comments, 60.7 percent indicated they believed there were too few stores or a lack of variety and availability of retail goods in Bisbee. A total of 18.5 indicated they believed retail prices in Bisbee were too high. A total of 11.8 percent of those completing the free-response section offered only generalized, positive comments of retail shopping in Bisbee.

Outlook

The forecasts provided in this section employ time-series trend analysis to identify the general trend in sales over time, and project that trend into future years. Total sales are forecasted to grow by an average

annual rate of 3 percent per year between 2006 and 2011. Retail sales are projected to grow by an average of 3.1 percent per year during this same period. Also during this period, restaurant and bar sales are forecasted to grow at an average annual rate of 7.6 percent, while accommodation sales are projected to decline by an average annual rate of 2.8 percent.

Bisbee's retail, accommodation, and restaurant and bar industries are largely dependent on local, national, and international tourism. Higher interest rates along with higher gas prices and other inflationary pressures threaten to continue to slow tourism. The industry most impacted by this will be accommodation. Retail and restaurant and bar sales will fare better as new establishments open and local patronage increases. Much of this will be attributable to the lifting of the sewer hookup moratorium, opening the door to new construction in the city.



Seth Appell, owner of Old Bisbee Roasters, serves over 12,000 FREE espresso drinks per year to residents and tourists that visit Peddlers Alley located in Old Bisbee.

Photo: CER Staff

RETAIL OUT-SHOPPING BY BISBEE RESIDENTS

CATEGORY OF SALES	OUT-SHOPPING (%)
Auto parts and accessories	45.8%
Furniture	46.1%
Home Furnishings	46.6%
Electronics	47.0%
Computer hardware/software	47.1%
Appliances	48.0%
Building materials	46.8%
Hardware	46.3%
Garden supplies	47.1%
Groceries	36.1%
Beer, wine, and liquor	41.9%
Health and personal care items	42.8%
Gasoline	39.9%
Men's clothing	48.2%
Women's clothing	48.4%
Children's clothing	48.4%
Jewelry	48.5%
Sporting goods	48.9%
Hobby supplies	49.0%
Books	48.9%
Music (CDs, tapes, etc.)	49.1%
Video (DVDs, VHS tapes, etc.)	49.0%

Source: Cochise College Center for Economic Research.

BISBEE SALES FORECAST, 2006-2011

	2006	2007	2008	2009	2010	2011
Total Taxable Sales (\$)	\$64,182,276	\$66,711,933	\$70,001,404	\$73,290,875	\$76,580,346	\$79,869,817
Total Taxable Sales (Growth)	-4.3%	3.9%	4.9%	4.7%	4.5%	4.3%
Retail Sales (\$)	\$31,321,607	\$31,321,607	\$32,291,057	\$33,260,508	\$34,229,958	\$35,199,408
Retail Sales (Growth)	6.5%	0.0%	3.1%	3.0%	2.9%	2.8%
Restaurant & Bar Sales (\$)	\$7,225,799	\$7,225,799	\$7,680,485	\$8,135,171	\$8,589,857	\$9,044,543
Restaurant & Bar Sales (Growth)	22.6%	0.0%	6.3%	5.9%	5.6%	5.3%
Accommodation Sales (\$)	\$1,981,750	\$2,373,211	\$2,373,211	\$2,373,211	\$2,373,211	\$2,373,211
Accommodation Sales (Growth)	-36.8%	19.8%	0.0%	0.0%	0.0%	0.0%

Forecasts by the Cochise College Center for Economic Research.

Housing *and* real estate



In 2005, there were 10 permits issued by the City of Bisbee for new residential construction. New private homes with plane hangars at Bisbee Municipal Airport.

Photo: CER Staff

New home construction in Bisbee has been slow since 1997 due to a sewer hookup moratorium, which was lifted in late 2005. The moratorium was part of a consent order entered into by Bisbee and the Arizona Department of Environmental Quality (ADEQ) in 1997 and again in 2001. The moratorium was placed on new construction while Bisbee worked to improve the city's public sewer system. In November 2004, Bisbee launched a \$32 million wastewater project to upgrade the century-old sewer system. As the project progressed, the moratorium was lifted in neighborhoods where the upgrades had been completed. In September 2005, the moratorium was lifted in Warren; in October 2005, the last of the moratoriums was lifted in the communities of Old Bisbee, Saginaw, and Lowell, opening the door for new construction throughout the city. Prior to

the lifting of the moratorium, additional bathrooms or other utilities that may have strained the sewer system could not be added without prior approval from ADEQ. This placed severe limitations on new construction.

Development potential

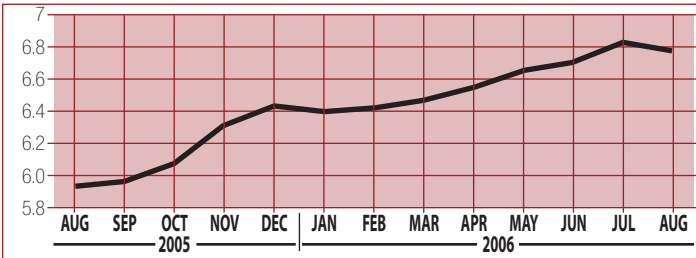
There are currently 3,866 acres located within the City of Bisbee; however, the city's general plan has identified a potential growth area of more than 15,000 additional acres suitable for development and potential annexation. The current city limits

NEW AND EXISTING HOME SALES - BISBEE AREA, 2003-2006

YEAR	NUMBER OF HOMES SOLD	AVERAGE PRICE	AVERAGE PRICE CHANGE	MEDIAN PRICE	MEDIAN PRICE CHANGE
2003	208	\$88,091	—	\$79,500	—
2004	190	\$90,447	2.7%	\$79,900	0.5%
2005	212	\$109,306	20.9%	\$93,000	16.4%
2006*	130	\$120,097	17.0%	\$100,000	14.9%

*January through August only; price change based on same period 1 year prior. Note: The Bisbee area includes those areas located in zip code 85603. Prices include land. Includes only single-family residential homes. Source: Bright Future Business Consultants of Tucson and Cochise College Center for Economic Research.

U.S. AVERAGE CONTRACT RATE, FIXED 30-YEAR MORTGAGES, 2005-2006



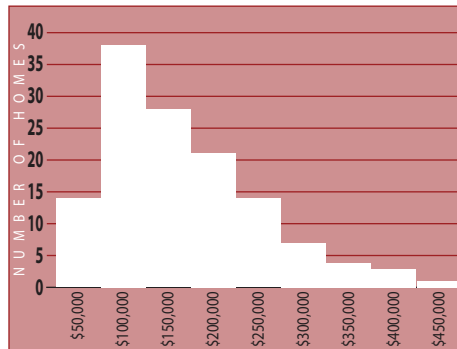
Source: Federal Housing Finance Board and Cochise College Center for Economic Research.

BISBEE AREA, DISTRIBUTION OF NEW AND RESALE HOME PRICES, 2006*

MINIMUM VALUE	MAXIMUM VALUE	MIDPOINT VALUE	NUMBER OF PERMITS	PERCENT OF TOTAL PERMITS
\$0	\$43,100	\$21,550	14	10.8%
\$43,100	\$86,200	\$64,650	38	29.2%
\$86,200	\$129,300	\$107,750	28	21.5%
\$129,300	\$172,400	\$150,850	21	16.2%
\$172,400	\$215,500	\$193,950	14	10.8%
\$215,500	\$258,600	\$237,050	7	5.4%
\$258,600	\$301,700	\$280,150	4	3.1%
\$301,700	\$344,800	\$323,250	3	2.3%
\$344,800	\$387,900	\$366,350	1	0.8%

*January through August only. Source: Bright Future Business Consultants of Tucson and Cochise College Center for Economic Research.

BISBEE AREA NEW AND RESALE HOMES SOLD, JAN-AUG 2006



Note: The Bisbee area includes those areas located in zip code 85603. Prices include land. Data include only single-family residential homes. Each bin represents range of \$43,100. See new and resale home price distribution table for more information. Source: Bright Future Business Consultants of Tucson and Cochise College Center for Economic Research.

include the communities of Old Bisbee, Warren, and San Jose, which due to the topography of the area have developed independent and distinct from one another. The city's general plan identifies the planning areas of Historic Old Bisbee, Saginaw, and Historic Warren, which includes Winwood, Lowell, Galena, Briggs, Bakerville, and Tintown. In addition, two growth areas have been identified: San Jose and the City of Bisbee Municipal Airport. The areas of Bakerville, Saginaw, Lowell, Galena, Briggs, and Tintown have basic commercial services and areas for infill. The San Jose area offers the most opportunity for growth due to the large unplatted parcels of land. There are currently 100 homes planned for this area, to be built between 2006 and 2009. The city's general plan is available online at www.cityofbisbee.com/documents/GeneralPlan.pdf.

Bisbee area new and existing home sales

In 2005, there were 212 new and existing single-family homes sold in the Bisbee area, up from 190 in 2004. The Bisbee area includes the entire area located within zip code 85603. From January through August 2006, there were 130 homes sold; this was down from 160 in the same period a year prior. The decline in the first 8 months of 2006 is the result of steady increases in home mortgage rates, as well as an increase in home prices spurred by the increased demand that resulted from previously record-low interest rates.

The median price of new and existing homes sold in the Bisbee area in 2005 was \$93,000, up 16.4 percent from 2004 (note: The median price is the price at which half of all homes sold are priced above and half are priced below). In the first 8 months of 2006, the median price was \$100,000, up 14.9 percent from the same period of 2005. Despite these increases, the median home price in Bisbee in the first 8 months of 2006 was significantly below the countywide median price of \$165,000.

Of all homes sold in the Bisbee area in the first 8 months of 2006, 29.2 percent were sold at prices ranging from \$43,100 to \$86,200; 21.5 percent were sold at prices between \$86,200 and \$129,300; and 16.2 percent were sold at prices between \$129,300 and \$172,400. Nearly 90 percent of all homes sold in the Bisbee area from January through August 2006 were sold at prices below \$215,000.

New home construction

In 2005, there were 10 permits issued by the City of Bisbee for new residential construction. The median value of new construction was \$53,500, which reflects the value of the home to be built (not including land value), as reported by the builder. From January through August of 2006, there were 4 permits issued, with a median value of \$71,000. While this reflects a 32.7 percent increase over the median value for all of 2005, it is important to note this value is based on a very small number of homes, and thus is heavily influenced by the value of each home. The average value listed on permits issued in the first 8 months of 2006 was \$74,500, which was only 3.4 percent higher than the average value for all of 2005.

While construction in the city has been slow over the past decade due to the previous sewer-hookup moratorium, the lifting of the moratorium has opened the door to new construction throughout the city. However, the moratorium was lifted at the time that home mortgage rates began to increase; thus, construction has proceeded at a slower pace than what would have been seen a year or two prior. There are currently 100 homes planned for the San Jose area of the city, and the city's General Plan has identified growth and annexation potential capable of expanding the land area of the city to approximately five times its current size.

Commercial construction

In 2005, there were 7 permits issued for new commercial construction in Bisbee at a total dollar valuation of \$149,989. In the first 8 months of 2006 there were 2 permits issued at a total valuation of \$336,481. Between January 2002 and August 2006, there were 19 permits issued for new commercial construction at a total value of more than \$6.8 million. As with residential construction, commercial construction was also slowed by the previous sewer-hookup moratorium. With the lifting of the moratorium and the growth potential of the city, particularly the San Jose area, commercial construction is also likely to increase.

Cochise County housing and real estate

NEW CONSTRUCTION

In 2005, there were 1,108 building permits issued for single-family residential construction in Cochise County, up 5.9 percent from 2004. From January through September 2006, there were 700 permits issued. This was down from 887 in the same period of 2005. Higher interest rates and rising home prices have slowed the housing market not only in Cochise County, but statewide and in many areas across the nation.

At the county level in 2005, the average permit value of a new, single-family residential home was \$123,796, up 17 percent from 2004. In the first 9 months of 2006, the average value was \$144,677, up 16.9 percent from the 2005 year-end figures. In 2006, the CER began tracking median values of new home permits. Median values tend to be a more accurate measure of central tendency, since averages tend to be pulled upward by a small number of higher-priced homes. The median value of new home permits issued countywide in the first 9 months of 2006 was \$132,322.

While countywide the number of new residential construction permits grew at its slowest rate in years, much of this was due to slowed growth in the southwest quadrant of the county. Most of the new construction in Cochise County in recent years has occurred in the southwest quadrant in Sierra Vista and surrounding unincorporated areas. But while growth has slowed in that area, there has been a shift of the market toward the northwest quadrant, including Benson and surrounding areas along Interstate 10 and State Route 90. This was evidenced by the near doubling of new home permits in that area in 2005. With nearly 25,000 homes currently planned for the Benson area, this trend is

SINGLE FAMILY RESIDENTIAL PERMITS – BISBEE, 2005-2006

YEAR	NUMBER OF PERMITS	AVERAGE VALUE	AVERAGE VALUE CHANGE	MEDIAN VALUE	MEDIAN VALUE CHANGE
2005	10	\$72,046	—	\$53,500	—
2006*	4	\$74,500	3.4%	\$71,000	32.7%

*January through August only; price change based on comparison to previous year-end figures. Note: Value does not include land. Source: City of Bisbee and Cochise College Center for Economic Research.

COMMERCIAL BUILDING PERMITS (NEW CONSTRUCTION), CITY OF BISBEE, 2002-2005

YEAR	NUMBER OF PERMITS	TOTAL VALUATION
2002	3	\$767,172
2003	2	\$5,096,406
2004	5	\$451,027
2005	7	\$149,989
2006*	2	\$336,481

*January through August only. Note: Value does not include land. Source: City of Bisbee and Cochise College Center for Economic Research.

SINGLE FAMILY RESIDENTIAL PERMITS – COCHISE COUNTY, 2002-2006

YEAR	NUMBER OF PERMITS	AVERAGE VALUE	AVERAGE VALUE CHANGE	MEDIAN VALUE	MEDIAN VALUE CHANGE
2002	653	\$93,550	—	*	*
2003	926	\$97,340	4.1%	*	*
2004	1,046	\$105,840	8.7%	*	*
2005	1,108	\$123,796	17.0%	*	*
2006**	700	\$144,677	16.9%	\$132,322	*

*Data not available. **January through September only; price change based on comparison to previous year-end figures. Note: Value does not include land. Source: Bright Future Business Consultants of Tucson and Cochise College Center for Economic Research.

COCHISE COUNTY LAND TRANSACTIONS, 2001-2006

YEAR	NUMBER	CHANGE IN VOLUME	MEDIAN PRICE	PRICE CHANGE
2001	931	—	\$16,000	—
2002	1,893	103.3%	\$20,500	28.1%
2003	2,162	14.2%	\$20,000	-2.4%
2004	2,467	14.1%	\$26,500	32.5%
2005	3,667	48.6%	\$38,500	45.3%
2006*	2,600	7.0%	\$19,900	-97.2%

*January through August only; volume and price change based on same period 1 year prior. Source: Bright Future Business Consultants of Tucson and Cochise College Center for Economic Research.

COCHISE COUNTY HOUSING MARKET AT A GLANCE, 2002-2006

YEAR	NEW HOME CLOSINGS	NEW HOME SALES MEDIAN PRICE	NEW HOME SALES AVERAGE PRICE	RESALE HOME CLOSINGS	RESALE HOME MEDIAN PRICE	RESALE HOME AVERAGE PRICE
2002	330	\$148,460	\$149,937	1,884	\$104,438	\$89,900
2003	407	\$162,157	\$169,647	1,979	\$102,000	\$116,673
2004	656	\$169,421	\$179,599	2,464	\$115,000	\$128,857
2005	611	\$210,000	\$215,020	2,850	\$140,050	\$159,640
2006*	308	\$233,179	\$233,183	1,633	\$149,500	\$167,436

*January through August only. Source: Bright Future Business Consultants of Tucson.

likely to continue. However, with the recent lifting of the sewer-hookup moratorium in Bisbee and the growth potential of the San Jose area of Bisbee, there may also be shift of the housing market toward that area of the county in coming years.

LAND TRANSACTIONS

In 2005, the Cochise College Center for Economic Research began tracking land transactions at the county level. In 2005, there were 3,667 vacant land transactions countywide, up 48.6 percent from 2004. In the first 8 months of 2006, there were 2,600 transactions, up 7 percent from the same period in 2005. The median price of land that changed ownership in 2005 was \$38,500, up 45.3 percent from a year prior. Land transactions include a wide range of prices, ranging in 2005 from land that changed ownership at no cost to the new owner, to a single purchase that changed hands at a price of \$26.5 million. Approximately 20 percent of the land that changed owners was sold at prices at or below \$7,000, while about 20 percent was priced at \$97,000 or above. The modal price, or the price at which most vacant land parcels were sold, was \$40,000. In the first 8 months of 2006, the median price of vacant land sold was \$19,900, down 97.2 percent. This drop was likely the result of a shift in the market from large tracts suitable for master planned developments to smaller parcels, rather than a general decline in land prices.

HOME SALES

In 2005, there were 611 closings on new homes, down from 656 in 2004. The median price at closing was \$210,000, up 24 percent from a year prior. New home closings in 2005 accounted for 17.7 percent of total closings countywide. This was down from 21 percent in 2004.

From January through August 2006, there were 308 closings on new homes, down from 404 in the same period of 2005. The median price at closing was \$233,179, up 11 percent from the 2005 year-end figures. New home closings in the first 8 months of 2006 accounted for 15.9 percent of total closings countywide.

There were 2,850 resale home closings in Cochise County in 2005. This was up from 2,464 in 2004. The median price at closing was \$140,050, up 21.8 percent from a year prior. Resale home closings in 2005 accounted for 82.3 percent of total closings countywide. This was up from 79 percent in 2004.

From January through August 2006, there were 1,633 resale home closings in Cochise County. This was down from 2,011 in the same period of 2005. The median price at closing was \$149,500, up 6.7 percent from the 2005 year-end figures. Resale home closings in 2005 accounted for 84.1 percent of total closings countywide.

In 2005, the Cochise County housing market was characterized by a shift away from new home construction and toward the purchase of existing homes. Permits for new, single-family residential construction grew at their slowest rate in years, and new home closings declined for the first time in years. At the same time, the volume of sales of existing homes grew by over 15 percent as homeowners and investors sought to cash in their equity and capitalize on higher home prices. In the first 8 months of 2006, Cochise County saw a further slowing of new construction, along with a slowing of the resale market. While prices continued to rise into 2006, the increases were slower than what was seen in 2005, particularly in the resale market. Higher interest rates and market corrections from the previous housing boom are likely to continue to slow new construction and the resale market, which will lead to further stabilization of home prices. In the coming years, there will be a continued shifting from a seller's to a buyer's market.

Bank deposits *and* bankruptcy filings



Cochise County Courthouse located in historic Bisbee.

Photo: CER Staff

Bank deposits

The City of Bisbee is served by two banks: Bank of America and National Bank of Arizona. Bank deposits in Bisbee in 2005 totaled \$82.4 million, a 10.5 percent increase from 2004. This represents the largest, single-year increase in bank deposits in Bisbee in at least a decade. At the county level, bank deposits totaled \$905

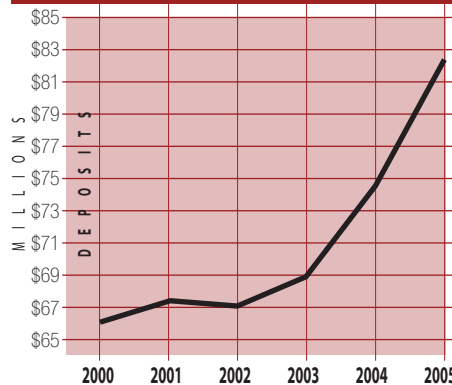
million, an increase of 9.8 percent from a year prior. This was the largest increase at the county level since 2002, when deposits increased by 14.3 percent. Between 2000 and 2004, growth in Bisbee's bank deposits alternated between periods of positive and negative growth. Beginning in 2004, annual growth has been strong, with banks deposits increasing by 8.2 percent in 2004 and 10.5 percent in 2005. In 2005, Bisbee

BANK DEPOSITS 2000-2005

YEAR	BISBEE		COCHISE COUNTY	
	AMOUNT	CHANGE	AMOUNT	CHANGE
2000	\$66,086,000	-2.8%	\$652,405,000	10.9%
2001	\$67,484,000	2.1%	\$637,907,000	-2.2%
2002	\$67,087,000	-0.6%	\$728,857,000	14.3%
2003	\$69,010,000	2.9%	\$769,197,000	5.5%
2004	\$74,637,000	8.2%	\$824,453,000	7.2%
2005	\$82,444,000	10.5%	\$904,994,000	9.8%

Note: Data reflect total deposits as of June 30 each year. Source: Federal Deposit Insurance Company and Cochise College Center for Economic Research.

BISBEE BANK DEPOSITS 2000-2005



Source: Federal Deposit Insurance Company and Cochise College Center for Economic Research.

BISBEE BANK DEPOSITS, SHARE OF COCHISE COUNTY MARKET, 2000-2005

YEAR	SHARE OF COCHISE COUNTY MARKET
2000	10.1%
2001	10.6%
2002	9.2%
2003	9.0%
2004	9.1%
2005	9.1%

Source: Federal Deposit Insurance Company and Cochise College Center for Economic Research.

bank deposits comprised 9.1 percent of total deposits in the Cochise County market. This represents stabilization in the city's share of the Cochise County market from 2004.

(Note: Bank deposit data include only those deposits made to commercial banks. They do not include deposits to credit unions or other financial institutions. Annual deposits include those made each year in the 12 months ending June 30.)

Bankruptcy filings

In 2005, there were 620 bankruptcies filed from within Cochise County, up 23 percent from 504 a year prior. Adjusting for population size, Cochise County's bankruptcy

rate in 2005 increased to 4.7 bankruptcies per 1,000 residents, up from 3.89 in 2004. The increase of bankruptcies in Cochise County in 2005 followed the upward trend that was also seen at the state and national level. While the county's bankruptcy rate grew by 23 percent in 2005, bankruptcies increased 28.5 percent at the state level and 30.1 percent nationally.

Despite the relatively steady increase in bankruptcies countywide since 2001 (with the exception of 2004, which saw a decline in bankruptcies), the Cochise County bankruptcy rate has remained well below state and national levels since the beginning of the new millennium. In 2005, Cochise County experienced 4.7 bankruptcies per 1,000 residents, compared to 6.49

COCHISE COUNTY BANKRUPTCY FILINGS, 2000-2005

YEAR	POPULATION	TOTAL FILINGS	FILINGS PER 1,000 POP.
2000	117,755	469	3.98
2001	128,845	478	3.71
2002	123,945	489	3.95
2003	125,430	533	4.25
2004	129,600	504	3.89
2005	131,790	620	4.70

Source: U.S. Bankruptcy Court, Tucson Division; U.S. Census Bureau; Arizona Department of Economic Security; and Cochise College Center for Economic Research.

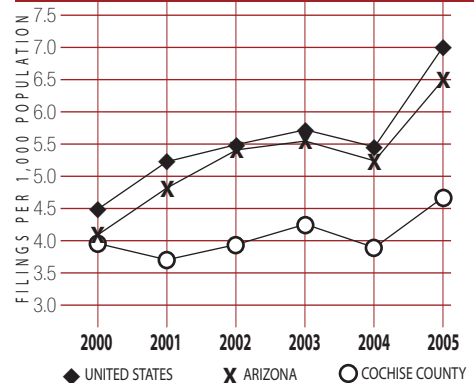
at the state level and 7.01 nationally. Between 2000 and 2005, the narrowest gap between the Cochise County bankruptcy rate and those at the state and national levels was seen in 2000, when the county rate was only 2.5 percent below the state and 10.4 percent below the national rate. Since then, the gap between Cochise County's bankruptcy rate and that of the state and nation has continued to widen. In 2005, Cochise County's bankruptcy rate was 27.6 percent below the state level, and 33 percent below the national level. This is reflective of a healthy environment for lending and borrowing, which has continued to fuel local consumption and investment spending.

COMPARISONS OF BANKRUPTCY FILINGS, 2000-2005 (PER 1,000 POPULATION)

YEAR	COCHISE COUNTY	ARIZONA	UNITED STATES
2000	3.98	4.08	4.44
2001	3.71	4.79	5.23
2002	3.95	5.43	5.48
2003	4.25	5.55	5.71
2004	3.89	5.22	5.44
2005	4.70	6.49	7.01

Source: U.S. Bankruptcy Court, Tucson Division; U.S. Census Bureau; Arizona Department of Economic Security; and Cochise College Center for Economic Research.

BANKRUPTCY FILINGS, 2000-2005 (PER 1,000 POPULATION)



Source: U.S. Bankruptcy Court, Tucson Division; U.S. Census Bureau; Arizona Department of Economic Security; and Cochise College Center for Economic Research.

The impact *of* Mexico



Border Patrol Station,
Naco, Arizona.

Photo: CER Staff

The economy of Cochise County is significantly impacted by that of Mexico. The 82-mile shared border between Cochise County and Mexico serves as a crossover point for visitors from Mexico. Visitors range from day shoppers who cross legally through the designated ports of entry at Naco and Douglas, as well as the port of entry in Nogales in neighboring Santa Cruz County; to drug and illegal alien smugglers who cross illegally through the Sonoran desert. Day shoppers from Mexico contribute greatly to retail sales throughout the county.

Naco, Sonora, Mexico

The town of Naco, Sonora, Mexico shares a border with Naco, Arizona, approximately 6 miles from Bisbee. The population of Naco, Sonora as of 2000 was 5,370. The two cities have worked together on regional issues over the years and have been recognized as a model for cross-border cooperation. From the 1930s until the 1980s, the area was a major agribusiness route for the processing and shipping of cattle between Mexico and the United States.

As the City of Naco, Sonora grew it began to experience problems with its waste treatment plant, which became unable to handle the high volume of raw sewage and industrial waste water. Frequent breakdowns resulted in overflows of the system, which poured sewage over the border and onto the U.S. crossing site. In 1999, Naco was selected for a U.S. Environmental Protection Agency's Brownfields Pilot. Through cooperation from the communities, cities, counties, and emergency response teams on both sides of the border, Naco, Sonora received funding to build a new treatment plant, which has since been completed. This opened up the U.S. border-crossing Brownfields site to redevelopment opportunities. Initial redevelopment plans have included retail shops and restaurants in at least one shopping center, and light industrial facilities.

Border crossings in Cochise County

Between 2000 and 2005, an average of nearly 1.1 million people each year passed

US-MEXICO BORDER CROSSINGS, COCHISE COUNTY, 1996-2005

	DOUGLAS			NACO		
	U.S. CITIZENS	NON-U.S. CITIZENS	VEHICLES	U.S. CITIZENS	NON-U.S. CITIZENS	VEHICLES
1996	2,011,274	2,989,579	1,952,673	367,300	783,084	295,741
1997	2,106,251	3,103,164	2,031,280	350,407	776,439	306,343
1998	2,157,727	3,190,589	2,067,338	373,016	769,886	312,246
1999	2,505,433	3,715,351	2,186,310	357,916	726,815	334,406
2000	2,747,077	4,112,377	2,290,878	286,879	678,929	349,180
2001	2,390,011	3,604,625	2,140,308	215,628	825,875	345,611
2002	3,428,267	5,098,472	2,351,976	221,357	761,253	341,552
2003	2,310,310	3,447,921	2,123,801	214,949	756,782	343,411
2004	2,010,095	3,003,384	2,120,724	262,684	870,187	345,959
2005	2,174,486	3,151,861	2,137,150	405,921	957,048	320,432

Note. Includes only those crossing from Mexico into the United States. Source: U.S. Immigration and Naturalization Service, U.S. Bureau of Customs and Border Protection, and University of Arizona Economic and Business Research Center.

through the pedestrian walkway at the Naco Port of Entry from Naco, Sonora into Naco, Arizona. About 74.9 percent of these were non-U.S. citizens, while 25.1 percent were U.S. citizens returning from visits to Mexico. In addition, about 341,000 vehicles entered into the United States from Mexico through the Naco port each year from 2000 through 2005. Since 2000, the number of non-U.S. citizens entering into Naco, Arizona has ranged from a low of 679,000 in 2000 to a high of 957,000 in 2005. In the first 6 months of 2006, the number of non-U.S. citizens crossing into Naco, Arizona from Mexico was down 5.8 percent compared to the first half of 2005; vehicle crossings were down by 2.1 percent.

Naco is one of two official ports of entry from Mexico into the United States in Cochise County. The other is Douglas, about 25 miles southeast of Bisbee. The Douglas Port of Entry saw an average of about 6.2 million pedestrian crossing and 2.2 million vehicle crossings each year between 2000 and 2005. In the first 6 months of 2006, the number of non-U.S. citizens crossing into Douglas from Mexico was down 0.6 percent compared to the first half of 2005; vehicle crossings were down by 7.4 percent.

Mexico's economy today

Mexico's economy has continued to recover from the 2001 recession, which saw real Gross Domestic Product (GDP) stagnate

and was followed by slow growth of 0.8 percent in 2002 and 1.4 percent in 2003, according to data published by the International Monetary Fund (IMF). In 2004, according to the IMF, Mexico's GDP rebounded strongly, expanding by 4.4 percent, followed by slower growth of 3 percent in 2005. The IMF forecasts Mexico's GDP to grow by 3.3 percent in 2006.

Mexico's inflation rate in 2005 was 4.3 percent, down from 4.7 percent in 2004. This is a significant improvement over the 1980s and 1990s, which were characterized by consistent, double-digit levels of inflation. The IMF forecasts Mexico's inflation rate for 2006 to be 3.7 percent. Mexico's Ministry of Finance attributes recent containment of inflation to improved fiscal discipline.

According to IMF data, Mexico's current account balance in 2005 reflected a trade deficit equal to 1.1 percent of GDP, the same level as 2004. This represents a declining trade deficit as a percent of GDP, from 1.4 percent in 2003 and 2.1 percent in 2001. The IMF forecasts Mexico's trade deficit to increase to 1.6 percent of GDP in 2006; however, recent increases in the world price of oil may scale this back. A major contributor to Mexico's declining trade deficit has been the increase in world oil prices, which has propelled the value of Mexico's oil exports.

According to the Central Intelligence Agency's (CIA) World Factbook, the unemployment rate in Mexico moved from 3.2 percent in 2004 to 3.6 percent in 2005, despite higher levels of domestic production. While Mexico's unemployment rate is below what most economists would consider the natural rate of unemployment, the nation's employment situation has been characterized by high levels of underemployment. According to the CIA's World Factbook, in 2005 Mexico's underemploy-

ment rate was approximately 25 percent.

According to Mexico's Ministry of Finance, the reason for the slowdown in economic growth in the late 1990s and early years of the new millennium was the absence of fiscal reform. In recent years, the Mexican Congress has emphasized fiscal discipline as the principal guideline, while at the same time increasing spending on education, agriculture, healthcare, infrastructure, and poverty alleviation. The Congress has retained its budget deficit target of 0.3 percent of GDP and inflation target of 3.0 percent. The Congress has also maintained its commitment to monetary stability and provisions for expansionary monetary policy to help spur economic growth in the private sector.

Economic and Fiscal Impacts

In 2001, the University of Arizona conducted a study to measure the economic impact of Mexican visitors' spending statewide. The published results were based on a year-long survey of Mexican visitors returning from Arizona at the Phoenix and Tucson airports, as well as six border ports of entry, including the Douglas and Naco ports in Cochise County and the Nogales port in neighboring Santa Cruz County.

The study indicated that, statewide, the primary reason for visits was shopping, which accounted for 72 percent of total visits. Other reasons included work (14 percent); visiting family (8 percent); and vacation, medical, business, and personal (less than 3 percent each). At the two ports of entry in Cochise County, 70.6 percent of visitors at the Douglas port and 85 percent at the Naco port listed shopping as the purpose of their visit. At the Douglas port, 23.9 percent of visitors, the highest in the state, reported work as the purpose of their visit.

The study indicated that, in 2001, Mexican visitors to Cochise County spent an estimated \$96.8 million (\$106.8 million in 2005 dollars) in the county. Of this amount, approximately \$49.4 million (\$54.5 million in 2005 dollars) was spent in grocery stores; \$17 million (\$18.8 million in 2005 dollars) was spent in department stores; \$16.3 million (\$18 million in 2005 dollars) was spent at restaurants; and \$12.8 million

(\$14.1 million in 2005 dollars) was spent on gasoline and other automotive expenses.

The study estimated that spending from Mexican visitors to Cochise County generated approximately 3,551 jobs countywide, accounting for \$57.5 million (\$63.4 million in 2005 dollars) in local wages. This includes direct jobs and associated wages in retail establishments, restaurants and bars, and other sectors that directly serve Mexican visitors, as well as induced jobs and wages that are generated as a portion of the income earned by local residents is spent on other locally produced goods and services in a continuous recycling of income back into the local economy. This is often referred to as the “multiplier” or “ripple” effect. Moreover, the study indicated that in 2001, a total of 5.9 percent of all taxable sales in the county were attributable to Mexican visitors.

But the benefit of Mexican shoppers is only one side of the equation measuring the impact of Mexico on the local economy. To determine whether the net effect is positive or negative, the costs associated with Mexican visitors must also be considered.

In 2000, the University of Arizona conducted a fiscal impact study examining the law enforcement, criminal justice, and emergency medical service costs of illegal immigration to Arizona border counties, including Cochise County. The study utilized site visits, interviews with county and federal officials, review of public documents including budgets and court records, and federal border crossing and apprehension statistics. All fiscal data used in the study were from state fiscal year 1999 (July 1, 1998 through June 30, 1999). The study estimated the cost to Cochise County of apprehending and adjudicating criminal illegal immigrants to be \$4.6 million (\$5.5 million in 2005 dollars). This includes the costs for general government services, emergency medical care, autopsies, and burials. Separate cost studies were conducted for the sheriff’s department, county attorney, indigent defense, justice court, clerk of superior court, superior court, and the juvenile court center.

Of the estimated total costs to the county, \$3.3 million (\$4 million in 2005 dollars),

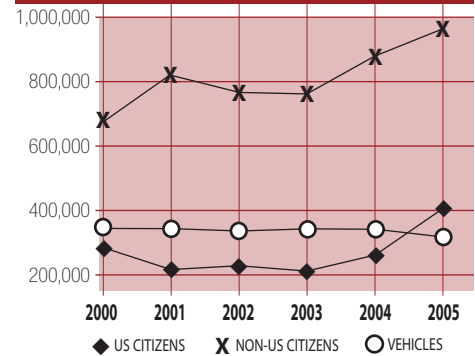
or 72 percent, was attributable to the sheriff’s department. The remainder of the costs was \$260,000 (\$312,000 in 2005 dollars) for indigent defense; \$238,000 (\$285,000 in 2005 dollars) for the superior court; \$211,000 (\$253,000 in 2005 dollars) for the juvenile center; \$171,000 (\$205,000 in 2005 dollars) for the county attorney; \$104,000 (\$125,000 in 2005 dollars) for the justice courts; \$97,000 (\$116,000 in 2005 dollars) for the clerk of the superior court; \$82,000 (\$98,000 in 2005 dollars) for emergency medical services; and \$45,000 (\$54,000 in 2005 dollars) for adult probation.

It is important to note that the figures in the study did not measure the total cost of law enforcement efforts associated with the problem of illegal immigration, but only that portion of the total cost directly levied on county resources and funded by the county general fund. Likewise, as the study noted, it did not measure other costs, including private property damage, private property loss, and environmental degradation, nor did it measure the opportunity costs associated with the redirection of county income toward enforcement efforts.

The costs measured in the University of Arizona fiscal impact study also did not consider costs to local law enforcement agencies below the county level. The police departments of the incorporated cities of Bisbee and Douglas also incur significant costs responding to incidents of trespassing and other property crimes committed by illegal aliens, as well as more serious crimes against city residents. Although the U.S. Border Patrol has jurisdiction over instances of illegal border crossings, the city police departments are often the first responders to incidents involving illegal immigrants. This raises the cost to local residents for law enforcement while simultaneously diminishing the level of service provided to residents.

Another cost absent from the study was that of private medical services provided to illegal immigrants. In recent years, hospitals in Bisbee, Douglas, and Sierra Vista have reported uncompensated costs of between \$350,000 and \$750,000 per year treating illegal immigrants. Moreover, many Mexican nationals cross the border legally through what is termed “compas-

US-MEXICO BORDER CROSSINGS: NACO, AZ, 2000-2005



Note: Includes only those crossing from Mexico into the United States. Source: U.S. Immigration and Naturalization Service, U.S. Bureau of Customs and Border Protection, and University of Arizona Economic and Business Research Center.

US-MEXICO BORDER CROSSINGS, COCHISE COUNTY, BY MONTH, 2005-2006

	DOUGLAS			NACO		
	U.S. CITIZENS	NON-U.S. CITIZENS	VEHICLES	U.S. CITIZENS	NON-U.S. CITIZENS	VEHICLES
January 2005	152,284	227,971	156,353	30,125	80,225	27,293
February	150,607	225,457	163,944	30,215	78,819	24,704
March	177,136	265,174	185,187	31,002	76,292	28,632
April	191,669	286,930	178,890	32,110	78,422	27,083
May	205,032	306,380	196,237	33,510	80,941	29,406
June	183,483	274,677	182,792	35,013	82,222	21,621
July	187,952	281,365	183,995	34,715	82,132	22,062
August	202,278	200,008	184,864	33,893	79,425	28,382
September	184,102	275,601	174,679	32,710	80,014	25,324
October	181,076	271,072	175,772	36,715	78,198	26,953
November	169,511	253,759	177,099	37,612	80,413	27,952
December	189,356	283,467	177,338	38,301	79,945	31,020
January 2006	189,356	283,468	149,218	37,110	77,850	26,517
February	154,355	231,072	150,697	37,002	74,341	24,235
March	171,667	256,986	156,030	38,012	75,125	26,653
April	171,187	251,671	170,656	37,016	75,803	24,188
May	191,180	286,200	184,552	35,121	74,141	27,383
June	178,718	267,546	173,302	34,612	71,930	26,382
July	179,655	268,945	*	33,820	70,022	*
August	188,343	281,955	*	33,712	67,685	*

Note: Includes only those crossing from Mexico into the United States. *Data not available. Source: U.S. Immigration and Naturalization Service, U.S. Bureau of Customs and Border Protection, and University of Arizona Economic and Business Research Center.

sionate entry,” whereby ambulances transport uninsured Mexican nationals to the U.S. border where they are met by ambulances in the United States and transported to area hospitals. The uncompensated services provided to illegal aliens and compassionate entries have been on the rise in recent years. These uncompensated services lead to higher costs for medical services provided to local residents. In 2005, changes to Centers for Medicare and Medicaid Services regulations resulted in increased federal aid to Arizona hospitals to help offset uncompensated costs resulting from illegal immigration; it will likely take several years to gauge the effectiveness of this increased funding.

In considering the costs and benefits to Cochise County of sharing a border with Mexico, the net effect appears to be positive, even considering the conservative estimate of costs outlined in the University of Arizona fiscal impact study. The estimated economic benefit of \$106.8 million (in 2005 dollars), generating 3,551 jobs and \$63.4 million in local wages far exceeds the estimated \$5.5 million in costs to the county associated with illegal immigration. The costs not accounted for in the fiscal impact study, although signif-

ECONOMIC INDICATORS – MEXICO

	2000	2001	2002	2003	2004	2005
Unemployment Rate*	1.9%	2.5%	2.1%	3.0%	**3.2%	**3.6%
Real GDP Growth	6.6%	0.0%	0.8%	1.4%	4.4%	3.0%
Consumer Price Inflation	9.5%	6.4%	5.0%	4.5%	4.7%	4.3%
Current Account Balance (as % of GDP)	-3.1%	-2.9%	-2.1%	-1.4%	-1.1%	-1.1%

* Source: Latin Focus. ** Source: CIA World Factbook. Source: International Monetary Fund.

icant, are unlikely to be of a sufficient degree to reverse the net positive economic benefit.

Impact on Bisbee

Because of Bisbee’s small retail sector, which is only about one-fifth the size of that of Douglas and one-fifteenth the size of Sierra Vista’s, Bisbee does not reap the same benefits as those cities from day shoppers from Mexico. CER studies examining the relationship between crossings at the Naco and Douglas ports of entry and Bisbee retail sales indicated no significant relationship between the number of visitors and the volume of retail sales in Bisbee.

In addition to not benefiting significantly from the impact of day shoppers from Mexico, Bisbee is not spared the expense on the cost side of the equation. In recent years, Bisbee’s Copper Queen Community Hospital has incurred expenses of approximately \$450,000 per year treating illegal immigrants and those admitted under compassionate entry policies. The uncompensated services provided to illegal aliens and compassionate entries have been on the rise in recent years, increasing an estimated 15-fold between 1990 and 2004, according to hospital officials. These uncompensated services lead to higher costs for medical services provided to local residents.

The recently passed Medicare Prescription Drug and Improvement and Modernization Act allows hospitals to be reimbursed a percentage of the cost of treating illegal immigrants. Copper Queen Community Hospital CEO Jim Dickson has estimated the hospital will be reimbursed approximately 10 percent of the cost of services rendered to illegal immigrants under the new law.

The costs incurred due to illegal immigration are not limited to the city’s hospital. The Bisbee Police Department also incurs significant costs responding to incidents of trespassing and other property crimes committed by illegal aliens, as well as more serious violent crimes against local residents. This raises the cost to local residents for law enforcement while simultaneously diminishing the level of service.

Cochise County agriculture



Fresh, organically grown produce is available at the Bisbee Food Coop located on Erie Street in Lowell.

Photo: CER Staff

In 2005, agriculture in Cochise County accounted for 15,875 jobs or 30 percent of all jobs countywide. This was down from 16,200 jobs in 2004, or 31.5 percent of the county's workforce.

Between 2001 and 2005, the number of agriculture jobs in Cochise County grew by 1,125 for total job growth of 7.6 percent. The average annual job growth rate in the county's agricultural industry during this period was 1.9 percent. Although this rate of growth was slower than in most other industries, the number of new agriculture jobs in the county from 2001 to 2005 was larger than the number of new jobs added by any other industry. This includes mining and construction; manufacturing; trade, transportation and utilities; information; financial activities; professional and business services; educational and health services; leisure and hospitality; federal government; and state and local government. The agricultural industry in Cochise County experienced strong job growth of 4.4 percent in both 2002 and 2003. This slowed to a modest increase of 0.8 percent in 2004, and agriculture jobs declined in 2005 by 2

percent, according to estimates by the Arizona Department of Economic Security.

Major crops in Cochise County include corn, wheat, barley, oats, dry edible beans (excluding limas), sorghum, and forage land (alfalfa and hay). Livestock inventories consist primarily of cattle and calves (primarily beef cows), layers, sheep and lambs, and hogs and pigs.

Between 1997 and 2002, the most recent data available, the number of farms in Cochise County grew by 126, or 15.3 percent, from 824 to 950. This was mostly the result of a deconsolidation of farmland, evidenced by the decline in total farm acreage from nearly 1.3 million acres in 1997 to less than 970,000 acres in 2002, despite the growth in the number of farms. The average farm size in the county declined from over 1,500 acres in 1997 to about 1,000 acres in 2002. The net loss of farmland in Cochise County between 1997 and 2002 was nearly 290,800 acres, a decline of more than 23 percent.

Although farm acreage declined between 1997 and 2002, the number of irrigated farms and irrigated acres both

COCHISE COUNTY AGRICULTURAL EMPLOYMENT, 2001-2005

YEAR	NUMBER OF JOBS	CHANGE	% CHANGE
2001	14,750	---	---
2002	15,400	650	4.4%
2003	16,075	675	4.4%
2004	16,200	125	0.8%
2005	15,875	-325	-2.0%

Source: Arizona Department of Economic Security and Cochise College Center for Economic Research.

increased. The number of irrigated farms increased from 379 to 460, while the number of irrigated acres increased by 2.1 percent, from about 63,250 to 64,590.

While the size of farms decreased between 1997 and 2002, the value of land

and buildings on farms increased. Countywide, the average value of land and buildings on farms grew from \$546,000 to \$705,000, an increase of 29.2 percent, for an inflation-adjusted growth of 17.1 percent. The average market value of land and buildings per acre of farmland grew by 81.3 percent, from \$348 to \$631, for an inflation-adjusted increase of 69.2 percent. The estimated market value of machinery and equipment per farm in Cochise County grew from \$41,000 to \$53,000 between 1997 and 2002, an inflation-adjusted increase of 17.4 percent.

The changing structure of farms in Cochise County has been characterized by an increase in the number of small farms, and a simultaneous decrease in the number

of larger farms. The number of farms that were less than 10 acres each nearly doubled between 1997 and 2002, growing from 60 to 110. At the same time, the number of farms that were 500 acres or more dropped from 316 to 255.

In terms of the market value of agricultural products sold, the number of farms with annual sales valuing less than \$2,500 grew by 72.9 percent from 210 to 363. At the same time, the number of farms with sales of \$100,000 or more declined by 7 percent from 129 to 120. In the years between 1997 and 2002, the county also saw a large decline in the number of farms with sales totaling between \$10,000 and \$24,999, which dropped 31.5 percent from 162 to 111.

Although the area of farmland in Cochise County has been on the decline, the market value of agricultural products sold grew by 30.2 percent from \$60.2 to \$78.3 million, for an inflation-adjusted increase of 18.1 percent over the five-year period. The majority of these products were crops, which comprised 71.2 percent of total agricultural products countywide in 2002, up from 68.2 percent in 1997. The market value of crops in 2002 was \$55.7 million, up 35.5 percent from \$41.1 million in 1997, for an inflation-adjusted increase of 23.4 percent. This was the result of a shifting of land resources from livestock, poultry, and their products to crops, as evidenced by a 13 percent increase in acres of cropland while the overall acreage of farms in the county dropped by 23.1 percent.

In looking at Cochise County's agricultural sector, a clear pattern emerges. Between 1997 and 2002, the county saw a shift from large, consolidated farms to smaller, more productive farms. Although the total acreage of farms in the county decreased significantly, the total output expanded along with the value of land, buildings, and machinery. This is likely attributable to the development and procurement of more technologically advanced equipment, making farms less labor intensive; as well as the more efficient use of land resources to increase output per acre.

COCHISE COUNTY AGRICULTURE

	2002	1997	CHANGE	% CHANGE
Farms (number)	950	824	126	15.3%
Land in farms (acres)	969,253	1,260,021	-290,768	-23.1%
Land in farms - Average size of farm (acres)	1,020	1,529	-509	-33.3%
Estimated market value of land and buildings - Average per farm (dollars)	\$704,895	\$545,528	\$159,367	29.2%
Estimated market value of land and buildings - Average per acre (dollars)	\$631	\$348	\$283	81.3%
Estimated market value of all machinery/equipment - Average per farm (dollars)	\$53,260	\$41,138	\$12,122	29.5%
Farms by size - 1 to 9 acres	110	60	50	83.3%
Farms by size - 10 to 49 acres	211	135	76	56.3%
Farms by size - 50 to 179 acres	227	172	55	32.0%
Farms by size - 180 to 499 acres	147	141	6	4.3%
Farms by size - 500 to 999 acres	74	97	-23	-23.7%
Farms by size - 1,000 acres or more	181	219	-38	-17.4%
Total cropland (farms)	557	446	111	24.9%
Total cropland (acres)	131,382	116,018	15,364	13.2%
Irrigated land (farms)	460	379	81	21.4%
Irrigated land (acres)	64,593	63,252	1,341	2.1%
Market value of agricultural products sold (\$1,000)	\$78,307	\$60,154	\$18,153	30.2%
Market value of agricultural products sold - Average per farm (dollars)	\$82,429	\$73,003	\$9,426	12.9%
Market value of agricultural products sold - Crops (\$1,000)	\$55,737	\$41,054	\$14,683	35.8%
Market value of agricultural products sold - Livestock/poultry/products (\$1,000)	\$22,570	\$19,101	\$3,469	18.2%
Farms by value of sales - Less than \$2,500	363	210	153	72.9%
Farms by value of sales - \$2,500 to \$4,999	97	84	13	15.5%
Farms by value of sales - \$5,000 to \$9,999	118	100	18	18.0%
Farms by value of sales - \$10,000 to \$24,999	111	162	-51	-31.5%
Farms by value of sales - \$25,000 to \$49,999	82	81	1	1.2%
Farms by value of sales - \$50,000 to \$99,999	59	58	1	1.7%
Farms by value of sales - \$100,000 or more	120	129	-9	-7.0%

Source: U.S. Department of Agriculture and Cochise College Center for Economic Research.

Tourism



Tourism in Bisbee, as measured by visits to the Bisbee Visitor Center, declined in 2002 and 2003, but since then has rebounded strongly.

Photo: CER Staff

Tourism is the mainstay of Bisbee's economy. Bisbee attracts visitors from across the United States and internationally, particularly Canada, Mexico, and Europe. The City of Bisbee actively promotes the tourism industry by supporting special events and other initiatives to market the city as a popular getaway destination. The city is home to numerous art galleries, gourmet restaurants, coffee houses, bookstores, specialty shops, and several old miners' boarding houses that have been refurbished into small bed and breakfast establishments.

In March 2005, the National Trust for Historic Preservation, the nation's largest private, nonprofit preservation organization, recognized Bisbee as one of America's Dozen Distinctive Destinations. Bisbee was the first community in Arizona to receive this distinction. The annual list is comprised of what the National Trust characterizes as "unique and lovingly preserved communities" in the United States. Bisbee was selected from over 80 local communities in 44 states, nominated by individuals, preservation organizations, and local communities. Richard Moe, president of the National Trust for Historic Preservation, in describing Bisbee said: "To visit Bisbee is to step back in time... Travelers from all over the world come to Bisbee to savor its unique charm – an uncommon blend of history, creativity, friendliness, style, romance, and adventure – all wrapped in the rugged splendor of the Old West."

In April 2002, *Money* magazine listed Bisbee as one of the top ten places to vacation in the United States, citing its climate and accessibility to a variety of nearby attractions. Bisbee has also received recognition in *National Geographic Traveler*, *National Geographic Adventurer*, *Budget Travel*, *Travel and Leisure*, *TravelLady Magazine*, and *Delta Sky In-flight Magazine*. The city also has been profiled in the *Los Angeles Daily News* and *The Guardian*, published in the United Kingdom.

Bisbee is centrally located to many hiking and birding areas in one of the top-rated birding areas in the United States. In recent years, Bisbee has been host to the long-standing Southwest Wings Birding and Nature Festival.



Visitor attractions and activities

The most popular tourist activity in Bisbee is the Queen Mine Tour, a trip down into the now inactive copper mine. Bisbee's Queen Mine was one of the richest copper mines in history when it originally opened in 1877. The mine eventually closed when mining operations were discontinued in the mid-1970s. The Queen Mine opened as a tour for visitors in 1976. The tour attracts close to 50,000 visitors annually. Visitors don yellow slickers, hard hats, and miner's lanterns as they descend down into the mine by train ride exploring the mine's tunnels.

Another popular tourist activity is the Bisbee Mining & Historical Museum, the West's first rural Smithsonian Institute affiliate. Featured among its exhibits is "Bisbee: Urban Outpost on the Frontier," an in-depth look at the lives of early miners and settlers. The museum attracts over 20,000 visitors each year.

The Bisbee Restoration Museum, operated by the Bisbee Restoration Association, is a free museum housed in the Fair Store building on Bisbee's historic Main Street. The museum contains numerous items connected with the community's early history of mining and ranching. A gift shop is located on the main floor.

The Copper Queen Library is one of Arizona's oldest libraries that began in a corner grocery store. Another popular attraction is the 19th century Muheim House, a registered national historic site built from 1898 to 1915, which offers guided tours.

Bisbee's self-guided, fully illustrated walking tour is a popular activity for tourists. The Bisbee Chamber of Commerce offers free copies of the walking tour map, which details each historic structure and guides the visitor along the tour. Included in the walking tour is the world famous Brewery Gulch, which in its heyday boasted upwards of 47 saloons and was considered the "liveliest spot between El Paso and San Francisco."

The nearby Turquoise Valley Golf & RV Park is Arizona's oldest, continuously operated golf course and is home to Arizona's only Par 6, the longest golf hole

BISBEE VISITOR CENTER, VISITOR COUNTS, 2001-2006										
	1ST QTR	CHANGE	2ND QTR	CHANGE	3RD QTR	CHANGE	4TH QTR	CHANGE	ANNUAL	CHANGE
2001	14,746	--	10,161	--	6,707	--	8,587		40,201	--
2002	11,102	-24.7%	10,138	-0.2%	6,431	-4.1%	8,612	0.3%	36,283	-9.7%
2003	11,089	-0.1%	7,038	-30.6%	5,308	-17.5%	8,498	-1.3%	31,933	-12.0%
2004	12,069	8.8%	8,182	16.3%	6,940	30.7%	9,993	17.6%	37,184	16.4%
2005	17,403	44.2%	9,980	22.0%	7,582	9.3%	11,283	12.9%	46,248	24.4%
2006	19,232	10.5%	9,904	-0.8%	8,662	14.2%			*37,798	8.1%

*January-September only; percent change based on same period a year prior. Source: Bisbee Visitor Center and Cochise College Center for Economic Research.



Source: Bisbee Visitor Center and Cochise College Center for Economic Research.

west of the Mississippi at 747-yards. Turquoise Valley Golf & RV Park is the only Cochise County course to be named in Bill Huffman's "Arizona's Greatest Golf Courses."

Nearby locations of interest include the historic John Slaughter Ranch; Naco and Agua Prieta, Sonora, Mexico; the cities of Tombstone and Douglas; the ghost towns of Charleston and Dos Cabezas; historic Old Fort Bowie; Fort Huachuca; Coronado National Memorial; Cochise Stronghold; Texas Canyon; San Bernardino Wildlife Refuge; Chiricahua National Monument; Coronado National Forest; the Chiricahua Mountains; and Historic Arizpe in Sonora, Mexico. Combined, Cochise County tourist attractions lure nearly half a million visitors to the area each year.

Cultural heritage destinations, especially those in Arizona's Old West Territory, have become increasingly popular among

BISBEE ATTRACTIONS, VISITATIONS, 2000-2006				
YEAR	QUEEN MINE TOUR		BISBEE MINING & HISTORICAL MUSEUM	
	VISITORS	CHANGE	VISITORS	CHANGE
2000	52,853	--	19,524	--
2001	49,288	-6.7%	20,904	7.1%
2002	46,634	-5.4%	20,735	-0.8%
2003	42,989	-7.8%	21,973	6.0%
2004	44,525	3.6%	22,492	2.4%
2005	46,461	4.3%	21,714	-3.5%
2006*	28,283	2.8%	13,085	-3.4%

*January through June only; percent change based on same period one year prior. Source: City of Bisbee and Cochise College Center for Economic Research.

tourists. The days of wagon trains and pioneers, Indian raids, and the Buffalo Soldiers in the western territories characterize the area's history. Of interest to tourists are ghost towns, which symbolize the lawlessness of the Old West. These romanticized outcroppings of abandoned buildings draw visitors from all over the world to learn about life as it once was for the farmers, ranchers, prospectors, and cowboys of the Old West.

For more information on Bisbee's attractions, accommodations, dining, and special events, contact the Bisbee Visitor Center at (520) 432-3554 or toll-free at (866) 224-7233. Visit www.discoverbisbee.com for more information on attractions and activities. For information on tourism throughout Cochise County, contact the Cochise County Tourism Council at (800) 862-5273, or visit www.explore-cochise.com.

COCHISE COUNTY TRAVEL IMPACTS, 2000-2005

	2000	2001	2002	2003	2004	2005
TOTAL DIRECT TRAVEL SPENDING (\$MILLION)						
Visitor Spending at Destination	256.8	260.8	282.8	279.4	301.0	321.6
Other Travel*	0.8	0.8	0.8	0.8	0.8	0.9
Total Direct Spending	257.7	261.6	283.7	280.2	301.8	322.4
VISITOR SPENDING BY TYPE OF TRAVELER ACCOMMODATION (\$MILLION)						
Hotel, Motel	54.4	53.8	54.2	57.3	69.4	78.9
Campground	41.8	42.6	41.8	44.8	47.5	50.0
Private Home	53.0	54.8	55.6	57.8	60.3	63.1
Vacation Home	5.6	5.7	5.8	6.0	6.3	6.5
Day Travel	102.0	103.9	125.4	113.5	117.6	123.0
Spending at Destination	256.8	260.8	282.8	279.4	301.0	321.6
VISITOR SPENDING BY COMMODITY PURCHASED (\$MILLION)						
Lodging	27.8	27.7	27.8	28.8	33.6	37.6
Food & Beverage Services	55.5	57.1	63.0	62.3	67.4	72.2
Food Stores	56.0	57.3	69.8	62.2	63.3	64.0
Ground Tran. & Motor Fuel	27.6	26.6	25.2	30.5	36.1	44.4
Arts, Entertainment & Recreation	31.4	32.9	33.8	35.3	38.5	39.8
Retail Sales	58.5	59.2	63.2	60.2	61.9	63.5
Spending at Destination	256.8	260.8	282.8	279.4	301.0	321.6
INDUSTRY EARNINGS GENERATED BY TRAVEL SPENDING (\$MILLION)						
Accommodation & Food Services	25.9	26.4	28.4	28.4	31.6	33.7
Arts, Entertainment & Recreation	13.9	14.5	14.9	15.6	17.0	17.6
Retail**	16.6	16.9	19.2	17.9	18.3	18.7
Auto Rental & other ground tran.	0.2	0.2	0.2	0.2	0.2	0.3
Total Direct Earnings	57.2	58.6	63.3	62.7	67.7	70.9
INDUSTRY EMPLOYMENT GENERATED BY TRAVEL SPENDING (JOBS)						
Accommodation & Food Services	1,960	1,960	2,010	1,960	2,040	2,120
Arts, Entertainment & Recreation	1,160	1,160	1,190	1,180	1,190	1,230
Retail**	840	820	890	800	810	820
Auto Rental & other ground tran.	10	10	10	10	10	10
Other Travel*	30	30	20	20	20	20
Total Direct Employment	4,000	3,970	4,120	3,970	4,060	4,190
GOVERNMENT REVENUE GENERATED BY TRAVEL SPENDING (\$MILLION)						
Local	8.6	8.8	9.4	9.2	9.9	10.6
State	8.7	9.1	10.1	10.0	10.7	11.3
Total Direct Gov't. Revenue	17.4	17.9	9.5	19.3	20.6	21.9

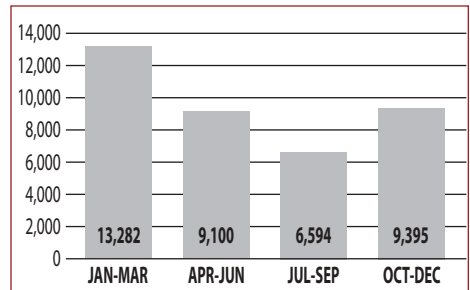
Note: 2005 data are preliminary. Details may not add to totals due to rounding. *Other Travel includes resident air travel and travel arrangement. **Retail includes gasoline. Source: Dean Runyon Associates and Arizona Office of Tourism.

Local tourism trends

Tourism in Bisbee, as measured by visits to the Bisbee Visitor Center, declined in 2002 and 2003, but since then has rebounded strongly. The trend in visits to the Queen Mine Tour has followed the trend in visits to the visitor center. Visits to the Bisbee Mining & Historical Museum, however, have not followed this trend. Visits to the museum increased in 2003 and 2004, but since then have declined steadily.

January through March is the busiest season for the Bisbee Visitor Center. Between 2001 and 2005, the visitor center received an average of 13,282 visitors in the first quarter of each year. The slowest quarter of the year for visitors has been July through September, which has seen an average visitor count of 6,594. Since 2001, March has been the busiest month for the visitor center, receiving an average of 5,210 visitors. The slowest month has

BISBEE VISITOR CENTER, VISITOR COUNTS, AVERAGE BY QUARTER



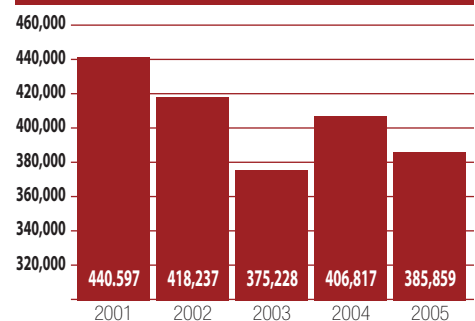
Based on data from 2001-2005. Source: Bisbee Visitor Center and Cochise College Center for Economic Research.

COCHISE COUNTY STATE AND NATIONAL PARKS, TOTAL VISITATIONS, 2001-2006

	STATE AND NATIONAL PARK VISITATIONS	CHANGE
2001	440,597	—
2002	418,237	-5.1%
2003	375,228	-10.3%
2004	406,817	8.4%
2005	385,859	-5.2%
2006	**256,374	-8.5%

*January-August only; change based on comparison to same period one year prior. **Coronado National Memorial closed to the public for the month of August due to debris flow which affected park roads and trails. Note: Includes all state and national parks in Cochise County. Source: National Park Service, Arizona State Parks Board, Arizona Office of Tourism, and Cochise College Center for Economic Research.

COCHISE COUNTY STATE AND NATIONAL PARK VISITATIONS, 2001-2005



Note: Includes all state and national parks in Cochise County. National park data include only recreational visitations. Source: National Park Service, Arizona State Parks Board, Arizona Office of Tourism, and Cochise College Center for Economic Research.

been August, when the center receives an average of 2,100 visitors.

Benefits of tourism

According to a study commissioned by the Arizona Office of Tourism (AOT) and conducted by Dean Runyon Associates, travel-related sales accounted for approximately 13 percent of total sales tax generated in Cochise County in 2005. In 2005, approximately 6.9 percent of all jobs in Cochise County, or 4,190 jobs, were generated by travel related expenditures, according to the study. This accounted for approximately \$71 million in earnings, or 3 percent of total earnings in Cochise County. This was up 4.7 percent from a year prior. Between 1998 and 2005, travel-generated earnings in Cochise County increased at an average annual rate of 5.7 percent – well ahead of the rate of inflation.

The Dean Runyon Associates study estimated that total travel-related spending in Cochise County was \$322.4 million in 2005, up 6.8 percent from a year prior. Between 1998 and 2005, travel-related spending increased at an average annual rate of 5.9 percent, well ahead of the rate of inflation.

The AOT has dedicated funding and resources specifically designed to assist rural communities in marketing their tourism-related products and services. AOT has also developed a series of customer service and grant workshops to assist Arizona's rural communities in their tourism related efforts. Additionally, AOT

has collaborated with the Arizona Council for Enhancing Recreation and Tourism (ACERT) to assist rural communities with tourism and recreation enhancement throughout the State of Arizona. For more information, visit the AOT website at www.azot.com.

Cochise County communities, including Bisbee, have joined together, forming the Cochise County Tourism Council (CCTC). The marketing efforts of the CCTC, which are funded by the individual communities, Cochise County, and grant dollars received from AOT, market Cochise County as a single entity. For more information, visit www.explorecochise.com.

Cochise County state and national park visitations

Overall, visits to state and national parks in Cochise County declined 5.2 percent in 2005 and 8.5 percent in the first 8 months of 2006. Part of the decline in 2006 was due to the closing of Coronado National Memorial in August due to debris flow that affected park roads and trails. However, aside from the closing of Coronado in August, the general trend in visits to the county's state and national parks had been downward in 2006. Total visits to state and national parks in Cochise County have declined each year since 2001, with the exception of 2004, which saw visits increase by 8.4 percent.

In 2005, visits to Kartchner Caverns State Park were down 12 percent from 2004. In the first 8 months of 2006, visits

were down 13.3 percent. The Tombstone Courthouse State Historic Park saw visits increase by 0.2 percent in 2005. From January through August 2006, visits were down by 5.4 percent.

The Coronado National Memorial saw visits decline by 3.3 percent in 2005 and 9.5 percent from January through August 2006. As noted above, part of the decline in 2006 was due to the closing of the park in August due to debris flow that affected roads and trails. From January through July 2006, visits to Coronado National Memorial were up 0.5 percent compared to the same period a year prior.

In 2005, visits to the Fort Bowie National Historic Site were up 1.8 percent. From January through August 2006, visits to Fort Bowie were up 12.1 percent, compared to the same period a year prior. Visits to the Chiricahua National Monument were up 11.2 percent in 2005 and 1.3 percent in the first 8 months of 2006.

The decline in visits to state and national parks in Cochise County in 2005 and the first 8 months of 2006 is likely attributable to higher gasoline prices, which discourage domestic travel and tourism; and higher interest rates, which raise the cost of previously incurred, variable rate consumer debt, leaving families with less discretionary spending for recreational activities.

Cochise County lodging indicators

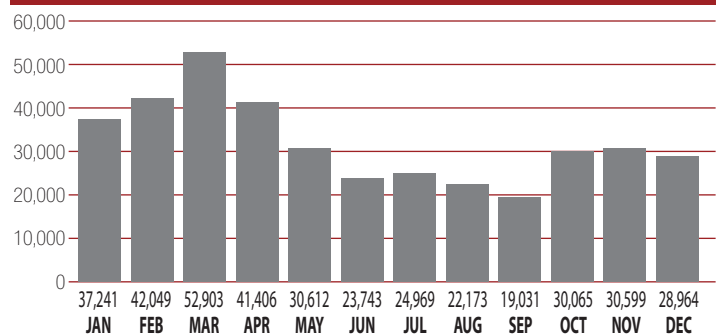
In 2005, according to the Arizona Office of

COCHISE COUNTY NATIONAL PARK VISITATIONS, 2001-2006

YEAR	CHIRICAHUA NATIONAL MONUMENT		CORONADO NATIONAL MEMORIAL		FORT BOWIE NATIONAL HISTORIC SITE	
	VISITATIONS	CHANGE	VISITATIONS	CHANGE	VISITATIONS	CHANGE
2001	75,824	--	89,107	--	8,858	--
2002	67,040	-11.6%	87,311	-2.0%	8,290	-6.4%
2003	44,976	-32.9%	89,309	2.3%	8,445	1.9%
2004	54,155	20.4%	89,591	0.3%	9,483	12.3%
2005	60,224	11.2%	86,618	-3.3%	9,656	1.8%
2006*	45,003	1.3%	**52,869	-9.5%	7,500	12.1%

*January-August only; change based on comparison to same period one year prior. **Coronado National Memorial closed to the public for the month of August due to debris flow which affected park roads and trails. Source: National Park Service, Arizona Office of Tourism, and Cochise College Center for Economic Research.

COCHISE COUNTY STATE AND NATIONAL PARKS, AVERAGE MONTHLY VISITATION



Note: Based on data from 2003-2005. Includes all state and national parks in Cochise County. National park data include only recreational visitations. Source: National Park Service, Arizona State Parks Board, and Cochise College Center for Economic Research.

Tourism (AOT) and Smith Travel Research, Cochise County's lodging industry performed well, despite indications of declining tourism as measured by park visitations. According to AOT, Cochise County's lodging occupancy rate increased by 7.3 percent in 2005, from 64.6 to 69.4 percent. This was well ahead of statewide growth in occupancy rates of 4.9 percent, and more than twice the nationwide growth rate of 2.9 percent. Cochise County's occupancy rate of 69.4 percent in 2005 was the second highest of Arizona's counties, behind only Yuma County which had an occupancy rate of 72.2 percent. In 2005, the occupancy rate statewide was 65.9 percent, while nationally it was 63.1 percent.

The average daily room rate in Cochise County increased by 6.2 percent in 2005, from \$52.14 to \$55.55. Despite this increase, Cochise County's average daily room rate in 2005 was nearly 40 percent below both the state and national rates. The 2005 increase of 6.2 percent in the average daily room rate was below that of the state, which saw rates increase 7.3 percent. Nationally, the average daily room rate in 2005 increased by 5.3 percent.

Revenue generated per available room in Cochise County in 2005 was up 13.8 percent from \$33.69 to \$38.53. This was the third highest rate of increase in the state, behind only Graham and Pima counties. However, despite the large increase in revenue generated per available room in Cochise County, the county rate remained about 36 percent below the state level and 33 percent below the national level.

Lodging room demand in Cochise County was up 5.5 percent in 2005, the same rate of increase as that seen at the state level, and significantly ahead of the 3.3 percent increase seen at the national level. Lodging room supply in Cochise County was down 1.5 percent in 2005, compared to a 0.6 percent increase at the state level and a 0.4 percent increase nationally.

From January through August 2006, Cochise County's occupancy rate was 68.5 percent, down 3.4 percent from the same period in 2005. The average daily room rate in Cochise County for the first 8 months of 2006 was \$56.65, up 1.9 percent from a year

prior. Revenue generated per available room in the county in the first 8 months of 2006 was \$51.13, up 6.4 percent from the same period of 2005. Room demand at the county level was 1,629,062, down 1.4 percent, and room supply was 2,498,238, up 0.3 percent in the January-August comparisons.

The film industry in the Bisbee area

Throughout the years, the Bisbee area has been involved with feature films and television segments and episodes. The film industry provides a boost to the local economy via the recruitment of support workers and film extras and the spending of per diem in the local area.

In late 2004, the made-for-TV movie *Desperation*, based on a book by Stephen King, was filmed in Southern Arizona, with most of the exterior work filmed in Bisbee. The movie premiered on ABC in May 2006. In addition to *Desperation*, other films that have used the Bisbee area as a backdrop over the years include:

- *Groom Lake*, starring William Shatner, Dan Gauthier, and Dick Van Patten
- *Ruby, Jean and Joe*, starring Tom Selleck
- *Legend*, starring Richard Dean Anderson, John deLancie, and Mark Adair Rios
- *Roswell*, starring Kyle MacLachlan, J. D. Daniel, Doug Wert, Dwight Yoakam, and Kim Griest
- *Open Arms*, starring John Stelmach and Heather Evans
- *Young Guns II*, starring Emilio Estevez, Kiefer Sutherland, Lou Diamond Phillips, and Christian Slater
- *Four Eyes and Six Guns*, starring Judge Reinhold
- *Cold Feet*, starring Keith Carradine, Sally Kirkland, Tom Waits, and Bill Pullman
- *Jesse*, starring Lee Remick and Scott Wilson
- *Million Dollar Mystery*, starring Tom Bosely and Rich Hall
- *World Gone Wild*, starring Bruce Dern and Adam Ant

COCHISE COUNTY STATE PARK VISITATIONS, 2001-2006

YEAR	KARTCHNER CAVERNS STATE PARK		TOMBSTONE COURTHOUSE STATE HISTORIC PARK	
	VISITORS	CHANGE	VISITORS	CHANGE
2001	192,289	—	74,519	—
2002	191,661	-0.3%	63,935	-14.2%
2003	183,437	-4.3%	49,061	-23.3%
2004	203,464	10.9%	50,124	2.2%
2005	179,129	-12.0%	50,232	0.2%
2006*	116,020	-13.3%	34,982	-5.4%

*January-August only; change based on comparison to same period one year prior. Source: Arizona State Parks Board, Arizona Office of Tourism, and Cochise College Center for Economic Research.

COCHISE COUNTY STATE AND NATIONAL PARKS, AVERAGE MONTHLY VISITATIONS

MONTH	AVERAGE MONTHLY VISITATION
January	37,241
February	42,049
March	52,903
April	41,406
May	30,612
June	23,743
July	24,969
August	22,173
September	19,031
October	30,065
November	30,599
December	28,964

Note: Based on data from 2003-2005. Includes all state and national parks in Cochise County. National park data include only recreational visitations. Source: National Park Service, Arizona State Parks Board, and Cochise College Center for Economic Research.

- *Stones For Ibarra*, starring Glenn Close and Keith Carradine
- *A Different Affair*, starring Ann Archer
- *Cannonball Run II*, starring Burt Reynolds, Frank Sinatra, Dean Martin, and Sammy Davis, Jr.
- *Violent Saturday*, starring Victor Mature, Virginia Leith, Richard Egan, Stephan McNally, Lee Marvin, and Ernest Borgnine.

The Arizona Motion Picture Production Tax Incentives Program

Those interested in filming in the Bisbee area may benefit from the Arizona Motion Picture Production Tax Incentives Program, which offers the following incentives:

- Transaction Privilege Tax Exemption on purchased machinery; equipment and other tangible personal property; leased or rented lodging space; sales of catered food, drink and condiments; and construction contracts for buildings and other structures.
- Use Tax Exemption on machinery, equipment and other tangible personal property.
- Arizona transferable income tax credit equal to 10, 15 or 20 percent of the company's investment in eligible Arizona production costs.

To be eligible for the Motion Picture Production Tax Incentives Program, the applicant must be a motion picture production company that is primarily (more than 50 percent) engaged in the business of producing motion pictures; have a physical office and bank account in Arizona; incur Arizona production costs of at least \$250,000 in a 12-month period; and employ Arizona residents in its motion picture productions, as follows: In 2006, at least 25% of the full-time employees working in Arizona must be Arizona residents; in 2007, at least 35% of the full-time employees working in Arizona must be Arizona residents; and in 2008 through 2010, at least 50% of the full-time employees working in Arizona must be Arizona residents.

For more information on the Motion Picture Production Tax Incentives Program, visit the Arizona Department of Commerce's website at www.azcommerce.com/Film. For information on filming in Bisbee, contact the City of Bisbee's community development director at (520) 432-6000, ext. 118. For information on filming in the unincorporated areas of Cochise County, contact the Cochise County Tourism Council at (520) 432-9215 or visit their website at www.explorecochise.com.

Bisbee 2007 Calendar of Events

The Bisbee area offers a variety of cultural and community activities and events, listed on the calendar below. For more information, contact the Bisbee Visitor Center at (520) 432-3554; toll free at (866) 2BISBEE; or by email at info@discoverbisbee.com. For more information on events throughout Cochise County, visit www.explorecochise.com.

January (TBD)	For the Love of Music Series (520) 432-7217	September (TBD) . . .	Miner's Ball (520) 432-7071 or www.bisbeemuseum.org
February 10	Chocolate Tasting, (520) 432-4232	September (TDB) . .	Variety Show & Dessert Bar (520) 432-3554 or www.bisbeechorus.org
February (TBD)	For the Love of Music Series, (520) 432-7217	October 5-6	Bisbee Mineral Club Event (520) 432-7071 or www.bisbeemuseum.org
March 3	Annual Art Auction, Presbyterian Church Annex, (520) 432-3554 or (866) 2BISBEE	October 6	Bisbee Wine Festival www.bisbeerotaryclub.org , (520) 432-3554, or (866) 2BISBEE
April 14	Copper Classic Car Show Main Street, Old Bisbee (520) 432-3554 or (866) 2BISBEE	October 6-7	Artist Studio Tours (520) 432-3554 or (866) 2BISBEE
April 21	Earth Day Festival, Vista Park, Warren District (520) 432-3554 or (866) 2BISBEE	October 6	Street Dance, (520) 432-6016
April 27-29	La Vuelta de Bisbee (520) 432-5795 or www.lavueltaдебisbee.us	October 7	Fiber Arts Festival, (520) 642-3603
April (TBD)	For the Love of Music Series (520) 432-7217	October 19-20	St. Patrick's Fall Festival, (520) 432-5753
May	Farmer's Market, Vista Park, Warren District (520) 432-3554 or (866) 2BISBEE	October 20	Bisbee 1000 Stair Climb, (520) 432-1585 or www.bisbee1000.org
May (TBD)	For the Love of Music Series (520) 432-7217	October 27-31	Halloween in Bisbee (520) 432-3554 or (866) 2BISBEE
May 26-27	Memorial Day Weekend Arts & Crafts Fair, Grassy Park, Historic Bisbee (520) 432-3726 or (888) 271-4505	October (TBD)	Love of Music Series, (520) 432-7217
June 15-17	GLBT Pride Weekend (520) 236-3699 or www.bisbeepride.com	November 23	Festival of Lights, (520) 432-6016
July 4	4th of July in Bisbee, (520) 432-6016	November 24	Shop & Nosh (520) 432-3554 or (866) 2BISBEE
July 14	Street Dance, (520) 432-6016	November 24-25 . . .	Holiday Arts and Craft Fair (520) 432-3726 or (888) 271-4505
August 11	Street Dance, (520) 432-6016	November 24-25 . .	Historic Home Tour (520) 432-3554 or (866) 2BISBEE
September 2	Brewery Gulch Daze (520) 432-3554 or (866) 2BISBEE	November 24-25 . .	Art Chairs of Bisbee Silent Auction (520) 432-3721 or (866) 2BISBEE
September 8	Bisbee Bloomers Garden Tour (520) 432-3554 or (866) 2BISBEE	November (TBD) . . .	For the Love of Music Series (520) 432-7217
September 7-9	Bisbee Plein Air Weekend (520) 432-3554 or (866) 2BISBEE	December (TBD) . . .	For the Love of Music Series (520) 432-7217
September 22	Bisbee Blues Festival www.bisbeeb Blues Festival.com , (520) 432-3554, or (866) 2BISBEE	December (TBD) . . .	Bisbee Community Chorus's Holiday Concert (520) 432-3376

TBD: To be determined

About the Center *for* Economic Research



Cochise College Sierra Vista Campus.

Photo: Flavio Beltran

The Cochise College Center for Economic Research (CER), founded in 1995, is dedicated to analyzing and interpreting economic data for businesses, agencies, and residents of Cochise County. The CER provides economic information and forecasts to assist community leaders in the public, private, and nonprofit sectors in making informed decisions.

In 1995, the CER began hosting an annual economic focus luncheon in Sierra Vista, providing a review of the local economy over the previous year and an economic forecast for the coming year. Between 1996 and 2002, this program was expanded to include the cities of Douglas, Benson, and Bisbee. The CER produces four economic review and forecast publications annually: *Sierra Vista Economic Focus*, *Douglas Perspective*, *Benson Prospectus*, and *Bisbee Outlook*, which are released in conjunction with the economic focus luncheons held in those cities.

Throughout the year, the CER responds to a wide range of data requests from citizens and business and community leaders throughout Cochise County and

across the state and region. The CER provides economic information, analysis, and forecasts to local citizens, businesses, public agencies, financial institutions, private developers, and other research centers. The CER prepares weekly press releases providing insight into economic issues affecting Cochise County. The CER's quarterly newsletter, *The Indicator*, provides updates on the local economy and CER activities. The CER's website (www.cochise.edu/cer) provides updated economic news, information, analysis, and forecasts.

The CER is a member of the Association for University Business and Economic Research (AUBER), one of only two community colleges in the nation holding membership. In addition, the CER is a state data center affiliate, receiving and disseminating U.S. Census Bureau data to individuals, agencies, and organizations in the local area.

Robert Carreira has served as director of the CER since 2005. Robert holds master's degrees in international political economics, education, and public administration, and is currently working toward a doctoral degree in public policy and administration.

CONTACT THE CENTER

CENTER FOR ECONOMIC RESEARCH

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Iris Routhieux – Data Analyst
Michelle Metcalf – Office Assistant

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Donald Hudgins – Arizona Public Service
Donna Harris – Compass Communications
Fred Miller – Café Roka
Ilona Smerekanych – Bisbee Visitor Center
Jeff Blankenbeckler – Bisbee Chamber of Commerce
John Charley – City of Bisbee
Laura Chavez – Bank of America
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Denise Merkel - Public Information Officer

SIERRA DESIGN & PUBLISHING:

David Gordon - Designer

Cochise College resources

The Douglas Campus library, east entrance.

Photo: Gil Kenny.



Career Services Center (CSC)

The CSC provides job search skills and placement assistance to students and alumni of the college. Cooperative Education internship programs are available for students wishing to gain experience in their field of study. Students receive academic credit for these field experiences. In addition, the CSC provides students with current listings of off-campus job openings and refers interested candidates to employers. If you are an employer and wish to have the CSC post your available job opportunities at no charge, please call the Sierra Vista Campus Center at (520) 515-5457 or the Douglas Campus Center at (520) 417-4750.

Small Business Development Center (SBDC)

SBDC provides free one-on-one counseling on any small business topic including marketing, financial planning, business planning, computer information systems, human resource management, government procurement, recordkeeping, and more. The SBDC sponsors workshops and seminars on a variety of topics designed specifically for small business owners. The SBDC also makes available a library of business resources, which includes many of the latest small business books, videotapes, audiotapes, newsletters, and magazines. For more information call (520) 515-5478, or email sbdc@cochise.edu.

Center for Southwest Studies

Cochise County is unique in its combination of historical and natural attractions. These factors and its border location make Cochise College the logical setting for a center dedicated to exploring, disseminating and protecting cultural and natural resources and contributing to the economic development of the region. The Center for Southwest Studies

was created to establish Cochise College as a leader in border related studies, training, and research, as well as to partner with existing organizations to become a repository for resource availability and a keystone in resource procurement. The Center for Southwest Studies works with its partners to identify and implement entrepreneurial activities related to the rich historical, cultural, and geographical characteristics of Southeast Arizona and the regional/border area. Public input is valued and may be directed to Director – Cochise College Center for Southwest Studies, Cochise College, 4190 W. Hwy. 80, Douglas, Arizona, 85607; phone (520) 417-4772; or email orozcor@cochise.edu. To learn more, visit the Center for Southwest Studies website at www.cochise.edu/information/students/swstudies.

Tech Prep

Tech Prep, located on Sierra Vista Campus, is a federally funded Carl Perkins vocational grant administered by the Arizona Department of Education, Career and Technical Education Division. Tech Prep works with Cochise County high schools that offer Career and Technical Education programs to build pathways for high school students to enter into Cochise College Career and Technical Education programs and employment pathways.

The Cochise College COMPACT program is one of the benefits of having a Tech Prep office at Cochise College. The COMPACT program is a scholarship for Cochise County high school students to take Cochise College Career and Technical Education courses and students pay a significantly reduced rate for qualifying courses. Qualified students interested in skilled occupations or technical careers have the opportunity to begin their education at Cochise College while still in high school. Funding is provided by Cochise College and the Wolslager Foundation. Students may choose from courses in the areas of agriculture, welding, avionics, business, computer information systems, nursing assisting, culinary arts, and more. For more information, call (800) 966-7943, Ext. 5347; email douglasr@cochise.edu; or, visit the Tech Prep website at www.cochise.edu/information/students/techprep.

Workforce Training and Community Education (WTCE)

WTCE provides short-term courses for adults interested in upgrading their work skills or exploring new areas of development. Classes encompass a variety of subject areas, including computers, arts and hobbies, business management, cultural field trips, and more. Courses are delivered countywide and online. Classes are available on weekdays, weekends, and in the evenings. The department also collaborates with local organizations to provide customized, professional development training to improve workplace skills. For more information, including a current schedule of classes, visit the WTCE website at www.cochise.edu/workforcetraining, call (520) 515-5492, or email training@cochise.edu.

Cochise College

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Mr. Robert Howell
Associate Vice President for Human Resources

Community resources

Bisbee City Hall.

Photo: CER Staff



City of Bisbee

118 Arizona Street, Bisbee, Arizona 85603

Phone: (520) 432-6000

Fax: (520) 432-6069

Website: www.cityofbisbee.com

Airport: (520) 432-6030

Animal Shelter: (520) 432-6020

City Clerk: (520) 432-6012

City Manager: (520) 432-6014

Community Development: (520) 432-6269

Building Inspector/Code Enforcement: (520) 432-6015

Public Works: (520) 432-6002

CITY OF BISBEE

The City of Bisbee mayor, city council, and city manager provide the community with progressive leadership.

(520) 432-6000

FAX: (520)-432-6069

www.cityofbisbee.com

Bisbee Police Department

Emergency: 911

Non-Emergency: (520) 432-2261

Graffiti Hotline: (520) 432-6050

Bisbee Fire Department

Emergency: 911

Fire Station #1: (520) 432-4110

Fire Station #2: (520) 432-6022

Copper Queen Library

6 Main Street, Bisbee, Arizona 85603
Phone: (520) 432-4232
Website: <http://cochise.lib.az.us/bisbee/bisbee.htm>
Library Director: Peg White

Bisbee Chamber of Commerce

The Chamber is a working partner of business and professional people and their interests in the community and the area. It is an organization of people who practice the vision of coordinating their efforts under effective leadership for the advancement and development of the community and area.

1 Main Street, Bisbee, Arizona 85603
Mailing address: PO Box BA, Bisbee, AZ 85603
Website: www.bisbearizona.com/www/chamber
Phone: (520) 432-5421

Bisbee Visitor Center

The Bisbee Visitor Center provides information to tourists on local attractions, tours, and things to do in the Bisbee area. It also mails relocation information to potential residents.

#2 Copper Queen Plaza/Convention Center
Mailing address: PO Box 1642, Bisbee, AZ 85603
Phone: (520) 432-3554 or 866-2BISBEE
Website: www.discoverbisbee.com

Queen Mine Tour

Phone: (520) 432-2071

Cochise County Board of Supervisors

Phone: (520) 432-9200

U. S. Customs and Border Protection Agency (Homeland Security)

Provides customs; border protection; immigration and naturalization services.

Naco Border Patrol Station: (520) 432-5121
Douglas Border Patrol Station: (520) 805-6900
Douglas Customs Service: (520) 364-8486

Financial assistance

Bank of America: (520) 432-2234
Edward Jones Investments: (520) 432-1711
Huachuca Federal Credit Union: (520) 432-2184
National Bank of Arizona: (520) 432-2221

Utility assistance

Arizona Public Service (APS), Inc: (520) 432-2281
Southwest Gas: (800) 428-7324
Arizona Water Company: (520) 432-5321
Qwest: (800) 879-4357
Cable One: (520) 432-5397



Contact the Center for Economic Research

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All publications released by the Center for Economic Research are available on our website.

Additional copies of the Bisbee Outlook are available. Economic publications are also available for Sierra Vista, published annually in March; Benson, published annually in June; and Douglas, published annually in September. All Cochise County residents may obtain one copy of all CER publications free of charge. Additional copies can be provided at a small charge to cover the cost of printing.

The CER's quarterly newsletter, *The Indicator*, is mailed free of charge to everyone on the CER's mailing list. It is also available online at the CER website.

For more information, or to be added to the CER's mailing list, please contact us.