



SIERRA VISTA
ECONOMIC FOCUS
2005 • 2006



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A Message from the Director

The Huachuca Mountains stand as white capped guardians over the surrounding Sierra Vista area. Photo Courtesy of Sierra Vista Economic Development Foundation.

At the national level, real Gross Domestic Product (GDP) – the value of all final goods and services produced in the United States – increased at a rate of 3.5 percent in 2005, significantly slower than the 4.2 percent rate of growth seen in 2004. In the fourth quarter of 2005, GDP increased at an annual rate of 1.1 percent, according to advance estimates. This was the slowest rate of growth since the fourth quarter of 2002. According to the U.S. Department of Commerce, the slowed growth in the fourth quarter of 2005 was the result of declines in personal consumption and 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, according to preliminary estimates. This was down from 2.2 million jobs created in 2004.

According to the U.S. Department of Labor, the Consumer Price Index (CPI) declined at a seasonally adjusted annual rate of 1.6 percent in the fourth quarter of 2005. For the 12 months ending in December, the CPI rose 3.4 percent, compared to an increase of 3.3 percent in 2004. In 2005, energy prices rose 17.1 percent, following a 16.6 percent increase a year prior. Energy prices accounted for about 40 percent of the overall advance in the CPI.

The Federal Reserve has continued its targeting of the federal funds rate for upward movement to reflect the nation's recovering economy and stave off inflationary pressures. Beginning with the June 2004 meeting of the Federal Open Market Committee (FOMC), the FOMC has increased the targeted federal funds rate by 25 basis points at each of 14 meetings between June 2004 and January 2006. The most recent increase on January 31 of this year brought the targeted rate to 4.5 percent. From June 2003 to June 2004, the federal funds rate sat at 1 percent, its lowest level



By Robert Carreira
Director
Cochise College
Center for Economic Research

since 1958. The federal funds rate is the rate at which depository 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.

One of the primary sectors of the economy typically affected by changes in the federal funds rate is the housing market; but over the past year and a half, mortgage rates have been slow to respond. As the targeted federal funds rate increased steadily from 1 percent to 2.5 percent between June 2004 and February 2005, the average contract rate on a 30-year fixed conventional mortgage, as reported by the Federal Housing Finance Board, actually decreased from 6.25 to 5.9 percent, continuing the housing boom that began in mid-2003. Between February and April 2005, the average contract rate inched upward to 6.09 percent but then dropped steadily between April and July to 5.79 percent. Between July and December, the average rate for a 30-year fixed mortgage climbed to 6.46 percent.

At the state level, economic indicators offer good reason for optimism. Recently revised figures from the U.S. Department of Commerce indicate Arizona's Gross State Product (GSP) rose 7.1 percent in 2004, its largest increase since 2000. This made Arizona the second-fastest-growing state in the nation in 2004, as measured by increases in GSP. The fastest-growing state was Nevada. The largest contributors to economic growth at the state level in 2004 were durable manufactured goods, retail, finance and insurance, and construction.

Between 1997 and 2003, Arizona's GSP rose at an average annual rate of 5.1 percent, making it the fastest-growing state, economically, during that period. The GSP 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 employment rate in Arizona dropped to 4.7 percent in 2005, its lowest level since 2001. This was down from 5 percent a year prior. Arizona added 97,700 jobs in 2005, for a job growth rate of 4.1 percent. This was the highest rate of growth since 1999.

At the county level, the unemployment rate for 2005 came in at 4.8 percent, down from 5 percent in 2004. The county's 2005 unemployment rate was below the national average of 5.1 percent, and one-tenth of a percentage point above the statewide rate. In 2005, Cochise County had the fifth lowest unemployment rate of Arizona's 15 counties, behind only Mohave, Yavapai, Maricopa, and Pima counties.

According to estimates by the Cochise College Center for Economic Research (CER), Sierra Vista finished 2005 with an unemployment rate of 2.9 percent, its lowest level since 2001. Sierra Vista's estimated job growth rate in 2005 was 3 percent, its highest level since 2002.

Sales growth in Sierra Vista from January through October 2005 indicates a slowing pace from the strong growth seen in 2004. Total taxable sales in Sierra Vista for the first 10 months of 2005 were up 5.1 percent in real, inflation-adjusted terms, following annual real growth of 6.2 percent in 2004. Retail sales from January through October were up 2 percent in real terms, following annual real growth of 6.2 percent in 2004. In the first 10 months of 2005, restaurant and bar activity inched upward 1.3 percent in real terms; this followed a real decline of 1.2 percent in restaurant and bar activity in 2004. Accommodation receipts in Sierra Vista, however, skyrocketed in the first 10 months of 2005, showing real growth of 16.6 percent over the same period of 2004. This followed an exceptional year in 2004, which saw real growth of 18 percent in Sierra Vista's accommodation industry.

In 2005, the local housing market was characterized by a shift away from new home construction and toward the purchase of existing homes. The City of Sierra Vista saw its first decline in permits for new, single-family residential construction in more than a decade. At the county level, permits for new single-family residential construction grew at its slowest rate in years. At the same time, the volume of sales of existing homes in the Sierra Vista area grew by more than 20 percent as homeowners and investors sought to cash in their equity and capitalize on higher home prices.





The Next Fifty Years . . .

The Sierra Vista Municipal Airport serves the entire southeast portion of Arizona, as well as the northern Mexico State of Sonora. Photo courtesy of Ed Honda.

It's been fifty years since Sierra Vista was incorporated on May 26, 1956 - an anniversary the community will celebrate throughout the year. Of course, the community that is now Sierra Vista existed long before 1956. It could easily be argued that Sierra Vista really had its beginnings in February of 1877, when a military camp was established in the Huachuca Mountains to protect area settlers and travel routes. That camp eventually became Fort Huachuca, and the settlement outside the gates of the fort became our community, Sierra Vista. Sierra Vista and Fort Huachuca have "grown up" together over many decades; the history and the future of both are fundamentally linked

That being the case, 2005 was a key year for Sierra Vista and Fort Huachuca. It was in 2005 that the Department of Defense again recognized the importance of Fort Huachuca as it finalized the most recent round of Base Realignment and Closures, leaving Fort Huachuca intact to continue its critical missions in support of national security. It's an encouraging way to start our next 50 years as a community.

Sierra Vista has indeed been fortunate in its first 50 years of existence. For starters, the community has enjoyed a steady, but very moderate, rate of growth. Between the first census taken after Sierra Vista incorporated (1960) and the most recent census in 2000, Sierra Vista has grown an average of two percent per year. That is an extremely manageable growth rate for a southwestern community, especially when compared to other Arizona communities that are experiencing growth in double, and even triple, percentage points each year. The result of Sierra Vista's slower growth rate, coupled with forward-looking leadership, is a community with solid infrastructure and exceptional amenities.

In 50 years, the community has gone from having a "library" that consisted of a few hundred donated books displayed on the running board of the City's fire truck, to



Charles P. Potucek
City Manager
City of Sierra Vista

our current 31,000-square-foot, state-of-the-art facility. Other city facilities have changed just as much, and residents are well aware of the City's many parks, excellent streets, community centers, the indoor aquatic center at the Cove, two fire stations, a centrally located police station, a new government maintenance center, and the City's many other facilities. Of course, private business has also invested well in our community over the past 50 years, resulting in numerous retail outlets, including the 500,000-square-foot Mall at Sierra Vista, restaurants, hotels, theaters, and more.

the City will need funds for a third fire station, an expanded police facility, a branch library, new parks and streets and other improvements, as well as additional police officers, fire fighters and other critical personnel.

community over the past 50 years, resulting in numerous retail outlets, including the 500,000-square-foot Mall at Sierra Vista, restaurants, hotels, theaters, and more.

But, is it enough to carry us another 50 years? Of course not. As our community moves into the future, new facilities and infrastructure will be needed. However, because Sierra Vista is growing at a slower rate than so

many other Arizona communities, the City continues to see a decrease in state-shared revenue. While there was a time when revenues from the state covered a fairly significant portion of Sierra Vista's budget, that is no longer the case. From 1995 to 2000, Sierra Vista's state-shared revenues grew by 48 percent, but from 2000 to 2005, Sierra Vista's state-shared revenues grew by only 5 percent. The trend is obvious. The result is that Sierra Vista must now transition from reliance on state-shared revenues to increased reliance on local revenues. It can be a painful process and will certainly be one of our community's greatest challenges in the near future.

A number of options are now being considered to address this transition to more local revenues. The City's elected officials have spent a great deal of time working with a consultant, staff, and members of the community to work out a package of development impact fees to help fund necessary capital projects for the community. It is inevitable that the City will need funds for a third fire station, an expanded police facility, a branch library, new parks and streets and other improvements, as well as additional police officers, fire fighters and other critical personnel. The development

impact fees are designed to help meet those needs while avoiding an unreasonable burden on the cost of new construction in the City. It's a difficult balance, but one that the City's leadership is committed to reach.

Of course, once new facilities are funded and built, other revenue sources will need to be identified to cover the ongoing costs associated with operating and maintaining those facilities. The city council is again trying to find a balance to ensure that no segment of the community is taxed unfairly and that the revenue package is designed to minimize any negative impacts to local businesses and residents. Fort Huachuca looks to Sierra Vista to provide affordable housing, including multi-family housing, as well as for the many city facilities and amenities enjoyed by our military and civilian residents. City leadership is taking the needs of the fort and the community into consideration as it determines the best way to ensure that Sierra Vista continues to provide high-quality services and facilities for current and future residents and visitors.

Even though Sierra Vista is experiencing

Sierra Vista's first city vehicle. Photo courtesy of Sierra Vista Conventions and Visitors Bureau.



moderate growth, it is steady growth in the areas of both residential and commercial development. Currently, the developer Castle & Cooke is working with the city to finalize its specific plan for almost 2,000 acres of vacant land that will eventually contain commercial properties, homes, parks, a branch library, a police substation, and other facilities. Approximately 6,500 new homes will be built in this development – Tribute - over the next 15 to 20 years. The advantage to the community of having this development occur under a specific plan is that the plan will govern a large track of development over a long period of time, ensuring proper infrastructure, including water and sewer planning, and result in cohesive, aesthetically pleasing new neighborhoods for the community.

Of course, the rate at which the new homes will be built will depend on the market and the economy. It is anticipated that the approval of the Tribute-specific plan will have no significant impact on Sierra Vista's growth rate and that the number of new home permits issued each year will hold fairly steady as

they have in recent years. The number of residential building permits issued averaged just over 600 each year in 2003, 2004 and 2005. Even so, as the community continues to grow through Tribute and other developments, the availability of water and water conservation measures will be a large part of the planning.

Over the years, the City of Sierra Vista and its residents have taken a leadership role in water conservation projects. The largest water project in the subwatershed is the City's effluent recharge project, where more water is returned to the aquifer annually than Fort Huachuca uses in an entire year. City leadership has supported extensive public education in the area of water conservation and has aggressively enacted codes and ordinances that require developers to use low-flow plumbing fixtures, to eliminate turf in commercial development and limit turf in residential development, to capture rainwater on site to increase aquifer recharge, and numerous other water-saving initiatives. This combination of voluntary and mandated actions has had a positive impact on water use in Sierra Vista. In fact, less water was pumped for use in Sierra Vista in 2004 than in 2000, even though the City's population continued to grow during those years.

Of course our community will continue to find new ways to address the area's water issues. Codes and ordinances are regularly reviewed and revised to continue to decrease water pumping in Sierra Vista. The specific plan being finalized for the Tribute development will include even more water-saving initiatives – everything from the incorporation of low-water-use landscaping throughout the development to large-scale water harvesting in commercial areas.

Sierra Vista is prepared to continue to meet the challenges of addressing water issues, developing workable revenue sources, supporting Fort Huachuca, and guiding both commercial and residential growth in a way that will ensure the community will continue to thrive. We live in a young and vibrant community with exciting opportunities ahead. The next 50 years will be every bit as rewarding as the last 50 years – for those of us who live here today, for our children, and for those who will move here in the future. It's a great place to live, and we plan to keep it that way.



A glimpse at past transportation choices in the local area. Photo courtesy of Sierra Vista Convention and Visitor's Bureau.

Economic Forecast for Sierra Vista



Ft. Huachuca – home to the world’s largest Unmanned Aerial Vehicle (UAV) training facility. Courtesy of Sierra Vista Economic Development Foundation.

SIERRA VISTA FORECAST REVIEW, 2005

	2005 FORECAST	2005 ACTUAL
Total Taxable Sales (Growth)	7.0%	9.4%
Retail Sales (Growth).....	5.0%	6.3%
Restaurant & Bar Sales (Growth).....	7.5%	1.3%
New and Existing Home Sales	1,350	1,624
New & Existing Homes Sales (Change in Volume) .	1.0%	21.2%
New Home Permits	775	577
New Home Permits (Change in Volume).....	12.5%	-16.3%

Note: Evaluation of employment forecasts is not possible at this time due to revisions to DES employment data currently underway and non-release of DES employment data for 2005. For comparison purposes, the non-real estate sales forecast period is January through October. **Source:** Cochise College Center for Economic Research.

A Review of Last Year’s Forecast

Total taxable sales for 2005 were forecasted to grow at a rate of 7 percent. Actual growth was 9.4 percent. The greater-than-expected growth was likely the result of inflationary pressures, particularly toward the end of the year, which raised the price of many goods, especially fuel and other energy commodities, thus pushing unadjusted sales figures upward. Beginning in 2006, the CER forecasts only real growth in all categories of sales to control for the effects of inflation.

Retail sales, the largest subcategory of total taxable sales, were forecasted to grow by 5 percent; actual growth was 6.3 percent. Again, higher-than-expected inflation likely pushed the actual growth above forecasted levels. Restaurant and bar sales were forecasted to grow at 7.5 percent; actual growth in this category was 1.3 percent. Higher-than-expected inflation, along with increases in short-term interest rates, which raise the monthly cost of previously incurred, variable rate consumer debt, caused a tightening of family budgets. Typically, non-necessities such as dining out are the first things cut to bring family budgets into balance.

The volume of new and existing home sales in the Sierra Vista area was forecasted to grow by 1 percent. Actual growth was 21.2 percent. Conversely, new home permits in Sierra Vista were forecasted to grow by 12.5 percent; permits actually declined by 16.3 percent. In 2005, the local housing market was characterized by a shift away from new home construction and toward the purchase of existing homes. The City of Sierra Vista saw its first decline in permits for new, single-family residential construction in more than a decade; while, at the same time, the sales volume of existing homes grew dramatically as homeowners cashed in their equity, capitalizing on higher home prices. Another contributing factor was the rising cost of construction materials, which made the purchase of existing homes a more attractive option.

A review of last year's employment forecast is not possible at this time due to revisions to the Arizona Department of Economic Security's (DES) employment data, which are currently underway. DES has not yet released sub-county employment data for 2005.

A Forecast for 2006-2010

Sierra Vista's population is projected to reach 45,179 in 2006. Between 2006 and 2009, the city's population is projected to grow at an average annual rate of 3.2 percent. For detailed population and demographic forecasts, see the Demographics section of this publication.

Expect job growth of 2.8 percent in 2006, slowing to 2.7 percent in 2007 as tighter monetary policy at the federal level works to curb consumer spending, and long-term interest rates further align themselves with increases in the federal funds rate. Tighter monetary policy at the federal level has the effect of slowing GDP growth, which tends to slow job growth at all levels of the economy. Strong, steady population growth, however, will stave off larger declines in local job growth that would otherwise be expected. The unemployment rate is projected to stabilize at or near 3.1 percent over the next few years.

In 2006, expect the volume of new and existing home sales in the Sierra Vista area to increase by 3.5 percent. This slower growth is expected to result from the recent increase in homes prices, as well as increases in long-term interest rates. The pace of home sales should pick up in 2007 as prices stabilize, but a continued increase in long-term rates should slow the pace of growth seen in recent years. The continued, steady population growth, however, should spare Sierra Vista from the larger declines in the real estate market that will be experienced across most of the nation.

Expect steady growth in the number of new home permits, albeit at a slower pace than in recent years. Higher prices, resulting from cost-push inflation, threaten to slow new construction from the levels seen in recent years, shifting demand toward existing homes. Again, strong population growth will soften the impact of inflationary pressures and rising interest rates.

Taxable sales are projected to grow by 5.1 percent in real terms in 2006. Growth should slow somewhat in subsequent years as a result of tighter monetary policy at the federal level, which will curb personal consumption expenditures. Retail sales are projected to grow at an even slower pace. Large ticket items such as automobiles and computer and electronic items are likely to experience the biggest declines as higher interest rates discourage consumer borrowing.

Restaurant and bar sales are projected to grow at a rate slightly ahead of inflation over the next few years. Higher interest rates will raise the cost of previously incurred, variable-rate consumer debt, leaving families with less disposable income. As income declines, non-necessities such as dining out will be cut from family budgets. Accommodation sales are projected to continue on the path of strong growth, with the construction of several new hotels planned within the city. The continued influx of personnel on temporary duty status at Fort Huachuca, as well as increased efforts to promote ecotourism in the local area, will continue to increase the demand for lodging.

Note: The long-term forecast is based on historical trend analysis with consideration given to local, state, national, and world events that can be expected to impact the local economy. These forecasts will be updated annually as new information becomes available.

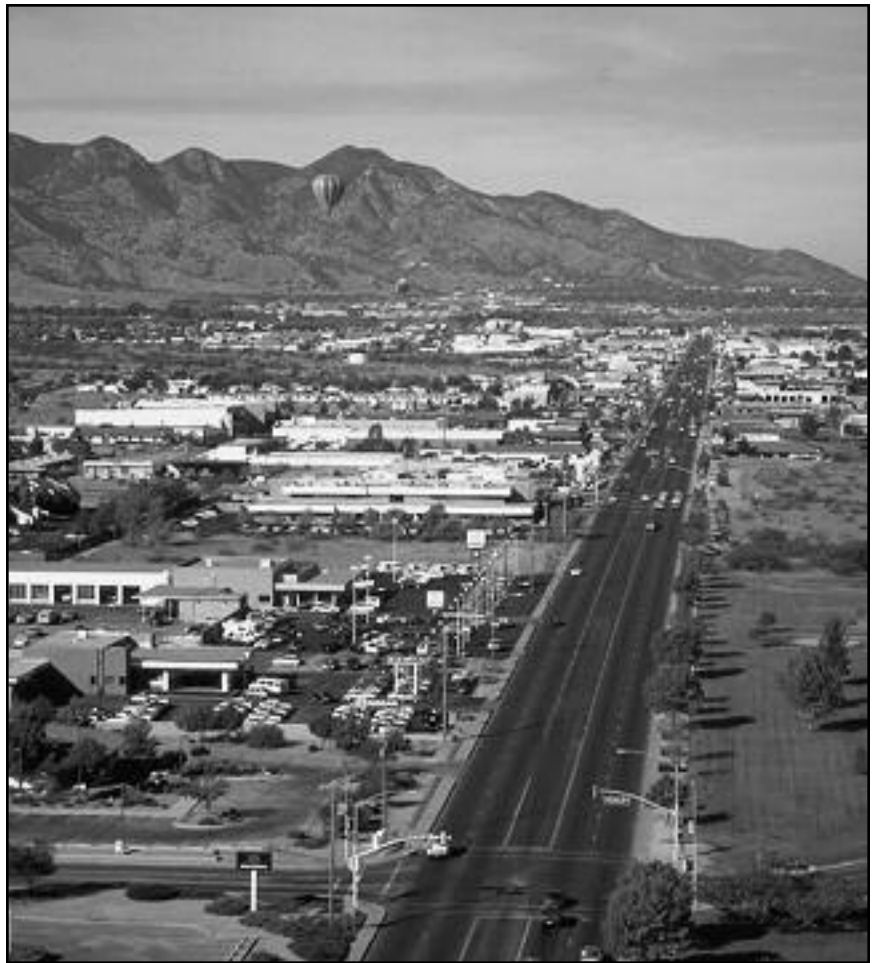
The pace of home sales should pick up in 2007 as prices stabilize, but a continued increase in long-term rates should slow the pace of growth seen in recent years.

SIERRA VISTA FORECAST, 2006-2010

	2006	2007	2008	2009	2010
Population Growth Rate	3.4%	3.3%	3.2%	3.1%	3.0%
Unemployment Rate	3.1%	3.1%	3.1%	3.1%	3.1%
Job Growth Rate	2.8%	2.7%	2.7%	2.6%	2.6%
New and Existing Home Sales (Sierra Vista Area)	3.5%	7.1%	6.6%	6.2%	5.8%
New Home Permits (Sierra Vista)	614	652	689	727	765
New Home Permits (Southwest Quadrant, Cochise County)	947	1,023	1,098	1,175	1,250
New Home Permits (Cochise County)	1,218	1,331	1,444	1,557	1,670
Total Taxable Sales (Real Growth)	5.1%	5.1%	5.0%	5.0%	5.0%
Retail Sales (Real Growth)	2.0%	2.0%	1.5%	1.5%	1.5%
Restaurant and Bar Sales (Real Growth)	1.0%	1.0%	1.0%	1.0%	1.0%
Accommodation Sales (Real Growth)	10.0%	15.0%	14.0%	13.2%	14.1%

Note: Real growth refers to the percent increase in sales minus the rate of inflation. Source: Cochise College Center for Economic Research.

The City of Sierra Vista



A view of Fry Boulevard looking west toward Ft. Huachuca. Photo: courtesy of the Herald/Review.

Sierra Vista was founded in 1927 and incorporated in 1956. In May 2006, the city will celebrate its 50th birthday.

Sierra Vista is the largest of seven incorporated cities in Cochise County. With a population of 42,805 as of mid-2004, Sierra Vista accounts for nearly one-third of the county's population. Located 70 miles southeast of Tucson and 189 miles southeast of Phoenix, Sierra Vista was founded in 1927 and incorporated in 1956. In May 2006, the city will celebrate its 50th birthday.

The economy of Sierra Vista is heavily dependent on Fort Huachuca, home of the U.S. Army Intelligence Center and the U.S. Army Network Enterprise Technology Command. Fort Huachuca was annexed by Sierra Vista in 1972, and the military and civilian communities enjoy one of the most cordial relationships of its kind in the United States.

Sierra Vista is the retail hub of Cochise County. Large retail chains such as Target, Wal-Mart, Kmart, Dillard's, Sears, and Home Depot are located in the city and serve customers across Cochise County, in neighboring Santa Cruz County, and across the U.S. border with Mexico. Following the opening of the Mall at Sierra Vista in 1999, the restaurant industry in the area began to expand with the arrival of Chili's, Outback Steak House, Applebee's, Johnny Carino's, and others.

Sierra Vista hosts a wide variety of cultural and family-oriented activities throughout the year. The Winter Arts Festival and Art Discovery Series present a continuing program of plays, concerts, musicals, dances, recitals, and readings. Other events include the Arizona Junior Rodeo, Huachuca Stampede Rodeo, Miss Sierra Vista Pageant, Art in the Park Arts and Crafts Sale, Festival of Color Hot Air Balloon Rally, Family Festival, and one of the largest Christmas parades in the state of Arizona.

Sierra Vista has become known as the Hummingbird Capital of the United States. In nearby Ramsey Canyon, 14 species of hummingbirds and hundreds of other birds, mammals, reptiles, and plants may be observed and photographed.

Nearby locations of interest include Kartchner Caverns State Park, the cities of Tombstone and Bisbee, the San Pedro Riparian Conservation Area, historic Old Fort Bowie, Fort Huachuca, Coronado National Memorial, Cochise Stronghold, Texas Canyon, San Bernardino Wildlife Refuge, Chiricahua National Monument, Coronado National Forest, and the Chiricahua Mountains. To learn more about the City of Sierra Vista, visit the city's website at www.ci.sierra-vista.az.us or the Sierra Vista Convention and Visitors Bureau website at <http://www.visitsierravista.com>.

Cost of Living

From 2003 through 2005, the cost of living in the Sierra Vista area ranged from slightly below to slightly above the national average, as measured by the ACCRA Cost of Living Index. The ACCRA Cost of Living Index measures relative price levels for consumer goods and services in participating areas. The average for all participating places, both metropolitan and non-metropolitan, equals 100, and each participant's index is read as a percentage of the average for all places. The ACCRA index comprises separate weighted sub-indices for grocery items (13 percent), housing (29 percent), utilities (10 percent), transportation (9 percent), healthcare (4 percent), and miscellaneous goods and services (35 percent).

Sierra Vista's cost of living, as measured by the ACCRA index, ranged from a low of 93.6 (interpreted as 93.6 percent of the national average cost of living) in the first quarter of 2003, to a high of 104.0 (interpreted as 104 percent of the national average) in the second quarter of 2004. In 2003, Sierra Vista's cost of living remained consistently below that in Tucson and Phoenix; however, this trend reversed itself in 2004. In the first three quarters of 2005, the gap between the cost of living in Sierra Vista, Tucson, and Phoenix narrowed, with Sierra Vista's cost of living remaining slightly higher as measured by the ACCRA index.

Since 2003, the price of grocery items in Sierra Vista has been consistently higher than the national average, but this trend reversed itself in late 2004. The most recent ACCRA data, however, indicate grocery prices in Sierra Vista have increased relative to nationwide prices.

In 2003, housing costs in Sierra Vista were substantially lower than the national average, with the ACCRA index for housing ranging between 74.1 and 82.9. In 2004, this gap began to narrow, with Sierra Vista's housing component of the ACCRA index ranging from 95.5 to 98.3. In the first three quarters of 2005, the housing index for Sierra Vista ranged from 92.5 to 99.8.

Climate

Sierra Vista is at an elevation of 4,623 feet. The average monthly temperature ranges from an average low of 34°F in both January and December to an average high of 93°F in both June and July. The average monthly precipitation ranges from 0.26 inches in May to 3.85 inches in August.

Industrial Properties

Sierra Vista is a Foreign Trade Zone Grantee. There are two industrial parks with Foreign Trade Zone opportunities and all utilities available.

The Sierra Vista Economic Development Foundation (SVEDF) is the only economic development organization in the State of Arizona that provides industrial land and/or facilities with incentive lease rates. The SVEDF owns industrial facilities that provide hundreds of jobs for southeast Arizona. Through their unique public/private joint ventures, they have developed a true low-cost manufacturing and operating environment for qualified industry.

COST OF LIVING COMPARISONS, 2003-2005

	SIERRA VISTA	TUCSON	PHOENIX	FLAGSTAFF	YUMA	LAKE HAVASU
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
2003, 4th Quarter	95.5	97.3	98.5	108.7	100.7	102.2
2004, 1st Quarter	98.0	96.1	98.7	109.5	*	103.1
2004, 2nd Quarter	104.0	98.1	99.0	106.9	99.3	107.0
2004, 3rd Quarter	100.7	95.0	99.2	111.5	98.4	106.7
2004, 4th Quarter	100.4	94.4	98.7	109.7	94.7	109.6
2005, 1st Quarter	98.7	96.2	96.8	107.3	94.1	106.2
2005, 2nd Quarter	100.5	96.6	96.9	109.3	98.7	107.1
2005, 3rd Quarter	98.0	97.4	99.0	*	98.0	106.6

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

SIERRA VISTA COST OF LIVING, 2005

	COMPOSITE INDEX	GROCERY ITEMS	HOUSING	UTILITIES	TRANSPORTATION	HEALTH CARE	MISC. GOODS & SERVICES
1st Qtr	98.7	97.6	98.2	121.6	98.6	97.4	93.1
2nd Qtr	100.5	98.5	99.8	96.0	105.6	97.5	102.2
3rd Qtr	98.0	112.5	92.5	94.7	98.1	98.8	98.0

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

SIERRA VISTA WEATHER

MONTH	AVG. HIGH	AVG. LOW	AVG. TEMP.	AVG. PRECIP.
January	62°F	34°F	48°F	1.19 in
February	65°F	36°F	51°F	0.65 in
March	70°F	41°F	56°F	0.44 in
April	77°F	46°F	62°F	0.36 in
May	85°F	53°F	69°F	0.26 in
June	93°F	62°F	78°F	0.38 in
July	93°F	66°F	79°F	3.01 in
August	90°F	64°F	77°F	3.85 in
September	87°F	60°F	74°F	1.29 in
October	79°F	50°F	65°F	1.16 in
November	69°F	40°F	54°F	0.45 in
December	62°F	34°F	48°F	0.98 in

Source: The Weather Channel ©

The SVEDF actively promotes and preserves the economic strength of Sierra Vista through actions focused on business recruitment, expansion and retention, and international business development and alliances. They offer services and technical assistance to businesses interested in relocating to, or expanding in, Sierra Vista, including: confidential consultations, site location information and assistance, customized research on specific business questions, representation in Sierra Vista's zoning and building permit approval process, private and public financing and job training assistance, support of local business expansions, and international trade and joint venture partnerships. For more information, contact the SVEDF at (520) 458-6980, or visit their website at www.svedf.org.

Arizona Enterprise Zone Program

Portions of Sierra Vista are located in the Cochise County Enterprise Zone, currently in effect from January 1, 2004 through December 31, 2008. This zone also includes the communities of Bisbee, Benson, Douglas, Huachuca City, Tombstone, and Willcox. 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 the program's administrative procedures and help target the program more closely toward its purpose as an economic development tax incentive.

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" (\$8.21 in 2005 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) 432-9655.

Tax Rates

Privilege Tax. Sales (or privilege) tax rates in Sierra Vista vary based on the cate-

gory of sale. City sales tax 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 Sierra Vista is 1.5 percent, for a total (city, county, and state) tax of 7.6 percent. For retail sales, the city levies a tax of 1.6 percent, for a total tax rate of 7.7 percent. Restaurant and bar sales in the city are taxed at 2.6 percent, for a total tax of 8.7 percent. Hotel/motel stays are taxed at 5.5 percent, for a total tax of 11.55 percent (Note: The state and county combined tax for hotel/motel stays is 6.05 percent). Utilities and telecommunications sales in the city are taxed at 2 percent, for a total rate of 8.1 percent.

Property Tax. The combined total of all primary and secondary city, school district, county, state, and other property taxes for property located in Sierra Vista in 2005 was \$10.94 per \$100 assessed value. This was down from \$12.12 in 2004 due primarily to decreases in school district taxes and a lowering of the property tax levied by the City of Sierra Vista. Other contributors to the declining property tax rate were decreases in the statewide school and fire district assistance taxes.

Property taxes levied by the City of Sierra Vista, as of 2005, totaled \$0.1435 per \$100 of assessed value, the lowest level of any of the incorporated areas of Cochise County. School district taxes within the city totaled \$3.1099 in primary taxes and \$2.0264 in secondary taxes, for a combined total of \$5.1363 per \$100 of assessed value, one of the lowest rates in the county. In addition to property taxes levied by the city and school district, property in Sierra Vista is also subject to the following taxes per \$100 assessed value: Cochise County general government tax of \$2.9373; countywide library tax of \$0.1551; county flood control tax of \$0.2597; Cochise College tax of \$1.7868; Arizona School District Assistance Tax of \$0.4358; and the Arizona Fire District Assistance Tax of \$0.0896.

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

- **25 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; commercial and industrial personal property exceeding \$57,632 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; agricultural personal property exceeding \$57,632 of full cash value
- **10 percent:** Owner-occupied residential property; 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

Primary and Secondary Education

Sierra Vista Public School District. Sierra Vista Public Schools (SVPS) consist of one high school, two middle schools, and six elementary schools. The k-12 school district has programs for advanced and gifted students and English Language Learners (ELL), as well as those who need special preschools or have special needs. At all levels, activities are designed to meet the various interests of a diverse student population. Interscholastic sports, Knowledge Bowl, Odyssey of the Mind, Robotics, Academic Decathlon competitions, and participation in a large variety of service and special interest clubs are available at the middle schools and high school.

Enrollment numbers in most of the district's schools have been on the rise. During the fall 2005 term, many of the district's schools increased in students. Some schools added new teachers and new sections to accommodate the increases, and class

SIERRA VISTA PRIVILEGE (SALES) TAX RATES, 2005

CATEGORY	COUNTY AND STATE	CITY OF SIERRA VISTA	TOTAL
Privilege Tax	6.10%	1.50%	7.60%
Retail	6.10%	1.60%	7.70%
Restaurant & Bar	6.10%	2.60%	8.70%
Hotel/Motel	6.05%	5.50%	11.55%
Utilities/ Telecommunications	6.10%	2.00%	8.10%

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

SIERRA VISTA PROPERTY TAX RATES, 2005 (PER \$100 ASSESSED VALUE)

DISTRICT	PRIMARY	SECONDARY	TOTAL
City of Sierra Vista	0.1435	—	0.1435
Buena Elementary School District	2.0932	1.1407	3.2339
Buena High School District	1.0167	0.8857	1.9024
Cochise County General Government*	2.9373	—	2.9373
Library*	—	0.1551	0.1551
Flood Control*	—	0.2597	0.2597
Cochise College*	1.7868	—	1.7868
Arizona School District Assistance Tax*	0.4358	—	0.4358
Arizona Fire District Assistance Tax*	—	0.0896	0.0896
Total	8.4133	2.5308	10.9441

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

SIERRA VISTA PUBLIC SCHOOLS

SCHOOL	ENROLLMENT*	ARIZONA LEARNS RATING**
Buena High School	2,765	Highly Performing
Apache Middle School.....	735	Performing Plus
Sierra Vista Middle School	765	Performing
Bella Vista Elementary	446	Performing
Carmichael Elementary	396	Performing
Huachuca Mountain Elementary	558	Performing Plus
Pueblo del Sol Elementary	484	Highly Performing
Town & Country Elementary	436	Performing
Village Meadows Elementary	384	Performing Plus
TOTAL ENROLLMENT.....	6,969	

*As of October 24, 2005. ** 2004-2005 school year. Source: SVPS.

FORT HUACHUCA ACCOMMODATION SCHOOLS

SCHOOL	ENROLLMENT*	ARIZONA LEARNS RATING**
General Myer Elementary School.....	387	Performing Plus
Colonel Johnston Elementary.....	390	Performing
Colonel Smith Middle School	340	Excelling
TOTAL ENROLLMENT.....	1,117	

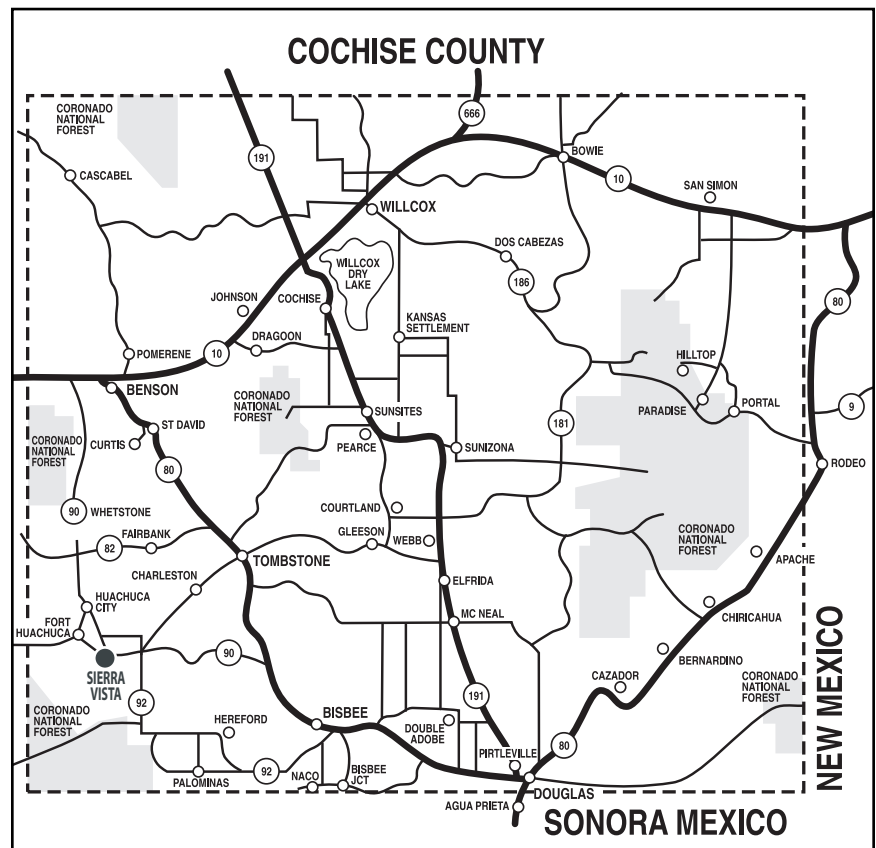
*As of January 2006. ** 2004-2005 school year. Source: SVPS.

sizes reached their maximum allowed capacity in some instances. The enrollment numbers for the SVPS District as of October 24, 2005 were: Buena High School: 2,765; Apache Middle School: 735; Sierra Vista Middle School: 765; Bella Vista Elementary: 446; Carmichael Elementary: 396; Huachuca Mountain Elementary: 558; Pueblo del Sol Elementary: 484; Town & Country Elementary: 436; and Village Meadows Elementary: 384.

Arizona Learns, a program within the Arizona Department of Education, rates each Arizona school by assigning a “label” as to its ability to meet or exceed the Arizona Standards of Education. The labels include: Excelling, Highly Performing, Performing Plus, Performing, and Underperforming. Labels are issued each fall term for the previous year. SVPS district schools scored as follows for the 2004-2005 school year: Buena High School: Highly Performing; Apache Middle School: Performing Plus; Sierra Vista Middle School: Performing; Bella Vista Elementary: Performing; Carmichael Elementary: Performing; Huachuca Mountain Elementary: Performing Plus; Pueblo del Sol Elementary: Highly Performing; Town & Country Elementary: Performing; Village Meadows Elementary: Performing Plus.

Fort Huachuca Accommodation Schools. Fort Huachuca Accommodation Schools (FHAS) consist of one middle school (Colonel Smith Middle School; grades 6-8) and two elementary schools (Colonel Johnston Elementary, grades 1-3; and General Myer Elementary, grades K-5). A new General Myer Elementary School is currently under construction and scheduled to open in August 2006. At that point, grade configuration will change: General Myer Elementary School will have grades 3-5; Colonel Johnston Elementary School will have preschool and K-2; and Colonel Smith Middle School will remain grades 6-8. There will be a groundbreaking ceremony to begin building a new Colonel Johnston School in the spring of 2006.

FHAS are Arizona public schools under the Department of Education. The schools are not Department of Defense Dependent Schools (DoDDS). The school district is under the direction and authority of the Cochise County School



Superintendent and directly administered by a district superintendent. Financial support for FHAS is derived from state aid and federal impact aid.

Although not under the jurisdiction of the military command, the district has a close and positive working relationship with the Garrison Commander's Office and other military groups on post. A representative from the Garrison Commander's Office serves as a member of the advisory board to the district's Governing Board. A school liaison officer works closely with the district, the individual schools, the parents, and the military to enhance the partnerships needed for successful student growth and achievement.

FHAS students' scores on state-mandated assessments (AIMS and Metropolitan) consistently exceed state and county averages. The FHAS curriculum has been closely aligned to the Arizona State Standards and has incorporated the standards into instructional practices in the classrooms. The major teaching emphasis is placed on the basic fundamentals while providing a firm foundation for students to build upon by continuing their learning and inquiry throughout their lifetimes.

A certified principal administers each school, and each school employs a registered nurse. ELL coordinators, speech therapists, and counselors are employed and work at all three school sites.



The railroad station at Fort Huachuca in about 1928. @1928.00.00.012

Photo: Courtesy of Sierra Vista Herald/Bisbee Review.

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 opened its doors in 1964 as one of the first community colleges in Arizona. A 1962 bond election resulted in the construction of the Douglas Campus, a 540-acre facility featuring unique architecture and panoramic views of the Mule and Chiricahua Mountains, as well as neighboring Sonora, Mexico.

The college now offers classes in Benson, Bisbee, Douglas, Fort Huachuca, Sierra Vista, Willcox and outlying areas. Classes also are offered online and in Nogales in neighboring Santa Cruz County. The campus in Sierra Vista evolved from a handful of temporary buildings at Buena High School in the early 1970s to the full-fledged separate campus that opened its doors to classes in 1978 at its present location on North Colombo Avenue. This facility now comprises 16 buildings.

The development of community-directed college programs and services has included Workforce Training and Community Education, the Small Business Development Center, the Career Services Center, the Online Campus, various conferences, 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 specific 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 their website at 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 mission of UA South is to provide quality liberal arts and professional instruction as a branch campus of the University of Arizona 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, 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. For more information, visit UA South's website at www.uas.arizona.edu

Crime Rate

The crime rate in Sierra Vista in 2004 – the most recent data available – was 37.8 crimes per 1,000 population, significantly below the statewide crime rate of 58.4 and lower than the national rate of 39.8 crimes per 1,000 population. Sierra Vista's crime rate in 2004 was the second lowest of the county's seven incorporated areas, behind only neighboring Huachuca City, which saw only 10.9 crimes per 1,000 population.

The trend in Sierra Vista from 2001 to 2003 was toward a steady increase in the number of crimes reported per 1,000 residents, but 2004 saw a reversal of this trend with the crime rate dropping to its lowest level in recent years.

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.

SIERRA VISTA CRIME RATE, 2001-2004 (PER 1,000 POPULATION)

2001.....	39.2
2002.....	41.4
2003.....	47.2
2004.....	37.8

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

CRIME RATE, 2004 (PER 1,000 POPULATION)

LOCATION	POPULATION	VIOLENT CRIME	PROPERTY CRIME	ARSON	TOTAL CRIME	CRIME RATE (PER 1,000 POPULATION)
United States	293,655,404	1,367,009	10,328,255	*	11,695,264	39.8
Arizona	5,743,835	28,952	306,747	*	335,699	58.4
Cochise County	130,220	916	4,343	24	5,283	**41.1
Benson	4,785	11	208	0	219	45.8
Bisbee	6,390	25	360	1	386	60.4
Douglas	16,740	34	698	1	733	43.8
Huachuca City	1,830	6	13	1	20	10.9
Sierra Vista	42,805	123	1,492	5	1,620	37.8
Tombstone	1,595	*	*	*	*	*
Willcox	3,875	5	296	0	301	77.7
Unincorporated Areas	52,200	712	1,276	16	2,004	38.4

*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.



Sierra Vista Regional Health Center (SVRHC) continues to expand services available to residents in the greater Sierra Vista area. Photo: SVRHC.

Healthcare

Healthcare is an important indicator of the quality of life in any community. The availability of medical services, and advanced capabilities in particular, is a defining element of the healthcare infrastructure of Sierra Vista. These advanced capabilities are the product of physician specialists locating practices in the community, as well as advancing technologies at the regional hospital.

The Sierra Vista Regional Health Center (SVRHC) has expanded its scope of services and physical capacity over the past several years. In addition, SVRHC is in the process of planning development of its east campus, where there is presently an ambulatory surgery center and fully occupied medical office building.

On the main site, the hospital continues to invest in those facilities that support existing high-growth services and needed community services. In 2005, SVRHC completed the Emergency Department expansion, which doubled the size and offers a “fast-track” area to facilitate the faster throughput of those patients requiring lower levels of care. The Emergency Department added a new x-ray machine, which has decreased the waiting time for those tests. SVRHC also added four additional telemetry beds in 2005 to give a full complement of 14. The nursing station was also revamped. New services, including dialysis, a sleep lab, and PET/CT were implemented in 2005.

The Sierra Vista service area includes Sierra Vista, Fort Huachuca, Hereford, Huachuca City, and Tombstone. The healthcare sector has a significant and growing economic impact on the Sierra Vista area. The regional health center ranks as the fourth largest employer in Cochise County, with a staff of more than 800 and an annualized payroll of \$25 million. In addition to the hospital, there is one major physician group, several long-term care facilities, and a host of independent physicians, behavioral health, vision and dental providers, and other ancillary providers contributing to the local economy.

Demographics



Past and future, diversity abounds in the local Sierra Vista/Ft. Huachuca area. Photo courtesy of Sierra Vista Convention and Visitor Bureau.

Population Estimates and Projections

The estimated population of Sierra Vista as of July 2004 was 42,805. This represents a 5.9 percent increase from 2003 and a 13.3 percent increase since Census 2000. Between 2000 and 2004, the city's average annual population growth rate was 3.2 percent. Based on its population size, Sierra Vista ranks as the 15th largest incorporated sub-county area of 89 areas statewide. Based on its growth rate since Census 2000, Sierra Vista ranks as the 32nd fastest-growing, incorporated sub-county area.

The strong population growth in Sierra Vista has been fueled by the increasing number of military personnel at Fort Huachuca, along with increases in civilian support and defense contracting personnel to support the fort's missions. Another strong contributor to the city's population growth has been an increasing number of retirees, evidenced by the rapid growth of the city's population in the age groups beyond the age of 60.

According to the U.S. Census Bureau, Sierra Vista's population increased by 14.5 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. Between 2000 and 2004, however, Sierra Vista's overall population growth of 13.3 percent outpaced that of Cochise County as a whole, which grew by 10.6 percent, and lagged slightly behind that of the state, which grew by 13.7 percent.

If recent population growth trends continue, Sierra Vista's population will reach 51,107 in 2010 and 58,516 in 2015. Cochise County's population is projected to reach 149,220 by 2010 and 165,457 by 2015, if recent trends continue. The strong population growth continues to be fueled by Fort Huachuca, which in recent years has seen an increase in the demand for

POPULATION COMPARISONS, 1990-2004

	SIERRA VISTA		COUNTY		ARIZONA	
	POPULATION	GROWTH	POPULATION	GROWTH	POPULATION	GROWTH
1990	32,983	--	97,624	--	3,665,228	--
2000	37,775	14.5%*	117,755	20.6%*	5,130,632	40.0%*
2001	38,740	2.6%	121,435	3.1%	5,319,895	3.7%
2002	40,415	4.3%	124,040	2.1%	5,472,750	2.9%
2003	40,430	0.0%	126,160	1.7%	5,629,870	2.9%
2004	42,805	5.9%	130,220	3.2%	5,832,150	3.6%

*Indicates total growth over the period 1990-2000. Source: Figures for 1990 and 2000 obtained from the U.S. Census Bureau. Figures for 2001-2004 are estimates provided by the Arizona Department of Economic Security.

intelligence soldiers to be trained at the fort as military intelligence assumes an expanded role in the war on terrorism. One of the faster growing sectors of defense contracting has been the Unmanned Aerial Vehicle (UAV) industry, which has grown rapidly in recent years, with Fort Huachuca becoming home to the largest UAV training center in the world in 2005 with the opening of the new, 25,000-square-foot UAV training annex.

Race and Ethnicity

In 2000, according to the U.S. Census Bureau, approximately 15.8 percent of Sierra Vista's population was Hispanic or Latino (of any race), compared to a 30.7-percent Hispanic/Latino population for all of Cochise County, and a 25.3-percent Hispanic/Latino population statewide. The Cochise College Center for Economic Research (CER) estimates that in 2005 Hispanics comprised 17.8 percent of Sierra Vista's population. If recent trends continue, the Hispanic/Latino population in Sierra Vista is projected to reach 19.8 percent by 2010. (Note: 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.)

According to the U.S. Census Bureau, Sierra Vista's population in 2000 was 73.3 percent White, 10.9 percent Black or African American, 0.8 percent American Indian or Alaska Native, 4.1 percent Asian or Pacific Islander, and 10.9 percent Other (including two or more races combined). Based on trends between 1990 and 2004, the CER estimates that, in 2005, the racial composition of Sierra Vista was 71.3 percent White, 10.4 percent Black or African American, 0.9 percent American Indian or Alaska Native, 3.5 percent Asian or Pacific Islander, and 14 percent Other (including two or more races combined).

The largest changes in Sierra Vista's racial composition in recent years have occurred in the segment of the population classifying itself as "other," which has increased significantly. Although comprising a small portion of Sierra Vista's population, the number of those classifying themselves as American Indian or Alaska Native has also grown significantly.

The CER projects that in 2010, Sierra Vista's racial composition will be 69.2 percent White, 9.8 percent Black or African American, 1 percent American Indian or Alaska Native, 3 percent Asian or Pacific Islander, and 17 percent Other (including two or more races combined). The fastest-growing racial group in Sierra Vista between 2005 and 2010 is projected to be the group classifying itself as "Other" (including two or more races combined), projected to grow by 42.5 percent. The second fastest-growing racial group is projected to be the American Indian and Alaska Native group, projected to grow by 30 percent between 2005 and 2010. It is important to note that shifts in the racial composition of Sierra Vista do not necessarily represent changing demographics alone but may include differences in how residents choose to classify themselves.

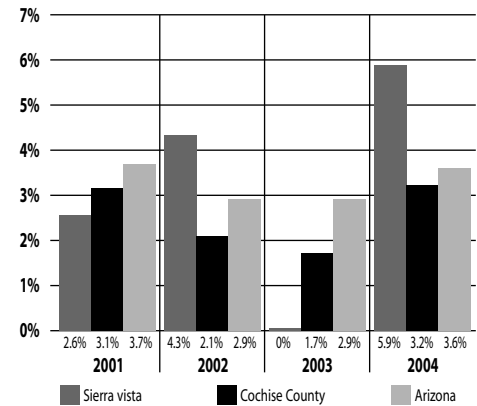
Language Spoken at Home

In 2000, approximately 80.9 percent of the 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 spoke a language other than English, 31.4 percent reported they spoke English less than "very well."

Of those who resided in homes where a language other than English was spoken, 57.5 percent also spoke Spanish. Of Spanish speakers, 29.5 percent reported they spoke English less than "very well."

Based on recent trends, the CER estimates that, in 2005, approximately 78.1 percent of the population aged 5 years and older resided in homes where English was the only language spoken, down from the 2000 figures. Of those who spoke a language other than English, the CER estimates that, in 2005, approximately 33.7 percent spoke

POPULATION GROWTH, 2001-2004



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

POPULATION PROJECTIONS, 2005-2015

YEAR	SIERRA VISTA	COCHISE COUNTY
2005	43,698	132,984
2006	45,179	136,231
2007	46,661	139,479
2008	48,143	142,726
2009	49,625	145,973
2010	51,107	149,220
2011	52,588	152,468
2012	54,070	155,715
2013	55,552	158,962
2014	57,034	162,210
2015	58,516	165,457

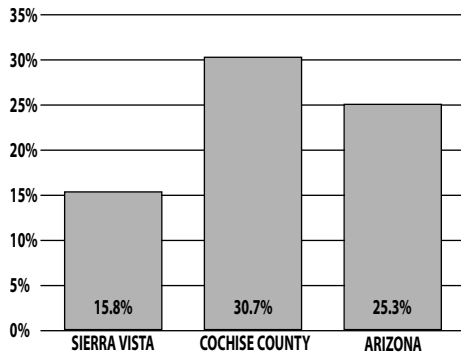
Note: Population projections by the Cochise College Center for Economic Research using U.S. Census data for 1990 and 2000, and Arizona Department of Economic Security mid-year population estimates for 2001 through 2004.

ARIZONA'S 20 LARGEST INCORPORATED PLACES BY POPULATION, 2004

RANKING	PLACE	POPULATION
1	Phoenix	1,416,055
2	Tucson	521,605
3	Mesa	447,130
4	Glendale	233,330
5	Scottsdale	221,130
6	Chandler	220,705
7	Gilbert	164,685
8	Tempe	160,820
9	Peoria	132,300
10	Yuma	86,070
11	Surprise	63,960
12	Flagstaff	61,270
13	Avondale	60,255
14	Lake Havasu City	52,205
15	Sierra Vista	42,805
16	Prescott	40,225
17	Oro Valley	38,280
18	Bullhead City	37,325
19	Goodyear	35,810
20	Apache Junction	33,725

Source: Arizona Department of Economic Security.

HISPANIC/LATINO POPULATION



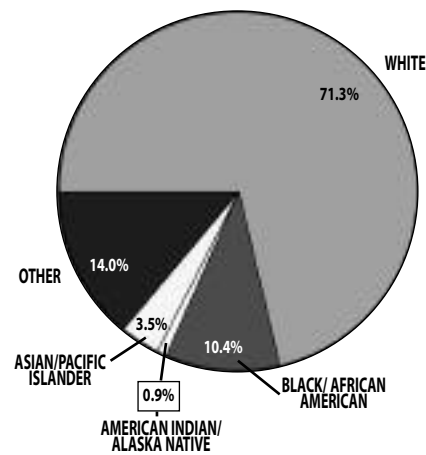
Note: The U.S. Census Bureau considers Hispanic an ethnicity, not a race; thus, there is no separate racial classification for Hispanic. According to the Census Bureau, people identifying themselves as Hispanic may be of any race. **Source:** U.S. Census Bureau – Census 2000 and Cochise College Center for Economic Research.

SIERRA VISTA HISPANIC/LATINO POPULATION, ESTIMATES AND PROJECTIONS, 2005-2010

YEAR	HISPANIC OR LATINO (OF ANY RACE) PERCENT OF TOTAL POPULATION	HISPANIC OR LATINO NUMBER
2005	17.8%	7,778
2006	18.2%	8,223
2007	18.6%	8,679
2008	19.0%	9,147
2009	19.4%	9,627
2010	19.8%	10,119

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 2004. 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.

SIERRA VISTA RACIAL GROUP ESTIMATES, 2005



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. 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.

English less than “very well,” up 2.3 percentage points from 2000.

Of those who resided in homes where a language other than English was spoken, it is estimated that, in 2005, approximately 63.3 percent also spoke Spanish, up 5.8 percentage points from 2000. Of those who spoke Spanish at home, the CER estimates that 30.2 percent spoke English less than “very well,” up slightly from 29.5 percent in 2000.

If recent trends continue, the CER projects that, in 2010, the percentage of the population aged 5 years and older who reside in homes where English is the only language spoken will drop to 75.2. Of those, who speak a language other than English, the CER projects those speaking English less than “very well” will increase to 36.1 percent. Of those who reside in homes where a language other than English is spoken, it is estimated that 69 percent will also speak Spanish in 2010, up significantly from current estimates. Of those who speak Spanish at home, the CER estimates that 30.8 percent will speak English less than “very well,” up slightly from current estimates.

Thus, recent trends indicate that both the number and percentage of Sierra Vista residents who speak a language other than English are on the rise, with Spanish speakers increasing at the fastest rate. Along with the increase in the number and percentage of those speaking languages other than English is a tendency toward lower levels of English proficiency. Of those struggling with English proficiency, those speaking languages other than Spanish will continue to have the greatest difficulty in mastering English. This is likely attributable in part to a shortage of local English language training courses targeted to those who speak languages other than Spanish.

Sex and Age

Sierra Vista’s population, as of Census 2000, was 50.2 percent male and 49.8 percent female. This represents a narrowing of the gap between males and females from 1990, when Sierra Vista’s population was 51.4 percent male and 48.6 percent female. The greater number of males to females in Sierra Vista is likely attributable to the large number of predominantly male military personnel who reside in the city. The narrowing of the gap between male and female residents between 1990 and 2000 likely reflects the changing demographics of the military services over the years, which have seen a greater number of women among their ranks. In the future, the gap between males and females in Sierra Vista will likely narrow further as women continue to join the ranks of the military in greater numbers.

According to Census 2000, the median age of the city’s population that year was 32 years, considerably below the median age of 36.9 years for Cochise County and 34.2 years statewide. This is likely attributable to the large number of predominantly



University of Arizona offers post-secondary educational opportunities.

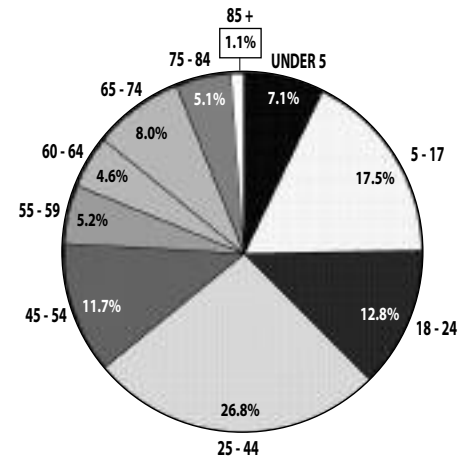
younger military personnel who reside in the city and work on Fort Huachuca.

In 2000, 74.2 percent of Sierra Vista's population was aged 18 years and older; 14.6 percent was aged 62 years or older; and 12.1 percent was aged 65 years or older.

Based on recent trends, the CER estimates that, in 2005, Sierra Vista's largest age group remained the 25 to 44 years group, comprising 26.8 percent of the city's population. The next largest age group, according to CER estimates, is 5 to 17 years comprising 17.5 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 (24.5 percent of the population), 5 to 17 years (16.8 percent of the population), and 18 to 24 years (12.6 percent of the population). The three fastest-growing age groups between 2005 and 2010 are projected to be 75 to 84 years (projected to grow by 40 percent), 85 years and older (projected to grow by 36.6 percent), and 65 to 74 years (projected to grow by 30.7 percent).

SIERRA VISTA AGE GROUP ESTIMATES, 2005



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.

Household Characteristics

According to Census 2000, the average Sierra Vista household size that year was 2.48 persons, down from 2.65 in 1990. Based on recent trends, the CER estimates the average household size in 2005 was 2.40. If recent trends continue, Sierra Vista's average household size is projected to drop to 2.31 persons per household by 2010. The declining household size in Sierra Vista is attributable to the growing population of those aged 65 and older, who tend to have smaller household sizes, as well as the steady increase in the population of military personnel, a disproportionate number of whom are young and unmarried, thus contributing to smaller household sizes.

Of total Sierra Vista households, 70.4 percent were classified as family households as of Census 2000. A total of 37.3 percent of households had individuals under the age of 18, and 22.1 percent had individuals aged 65 years and older. A total of 7.8 percent of Sierra Vista 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 Sierra Vista's population aged 15 years and older, 58.8 percent were married (excluding those who were separated), 1.7 percent were separated, 11.3 percent were divorced, 4.8 percent were widowed, and 23.4 percent had never been married as of Census 2000.

According to the U.S. Census Bureau, as of 2000 approximately 33.6 percent of Sierra Vista's population aged 5 years and older had resided in the same house for at least five years. Approximately 38.5 percent of Sierra Vista's population aged 5 years and older had relocated to the city within the previous five years from outside Cochise County.

Poverty Status

According to the U.S. Census Bureau, in 1999 there were 9,926 families in Sierra Vista. Of these, 795 or 8 percent, lived below the poverty level. Based on trends between 1989 and 2004, the CER estimates that in 2005 there were 11,446 families in Sierra Vista, of which 868, or 7.6 percent, lived below the poverty level. If trends continue, by 2010 there will be 13,207 families in Sierra Vista, of which 955, or 7.2 percent, will live below the poverty level.

In 1999, according to the Census Bureau, there were 5,119 families in Sierra Vista with related children under 18 years old. Of these, 691 families, or 13.5 percent, lived below the poverty level. Based on trends between 1989 and 2004, the CER estimates that in 2005 there were 5,542 families with related children under 18 years old, of which 811, or 14.6 percent, lived below the poverty level. If recent trends continue, by 2010 there will be

SIERRA VISTA RACIAL GROUPS, ESTIMATES AND PROJECTIONS, 2005-2010

	2005	2006	2007	2008	2009	2010	Estimated Growth (05-10)
White	31,135	32,005	32,863	33,710	34,544	35,366	13.6%
Black or African American	4,523	4,626	4,727	4,824	4,918	5,008	10.7%
American Indian and Alaska Native	393	416	439	462	486	511	30.0%
Asian or Pacific Islander	1,551	1,554	1,554	1,550	1,543	1,533	-1.2%
Other	6,096	6,578	7,078	7,597	8,134	8,688	42.5%
Total	43,698	45,179	46,661	48,143	49,625	51,107	17.0%

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 2004. 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.

SIERRA VISTA LANGUAGE SPOKEN AT HOME (PERSONS 5 YEARS AND OLDER), ESTIMATES AND PROJECTIONS, 2005-2010

	2005	2006	2007	2008	2009	2010	Estimated Growth (05-10)
English Only	31,672	32,543	33,405	34,251	35,084	35,902	13.4%
Language other than English	8,907	9,459	10,029	10,616	11,219	11,840	32.9%
Do not speak English very well	3,006	3,237	3,479	3,732	3,997	4,274	42.2%
Speak Spanish	5,638	6,095	6,577	7,083	7,613	8,170	44.9%
Do not speak English very well	1,700	1,846	2,000	2,163	2,335	2,516	48.0%

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 2004.

SIERRA VISTA AGE GROUPS ESTIMATES AND PROJECTIONS, 2005-2010

	2005	2006	2007	2008	2009	2010	Estimated Growth (05-10)
Under 5	3,119	3,175	3,227	3,276	3,322	3,365	7.9%
5 to 17	7,638	7,838	8,035	8,227	8,416	8,600	12.6%
18 to 24	5,608	5,781	5,952	6,123	6,292	6,460	15.2%
25 to 44	11,716	11,900	12,070	12,227	12,369	12,498	6.7%
45 to 54	5,103	5,339	5,581	5,826	6,075	6,329	24.0%
55 to 59	2,282	2,407	2,534	2,665	2,799	2,935	28.6%
60 to 64	2,007	2,111	2,217	2,325	2,435	2,548	26.9%
65 to 74	3,504	3,708	3,917	4,133	4,353	4,580	30.7%
75 to 84	2,225	2,391	2,564	2,741	2,925	3,115	40.0%
85 and over	495	529	564	600	638	676	36.6%
Total	43,698	45,179	46,661	48,143	49,625	51,107	

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 2004.

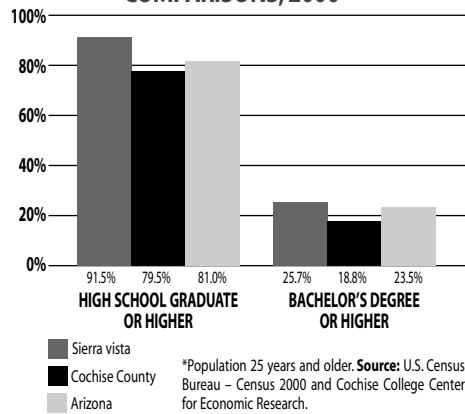
SIERRA VISTA POVERTY STATUS ESTIMATES AND PROJECTIONS, 2005-2010

	2005	2006	2007	2008	2009	2010
Total Families	11,446	11,802	12,157	12,509	12,859	13,207
Families below poverty level	868	886	904	922	939	955
Families below poverty level (%) ..	7.6%	7.5%	7.4%	7.4%	7.3%	7.2%
Total Families with children under 18 years	5,542	5,652	5,757	5,858	5,954	6,045
Families with children under 18 years below poverty level	811	838	865	891	917	942
Families with children under 18 years below poverty level (%) ..	14.6%	14.8%	15.0%	15.2%	15.4%	15.6%
Total Families with children under 5 years	2,147	2,161	2,172	2,180	2,185	2,188
Families with children under 5 years below poverty level	366	372	377	382	387	391
Families with children under 5 years below poverty level (%) ..	17.1%	17.2%	17.4%	17.5%	17.7%	17.9%

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 2004.

The University of Arizona South offers upper-division courses for students in the Sierra Vista area. Photo: Kimberly Kelso.

EDUCATIONAL ATTAINMENT COMPARISONS, 2000*



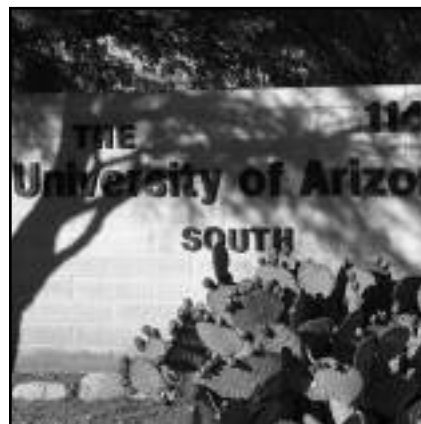
that in 2005 there were 2,147 families with related children under 5 years old, of which 366, or 17.1 percent, lived below the poverty level. If recent trends continue, by 2010 there will be 2,188 families with related children under 5 years old, of which 391, or 17.9 percent, will live below the poverty level.

Thus, the recent trend in Sierra Vista has been toward lower levels of poverty in families overall, but rising poverty levels among those families with children. Families with children under the age of 5 have the highest incidence of poverty, but the poverty rate for these families has been growing at a slower rate than overall families with children.

Educational Attainment

Of Sierra Vista's population aged 25 years and older, 91.5 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 25.7 percent of Sierra Vista 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 Sierra Vista residents with less than a ninth-grade education increased slightly from 3.1 to 3.2 percent of the city's population aged 25 years and older. At the same time, the number of city residents with a ninth-grade to 12th-grade education, but without a high school diploma, dropped from 6.8 to 5.3 percent; the number of high school graduates (or equivalent) decreased from 23.3 to 22.8 percent; and the number of residents with some college, but no degree, increased from 31.2 to 32.1 percent. The number of residents with an associate's degree decreased slightly from



11.8 to 10.9 percent of the city's population aged 25 years and older; the number of residents with a bachelor's degree increased from 15.1 to 18.2 percent; and the number of residents with a graduate or professional degree decreased from 8.7 to 7.5 percent.

Based on trends between 1990 and 2000, the CER estimates that, in 2005, approximately 92.2 percent of Sierra

Vista's population had attained a high school diploma or higher and 26.7 percent had 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 increase to 92.9 percent, and the number of residents having earned a bachelor's degree or higher will increase to 27.6 percent.

Thus, the overall trend in the educational attainment of Sierra Vista's residents has been toward higher levels of education, with most of the increase occurring in the number of those having earned a bachelor's degree, and those having earned some college credit, but no degree.



Ft. Huachuca of the past is a mere reflection of the Intelligence of today. Photo courtesy of Sierra Vista Convention and Visitors Bureau.

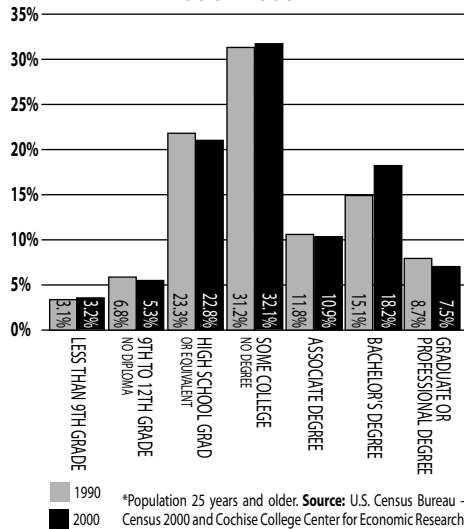
Military Veterans

Between Censuses 1990 and 2000, the number of Sierra Vista residents who were civilian veterans of the military increased from 5,810 to 7,212. As a percent of the city's population aged 18 years and older, civilian veterans of the military increased from 24.7 to 31.5 percent between 1990 and 2000. Based on recent trends, the CER estimates that in 2005 there were 11,496 civilian veterans of the military residing in Sierra Vista, or 34.9 percent of the city's population aged 18 years and older. If recent trends continue, this number will reach 14,991 by the year 2010, while increasing to 38.3 percent of the civilian population aged 18 years and older.

Much of the increase in the number of veterans has resulted from the expansion of the number of Department of the Army civilian positions at Fort Huachuca over the years, as well as the demand for defense contracting personnel, many of whom are former members of the military. The increasing number of retirees to the area has also expanded the number of civilian veterans, since many of these retirees once served in the armed forces.

The number of civilian veterans in the area is important to housing market analysis, since most veterans finance their homes using Veterans Administration (VA) guaranteed loans. This leads to higher rates of homeownership among veterans, but also decreases the level of affordability of homes as determined by qualifying income ratios, since VA loans are guaranteed without the traditional 20 percent down payment. This means affordability is based on 100-percent of the home price rather than 80 percent, meaning affordable housing for this segment of the population is generally lower than for the non-veteran population, other things being equal. For more on this topic, see the Housing and Real Estate section of this publication.

SIERRA VISTA EDUCATIONAL ATTAINMENT, 1990 - 2000*



SIERRA VISTA EDUCATIONAL ATTAINMENT, ESTIMATES AND PROJECTIONS, 2005-2010

YEAR	PERCENT HIGH SCHOOL GRADUATE OR HIGHER	PERCENT BACHELOR'S DEGREE OR HIGHER
2005	92.2%	26.7%
2006	92.3%	26.8%
2007	92.5%	27.0%
2008	92.6%	27.2%
2009	92.8%	27.4%
2010	92.9%	27.6%

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 2004.

SIERRA VISTA CIVILIAN VETERANS OF THE MILITARY, ESTIMATES AND PROJECTIONS, 2005-2010

YEAR	CIVILIAN VETERANS OF THE MILITARY	PERCENT OF POPULATION AGED 18 YEARS AND OLDER
2005	11,496	34.9%
2006	12,156	35.6%
2007	12,836	36.3%
2008	13,535	36.9%
2009	14,253	37.6%
2010	14,991	38.3%

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 2004.

Employment



The site of large land movers is common in today's Sierra Vista. Growth is the key word locally. Photo courtesy of Kimberly Kelso.

Employment, Unemployment, Labor Force, and Job Growth

In 2005, Sierra Vista's unemployment rate averaged 2.9 percent according to estimates by the Cochise College Center for Economic Research (CER). This was considerably below the countywide rate of 4.8 percent and the statewide rate of 4.7 percent, as estimated by the Arizona Department of Economic Security (DES). Nationwide, the unemployment rate for 2005 averaged 5.1 percent. Sierra Vista's unemployment rate in 2005 was down one-tenth of a percentage point from 3 percent a year prior, and represents the lowest rate the city has seen since 2001. (Note: Historically, the CER has reported DES estimates in this publication for sub-county areas; however, as of the date of this publication, DES had not yet released figures for 2005. In the absence of this data, the CER has prepared sub-county estimates using a Census share model similar to that used by DES).

It is important to note that Sierra Vista's month-to-month unemployment rate reflects seasonal patterns evident in employment data for most localities. The trend in Sierra Vista 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 CER estimates, Sierra Vista's civilian labor force in 2005 consisted of 17,561 potential workers, of which 17,047 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, and excludes active-duty military personnel. Countywide, the 2005 civilian labor force, according to DES estimates, comprised 53,325 actual or potential workers, of which 51,750 were employed.

According to CER estimates, job growth in Sierra Vista for 2005 was 3 percent, reflecting the creation of 496 jobs over the year. This represents a rebound from

ANNUAL UNEMPLOYMENT RATE COMPARISONS, 2001-2005

	SIERRA VISTA	COCHISE COUNTY	ARIZONA STATE	UNITED STATES
2001	2.9%	4.8%	4.7%	4.8%
2002	3.5%	5.9%	6.0%	5.8%
2003	3.4%	5.7%	5.7%	6.0%
2004	3.0%	5.0%	5.0%	5.5%
2005	2.9%	4.8%	4.7%	5.1%

Source: U.S. rate provided by the U.S. Department of Labor; state and county rates provided by the Arizona Department of Economic Security; city rate estimated by the Cochise College Center for Economic Research using a Census Share Model and data provided by the Arizona Department of Economic Security.

slowed job growth of 2.2 percent in 2004. Most of the job growth in 2005 occurred in construction, government, professional and business services, education and health services, and leisure and hospitality industries. While rising interest rates present a continued threat to local job growth, much of the slowdown that would normally be expected should continue to be offset by strong population growth.

Occupations and Classes of Workers

Occupations in Sierra Vista vary over a broad spectrum of employment opportunities. According to data collected during Census 2000, of those workers aged 16 years and older, 34 percent were employed in management, professional, and related occupations; 29.4 percent were employed in sales and office occupations; and 21.7 percent were employed in service occupations. Construction, extraction, and maintenance operations employed approximately 7.9 percent of the city’s workers, while production, transportation, and material moving occupations employed approximately 6.9 percent. Farming, fishing, and forestry occupations employed 0.2 percent of Sierra Vista workers as of Census 2000.

Approximately 62.4 percent of Sierra Vista workers were private wage and salary workers, while 32.2 percent were government workers as of Census 2000. Self-employed workers in unincorporated businesses comprised 5.2 percent and unpaid family workers accounted for 0.2 percent of Sierra Vista workers.

Industries

The industry grouping employing the largest number of Sierra Vista workers, as of Census 2000, was educational, health and social services, which employed approximately 21.7 percent of all workers; followed by public administration, which employed 18.3 percent; and retail trade, which employed 14.1 percent. A total of 10.2 percent of Sierra Vista’s workers were employed in the arts, entertainment, recreation, accommodation, and food services industry grouping; 10.2 percent were employed in professional, scientific, management, administrative, and waste management services; 5.7 percent were employed in “other services (except public administration);” and 5.4 percent were employed in construction. The industry groupings of manufacturing; finance, insurance, real estate, and rental and leasing; transportation and warehousing, and utilities; agriculture, forestry, fishing and hunting, and mining; information; and wholesale trade each employed less than 5 percent of Sierra Vista workers as of Census 2000.

Major Employers

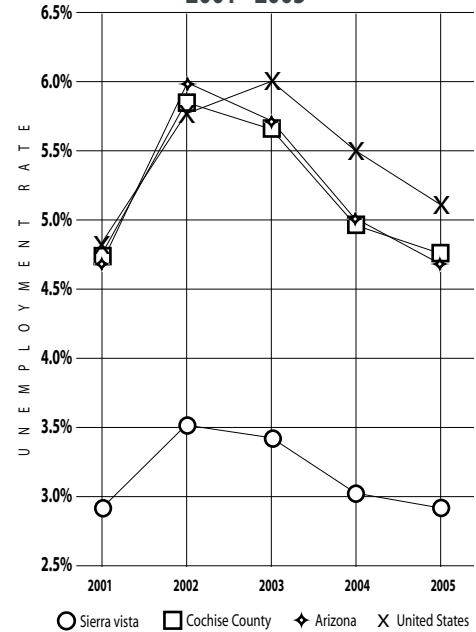
In 2005, Fort Huachuca, whose continued survivability was secured through the 2005 Base Realignment and Closure (BRAC) process, remained the top employer in Sierra Vista, based on the number of full-time equivalent (FTE) employees. An FTE employee equals one full-time or two part-time employees. Fort Huachuca employed 12,204 FTE employees in 2005. The second largest employer in Sierra Vista in 2005 was the Sierra Vista School District, which employed 997 FTE employees. The Sierra Vista Regional Health Center held the third-ranked position with 677 FTE employees. Aegis held the fourth-ranked position with 590 FTE employees. The City of Sierra Vista held the fifth ranking, with 375 FTE employees. The CER conducts an annual major employer survey countywide, with results reported in October of each year.

According to the U.S. Census Bureau, nearly 85 percent of business establishments in Sierra Vista employed fewer than 20 workers each in 2003 (the most recent data available). Of the 987 business establishments in Sierra Vista in 2003, a total of 458, or 46.4 percent, employed fewer than five workers each.

Earnings and Income

The median household income in Sierra Vista for 2004 was approximately \$39,788, compared to \$33,243 for Cochise County and \$41,995 statewide. The medi-

UNEMPLOYMENT COMPARISONS 2001 - 2005



Source: U.S. rate provided by the U.S. Department of Labor; state and county rates provided by the Arizona Department of Economic Security; city rate estimated by the Cochise College Center for Economic Research using a Census Share Model and data provided by the Arizona Department of Economic Security.

SIERRA VISTA MONTHLY UNADJUSTED AND SEASONALLY ADJUSTED UNEMPLOYMENT RATES, 2004-2005

	UNADJUSTED RATE	SEASONALLY ADJUSTED RATE
2004		
January.....	3.5%	3.1%
February.....	3.2%	3.1%
March.....	3.2%	3.1%
April.....	3.1%	3.2%
May.....	2.9%	3.1%
June.....	3.1%	2.9%
July.....	3.1%	2.9%
August.....	3.0%	2.9%
September.....	3.0%	3.1%
October.....	2.8%	2.9%
November.....	2.6%	2.8%
December.....	2.5%	2.7%
2005		
January.....	2.7%	2.5%
February.....	2.9%	2.8%
March.....	2.9%	2.8%
April.....	3.0%	3.1%
May.....	2.7%	2.9%
June.....	2.8%	2.7%
July.....	3.1%	2.9%
August.....	2.9%	2.8%
September.....	3.3%	3.4%
October.....	3.1%	3.1%
November.....	2.9%	3.1%
December.....	2.7%	2.9%

Source: Estimated by the Cochise College Center for Economic Research using a Census Share Model and data provided by the Arizona Department of Economic Security.

SIERRA VISTA CIVILIAN LABOR FORCE, EMPLOYMENT, JOB GAINS, AND JOB GROWTH RATE ESTIMATES, 2001-2005

	CIVILIAN LABOR FORCE	EMPLOYMENT	JOB GAINS	JOB GROWTH RATE
2001	15,697	15,240	—	—
2002	16,300	15,725	485	3.2%
2003	16,762	16,187	462	2.9%
2004	17,060	16,551	364	2.2%
2005	17,561	17,047	496	3.0%

Source: Estimated by the Cochise College Center for Economic Research using a Census Share Model and data provided by the Arizona Department of Economic Security.

SIERRA VISTA'S TOP 25 EMPLOYERS, 2005

EMPLOYER	FTE EMPLOYEES*
Fort Huachuca	12,204
Sierra Vista School District	997
Sierra Vista Regional Health Center	677
Aegis	590
City of Sierra Vista	375
New Tech	293
F.C. Business Systems	279
Lawley Automotive	275
New Mexico Technology Group, LLC	219
KE&G Construction	218
Northrop Integrated Systems	194
Ilex	189
Signal Solutions	187
Fort Huachuca Accommodation School District	181
Arizona Family Care Associates	174
Science Applications International Corp. (SAIC)	150
Cochise College - Sierra Vista Campus	148
Long Realty Company	147
Life Care Center of Sierra Vista	137
Cochise County	135
Mantech	128
Sears	124
All Star Services	123
Home Depot	122
Wick Communications	117

*FTE - 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 Sierra Vista. Source: Cochise College Center for Economic Research.

an family income for Sierra Vista in 2004 was approximately \$46,220, compared to \$39,853 for the county and \$48,995 statewide. Sierra Vista's per capita income in 2004 was approximately \$20,100, compared to \$17,431 for the county and \$22,105 for the state. State figures are estimated by the U.S. Census Bureau; county and city figures are estimated by the CER. (Note: In 2005, the CER adopted a new formula for estimating income; thus, these figures should not be compared to figures from earlier editions of this publication.)

The average wage per job in Sierra Vista in 2004 was approximately \$16.11 per hour, compared to \$15.08 countywide and \$16.56 statewide. The average annual salary in Sierra Vista in 2004 was \$33,507, compared to \$31,359 for the county and \$34,436 for the state. County and state wages and salaries are estimated by DES; sub-county figures are estimated by the CER.

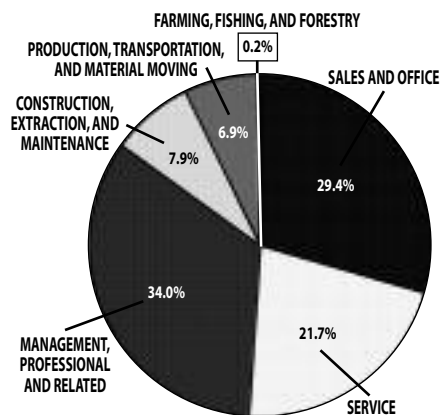
Cochise County Employment

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 percent. Non-farm employment in the county expanded by 5 percent, from 35,150 to 36,900 for a net gain of 1,750 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 mining and construction, which grew by 500 jobs for job growth of 19.6 percent. The vast majority of these jobs were in construction, which has continued to fuel the local economy. Other categories that experienced job growth were professional and business services, which grew by 325 jobs (9.2 percent); financial activities, which grew by 50 jobs (5.6 percent); educational and health services, which grew by 200 jobs (5.3 percent); leisure and hospitality, which grew by 200 jobs (5 percent); state and local government, which grew by 300 jobs (4.4 percent); federal government, which grew by 125 jobs (2.6 percent); other services, which grew by 25 jobs (2.3 percent); and trade, transportation, and utilities, which grew by 50 jobs (0.8 percent). The category of information remained unchanged. The only category to lose jobs in Cochise County in 2005 was manufacturing, which lost 50 jobs for a decline of 5.7 percent.

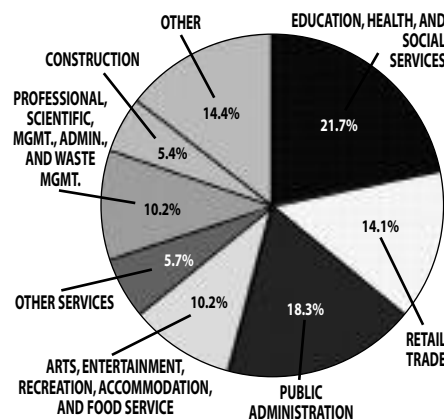
The CER projects the total number of jobs in Cochise County to grow by 11.3 percent between 2005 and 2009, increasing from 53,325 to 59,350 jobs. The average

SIERRA VISTA OCCUPATIONS, 2000



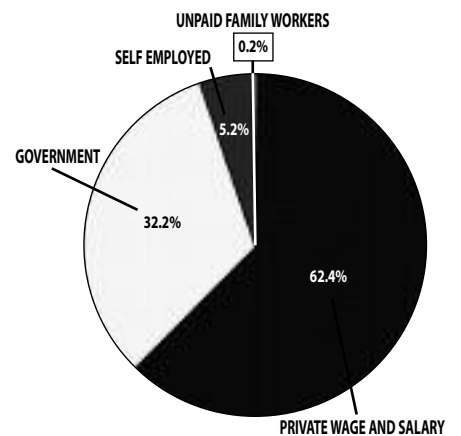
Source: U.S. Census Bureau and Cochise College Center for Economic Research.

SIERRA VISTA INDUSTRIES, 2000 (BY PERCENT OF WORKFORCE)



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

SIERRA VISTA CLASSES OF WORKERS, 2000



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

annual job growth rate for the county is forecasted to be 2.7 percent.

The total number of non-farm jobs in the county is projected to grow by 7.9 percent, increasing from 36,900 to 39,825 jobs between 2005 and 2009. Average annual non-farm job growth is projected to be 1.9 percent. Total private-sector jobs in the county are forecasted to grow by 9.1 percent between 2005 and 2009, increasing from 24,875 to 27,150 jobs, for an average annual job growth rate of 2.2 percent.

The goods-producing sector of the local economy, which includes mining and construction, as well as manufacturing, is projected to increase from 3,875 jobs in 2005 to 4,350 jobs in 2009, for total job growth of 12.3 percent. Most of these jobs will be in the construction industry, as strong 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. Average annual job growth in the county's goods-producing sector is forecasted to be 3 percent between 2006 and 2009.

The service-providing sector in Cochise County is projected to grow from 33,050 jobs in 2005 to 35,475 jobs in 2009, for overall growth of 7.3 percent, and average annual growth of 1.8 percent. 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. Private-sector service-providing jobs are expected to grow from 21,025 jobs in 2005 to 22,800 jobs in 2009, for overall growth of 8.4 percent and average annual growth of 2 percent.

Overall, it is projected that 6,025 jobs will be created in the county between 2005 and 2009. Of these, 2,925 are projected to be non-farm jobs, while the remaining 3,100



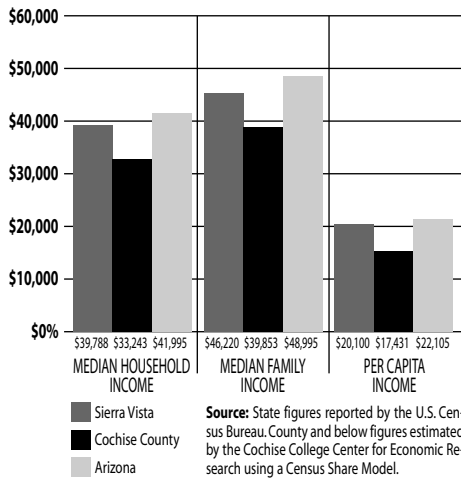
The UAV program has continued to expand and grow as a critical part of Ft. Huachuca. Photo courtesy of Sierra Vista Economic Development Foundation.

SIERRA VISTA BUSINESS ESTABLISHMENTS BY EMPLOYMENT-SIZE CLASS, 2003

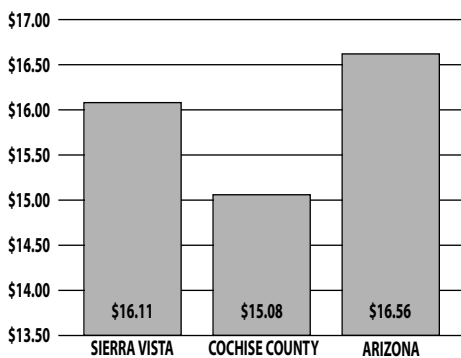
INDUSTRY	NUMBER OF ESTABLISHMENTS BY EMPLOYMENT-SIZE CLASS							
	1-4	5-9	10-19	20-49	50-99	100-249	250-499	500-999
Retail Trade	69	60	34	10	7	7	2	0
Health Care and Social Assistance	52	37	28	10	4	2	0	1
Other Services (Except Public Administration)	67	17	15	7	0	0	0	0
Professional, Scientific, and Technical Services	56	14	10	9	1	5	1	0
Construction	40	16	18	11	5	0	0	0
Accommodation & Food Services	14	18	18	26	6	2	0	0
Real Estate & Rental & Leasing	41	15	6	2	0	0	0	0
Finance & Insurance	33	15	7	4	0	0	0	0
Admin., Waste Mgmt., & Remediation Services	29	11	6	5	1	0	0	1
Wholesale Trade	11	5	3	2	0	0	0	0
Information	8	5	4	2	2	0	0	0
Transportation & Warehousing	11	0	3	4	0	0	0	0
Manufacturing	7	3	1	2	0	0	0	0
Educational Services	6	2	1	1	1	0	0	0
Arts, Entertainment, & Recreation	4	2	2	1	1	0	0	0
Utilities	4	1	1	3	0	0	0	0
Unclassified Establishments	5	1	0	0	0	0	0	0
Management of Companies & Enterprises	1	0	1	1	0	0	0	0
TOTAL	458	222	158	100	28	16	3	2

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

INCOME COMPARISON, 2004

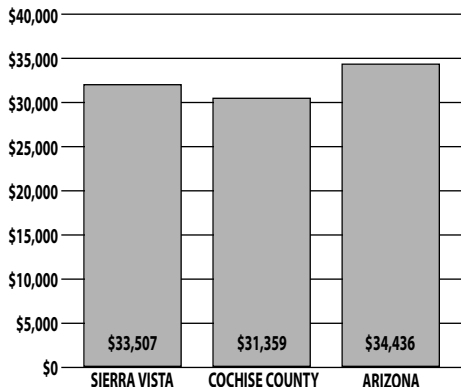


AVERAGE HOURLY WAGE COMPARISONS 2004



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

AVERAGE ANNUAL SALARY COMPARISONS 2004



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

are projected to occur in the agriculture sector. Of the 2,925 non-farm jobs, 2,275 are projected to be in the private sector and 650 in government.

Of total non-farm job creation in Cochise County, the industry groupings projected to see the largest numbers of new jobs are education and health services, mining and construction, federal government, and leisure and hospitality.

The category of educational and health services is projected to grow by 650 jobs between 2005 and 2009, increasing from 4,000 to 4,650, for total job growth of 16.3 percent. The average annual job growth in this category is projected to be 3.8 percent over the next four years. 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 increased influxes of retirees will increase demand for health services workers.

The category of mining and construction is projected to grow by 550 jobs between 2005 and 2009, increasing from 3,050 to 3,600, for total job growth of 18 percent. The average annual job growth in this category is projected to be 4.3 percent over the next four years. Most of the new jobs will occur in construction as residential and business development continues throughout the county and strong population growth counteracts increases in long-term interest rates and inflationary pressures.

The category of federal government is also projected to grow by 550 jobs between 2005 and 2009, increasing from 4,900 to 5,450, for total job growth of 11.2 percent. The average annual job growth rate in this category is projected to be 2.7 percent over the next four years. 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 category of leisure and hospitality is projected to grow by 400 jobs between 2005 and 2009, increasing from 4,200 to 4,600, for total job growth of 9.5 percent. The average annual job growth in this category is projected to be 2.3 percent over the next four years. 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

COCHISE COUNTY EMPLOYMENT BY CATEGORY, 2004-2005

	2005	2004	CHANGE	% CHANGE
Total Employment	53,325	51,750	1,575	3.0%
Total Nonfarm	36,900	35,150	1,750	5.0%
Total Private	24,875	23,600	1,275	5.4%
Goods Producing	3,875	3,425	450	13.1%
Mining and Construction	3,050	2,550	500	19.6%
Manufacturing	825	875	-50	-5.7%
Service-Providing	33,050	31,725	1,325	4.2%
Private Service-Providing	21,025	20,175	850	4.2%
Trade, Transportation, and Utilities	6,350	6,300	50	0.8%
Information	525	525	0	0.0%
Financial Activities	950	900	50	5.6%
Professional and Business Services	3,875	3,550	325	9.2%
Educational and Health Services	4,000	3,800	200	5.3%
Leisure and Hospitality	4,200	4,000	200	5.0%
Other Services	1,125	1,100	25	2.3%
Government	12,025	11,550	475	4.1%
Federal Government	4,900	4,775	125	2.6%
State and Local Government	7,100	6,800	300	4.4%

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

brings an increasing number of military and civilian personnel to the area on temporary duty status.

The category of professional and business services is projected to grow by 250 jobs between 2005 and 2009, increasing from 3,875 to 4,125, for total job growth of 6.5 percent. The average annual job growth in this category is projected to be 1.6 percent over the next four years.

The category of trade, transportation, and utilities is projected to grow by 225 jobs between 2005 and 2009, increasing from 6,350 to 6,575, for total job growth of 3.5 percent. The average annual job growth rate in this category is projected to be 0.9 percent over the next four years.

The category of financial activities is projected to grow by 150 jobs between 2005 and 2009, increasing from 950 to 1,100, for total job growth of 15.8 percent. The average annual job growth in this category is projected to be 3.8 percent over the next four years. Strong job growth in this category will be driven by increased business and residential development in the area, necessitating increased and expanded financial support activities.

The category of state and local government is projected to grow by 125 jobs between 2005 and 2009, increasing from 7,100 to 7,225, for total job growth of 1.8 percent. The average annual job growth rate in this category is projected to be 0.5 percent over the next four years.

The category of other services is projected to grow by 75 jobs between 2005 and 2009, increasing from 1,125 to 1,200, for total job growth of 6.7 percent. Average annual job growth in this category is projected to be 1.6 percent over the next four years.

The category of information is projected to grow by 25 jobs between 2005 and 2009, increasing from 525 to 550, for total job growth of 4.8 percent. The average annual job growth in this category is projected to be 1.2 percent over the next four years.

The category of manufacturing is projected to decline by 75 jobs between 2005 and 2009, decreasing from 825 to 750. The overall growth level is projected at -9.1 percent, with an annual growth rate of -2.3 percent. Slower growth is attributable to increased foreign competition and excess capacity in these markets.

COCHISE COUNTY JOB GROWTH PROJECTIONS, 2006-2009

	2006		2007		2008		2009	
	NUMBER	GROWTH	NUMBER	GROWTH	NUMBER	GROWTH	NUMBER	GROWTH
Total Number of Jobs	54,825	2.8%	56,350	2.8%	57,850	2.7%	59,350	2.6%
Total Non-farm Jobs	37,275	1.0%	38,075	2.1%	39,000	2.4%	39,825	2.1%
Total Private Sector Jobs	25,200	1.3%	25,800	2.4%	26,525	2.8%	27,150	2.4%
Goods Producing	3,875	0.0%	4,025	3.9%	4,200	4.3%	4,350	3.6%
Mining & Construction	3,050	0.0%	3,225	5.7%	3,425	6.2%	3,600	5.1%
Manufacturing	825	0.0%	800	-3.0%	775	-3.1%	750	-3.2%
Service-Providing	33,400	1.1%	34,050	1.9%	34,800	2.2%	35,475	1.9%
Private Service Providing	21,325	1.4%	21,775	2.1%	22,325	2.5%	22,800	2.1%
Trade, Transportation, and Utilities	6,350	0.0%	6,425	1.2%	6,500	1.2%	6,575	1.2%
Information	525	0.0%	525	0.0%	550	4.8%	550	0.0%
Financial Activities	1,000	5.3%	1,025	2.5%	1,075	4.9%	1,100	2.3%
Professional and Business Services	3,875	0.0%	3,950	1.9%	4,050	2.5%	4,125	1.9%
Educational and Health Services	4,125	3.1%	4,300	4.2%	4,475	4.1%	4,650	3.9%
Leisure and Hospitality	4,300	2.4%	4,400	2.3%	4,500	2.3%	4,600	2.2%
Other Services	1,150	2.2%	1,150	0.0%	1,175	2.2%	1,200	2.1%
Government	12,075	0.4%	12,275	1.7%	12,475	1.6%	12,675	1.6%
Federal Government	5,025	2.6%	5,175	3.0%	5,300	2.4%	5,450	2.8%
State and Local Government	7,050	-0.7%	7,100	0.7%	7,175	1.1%	7,225	0.7%

Forecasts by the Cochise College Center for Economic Research.



SSVEC made a difference by sending a group of workers to assist in restoring power to the victims of Hurricane Katrina. Photo courtesy of SSVEC.

Retail and Trade



The Mall at Sierra Vista offers a variety of retailers to the residents and surrounding area of Sierra Vista.
Photo courtesy of Kimberly Kelso

SIERRA VISTA TOTAL TAXABLE SALES, 1996-2005

YEAR	SALES	PERCENT CHANGE	INFLATION-ADJUSTED GROWTH
1996	\$398,108,527	1.5%	-1.5%
1997	\$420,534,696	5.6%	3.3%
1998	\$440,770,623	4.8%	3.2%
1999	\$517,672,468	17.4%	15.2%
2000	\$562,917,104	8.7%	5.3%
2001	\$603,447,130	7.2%	4.4%
2002	\$640,771,083	6.2%	4.6%
2003	\$696,687,518	8.7%	6.4%
2004	\$758,968,654	8.9%	6.2%
2005*	\$671,273,098	9.4%	5.1%

*Data for January through October only. Percent change is calculated by comparing current figures to those of the same period a year prior. Real, inflation-adjusted growth is calculated using the inflation rates as determined by the Consumer Price Index (CPI), October 2004-October 2005 change. Data shown are estimates. Source: Arizona Department of Revenue and Cochise College Center for Economic Research. Except as noted above, real, inflation-adjusted growth is calculated using the annual inflation rates as determined by the Consumer Price Index (CPI), change in average annual index value.

Total Taxable Sales

Total taxable sales in Sierra Vista include the categories of communications and utilities; transportation and warehousing; construction; manufacturing; wholesale trade; retail trade; finance and insurance; real estate, rental and leasing; restaurant and bar; accommodation; public administration; services; arts and entertainment; and the category of “other.”

Taxable sales in Sierra Vista for 2004 totaled \$759 million, up 8.9 percent from 2003. Adjusting for inflation, which was 2.7 percent in 2004, this represents real growth of 6.2 percent. Total taxable sales for January through October 2005 were \$671.3 million, up 9.4 percent from the same period in 2004. Adjusting for inflation, this reflects real growth of 5.1 percent. Total sales have continued to grow robustly, despite tighter monetary policy at the national level, which has translated into higher interest rates locally. The continued strength of the local economy is attributable to the strong population growth, which increases the number of buyers, shifting the city’s aggregate demand curve to the right.

From November 2004 through October 2005, the most recent 12-month period for which data are available, retail sales totaled \$472.8 million, or 57.9 percent of total taxable sales, making retail the largest category of sales within the city. The second largest category of sales was construction, which accounted for \$101 million or 12.4 percent of total sales. The next largest category was communications and utilities, which totaled \$58.5 million or 7.2 percent of total sales, followed by restaurant and bar sales, which totaled \$53.6 million or 6.6 percent of total sales. Sales in the category of real estate, rental and leasing totaled \$45.6 million, or 5.6 percent of all taxable sales in the city, making it the fifth largest category of sales. All other categories of sales accounted for less than 3 percent each of the city’s total taxable sales.

From January through October 2005, taxable sales in Sierra Vista accounted for 58.7 percent of total taxable sales in Cochise County. In 2004, the Arizona Department of Revenue transitioned from the Standard Industrial Classification (SIC) system to the North American Industrial Classification System (NAICS). This transition precludes comparisons of 2004 sales data to that of previous years for many categories of sales.

Retail Sales

According to the U.S. Census Bureau, in 2003 there were 189 establishments in Sierra Vista whose primary business was retail trade. The number of retail establishments in Sierra Vista remained relatively stable between 2001 and 2003.

In 2004, retail sales in Sierra Vista totaled \$443.1 million, up 8.9 percent from 2003, for inflation-adjusted growth of 6.2 percent. Retail sales for January through October 2005 were \$382.8 million, up 6.3 percent from the same period in 2004. This reflects real, inflation-adjusted growth of 2 percent. In the first 10 months of 2005, retail sales in Sierra Vista accounted for 65.3 percent of all retail sales countywide.

The slowed growth in retail sales from January through October 2005 reflects the tightening of monetary policy at the national level, which has resulted in higher interest rates throughout the economy. Higher interest rates have the effect of discouraging borrowing and slowing consumer spending. However, despite the continued tightening of monetary policy, along with nationwide inflationary pressures, retail sales in the city have continued to grow at a respectable pace. This is likely attributable to the continued strong population growth, which adds consumers to the local economy increasing the demand for retail goods. This strong population growth should continue to help offset declines in retail sales that would otherwise be expected as interest rates continue to rise.

Restaurant and Bar Sales

In 2004, restaurant and bar receipts in Sierra Vista totaled \$50.2 million, up 1.5 percent from 2003. This represents inflation-adjusted growth of -1.2 percent. From January through October 2005, restaurant and bar sales rebounded, totaling \$45.1 million, a 5.6 percent increase over the same period in 2004. This reflects real growth of 1.3 percent for the first 10 months of the year. From January through October 2005, restaurant and bar sales in Sierra Vista accounted for 51.3 percent of sales in this category countywide.

Since 2000, restaurant and bar sales in Sierra Vista have shown mixed performance. In 2000, sales in this category posted strong real growth of 18.3 percent, despite the national recession that began that year. This was due in large part to the addition of several new restaurants. In 2001, sales dropped off substantially, reflecting the national recession and the fallout of the September 11, 2001, attacks, which decreased tourism and overall economic activity. Restaurant and bar sales recovered strongly in 2002, posting real gains of 11.3 percent. In 2003, growth in this category slowed but still posted respectable gains of 3.9 percent in real terms.

The slower growth in recent years is likely attributable to tighter monetary policy at the national level, in the form of higher interest rates. Higher interest



SIERRA VISTA TOTAL TAXABLE SALES BY CATEGORY, NOV 04 THRU OCT 05

INDUSTRY GROUP	SALES	% OF TOTAL SALES
Communications & Utilities	\$58,513,800	7.2%
Transportation & Warehousing	\$972,467	0.1%
Construction	\$101,010,467	12.4%
Manufacturing	\$22,373,733	2.7%
Wholesale Trade	\$16,618,733	2.0%
Retail Trade	\$472,843,188	57.9%
Finance & Insurance	\$593,333	0.1%
Real Estate, Rental & Leasing	\$45,554,867	5.6%
Restaurant & Bar	\$53,630,615	6.6%
Accommodation	\$14,897,345	1.8%
Services	\$20,782,533	2.5%
Arts and Entertainment	\$1,066,533	0.1%
Other	\$7,914,333	1.0%
TOTAL	\$816,771,948	

Note: Figures represent sales from November 1, 2004 through October 30, 2005. In 2004, the Arizona Department of Revenue switched reporting format from the Standard Industrial Classification (SIC) System to the North American Industrial Classification System (NAICS). This change precludes comparisons of 2004 data to that of previous years for most categories. **Source:** Arizona Department of Revenue and Cochise College Center for Economic Research. Data shown are estimates.

SIERRA VISTA RETAIL SALES, 1996-2005

YEAR	SALES	PERCENT CHANGE	INFLATION-ADJUSTED GROWTH
1996	\$236,689,543	3.1%	0.1%
1997	\$254,827,951	7.7%	5.4%
1998	\$268,802,385	5.5%	3.9%
1999	\$290,453,419	8.1%	5.9%
2000	\$336,865,409	16.0%	12.6%
2001	\$363,354,860	7.9%	5.1%
2002	\$384,784,067	5.9%	4.3%
2003	\$406,888,567	5.7%	3.4%
2004	\$443,083,563	8.9%	6.2%
2005*	\$382,783,878	6.3%	2.0%

*Data for January through October only. Percent change is calculated by comparing current figures to those of the same period a year prior. Real, inflation-adjusted growth is calculated using the inflation rates as determined by the Consumer Price Index (CPI), October 2004-October 2005 change. Data shown are estimates. **Source:** Arizona Department of Revenue and Cochise College Center for Economic Research. Except as noted above, real, inflation-adjusted growth is calculated using the annual inflation rates as determined by the Consumer Price Index (CPI), change in average annual index value.

Long Realty has added to its facility to offer services to the many homebuyers in the Sierra Vista area. Photo courtesy of Kimberly Kelso.

SIERRA VISTA RESTAURANT & BAR SALES, 1996-2005

YEAR	SALES	PERCENT CHANGE	INFLATION-ADJUSTED GROWTH
1996	\$28,547,048	-4.3%	-7.3%
1997	\$30,733,408	7.7%	5.4%
1998	\$32,753,370	6.6%	5.0%
1999	\$35,586,083	8.6%	6.4%
2000	\$43,314,881	21.7%	18.3%
2001	\$41,234,866	-4.8%	-7.6%
2002	\$46,545,800	12.9%	11.3%
2003	\$49,436,483	6.2%	3.9%
2004	\$50,190,962	1.5%	-1.2%
2005*	\$45,111,422	5.6%	1.3%

*Data for January through October only. Percent change is calculated by comparing current figures to those of the same period a year prior. Real, inflation-adjusted growth is calculated using the inflation rates as determined by the Consumer Price Index (CPI), October 2004-October 2005 change. Data shown are estimates. Source: Arizona Department of Revenue and Cochise College Center for Economic Research. Except as noted above, real, inflation-adjusted growth is calculated using the annual inflation rates as determined by the Consumer Price Index (CPI), change in average annual index value.

SIERRA VISTA ACCOMMODATION SALES, 2000-2005

YEAR	TOTAL REVENUE	PERCENT CHANGE	INFLATION-ADJUSTED GROWTH
2000	\$9,699,469	—	—
2001	\$10,130,687	4.4%	1.6%
2002	\$10,598,764	4.6%	3.0%
2003	\$10,496,545	-1.0%	-3.3%
2004	\$12,665,528	20.7%	18.0%
2005*	\$12,931,400	20.9%	16.6%

*Data for January through October only. Percent change is calculated by comparing current figures to those of the same period a year prior. Real, inflation-adjusted growth is calculated using the inflation rates as determined by the Consumer Price Index (CPI), October 2004-October 2005 change. Data shown are estimates. Source: Arizona Department of Revenue and Cochise College Center for Economic Research. Except as noted above, real, inflation-adjusted growth is calculated using the annual inflation rates as determined by the Consumer Price Index (CPI), change in average annual index value.

SIERRA VISTA SHARE OF TOTAL COUNTY SALES, 2005

CATEGORY	PERCENT OF COCHISE COUNTY SALES
Total Taxable Sales	58.7%
Retail	65.3%
Restaurant & Bar	51.3%
Accommodation	45.6%

Note: January through October sales only. Source: Arizona Department of Revenue and Cochise College Center for Economic Research.

New commercial growth abounds in the Sierra Vista area. Photo courtesy of Kimberly Kelso.

rates raise the cost of previously incurred, variable-rate consumer debt, leaving individuals and families with less disposable income. Often, dining out and other non-necessities are the first to be cut from the family budget as discretionary income declines. Much of the decline that would otherwise be expected has been offset by increased activity at Fort Huachuca, which recently has brought increasing numbers of military and civilian personnel to the area on temporary duty status.

Accommodation Receipts

Sierra Vista's sales tax on lodging is 5.5 percent. Combined with the county and state privilege taxes, Sierra Vista's total lodging tax rate of 11.55 percent is equal to or lower than 35 of the other 74 Arizona communities tracked by the Arizona Office of Tourism as of July 2005.

In 2004, accommodation (hotel, motel, and other lodging) receipts in Sierra Vista increased by 20.7 percent, from \$10.5 to \$12.7 million, reflecting real growth of 18 percent. Accommodation receipts increased 20.9 percent in the first 10 months of 2005, reflecting real, inflation-adjusted growth of 16.6 percent. From January through October 2005, Sierra Vista's accommodation receipts accounted for 45.6 percent of the county total.

The strong growth in 2004 and the first 10 months of 2005 reflects a rebound from the much slower growth that occurred from 2001 to 2003 and is attributable to the construction of new facilities, as well as increased activity at Fort Huachuca, which recently has brought increasing numbers of military and civilian personnel to the area on temporary duty status. The increased capacity offered by the recent opening of the Fairfield Inn and Suites, which added 42 rooms to the city's inventory, has made room for visitors who previously would have been forced to stay in lodging facilities outside the city due to unavailability in Sierra Vista.

In March 2005, plans were filed for a 78-room Holiday Inn Express and a 71-unit Candlewood Suites on county land along Highway 92 near Avenida Cochise in Sierra Vista. The city is in the process of annexing this land. Work on these hotels began in September 2005 and is projected to be complete by mid-2006. This added capacity will further strengthen the city's accommodation sales, which have grown robustly since 2004.

While slower growth in accommodation receipts would ordinarily be expected with tighter monetary policy at the national level in the form of higher interest rates, which tends to discourage domestic travel and tourism, along with rising fuel prices which produce a similar effect, the continued added lodging capacity and increased activity at Fort Huachuca will more than offset the otherwise worsening economic conditions.



Business Establishments

According to the U.S. Census Bureau, as of 2003 there were 987 business establishments located in the Sierra Vista area (zip codes 85635, 85636, and 85650). The industry with the largest number of business establishments was retail trade, with 189 establishments, followed by healthcare and social assistance, with 134 establishments; other services (except public administration), with 106 establishments; professional, sci-



Photo courtesy of Sierra Vista Convention and Visitors Bureau.

SIERRA VISTA BUSINESS ESTABLISHMENTS, 2001-2003

INDUSTRY	2001	2002	2003
Retail Trade	185	181	189
Health Care and Social Assistance	113	129	134
Other Services (Except Public Administration) ..	95	102	106
Professional, Scientific, and Technical Services ..	98	104	96
Construction	85	88	90
Accommodation & Food Services	79	89	84
Real Estate & Rental & Leasing	53	67	63
Finance & Insurance	66	62	59
Admin., Waste Mgmt., & Remediation Services ..	49	48	53
Wholesale Trade	21	21	21
Information	17	19	21
Transportation & Warehousing	17	19	18
Manufacturing	13	9	14
Educational Services	16	13	11
Arts, Entertainment, & Recreation	6	9	10
Utilities	9	10	9
Unclassified Establishments	16	6	6
Management of Companies & Enterprises	2	2	3
TOTAL	939	977	987

Source: U.S. Census Bureau and Cochise College Center for Economic Research. Data for zip codes 85635, 85636, and 85650.

entific, and technical services, with 96 establishments; construction, with 90 establishments; and accommodation and food services, with 84 establishments. Other industries in Sierra Vista each had 63 or fewer establishments.

Between 2001 and 2003, the most recent data available, the number of business establishments in the Sierra Vista area grew from 939 to 987, an increase of 5.1 percent. Of industries with at least 20 establishments in Sierra Vista in 2001, the fastest growing in terms of the number of establishments were real estate and rental and leasing, which added 10 establishments for an increase of 18.9 percent; healthcare and social assistance, which added 21 establishments for an increase of 18.6 percent; and other services (except public administration), which added 11 establishments for an increase of 11.6 percent.

Business Licenses

In 2005, there were 437 new business licenses issued by the city of Sierra Vista, up from 257 in 2004. However, the number of licenses cancelled or not renewed also increased substantially, from 207 to 257. At the end of 2005, there were 1,844 active business licenses in the city, up from 1,664 in 2004, for an increase of 180 licenses, or 10.8 percent.

Sierra Vista Retail Out-Shopping Survey

In late 2005 and early 2006, the Cochise College Center for Economic Research (CER) conducted a retail out-shopping survey of Sierra Vista residents to determine their level of out-shopping. Out-shopping refers to shopping done by Sierra Vista residents at businesses located outside the City of Sierra Vista. The survey included nearly 400 Sierra Vista residents. See the table in this section listing out-shopping by category of sales.

SIERRA VISTA BUSINESS LICENSES, 2003-2005

	2003	2004	2005
New Licenses	316	257	437
Cancelled/Non-renewed Licenses	231	207	257
Year-end Total Licenses	1,614	1,664	1,844

Source: City of Sierra Vista.

OUT-SHOPPING BY SIERRA VISTA RESIDENTS, 2005-2006

CATEGORY OF SALES	OUT-SHOPPING (%)
Auto parts and accessories	29.5%
Furniture	45.1%
Home Furnishings.....	39.6%
Electronics	37.4%
Computer hardware/software	49.6%
Appliances	33.2%
Building materials	25.7%
Hardware	24.3%
Garden supplies	22.7%
Groceries.....	14.3%
Beer, wine, and liquor	23.1%
Health and personal care items	16.0%
Gasoline	18.2%
Men's clothing.....	30.5%
Women's clothing	33.8%
Children's clothing.....	37.4%
Jewelry	40.8%
Sporting goods.....	37.3%
Hobby supplies.....	44.2%
Books	34.0%
Music (CDs, tapes, etc.)	27.6%
Video (DVDs, VHS tapes, etc.).....	22.7%

Source: Cochise College Center for Economic Research.

The category of computer hardware and software saw the greatest percentage of out-shopping. Residents reported conducting 49.6 percent of their shopping for computer hardware and software outside Sierra Vista. This was followed by furniture, with reported out-shopping of 45.1 percent; hobby supplies, with 44.2 percent out-shopping; and jewelry, with 40.8 percent out-shopping. Out-shopping for all other categories of merchandise was reported at less than 40 percent.

The category of groceries saw the lowest level of out-shopping. Residents reported making 14.3 percent of their grocery purchases outside Sierra Vista. This was followed by health and personal care items at 16 percent and gasoline at 18.2 percent.

Overall, Sierra Vista residents reported conducting 23.8 percent of their retail shopping over the Internet and 20 percent through catalogs. Of total survey respondents, more than half offered narrative comments in the free response section of the survey. Of those offering narrative comments, 31.6 percent cited a lack of variety of stores and merchandise, 4.7 percent complained prices were too high, and 3.3 percent cited poor customer service.

As mentioned above, hobby supplies saw one of the largest rates of out-shopping at 44.2 percent, the third highest of all categories. This was reinforced in the free response section of the survey, where 7.9 percent of those leaving comments cited the lack of availability of arts, crafts, or hobby supplies, or called for specific arts and crafts retail outlets, such as Michael's. More than 80 percent of those surveyed reported purchasing hobby supplies.



The SSVEC work team takes a few minutes to eat before they continue to assist restoring power to the residents affected by Hurricane Katrina. Photo courtesy of SSVEC.



Housing and Real Estate

New construction continues to be visible throughout the Sierra Vista area. Photo courtesy of Kimberly Kelso.

In 2005, the local housing market was characterized by a shift away from new home construction and toward the purchase of existing homes. The City of Sierra Vista saw its first decline in permits for new, single-family residential construction in more than a decade. At the county level, permits for new single-family residential construction grew at its slowest rate in years. At the same time, the volume of sales of existing homes grew by more than 20 percent as homeowners and investors sought to cash in their equity and capitalize on higher home prices.

New and Existing Home Sales

In 2005, there were 1,624 new and existing single-family homes sold in the Sierra Vista area, up from 1,340 in 2004 (Note: This number includes only those homes listed on the Multiple Listing Service [MLS] and includes site-built, manufactured homes, mobile homes, townhouses, and condominiums). The CER defines the Sierra Vista area as Sierra Vista, Huachuca City, and Hereford. This 21.2 percent increase in the volume of homes sold in 2005 reflects a period of record low interest rates that helped the housing market not only locally, but nationwide. The continued strong population growth in the Sierra Vista area also contributed to a strong real estate market locally.

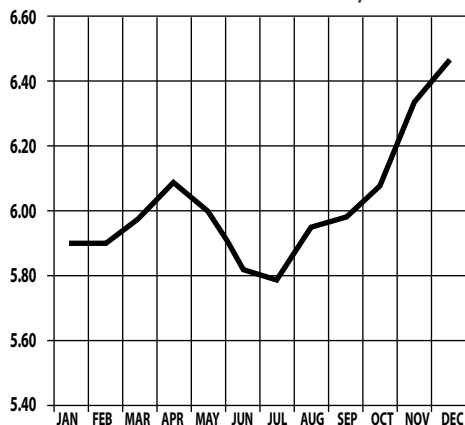
From June 2003 to June 2004, the federal funds rate, a major determinant of mortgage rates, sat at 1 percent, its lowest level since 1958. But although the federal funds rate has increased steadily since June 2004, mortgage rates have been unusually slow to respond. As the targeted federal funds rate increased steadily from 1 percent to 2.5 percent between June 2004 and February 2005, the average contract rate on a fixed, 30-year conventional mortgage, as reported by the Federal Housing Finance Board, actually decreased from 6.25 to 5.9 percent, continuing the housing boom that began

NEW AND EXISTING HOME SALES SIERRA VISTA AREA, 1996-2005

YEAR	NUMBER OF HOMES	AVERAGE PRICE	PERCENT CHANGE (PRICE)	MEDIAN PRICE	PERCENT CHANGE (MEDIAN)
1996	669	\$102,013	5.3%	\$95,000	7.7%
1997	662	\$104,517	2.5%	\$96,000	1.1%
1998	784	\$108,717	4.0%	\$100,000	4.2%
1999	926	\$111,642	2.7%	\$102,000	2.0%
2000	937	\$114,180	2.3%	\$103,618	1.6%
2001	986	\$119,227	4.4%	\$106,500	2.8%
2002	1,109	\$129,195	8.4%	\$116,900	9.8%
2003	1,086	\$144,059	11.5%	\$134,000	14.6%
2004	1,340	\$166,598	15.6%	\$153,902	14.9%
2005	1,624	\$197,007	18.3%	\$185,875	20.8%

Note: The Sierra Vista area is defined as Sierra Vista, Hereford, and Huachuca City. Prices include land. Data in this table include only those new and existing homes listed with the Southeast Arizona Multiple Listing Service. Includes all single-family site built, manufactured homes, mobile homes, townhouses, and condominiums. **Source:** Sierra Vista Area Association of Realtors; Southeast Arizona Multiple Listing Service.

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



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

in mid-2003. Between February and April 2005, the average contract rate inched upward to 6.09 percent, but then dropped steadily between April and July to 5.79 percent. Between July and December, the average rate for a 30-year fixed mortgage climbed to 6.46 percent.

The median price of new and existing homes sold in the Sierra Vista area in 2005 was \$185,875, up 20.8 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). The average price in 2005 was \$197,007. Of all homes sold in the Sierra Vista market, 35.2 percent were sold at prices ranging from \$155,000 to \$223,500. Twenty-five percent were sold at prices between \$86,500 and \$155,000, and 21 percent were sold at prices between \$223,500 and \$292,000.

On average, single-family homes sold in the Sierra Vista area sold at 98.8 percent of the asking price. A total of 16.6 percent of homes sold in the area sold at prices above the asking price, indicating disequilibrium between supply and demand in the local housing market, characterized by a shortage of new and existing homes. A total of 42.7 percent of homes sold at the asking price, while 40.7 percent sold below the asking price. The average home sold in the Sierra Vista area in 2005 was 1,604 square feet with three bedrooms and two baths. The average price per square foot was \$117.95. The average number of days on the market was 128.

Narrowing this analysis to include only site-built homes in the Sierra Vista area, the median price in 2005 was \$202,000 and the average price was \$213,754. On average, single-family, site-built homes sold in the Sierra Vista area sold at 99.1 percent of the asking price. A total of 17.3 percent of site-built homes sold in the area sold at prices above the asking price. A total of 45 percent of site-built homes sold at the asking price, while 37.7 percent sold below the asking price. The average site-built home sold in the Sierra Vista area in 2005 was 1,792 square feet with three bedrooms and two baths. The average price per square foot was \$119.06. The average number of days on the market was 100.

Of all single-family residential homes (including site-built, manufactured homes, mobile homes, townhouses, and condominiums) sold only in Sierra Vista, the median price in 2005 was \$191,000 and the average price was \$201,638. On average, single-family homes sold only in Sierra Vista sold at 99.8 percent of the asking price. A total of 16.8 percent of homes sold in Sierra Vista sold at prices above the asking price. A total of 44.5 percent of homes sold at the asking price, while 38.7 percent sold below the asking price. The average home sold in Sierra Vista in 2005 was 1,760 square feet with three bedrooms and two baths. The average price per square foot was \$114.69. The average number of days on the market was 100.



Construction continues on the new hotels located just outside the main gate to Ft. Huachuca. Photo courtesy of Sierra Vista Economic Development Foundation.

A further narrowing of this analysis to only site-built homes sold only in Sierra Vista, shows the median price in 2005 was \$201,000 and the average price was \$213,264. On average, single-family, site-built homes sold in Sierra Vista sold at 99.3 percent of the asking price. A total of 17.5 percent of site-built homes sold in Sierra Vista sold at prices above the asking price. A total of 46.4 percent of site-built homes sold at the asking price, while 36.1 percent sold below the asking price. The average site-built home sold in Sierra Vista in 2005 was 1,790

square feet with three bedrooms and two baths. The average price per square foot was \$119.49. The average number of days on the market was 100.

In 2006, the Cochise College Center for Economic Research (CER) expanded its analysis of the local housing market to include analysis of asking-selling price differentials, square-footage, days on market, and price per square foot; separate analysis for the market area and Sierra Vista only; and all homes sold versus site-built homes only, as presented above. At the time of this publication, historical data sets for the expanded analysis were unavailable; thus, comparisons to previous years are not possible at this time. In the coming year, the CER will seek to construct historical data sets, and begin building data sets for future, more comprehensive analysis.



New Port Royal Luxury Apartments offering multiple units at competitive prices. Photo courtesy of Kimberly Kelso.

Housing Affordability

Beginning in 2005, the CER began tracking housing affordability in the Sierra Vista area (Sierra Vista, Huachuca City, and Hereford). The CER utilizes the same methodology as the National Association of Realtors in its Housing Affordability Index (HAI). The HAI gauges whether a typical family would qualify for a mortgage on a typical home.

CER defines a typical home as a median-priced, new or existing single-family home, including site-built homes, manufactured homes, mobile homes, townhouses, and condominiums. In 2005, the median price of new and existing single-family homes in the Sierra Vista area was \$185,875.

A typical family is defined as one earning the median family income, as estimat-

SIERRA VISTA MARKET DISTRIBUTION OF HOME PRICES, 2005

MINIMUM PRICE	MAXIMUM PRICE	MIDPOINT PRICE	NO. OF HOMES	% OF TOTAL HOMES
\$18,000	\$86,500	\$52,250	117	7.2%
\$86,500	\$155,000	\$120,750	406	25.0%
\$155,000	\$223,500	\$189,250	572	35.2%
\$223,500	\$292,000	\$257,750	341	21.0%
\$292,000	\$360,500	\$326,250	121	7.5%
\$360,500	\$429,000	\$394,750	40	2.5%
\$429,000	\$497,500	\$463,250	17	1.0%
\$497,500	\$566,000	\$531,750	7	0.4%
\$566,000	\$634,500	\$600,250	0	0.0%
\$634,500	\$703,000	\$668,750	1	0.1%
\$703,000	\$771,500	\$737,250	1	0.1%
\$771,500	\$840,000	\$805,750	1	0.1%

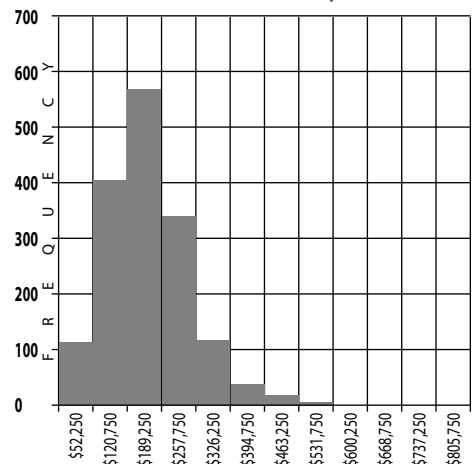
Note: Includes only those new and existing homes listed on Southeast Arizona Multiple Listing Service. Includes Sierra Vista, Hereford, and Huachuca City. Includes single family site-built, manufactured homes, mobile homes, townhouses, and condominiums **Source:** Southeast Arizona Multiple Listing Service and Cochise College Center for Economic Research.

LOCAL HOUSING MARKET AT A GLANCE, 2005

SINGLE FAMILY RESIDENTIAL	MARKET AREA*		SIERRA VISTA ONLY	
	ALL**	SITE BUILT ONLY	ALL**	SITE BUILT ONLY
Number Sold	1,624	1,373	1,286	1,150
Average Asking Price	\$199,110	\$215,738	\$203,433	\$214,958
Average Selling Price	\$197,007	\$213,754	\$201,638	\$213,264
Median Asking Price	\$187,900	\$202,550	\$192,900	\$200,950
Median Selling Price	\$185,875	\$202,000	\$191,000	\$201,000
Average Selling Price As % of Asking Price	98.8%	99.1%	99.8%	99.3%
Number of Homes Sold Above Asking Price (%)	16.6%	17.3%	16.8%	17.5%
Number of Homes Sold At Asking Price (%)	42.7%	45.0%	44.5%	46.4%
Number of Homes Sold Below Asking Price (%)	40.7%	37.7%	38.7%	36.1%
Average Number of Bedrooms	3	3	3	3
Average Number of Bathrooms	2	2	2	2
Average Number of Days on Market	128	100	100	100
Average Square Footage (Heated/Cooled only)	1,604	1,792	1,760	1,790
Average Price Per Square Foot	\$117.95	\$119.06	\$114.69	\$119.49

Note: Includes only those new and existing homes listed on Southeast Arizona Multiple Listing Service. *Includes Sierra Vista, Hereford, and Huachuca City. **Includes single family site-built, manufactured homes, mobile homes, townhouses, and condominiums **Source:** Southeast Arizona Multiple Listing Service and Cochise College Center for Economic Research.

DISTRIBUTION OF HOME PRICES SIERRA VISTA MARKET, 2005



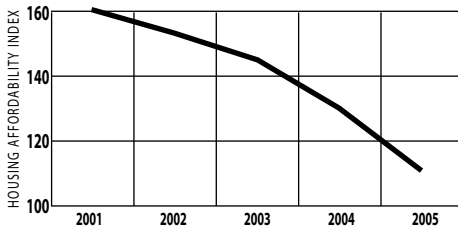
Note: Includes only those new and existing homes listed on Southeast Arizona Multiple Listing Service. Includes Sierra Vista, Hereford, and Huachuca City. Includes single family site-built, manufactured homes, mobile homes, townhouses, and condominiums. Prices shown are midpoint prices; each bin represents a price range of \$68,500 (+/- \$34,250 from midpoint). See price distribution table for more information. **Source:** Southeast Arizona Multiple Listing Service and Cochise College Center for Economic Research.

HOUSING AFFORDABILITY INDEX

YEAR	HAI	MEDIAN HOME PRICE	MEDIAN FAMILY INCOME	EFFECTIVE INTEREST RATE	MONTHLY PRINCIPAL & INTEREST PAYMENT
2001	160.6	\$106,500	\$44,240	7.13%	\$574
2002	153.6	\$116,900	\$44,749	6.76%	\$607
2003	144.8	\$134,000	\$44,545	5.97%	\$641
2004	130.1	\$153,902	\$46,220	6.02%	\$740
2005*	111.2	\$185,875	\$47,976	6.08%	\$899

Note: Based on the median homes price for new and existing single-family residential homes sold in the Sierra Vista area home market (Sierra Vista, Hereford, and Huachuca City) including site-built, manufactured homes, mobile homes, townhouses, and condominiums. Presumes a 30-year conventional fixed-rate mortgage, a typical 20-percent down payment, and a 25-percent qualifying income ratio. *Preliminary estimate applying the 2004 rate of increase in median family income.

SIERRA VISTA AREA HOUSING AFFORDABILITY, 2001-2005



ed by the CER using the most recent U.S. Census data. In 2005, the estimated median family income for Sierra Vista was \$47,976 (Note: This is a preliminary estimate applying the previous year's rate of increase in family income; thus, this figure is subject to revision). In calculating the HAI, the CER uses the national average, annual mortgage effective interest rate on fixed, 30-year, non-jumbo loans closed within the previous 12 months as reported by the Federal Housing Finance Board. As of December 2005, this rate was 6.08 percent.

The HAI for the Sierra Vista area in 2005 was 111.2. In interpreting the HAI, a value of 100 indicates that a family with the median income has exactly enough income to qualify for a mortgage on a median-priced home, assuming a 20 percent down payment and a qualifying income ratio of 25 percent (i.e., the monthly principal and interest payment cannot exceed 25 percent of the family monthly income). An HAI above 100 indicates that a family earning the median income has more than enough income to qualify for a mortgage on a median-priced home. Thus, Sierra Vista's HAI of 111.2 indicates that a family earning the median income has 111.2 percent of the income necessary to qualify for a conventional loan covering 80 percent of a median-priced, single-family home in the Sierra Vista area.

To qualify for a conventional loan covering 80 percent of the cost of a median-priced, single-family home in Sierra Vista, a family would need to have an annual income of \$43,200. Using this same methodology, a family in Sierra Vista earning the median income of \$47,976 qualified for a conventional loan covering 80 percent of the value of a home costing \$206,000.

In tracking the HAI for Sierra Vista, the CER also computed the HAI back to 2001. Since 2001, new and existing homes have become considerably less affordable in the Sierra Vista area, with the HAI moving from 160.6 in 2001 to 111.2 in 2005. It is important to note that declining affordability does not necessarily reflect rising prices alone. As new, larger homes are built and sold, these tend to pull prices upward. Thus, it is important to consider other factors, such as price per square foot, in comparing



The Ft. Huachuca officer's club in 1920. Photo courtesy of Sierra Vista Convention and Visitors Bureau.

SIERRA VISTA APARTMENT COMPLEX SURVEY, AVERAGE MONTHLY RENT

	STUDIO		1 BEDROOM		2 BEDROOM		3 BEDROOM	
	RENT	CHANGE	RENT	CHANGE	RENT	CHANGE	RENT	CHANGE
2000	\$313	0.3%	\$374	1.9%	\$557	6.5%	\$691	7.3%
2001	\$330	5.4%	\$389	4.0%	\$566	1.6%	\$724	4.8%
2002	\$349	5.8%	\$407	4.6%	\$591	4.4%	\$743	2.6%
2003	\$365	4.6%	\$389	-4.4%	\$509	-13.9%	\$757	1.9%
2004	\$391	7.1%	\$458	17.7%	\$643	26.3%	\$794	4.9%
2005	\$428	9.5%	\$510	11.4%	\$651	1.2%	\$823	3.7%

Source: Cochise College Center for Economic Research.

homes sold from year to year.

Rental Market

Multiple Listing Service. In 2005, there were 601 rental units in the Sierra Vista area (Sierra Vista, Hereford, and Huachuca City) listed on MLS, of which 530 rented. Rental units included apartments, site-built homes, manufactured homes, mobile homes, townhouses, condominiums, and multiplexes. The median monthly rent of those units that rented in 2005 was \$900, and the average rent was \$926 (Note: The median rent is that monthly rent at which half of the units rented were priced above and half were priced below.). The average rental unit was 1,502 square feet with three bedrooms and 1.75 baths. The average number of days on the market for those units that rented was 300.

Of units that rented in less than 60 days, the median rent was \$838 and the average rent was \$884. The average unit that rented in less than 60 days had three bedrooms and 1.75 baths and an average size of 1,453 square feet (heated and cooled).

For units that were on the market between 60 and 90 days, the median rent was \$900 and the average rent was \$947. The average unit that was on the market between 60 and 90 days had three bedrooms and 1.75 baths and an average size of 1,467 square feet (heated and cooled).

For units that were on the market for more than 90 days, the median rent was \$898 and the average rent was \$926. The average unit that was on the market for more than 90 days had three bedrooms and 1.75 baths and an average size of 1,504 square feet (heated and cooled). For units that were on the market for more than 90 days, the average number of days on the market was 334.

Apartment Complexes. Each year, the CER conducts a survey of apartment complexes to determine average rental rates. In 2005, the rental rates on studio and one-bedroom apartments increased substantially at 9.5 and 11.4 percent respectively. This likely reflects a shortage of apartments rented on a temporary basis, such as those occupied by military personnel on extended temporary duty status to Fort Huachuca. Rental rates on two- and three-bedroom units increased at much slower rates of 1.2 and 3.7 percent, respectively. The disparity between rental rates for smaller and larger units likely reflects the different demographics of occupants. While smaller units tend to be occupied by transient tenants, larger units are typically occupied by longer-term residents. The recent boom in the local real estate market, spurred by a period of record-low interest rates, has expanded homeownership, reducing the demand for larger rental units. To remain competitive, there has been an incentive for apartment complexes to limit price increases on larger units that were in direct competition with homeownership.

The CER's 2005 Apartment Complex Survey revealed average monthly rental

SIERRA VISTA MLS RENTAL MARKET, 2005

	ON MARKET LESS THAN 60 DAYS	ON MARKET 60 TO 90 DAYS	ON MARKET MORE THAN 90 DAYS
Median Rent	\$838	\$900	\$898
Average Rent	\$884	\$947	\$926
Average Square Feet	1,453	1,467	1,504
Average No. Bedrooms	3	3	3
Average No. Baths	1.75	1.75	1.75

Source: Southeast Arizona Multiple Listing Service and Cochise College Center for Economic Research.

SINGLE FAMILY RESIDENTIAL PERMITS COCHISE COUNTY, 2002-2005

YEAR	NO. OF PERMITS	AVERAGE PRICE	PRICE CHANGE
2002	653	\$93,550	—
2003	926	\$97,340	4.1%
2004	1,046	\$105,840	8.7%
2005	1,105	\$123,796	17.0%

Note: Price does not include land. Source: Bright Future Business Consultants of Tucson and Cochise College Center for Economic Research.

SINGLE FAMILY RESIDENTIAL PERMITS SOUTHWEST COCHISE COUNTY, 2002-2005

YEAR	NO. OF PERMITS	AVERAGE PRICE	PRICE CHANGE
2002	568	\$92,000	—
2003	811	\$95,000	3.3%
2004	898	\$103,000	8.4%
2005	871	\$122,900	19.3%

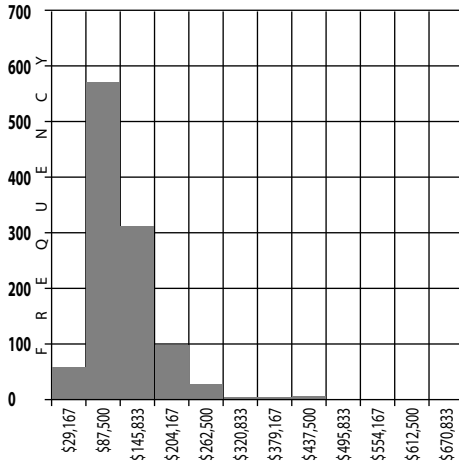
Note: Price does not include land. Southwest Cochise County includes Sierra Vista, Huachuca City, Tombstone, Hereford, and surrounding areas. Source: Bright Future Business Consultants of Tucson and Cochise College Center for Economic Research.

SOUTHWEST COCHISE COUNTY, DISTRIBUTION OF NEW SINGLE FAMILY CONSTRUCTION PERMIT VALUES, 2005

MINIMUM VALUE	MAXIMUM VALUE	MIDPOINT VALUE	NO. OF PERMITS	% OF TOTAL PERMITS
\$0	\$58,333	\$29,167	60	5.4%
\$58,333	\$116,667	\$87,500	571	51.9%
\$116,667	\$175,000	\$145,833	317	28.8%
\$175,000	\$233,333	\$204,167	101	9.2%
\$233,333	\$291,667	\$262,500	28	2.5%
\$291,667	\$350,000	\$320,833	11	1.0%
\$350,000	\$408,333	\$379,167	6	0.5%
\$408,333	\$466,667	\$437,500	2	0.2%
\$466,667	\$525,000	\$495,833	1	0.1%
\$525,000	\$583,333	\$554,167	0	0.0%
\$583,333	\$641,667	\$612,500	2	0.2%
\$641,667	\$700,000	\$670,833	2	0.2%

Note: Price does not include land. Southwest Cochise County includes Sierra Vista, Huachuca City, Tombstone, Hereford, and surrounding areas. Source: Bright Future Consulting of Tucson and Cochise College Center for Economic Research.

DISTRIBUTION OF NEW SFR PERMIT VALUES SOUTHWEST COCHISE COUNTY, 2005



Note: Price does not include land. Southwest Cochise County includes Sierra Vista, Huachuca City, Tombstone, Hereford, and surrounding areas. Includes single family site built homes only; each bin represents a price range of \$58,333 (+/- \$29,167 from midpoint). See permit value distribution table for more information. **Source:** Bright Future Consulting of Tucson and Cochise College Center for Economic Research.

SINGLE FAMILY RESIDENTIAL PERMITS CITY OF SIERRA VISTA, 1996-2005

YEAR	NO. OF PERMITS	AVERAGE PRICE	AVERAGE PRICE CHANGE
1996	201	\$64,463	-5.7%
1997	209	\$64,076	-0.6%
1998	253	\$64,842	1.2%
1999	273	\$66,402	2.4%
2000	291	\$67,109	1.1%
2001	292	\$69,238	3.2%
2002	376	\$69,123	-0.2%
2003	591	\$77,813	12.6%
2004	689	\$95,434	22.6%
2005	577	\$124,168	30.1%

Note: Price does not include land. **Source:** City of Sierra Vista.

SINGLE FAMILY RESIDENTIAL PERMITS COMPARISONS, 2005

LOCATION	AVERAGE PRICE	AVERAGE PRICE CHANGE FROM 2004
Cochise County	\$123,796	17.0%
Southwest Cochise County	\$122,900	19.3%
Sierra Vista	\$124,168	30.1%

Note: Price does not include land. **Source:** Bright Future Consulting of Tucson and Cochise College Center for Economic Research.

A typical single-family home in Sierra Vista.
Photo courtesy of Kimberly Kelso.

prices of \$428 for studio apartments; \$510 for one-bedroom apartments; \$651 for two-bedroom apartments; and \$823 for three-bedroom apartments.

New Home Construction

Single Family Residential Construction Permits (Site-Built Homes Only)

In 2005, there were 1,105 building permits issued for single-family residential construction of site-built homes in Cochise County, up 5.6 percent from 2004. Of these, 871 were for construction in the southwest quadrant of Cochise County, down 3 percent from a year prior. New residential construction permits in the southwest quadrant accounted for 78.8 percent of countywide permits in 2005, down from 85.9 percent in 2004. The southwest quadrant of Cochise County includes Sierra Vista, Huachuca City, Tombstone, Hereford, and surrounding areas. In 2005, there were 577 permits for new single-family residential construction in Sierra Vista, down 16.3 percent from 2004. Sierra Vista permits accounted for 66.2 percent of the permits issued in the southwest quadrant of the county, and 52.2 percent of the countywide total. This was down from 76.7 percent of the southwest quadrant total, and 65.9 percent of the county total a year prior.

At the county level in 2005, the average permit value of a new, single-family, site-built home was \$123,796, up 17 percent from 2004. In the southwest quadrant of the county, the average permit value was \$122,900, up 19.3 percent from a year prior. In Sierra Vista in 2005, the average permit value was \$124,168, up 30.1 percent from 2004.

Within the southwest quadrant of Cochise County in 2005, a total of 51.9 percent of the permits issued for new, single-family residential, site-built homes listed values between \$58,333 and \$116,667. A total of 28.8 percent of permits listed values between \$116,667 and \$175,000, and 9.2 percent listed values between \$175,000 and \$233,333.

The declining number of permits issued in Sierra Vista and the southwest quadrant of the county, and the slower growth in permits issued countywide, reflect rising long-term interest rates, which only recently began responding to increases in short-term rates resulting from tighter monetary policy at the national level. Another factor was the greater supply of existing homes for sale as homeowners sought to capitalize on higher home prices in area. Yet another factor has been rising home prices and the economic law of demand, which demonstrates that as home prices increase, the number of homes demanded will decrease.

Commercial Construction

In 2005, there were 14 permits issued for new commercial construction in Sierra Vista at a total dollar valuation of \$18.5 million. Between 2001 and 2005, there were



65 permits issued for new commercial construction at a total value of more than \$50 million. Commercial construction has continued to expand in the city in response to continued population growth, which increases the demand for consumer goods and services. The recent survival of Fort Huachuca through the Department of Defense's Base Realignment and Closure process also opened the door wider to commercial investment opportunities in the city. Commercial investment in the city will contin-



Sierra Vista commercial buildings permits continue to climb. Photo courtesy of Kimberly Kelso.

**COMMERCIAL BUILDING PERMITS
(NEW CONSTRUCTION)
CITY OF SIERRA VISTA, 1996-2005**

YEAR	NO.	VALUE
1996	11	\$3,005,992
1997	13	\$5,231,573
1998	8	\$15,831,193
1999	13	\$21,122,312
2000	9	\$17,445,541
2001	15	\$11,758,330
2002	16	\$16,693,436
2003	7	\$2,832,673
2004	13	\$7,305,606
2005	14	\$18,468,233

Note: Price does not include value of land. Source: City of Sierra Vista.

ue to expand over the next several years, with plans underway for a Best Buy electronics store, several hotels, and many smaller investments.

Cochise County Land Transactions

In 2005, the CER began tracking land transactions at the county level. In 2004, there were 2,467 land transactions countywide, up 14.1 percent from 2003. The median price of land that changed ownership in 2004 was \$26,500, up 32.5 percent from 2003. From January through October 2005, there were 3,559 land transactions in the county, up 71.8 percent from the same period of 2004. (Note: Median prices for land transactions between 2001 and 2004 were determined through random sample analysis and represent a 95 percent confidence interval and margin of error of plus or minus 5 percent. Beginning in 2005, the median price is determined using all transactions).

**COCHISE COUNTY LAND TRANSACTIONS,
2001-2004**

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*	3,559	71.8%	\$38,500	45.3%

*January through October only. Change in volume is determined by comparison to the same period a year prior. Source: Bright Futures Consulting and Cochise College Center for Economic Research.

Bankruptcy Filings and Bank Deposits



Cochise County Courthouse located in historic Bisbee.
Photo: Ted White

COCHISE COUNTY BANKRUPTCY FILINGS, 2000-2005

YEAR	POPULATION	TOTAL FILINGS	FILINGS PER 1,000 POP.
2000	117,755	469	3.98
2001	121,435	478	3.94
2002	124,040	489	3.94
2003	126,160	533	4.22
2004	130,220	504	3.87
2005*	132,985	572	4.30

*2005 population estimated by the Cochise College Center for Economic Research.
Source: U.S. Bankruptcy Court, Tucson Division; U.S. Census Bureau; Arizona Department of Economic Security; and Cochise College Center for Economic Research.

COMPARISONS OF BANKRUPTCY FILINGS (PER 1,000 POP.)

YEAR	COCHISE COUNTY	ARIZONA	UNITED STATES
2000	3.98	4.08	4.44
2001	3.94	4.79	5.23
2002	3.94	5.43	5.48
2003	4.22	5.56	5.71
2004	3.87	5.23	5.44

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

In 2005, there were 572 bankruptcies filed from within Cochise County, up 13.5 percent from 504 a year prior. Adjusting for population, preliminary estimates indicate Cochise County's bankruptcy rate in 2005 increased to 4.3 bankruptcies per 1,000 residents, up from 3.87 in 2004. The county's bankruptcy rate in 2005 was the highest of the new millennium, following its lowest level, which was seen in 2004, according to preliminary estimates. The 2005 Cochise County bankruptcy rate is based on a population of 132,985, as estimated by the Cochise College Center for Economic Research. This estimate will be benchmarked against Arizona Department of Economic Security population estimates for 2005, once they are released.

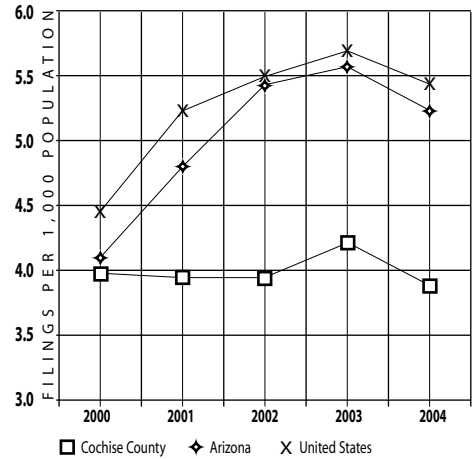
Despite the steady increase in bankruptcies countywide since 2000 (with the exception of 2004, which saw a decline in bankruptcies), the Cochise County bankruptcy rate has remained well below state and national levels. In 2004, the most recent year with complete data at the county, state, and national levels, Cochise County's bankruptcy rate was 3.87 bankruptcies per 1,000 residents, compared to 5.23 at the state level and 5.44 nationally. Between 2000 and 2004, 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 2.5 percent below the state and 10.4 percent below the national level. Since then, the county's bankruptcy rate has remained between 24.7 and 28.9 percent below the state level, and between 17.7 and 27.4 percent below the national level. On average, Cochise County's bankruptcy rate between 2000 and 2004 was 19.5 percent below the state and 23.6 percent below the national rate, contributing to a healthy environment for lending and borrowing, which has continued to fuel local consumption and investment spending.



Rodney Hall, bldg. no. 41402, built as post headquarters in 1917. It today fulfills its original purpose. @1920.15.00.025

Photo courtesy of Sierra Vista Convention and Visitors Bureau.

BANKRUPTCY FILINGS (PER 1,000 POP.)



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

SIERRA VISTA BANK DEPOSITS, SHARE OF COCHISE COUNTY MARKET, 2000-2005

YEAR	SHARE OF COCHISE COUNTY MARKET
2000	40.3%
2001	43.9%
2002	49.2%
2003	49.7%
2004	51.5%

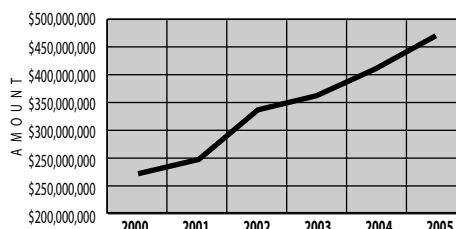
Source: Federal Deposit Insurance Company and Cochise College Center for Economic Research.

Bank Deposits

Bank deposits in Sierra Vista for 2005 totaled \$474.3 million, an 11.7 percent increase from 2004. At the county level, bank deposits totaled \$905 million, an increase of 9.8 percent from 2004. Between 2000 and 2005, bank deposits in Sierra Vista increased at an average annual rate of 12.8 percent, compared to 6.9 percent at the county level. This has led to Sierra Vista obtaining a steadily increasing share of the Cochise County market. In 2000, deposits in Sierra Vista banks accounted for 40.3 percent of total deposits countywide. Since then, Sierra Vista's market share has grown steadily each year, reaching 51.5 percent of the county market in 2005.

(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.)

SIERRA VISTA BANK DEPOSITS, 2000-2005



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

BANK DEPOSITS 2000-2005

YEAR	SIERRA VISTA AMOUNT	SIERRA VISTA CHANGE	COCHISE COUNTY AMOUNT	COCHISE COUNTY CHANGE
2000	\$263,105,000	5.8%	\$652,405,000	10.9%
2001	\$280,157,000	6.5%	\$637,907,000	-2.2%
2002	\$358,248,000	27.9%	\$728,857,000	14.3%
2003	\$382,077,000	6.7%	\$769,197,000	5.5%
2004	\$424,684,000	11.2%	\$824,453,000	7.2%
2005	\$474,321,000	11.7%	\$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.

Fort Huachuca



Ft. Huachuca continues to train soldiers to be combat ready. Photo courtesy of Herald/Review.

Fort Huachuca, a National Historic Landmark, is a product of the Indian Wars of the 1870s and 1880s. In 1877, the commander of the Department of Arizona ordered that a camp be established in the Huachuca Mountains to protect settlers and travel routes in southeastern Arizona and block traditional Apache escape routes through the San Pedro and Santa Cruz valleys to sanctuary in Mexico. A temporary camp was established at the post's current location that year. Camp Huachuca was designated a fort in 1882.

Geronimo's surrender in 1886 all but ended the Apache danger in southern Arizona, and the Army closed more than 50 camps and forts in the territory. Fort Huachuca was retained due to continuing border troubles. In 1913, the 10th Cavalry "Buffalo Soldiers" arrived and remained almost 20 years. The 10th Cavalry joined General John J. Pershing in the 1916 expedition into Mexico. During World War I, the fort was assigned the mission of guarding the U.S.-Mexican border.

Following World War II, the fort was declared surplus and transferred to the State of Arizona. It was reactivated during the Korean War by the Army Engineers. In 1954, control passed to the chief signal officer, who found the area and climate ideal for testing electronic and communications equipment, a characteristic that remains today.

In 1967, Fort Huachuca became the headquarters of the U.S. Army Strategic Communications Command. In 1971, the fort became home to the U.S. Army Intelligence Center and School. Also in 1971, the fort was annexed into Sierra Vista, bringing additional tax revenue to the city and Cochise County.

The Strategic Communications Command became the U.S. Army Communications Command in 1973. Eleven years later, it became the U.S. Army Information Systems Command. In October 1990, the U.S. Army Training and Doctrine Command became the new host command. The U.S. Army Intelligence Center and Fort Huachuca currently operate the post. Today, Fort Huachuca is a major military installation in Arizona, and

one of prominence throughout the southwest. Units on the fort include the Joint Interoperability Test Command; Raymond W. Bliss Army Community Health Center; the U.S. Army Communications-Electronics Command; U.S. Army Electronic Proving Ground; U.S. Army Information Systems Engineering Command; U.S. Army Intelligence Center; and U.S. Army Network Enterprise Technology Command.

In 2005, Fort Huachuca became home to the world's largest Unmanned Aerial Vehicle (UAV) training facility with the opening of a \$10 million, 25,000-square-foot UAV System Training Center Annex, bringing the total UAV training area to 125,000 square feet. Earlier in 2005, the Association for Unmanned Vehicle Systems International announced the creation of a Saguaro Chapter in Southern Arizona.

Economic Impact

In 2005, Fort Huachuca remained Cochise County's top employer, with 12,204 full-time equivalent (FTE) employees (Note: An FTE employee is equal to one full-time or two part-time employees). Additionally, the fort is listed as Southern Arizona's top employer by the *Arizona Daily Star*, *Star 200: The Major Employers of Southern Arizona*.

The Annual Economic Impact Statement for fiscal year 2003, released by Directorate of Resource Management at Fort Huachuca, concluded that 28.1 percent of the total jobs in Cochise County were directly related to the presence of the fort. The report estimated the fort's direct economic impact on Cochise County at \$622.6 million.

In September 2003, the fort's noon-day population was 15,566 (Note: The noon-day population represents the average maximum number of people on the fort). This included 3,765 assigned military personnel; 2,062 students; 3,627 military family members living on post; 2,660 Department of Defense (DoD) civilian employees; and 3,452 non-DoD civilian workers (e.g., post office employees, teachers, contractors, and concessionaires). Additionally, there were 3,176 military retirees residing in the local area who collected \$67.3 million in retirement pay in fiscal year 2003, according to the impact statement. As of September 30, 2004, according to the Fort Huachuca Public Affairs Office, there were 5,500 active-duty military personnel (permanently assigned personnel and students); 2,700 DoD employees; and 4,000 DoD contractor personnel.

According to the 2003 impact statement, there were 1,652 family housing units, 250 temporary lodging units, and 3,151 troop billeting spaces on the fort. In 2003, a total of 1,402 military personnel resided off-post; of these, 21.6 percent owned homes (including manufactured homes), 33.2 percent rented homes, and 45.2 percent rented apartments.

Water Issues

Fort Huachuca has been a local leader in water initiatives through a program of conservation and effluent re-use. The fort's efforts resulted in a 35 percent reduction in water consumption on post between 1990 and 2000, according to statistics reported in the Cochise County Water Resources Inventory prepared by Engineering and Environmental Consultants, Inc. Fort Huachuca was also commended for its water reduction efforts in a biological opinion prepared by U.S. Fish and Wildlife Service.

Fort Huachuca's award-winning Water Management Program set an aggressive goal to "zero balance" water pumping on the fort by the end of 2007 and fort-related water pumping in the region by 2011. The concept of "zero balance" means that the net impact of the fort's pumping on the regional aquifer would be zero, or no net withdrawal from the aquifer. The program plan assesses opportunities in three major strategies: water conservation, reuse of treated wastewater for irrigation, and recharge of treated wastewater and urban runoff to reduce overall impact on the aquifer. Fort Huachuca has entered into partnerships with the Nature Conservancy and the Regional Watershed Partnership to purchase conservation easements that retire agricultural pumping in the region.

The Army-Community Heritage Partnership

In January 2004, the City of Sierra Vista and Fort Huachuca received word that the

Department of the Army and the National Trust for Historic Preservation's Main Street Center (NMSC) had selected the community for participation in the Army-Community Heritage Partnership (ACHP) program. Sierra Vista/Fort Huachuca was the fourth community in the nation selected to participate in the program, joining West Point/Highland Falls, N.Y.; Fort Leavenworth/Leavenworth, Kan.; and Fort Benning/Columbus, Ga.

The ACHP is a demonstration project designed to strengthen the economic, historic, and social ties between army installations and historic commercial districts in neighboring communities. A team of experts from NMSC and the Army's Office of Historic Properties has made several visits to the area and has worked closely with local residents and business owners.

In its first assessment report, the ACHP team observed that the number and diversity of cooperative ventures that already existed between Fort Huachuca and the surrounding community illustrated the close working relationship that exists between the two. They noted that one of the most enterprising projects was the expansion of the city's transit system to include buses that make regular stops throughout Fort Huachuca to carry soldiers, civilian workers, and family members to and from Sierra Vista. Another example of cooperation cited by the team was the use of the fort's airfield for commercial and private aircraft. Other cooperative ventures cited included the fort's partnership with local education and healthcare facilities and several public improvement projects planned between the City of Sierra Vista and Fort Huachuca's Installation Support Department.

The team also cited cooperation in Team Cochise, in which representatives from the fort, the city, local businesses, educators, and others exchange information and ideas for resolving issues of mutual concern. Some of the areas in which they work jointly are law enforcement, schools and education, housing, infrastructure, medical needs, and employment.

The observations and recommendations made by the ACHP team comprised five work areas deemed important to achieving the objectives of the ACHP program. These were:

Heritage/Eco-Tourism – emphasizing the arts, cultural, historical, and ecological connections between Fort Huachuca and attractions in and around the Sierra Vista community.

Design – planning for future real estate development and construction of public improvements by developing design tools to encourage rehabilitation of existing buildings and provide design guidance for new construction.

Marketing – investigating opportunities to market downtown Sierra Vista businesses, products, services, and attractions to the Fort Huachuca community and heritage/eco-tourism visitors.

Business Development – enlarging the capacity of downtown Sierra Vista businesses to serve the needs of the Fort Huachuca community and fortifying existing businesses to improve the overall business mix.

Property Development – creating opportunities for using vacant downtown buildings and undeveloped land within the district and encouraging new uses such as housing, small-scale industry, offices, entertainment, and civic activities.

To advance the program, the city is currently seeking grants to help develop streetscape improvements and make matching grants available to downtown businesses to improve the facades of their buildings. Marketing initiatives are underway to support heritage and eco-tourism efforts and gain community involvement in the city's downtown neighborhood during Sierra Vista's 50th anniversary celebration in 2006. Work is underway to plan a visitors and convention center on Fort Huachuca that is easily accessible to the community. Design ideas are being discussed to help differentiate the downtown commercial district from areas east of 7th Street and to market existing businesses more effectively to Fort Huachuca.

A glimpse at the past of Ft. Huachuca. Photo courtesy of Sierra Vista Convention and Visitors Bureau.





The Impact of Mexico

US border crossing station at the entrance to Mexico on Naco's main street. Photo courtesy of City of Bisbee.

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, ranging from day shoppers who cross legally through the designated ports of entry at Douglas and Naco, as well as the port 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, particularly in Sierra Vista and Douglas due to their large retail sectors.

Bisbee-Naco

The town of Naco, Sonora, Mexico shares a border with Naco, Arizona, approximately six miles from Bisbee and 32 miles from Sierra Vista. The population of Naco, Sonora as of 1995 was 4,600. Naco, Sonora and Naco, Ariz., have worked together on regional issues 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 the U.S. border-crossing Brownfields site to redevelopment opportunities. Initial redevelopment plans have included retail shops and restaurants incorporated in at least one shopping center, and light industrial facilities.

According to the CIA's World Factbook, in 2005 Mexico's underemployment rate was approximately 25 percent.

Naco, Arizona in 1916 with the border customs station in the center of the street. Photo courtesy of Sierra Vista Convention and Visitors Bureau.



Douglas-Agua Prieta

Douglas, Ariz., shares a border with Agua Prieta, Sonora, Mexico, approximately 70 miles from Sierra Vista. With thousands of border crossings each day at the Douglas Port of Entry, businesses in Douglas and Sierra Vista host many foreign consumers.

Agua Prieta has traditionally been a ranching, farming, and copper smelting community, but since the passage of the North American Free Trade Agreement (NAFTA) in 1993, the town has seen a significant increase in and expansion of maquiladoras (twin factories), which are foreign-owned factories that manufacture and assemble products for export.

Since the passage of NAFTA, the population of Agua Prieta has grown significantly, drawing residents from further south in search of employment opportunities. The town's current population is approximately 110,000, up from about 37,000 in 1990, according to the Municipal Government of Agua Prieta (MGAP). MGAP reports that 37.7 percent of the town's population is economically active, and the town's unemployment rate is 30 percent. The average monthly base salary with benefits is approximately \$515 in U.S. dollars.

As of 2005, there were 23 maquiladoras in Agua Prieta, employing 7,425 workers, according to MGAP. The largest is Levolor Kirsch, a retail factory, which employs 1,800 workers, followed by Takata, an automotive factory, which employs 1,250 workers, and MWC de Mexico, an automotive factory, which employs 1,100 workers.

According to MGAP, Agua Prieta offers several incentives for business development, including no-fee construction permits; administrative and legal assistance for startup operations; exemption from the 2 percent payroll tax for new corporations on newly created jobs for one to two years; free training programs for new employees (state government pays for employee training and first eight weeks of trainee salaries, while the corporation designs the training program and hires instructors); assistance in site selection in Agua Prieta; build-to-suit coordination; public transport subsidiary; labor market analysis; coordination with federal, state, and local authorities to obtain permits and other paperwork; employee recruitment assistance; and other incentives from the state government upon request. To learn more about Agua Prieta's economy and business opportunities, visit www.aguaprieta.gob.mx/promocion-economica. To learn more about investing in the State of Sonora, visit <http://www.sonora.org.mx>.

Mexico's Economy Today

Mexico's economy has continued to recover from the 2001 recession, which saw real Gross Domestic Product (GDP) stagnate, 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 2006 GDP to grow by 3.3 percent.

Mexico's inflation rate in 2005 was 4.3 percent, down from 4.7 percent in 2004, according to the IMF. 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 underemployment 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, health, 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 Naco and Douglas 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 (\$104.4 million in 2004 dollars) in the county. Of this amount, approximately \$49.4 million (\$53.3 million in 2004 dollars) was spent in grocery stores; \$17 million (\$18.3 million in 2004 dollars) was spent in department stores; \$16.3 million (\$17.6 million in 2004 dollars) was spent at restaurants; and \$12.8 million (\$13.8 million in 2004 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 (\$62 million in 2004 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 Cochise County in federal fiscal year 2004 (October 1, 2003 through September 30, 2004), the U.S. Border Patrol apprehended 235,549 illegal immigrants, up from 175,854 in 2003. Also in 2004, Border Patrol agents seized 76,943 pounds of marijuana in the county, up from 75,172 pounds in 2003. A spokesman for the Tucson Sector of the Border Patrol attributed the rise to increased enforcement and not necessarily increased border-crossing activity.

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 uti-

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.

lized 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 (\$5.3 million in 2004 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 (\$3.8 million in 2004 dollars), or 72 percent, was attributable to the sheriff's department. The remainder of the costs was \$260,000 (\$299,000 in 2004 dollars) for indigent defense; \$238,000 (\$273,000 in 2004 dollars) for the superior court; \$211,000 (\$242,000 in 2004 dollars) for the juvenile center; \$171,000 (\$196,000 in 2004 dollars) for the county attorney; \$104,000 (\$119,000 in 2004 dollars) for the justice courts; \$97,000 (\$111,000 in 2004 dollars) for the clerk of the superior court; \$82,000 (\$94,000 in 2004 dollars) for emergency medical services; and \$45,000 (\$51,000 in 2004 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 Douglas and Bisbee 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 Douglas, Bisbee, 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 "compassionate 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 \$104.4 million (in 2004 dollars), generating 3,551 jobs and \$62 million in local wages far exceeds the estimated \$5.3 million in costs to the county associated with illegal immigration. The costs not accounted for in the fiscal impact study, although significant, are unlikely to be of a sufficient degree to reverse the net positive economic benefit.



Cochise County Agriculture

The Sierra Vista area offers the outdoor enthusiast many opportunities for exploration.

In 2005, agriculture in Cochise County accounted for 16,425 jobs or 30.8 percent of the total county workforce. This was down from 16,600 jobs in 2004, or 32.1 percent of the county's workforce. Between 2001 and 2005, the number of farm jobs in Cochise County grew by 1,675 for total job growth of 11.4 percent. The average annual job growth rate in the county's agricultural industry during this period was 2.8 percent. The percent of total jobs countywide accounted for by the agricultural sector has remained near 31 percent since the beginning of the new millennium.

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 more than 1,500 acres in 1997 to about 1,000 acres in 2002.

Although the size of farms decreased between 1997 and 2002, the value of land and buildings on farms increased. Countywide, the total value of land and buildings per farm 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

COCHISE COUNTY AGRICULTURAL EMPLOYMENT

YEAR	NUMBER OF JOBS	CHANGE	% CHANGE
2001	14,750	—	—
2002	15,575	825	5.6%
2003	16,350	775	5.0%
2004	16,600	250	1.5%
2005	16,425	-175	-1.1%

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

farms that were 500 acres or larger 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 amount of farmland in Cochise County has been on the decline, the market value of agricultural products sold grew 30.2 percent from \$60.2 to \$78.3 million between 1997 and 2002, 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, 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 farm equipment and 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 and 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, and their 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

Caption Bird watching is a popular pastime for local residents and visitors in the Sierra Vista area. Photo courtesy of Sierra Convention and Visitors Bureau.

General Overview

Tourism is a multi-billion dollar industry, the ultimate benefit of which can be measured by the income realized from tourism-related businesses. In Arizona, tourism has a \$30 billion economic impact on the state's economy each year and generates \$1 billion in taxes annually for Arizona's general fund, according to the Arizona Tourism Alliance.

Tourists include all members of the traveling public, whether business or leisure travelers, conference delegates, or the military and associates on temporary duty.

According to the 2002 Sierra Vista Annual Visitor Profile, prepared by Northern Arizona University and commissioned by the City of Sierra Vista's Convention and Visitor's Bureau (CVB), the total economic impact – direct, indirect, and induced – of tourism on Sierra Vista is \$120 million annually (in 2002 dollars). Tourism is one of the principal drivers of the Sierra Vista economy and has played an increasingly important role in Sierra Vista and throughout Cochise County.

Sierra Vista is the economic hub of Cochise County. With more than 1,100 hotel and motel rooms, 56 restaurants and smaller cafes, and numerous shopping opportunities, visitors find that Sierra Vista is a central location from which to explore southeastern Arizona. Lodging choices will increase substantially in 2006 with the approved construction of six additional hotels. New restaurants, as well, are frequently being added to the current list of diverse dining options.

For the many visitors who enjoy shopping as part of their travels, Sierra Vista has department stores, retail outlets, and numerous specialty shops. According to the 2002 Sierra Vista Annual Visitor Profile, almost two-thirds of the visitors to Sierra Vista shop for souvenirs and more than one-third shop for gifts.

Developing methodology to increase the number of out-of-town visitors, and

thus increase economic impact, is a key component of the Sierra Vista CVB's marketing strategy. Using research-based tourism trends, based on continually updated research to determine the traveling public's requirements, is an integral part of this strategy. The Cochise County Tourism Council has undertaken a yearlong study to be completed in 2006 that will provide updated data and relevant tourism statistics for the county and each participating community.

The current strategy of the CVB, which was updated in 2002, is to focus on target markets, or niches, rather than broad-based advertising. To support this strategy, the CVB has published two niche brochures (the Cultural Heritage brochure and the Watchable Wildlife brochure), along with two driving tour CDs, all of which have been well received by the traveling public and local residents alike.

These successful marketing concepts have resulted in increased name recognition and widespread coverage of Sierra Vista. Articles about Sierra Vista have appeared in *Arizona Highways*, *Sunset Magazine*, *National Geographic Adventure*, *Conde Nast Traveler*, *Frommer's Budget Travel*, *Vital (France)*, *High Life (London)*, *Midwest Airlines Magazine*, *Military Officer's Magazine*, *Audubon*, *Birds and Blooms*, *Birders World*, *USA Today*, the *Boston Globe*, the *Miami Herald*, the *London Independent*, and many other regional, national and international publications.

Having articles about Sierra Vista appear in a publication is, in effect, free advertising. To determine the value of that publicity, the industry standard is to measure the length of the article and then calculate the cost as if it were paid advertising. This is referred to as advertising value equivalent. In fiscal year 2005, for tracked articles, Sierra Vista realized more than \$2.5 million in advertising value equivalent.

Benefits of Tourism

Local Benefits. Sierra Vista's local tourism is measured by sales tax income realized from the city's hospitality sector, which includes lodging, bars and restaurants, and attractions. When comparing January through October 2005 to the same period in 2004, the lodging sector reported an increase of 19.1 percent. Bars and restaurants in the city reported an increase of 7.8 percent during the same period.

The Sierra Vista Convention and Visitor's Bureau tracks the number of people who stop by the Sierra Vista Visitor Center, establishing a base number from which other statistics can be derived. In calendar year 2005, a total of 16,041 walk-in visitors requested information from the center. The bureau also captures a variety of statistics relating to telephone inquiries and brochure requests. In calendar year 2005, telephone inquiries to the visitor center increased by 36 percent, and brochure requests increased by 69 percent compared to 2004. The CVB estimates that approximately 50 percent of those requesting destination information will eventually visit the locale.

In 2003, the CVB redesigned their website, realigning it to today's trends. Since the redesign, visits to the website have increased 59 percent.

State and Partnership Benefits. On a state level, the Arizona Office of Tourism (AOT) maintains tourism statistics for Arizona. Their research data demonstrate that

SIERRA VISTA VISITOR CENTER INQUIRIES

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
1st Qtr.....	10,637	7,754	12,713	9,618	12,198	46,628	39,199	40,649	45,956	69,267
2nd Qtr.....	17,097	7,780	9,959	10,426	9,649	38,574	37,442	44,297	47,895	67,201
3rd Qtr	8,851	6,853	7,644	7,421	5,951	65,071	32,447	44,273	39,189	61,459
4th Qtr	7,472	7,221	8,176	10,837	9,809	28,483	24,493	39,662	41,785	43,994
Total	44,057	29,608	38,492	38,302	37,607	*178,756	133,581	168,881	174,824	241,921

*Denotes a new program of distribution in the mail category. Includes all inquiries made by walk-in, phone, mail, and Internet.
Source: Sierra Vista Convention & Visitors Bureau.

tourism dollars received have saved each Arizona household approximately \$683.73 in taxes annually, and more than 450,000 jobs in Arizona are tied to tourism.

The AOT commits to assisting communities and regions with workshops as well as dollars. Funding is provided through a shared-dollar grant program to promote tourism, whether by advertising, printed materials, website redesign, or other approved marketing products.

Sierra Vista has received grant funding from the AOT every year since the inception of the AOT TEAM (Teamwork for Effective Arizona Marketing) grant program. Additionally, Sierra Vista has joined with other communities in broad-based marketing efforts, since the AOT also assists regional partnerships with grant funding programs.

Cochise County communities 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 the AOT programs, represent Cochise County as one entity. This is also true of Sierra Vista's relationship with the Southern Arizona Partnership, through which communities and counties in the region have formed an association to maximize funds and efforts while eliminating duplication by individual cities or towns.



The San Pedro River beckons birdwatchers and nature lovers from across the United States. Photo courtesy of Sierra Convention and Visitors Bureau.

Attractions and Activities

Sierra Vista and the surrounding area have attractions and activities that are internationally renowned and attract tens of thousands of visitors annually. In general, these attractions and activities fall into one of the two niche markets identified by the Sierra Vista CVB: Birding and Watchable Wildlife and Cultural Heritage.

Bird watching has dramatically increased in popularity and has become a multi-million dollar activity. Since Sierra Vista and the local environs are considered to be one of the top birding destinations in the world, a large percentage of the city's visitor base comprises people who travel widely to enjoy nature. The generally affluent birding enthusiasts contribute a substantial portion of tourism dollars to Sierra Vista businesses and attractions. The ecological crossroads, for which Sierra Vista is known, coupled with honors such as being named the "Birdiest Inland County" in 2003 by the American Birding Association and the designation of Southeastern Arizona as the Number One Spot by *Birder's World Magazine* in 2002, have decidedly placed Sierra Vista on virtually every nature-based map.

As an example, the Nature Conservancy's Ramsey Canyon Preserve has developed a worldwide reputation. This preserve is famous for the numbers of species of hummingbirds attracted to and sighted within the canyon, which has greatly contributed to Sierra Vista being known as the "Hummingbird Capital of the U.S." With 20,000 visitors annually, the preserve caters to bird and wildlife enthusiasts from across the United States and the rest of the world.

Another popular birding area is the San Pedro Riparian National Conservation Area. This conservation area, managed by the Bureau of Land Management, is home to 350 species of migrating and breeding birds – nearly one-half the number of known

honors such as being named the "Birdiest Inland County" in 2003 by the American Birding Association and the designation of Southeastern Arizona as the Number One Spot by *Birder's World Magazine* in 2002, have decidedly placed Sierra Vista on virtually every nature-based map.

COCHISE COUNTY PARK VISITATIONS, 1995-2005

	CORONADO NATIONAL MEMORIAL SITE	FT. BOWIE NATIONAL HISTORIC PARK	TOMBSTONE COURTHOUSE STATE HISTORIC	CHIRICAHUA NATIONAL MONUMENT	KARTCHNER CAVERNS STATE PARK
1995	92,100	10,574	99,321	96,575	-
1996	93,656	10,656	99,016	96,086	-
1997	88,624	9,623	71,050	85,058	-
1998	90,565	9,168	74,335	78,502	-
1999	87,183	9,390	72,129	107,109	23,507
2000	84,898	8,898	70,872	88,893	190,605
2001	89,107	8,858	74,519	78,315	192,289
2002	88,487	8,290	63,935	74,874	191,661
2003	91,814	8,873	49,421	48,563	197,514
2004					
Jan	7,001	1,048	5,914	4,799	23,097
Feb	7,881	1,385	4,720	6,506	23,554
Mar	8,876	1,651	7,816	9,727	27,906
Apr	8,500	1,263	6,247	6,323	21,470
May	8,938	628	3,968	4,558	13,873
Jun	7,378	333	2,800	2,909	10,562
Jul	6,646	435	3,074	3,499	13,766
Aug	7,185	309	2,699	3,202	10,297
Sep	7,591	383	2,688	3,369	8,070
Oct	7,755	696	3,613	5,469	17,182
Nov	6,934	646	3,570	3,854	18,589
Dec	7,411	706	2,778	3,540	15,098
Total	92,096	9,483	49,887	57,755	203,464
2005					
Jan	7,591	866	4,231	5,698	20,163
Feb	7,846	851	5,548	7,200	23,184
Mar	9,184	1,769	7,999	11,248	27,863
Apr	8,534	1,266	4,384	7,285	21,728
May	8,454	689	4,295	5,295	12,098
Jun	6,041	459	3,368	3,430	10,336
Jul	6,429	436	4,176	3,422	9,465
Aug	5,986	356	2,967	3,060	8,991
Sep	7,095	510	2,256	3,679	6,365
Oct	7,111	756	3,692	4,676	12,405
Nov	7,094	764	3,464	5,142	12,587
Dec	7,760	934	6,852	3,855	12,950
Total	89,125	9,656	53,232	60,135	178,135

Source: National Park Service; Arizona State Parks Board; University of Arizona EBR.

breeding species in North America. Bird and wildlife watchers as well as nature lovers enjoy the 40 miles of riverbank along the San Pedro River, making up the thousands of visitors who enjoy the San Pedro River each year.

Other popular attractions are the Environmental Operations Park, the Coronado National Memorial, and Garden Canyon on Fort Huachuca. The Environmental Operations Park is a water recharge project area and Arizona's only municipal native grass restoration project. It is common to see wildlife and water birds at this popular wetland. The Coronado National Memorial, the largest memorial in the National Park Service, was established in 1952 and has 4,750 acres of unspoiled natural beauty for hikers and bicyclists. Garden Canyon is a naturalist's dream, with marked trails, exciting bird and wildlife, and ancient pictographs.

Cultural heritage destinations, especially those in the Old West, have become increasingly popular among tourists. The days of wagon trains and pioneers, Indian raids, and the buffalo soldiers in the western territories characterize Fort Huachuca's history. The fascination for this wild and colorful time goes back as far as the dime store novel. The museums on the post draw approximately 80,000 visitors annually.

Of great 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 imagine life as it once was for the farmers, ranchers, prospectors, and cowboys.

Other popular attractions in the Sierra Vista area are the Arizona Folklore Preserve; the city's aquatic center "The Cove;" Chiricahua National Monument; Amerind Foundation; Henry Hauser Museum; Kartchner Caverns State Park; Tombstone and Bisbee; Murray Springs Clovis Site; Lehner Mammoth Kill Site; 16 public and private observatories; and the many Arizona wineries.

Film

Throughout the years, Sierra Vista has been involved with feature films and television segments and episodes, including *Buffalo Soldiers* with Danny Glover; *Ruby Jean and Joe* with Tom Selleck; National Geographic Television; the History Channel; the Discovery Channel; and Arizona Highways Television.

In 2004, Sierra Vista assisted the crew of *Desperation*, a television miniseries based on a Stephen King novel, with logistical and property support during the filming in southeastern Arizona. This miniseries is to premiere on ABC in May 2006.

The Sierra Vista CVB works closely with the Arizona Film Office, Department of Commerce, and the Cochise County Tourism Council's Film Committee to assist film professionals with location images, lodging requests, or logistical and property support.

The Association of Film Commissioners International (AFCI), one of the premier associations providing global commission support to the film industry, certifies film commissioners. With that certification, Sierra Vista represents Cochise County at AFCI's International Locations Exposition. This expo provides a forum for networking with location scouts and producers, as well as updating the film industry on changes affecting filming in Arizona.

News

The baby-boomer generation has begun to change the face of tourism. More and more, tourists wish to be identified as travelers, with challenging, motivating and educational reasons for visiting an area. Eco- and nature-based tourism has been a major draw for these travelers.

One of the star players in this changed world of tourism is the National Geographic Society. This distinguished scientific and educational organization reaches more than 300 million people worldwide each month through publications and media.

Committed to the preservation and conservation of resources, it is now one of the leading proponents of geo-tourism, which is tourism that sustains or enhances the geographical character of a place. National Geographic has developed a program to share this concept with communities, and although it considers many diverse areas for participation in this prestigious program, it has selected only a few locations.



Sierra Vista's mountain views attract many visitors and new residents. Photo courtesy of Sierra Vista Economic Development Foundation.

The first bi-national region to be selected is the border

region of Arizona and Sonora, Mexico. This honor was bestowed at a charter-signing ceremony in December 2005 at the Arizona-Mexico Commission's plenary session in San Carlos, Mexico. This esteemed endeavor has the bi-national region linked with the National Geographic brand that promises to bring a new level of marketing opportunities to Cochise County, increasing the potential for tourism, specifically geo-tourism, to play an even greater role in the region's economy.

Sierra Vista/Cochise County's link to the Rio-Sonora Valley, Sonora, Mexico, will bring tangible opportunities to develop and market cross-border experiences that can further differentiate the southern Arizona experience. This marketing effort will tap into the worldwide geo-tourism market as well as promote the "it's cool to go south" concept for Arizona residents. Additionally, if Sierra Vista is selected, it could benefit by hundreds of thousands of dollars in media exposure, while not having to spend one taxpayer dollar.

The above tourism section was contributed by Kay Daggett of the Sierra Vista Convention and Visitors Bureau and a member of the Sierra Vista Economic Advisory Committee.

Performance of the Local Tourism Industry

Sierra Vista. Despite a decline in visits to state and national parks countywide in 2005, the strong increase in visitors to the Sierra Vista Visitor Center, combined with strong growth in accommodation receipts, indicates a sharp increase in the number of visitors to the city. In 2005, the number of inquiries to the Sierra Vista Visitor Center increased 38.4 percent, from 174,824 to 241,921. The number of visitor center inquiries has increased each year since 2002, with an average annual increase of 22.8 percent.

In the first 10 months of 2005, accommodation (hotel, motel, and other lodging) receipts in Sierra Vista increased 20.9 percent compared to the same period in 2004, reflecting inflation-adjusted growth of 16.6 percent. During this period, Sierra Vista's accommodation receipts accounted for 45.6 percent of the county total, up from 42 percent in the same period a year prior.

Sierra Vista's sales tax on lodging is 5.5 percent. Combined with the county and state privilege taxes, Sierra Vista's total lodging tax rate of 11.55 percent is equal to or lower than 35 of the other 74 Arizona communities tracked by AOT (as of July 2005). For more information on the accommodation industry in Sierra Vista, visit the Retail and Trade section of this publication.

Cochise County. Overall, visits to state and national parks in Cochise County were down in 2005, although some parks saw increased visitations. Visits to the Coronado National Memorial totaled 89,125 in 2005, down 3.2 percent from 2004.

SIERRA VISTA CALENDAR OF EVENTS 2006

JAN	6-15	Olympic Senior Games, Various Locations	
	20-21	All Army Boxing, Barnes Field House, Ft. Huachuca	
	29	36th Army Band Chamber Music Concert, Ethel Berger Center	
FEB	3-5	14th Cochise Cowboy Music & Poetry Gathering, Buena Performing Arts Center	
	14	Air Force Band-"Dimensions in Blue"-Buena Performing Arts Center	
	16	Joint Band Concert-Buena Honor Band and Army Band, Buena Performing Arts Center	
	18	Cochise Children's Choir/Musical Feast, Ft. Huachuca	
MAR	TBA	Cochise County Women's Conference, Cochise College	
	3-4	High on the Desert Conference, Buena HS	
	10	Count Basie Orchestra, Buena Performing Arts Center	
	11	US Army Band Choir Concert, Buena Performing Arts Center	
	18	9th Annual Boys/Girls Club Car Show, The Mall at Sierra Vista	
	18	Thunder Mountain 10K Run, Ft. Huachuca	
	31-1	Cochise Community Creative Writing Celebration, Ethel Berger Center	
	APRIL	7	Sierra Vista Symphony Pops Concert, Buena Performing Arts Center
		7-9	Festival of the Southwest, Veterans Memorial Park
		8	Southeastern Arizona Children's Choir Festival, Buena Performing Arts Center
9		Peking Acrobats, Buena Performing Arts Center	
20		All Army Volley Ball Trials, Ft. Huachuca	
20-23		Spring/Youth Festival, Veterans Memorial Park	
MAY	29	6th Annual Astronomy Day/Evening Star Party, Veterans Memorial Park	
	13	Sierra Vista Community Chorus Spring Concert, Buena Performing Arts Center	
	19	Sierra Vista Ballet's 50th Anniversary-"An Evening at the Ballet"-Buena Performing Arts Center	
	20	Cochise Children's Choir-"Sierra Vista-More Than A City"-Buena Performing Arts Center	
	6-27	Sierra Vista's 50th Anniversary Celebration, Various Locations	
JUNE	18	Miller Lite Army Concert Tour, Ft. Huachuca	
JULY	4	4th of July Celebration, TBA	
	22	Steelhead Triathlon, Ft. Huachuca	
AUG	12	12th Annual Golf Classic Invitational, Pueblo del Sol Country Club	
	27	Army Soldier Show, Buena Performing Arts Center	
SEPT	15-17	Ft. Huachuca Fun Festival, Location TBA	
	27-1	Sierra Vista Open, Pueblo del Sol Country Club	
OCT	7-8	Art in the Park, Veterans Memorial Park	
	14	Cars in the Park, Veterans Memorial Park	
	27-29	Hot Air Balloon Rally, Veterans Memorial Park	
NOV	(TBA)	Festival of Trees, Location TBA	
DEC	2	Annual Holiday Parade, Fry Boulevard	
	2-3	Sierra Vista Ballet's "Nutcracker"-Buena Performing Arts Center	
	(TBA)	Officers' Homes Holiday Tour, Ft. Huachuca	

Source: Sierra Vista Convention and Visitor's Bureau.

Taking a glimpse at the past during the Sierra Vista Cars in the Park, many of these same vehicles transported troops on Ft. Huachuca many years ago. Photos courtesy of Sierra Vista Convention and Visitor's Bureau.

Visits to Kartchner Caverns State Park totaled 178,135, down 12.4 percent.

Parks seeing increased visitation in 2005 were the Fort Bowie National Historic Site, which hosted 9,656 visitors, up 1.8 percent from 2004; Chiricahua National Monument, which saw visits increase 4.1 percent to 60,135; and the Tombstone Courthouse State Historic Park, which saw visits increase 6.7 percent to 53,232.

The overall decline in visits to state and national parks in Cochise County in 2005 is likely attributable to higher gasoline prices, which discouraged domestic travel and tourism; higher interest rates, which raise the cost of previously incurred, variable rate consumer debt, leaving families with less discretionary spending for recreational activities; and a strengthening of the U.S. dollar in foreign exchange markets, which raises the cost to foreign visitors of traveling to and within the United States.

Cochise County Lodging Indicators

In 2004, according to the Arizona Office of Tourism (AOT) and Smith Travel Research, Cochise County's lodging industry performed strongly compared to that of the state and nation as a whole. All five lodging indicators (occupancy, average daily room rate, revenue generated per available room, demand, and supply) increased at the county level in 2004. According to AOT, Cochise County's occupancy rate increased 5.7 percent in 2004, from 61.1 to 64.6 percent, outpacing statewide growth of 5.5 percent and nationwide growth of 3.7 percent. The average daily room rate in Cochise County grew 3.3 percent from \$50.46 to \$52.12, slightly behind growth of 3.6 percent at the state level and 4 percent at the national level. Revenue generated per available room in the county in 2004 was up 9.3 percent from \$30.83 to \$33.69, the same level of growth as the state level, and outpacing nationwide growth of 7.8 percent. Lodging demand at the county level was up 8.5 percent in 2004, compared to a 5.6 percent increase at the state level and 4.6 percent nationally. Lodging supply in Cochise County was up 2.6 percent in 2004, compared to 0.1 percent and 1.0 percent at the state and national levels, respectively.

For the third quarter of 2005, Cochise County's occupancy rate was 65.1 percent, up from 61 percent in the third quarter of 2004. The average daily room rate in Cochise County for third-quarter 2005 was \$56.15, up 10.8 percent from \$50.69 a year prior. Revenue generated per available room in the county in the third quarter of 2005 was \$36.55, up 18.1 percent from \$30.94 in the same period of 2004. Demand at the county level was up 3.6 percent and supply was down 2.9 percent in the third-quarter comparisons.





About the Center for Economic Research

Cochise College Sierra Vista Campus.
Photo by Gil Kenny

The Cochise College Center for Economic Research (CER), founded in 1995, is dedicated to analyzing and interpreting economic data for Cochise County and providing economic information and forecasts to assist leaders in making informed decisions on business and public policy issues.

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 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 respective 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 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 interested individuals, agencies, and organizations in the local area.

CONTACT THE CENTER

CENTER FOR ECONOMIC RESEARCH

Cochise College
901 North Colombo Avenue • Sierra Vista, AZ 85635
Phone (520) 515-5486 • Fax (520) 515-5343
E-mail: cer@cochise.edu

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Michelle Cruz - Surveyor
Ange Lieber - Work Study Office Assistant

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Bob Strain - Sierra Vista City Council
Susan Tegmeyer - Greater Sierra Vista Area Chamber of Commerce
Marie Wurth - Sierra Vista Regional Health Center

PUBLICATION STAFF

Jerry Eades - Coordinator, Print Services
Denise Merkel - Public Information Officer
David Gordon - Creative and Design

Other Cochise College Resources



Cochise College Sierra Vista Campus.
Photo by Gil Kenny

Career Services Center (CSC)

The Career Services Center 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 Career Services Center provides to students current listings of off-campus job openings and refers interested candidates to employers. If you are an employer and wish to have the Career Services Center post your available job opportunities at no charge, please call the Sierra Vista Campus at (520) 515-5457 or the Douglas Campus at (520) 417-4750.

Small Business Development Center (SBDC)

The 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, record keeping, 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 business books, video-tapes, audio tapes, newsletters, and magazines. Phone (520) 515-5478, or email sbdc@cochise.edu.

Center for Southwest Studies

The Cochise College Center for Southwest Studies partners with external organizations to explore, disseminate and protect cultural and natural resources and contribute to the economic development of the border region. The Center for Southwest Studies was created to establish Cochise College as a leader in border-related studies, training and research and to partner with existing organizations to become a reposi-

tory for resource availability and a keystone in resource procurement. The Center 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 Rebecca Orozco, director, Center for Southwest Studies, Cochise College, 4190 W. Hwy. 80, Douglas, Arizona, 85607 or orozcor@cochise.edu.

Tech Prep

Tech Prep, located in the Career Services Center building on Sierra Vista Campus, is a federally funded Carl Perkins vocational grant administered by the Arizona Department of Education, School to Work Division. The Workforce Development Program (COMPACT) builds career pathways for Cochise County high school students. Qualified students interested in skilled occupations or technical careers have the opportunity to begin their education at Cochise College while still in high school. Students pay a significantly reduced rate for qualifying courses. Funding also is provided by Cochise College and The Wolslager Foundation. Students may choose from courses in the areas of agriculture, aerospace thermal fusion welding, avionics, business, computer information systems, computer networking, just to name a few. For more information contact Rhonda Douglas at (800) 966-7943, Ext. 5347, or douglasr@cochise.edu. Or visit the website at www.cochise.edu/information/students/tech-prep.

Workforce Training and Community Education (WTCE)

Workforce Training and Community Education 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. A current schedule of classes is available at their website www.cochise.edu. For a printed schedule, or for more information, contact the department at (520) 515-5492 or www.cochise.edu/workforcetraining.

Cochise College

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 Associate Vice President for Human Resources



Library commons of the Sierra Vista campus. Photo courtesy of Kimberly Kelso.

Community Resources

The City of Sierra Vista offers many resources to the local residents and visitors to the area. Photo courtesy of Sierra Vista Convention and Visitors Bureau.



CITY OF SIERRA VISTA

Telephone: (520) 458-3315

Fax: (520) 417-6932

Website: www.ci.sierra-vista.az.us

Community Development Office

The Community Development Office oversees the development of the city. In this capacity, the department prepares and administers development codes, coordinates annexation efforts, and enforces uniform building codes by inspecting all public and private construction within the city.

Tel: (520) 458-3315 Inspection Lines: (520) 452-7019

Fax: (520) 458-0584

Public Works

Managing and promoting the city's award-winning public transit system, environmental operations park, Pedro Castro Government Maintenance Center, and Sierra Vista Municipal Airport continue to be a priority of the department.

Tel: (520) 458- 5775 Fax: (520) 417-4859

Budget & Finance Division

The Budget & Finance Division is responsible for the integrity of the city's financial records. It prepares the annual budget in coordination with the city manager's office. The Finance Division is also in charge of preparing the Consolidated Annual Financial Report (CAFR), managing investments, paying city bills, and providing management support by analyzing and reporting fiscal transactions.

Tel: (520) 458-3315 Fax: (520) 417-6932

City Clerk's Office

The City Clerk's Office is responsible to the council and gives notice of all council meetings; keeps the minutes of council proceedings, ordinances, and resolutions;

and performs such duties as required by the laws of the State of Arizona and the City of Sierra Vista Code of Ordinances.

Tel: (520) 458-3315 Fax: (520) 417-6932

Sierra Vista Police Department

The men and women of the Sierra Vista Police Department take a great deal of pride in the services and programs they provide to our community. They also offer a Citizens' Police Academy to familiarize residents with the many facets of police work. The department also hosts a Citizen Ride-A-Long program. Comprehensive and informative tours are also available for groups.

Sierra Vista Fire Department

Excellence in service is the hallmark of the Sierra Vista Fire Department. Over the years, the recognition that the people of Sierra Vista must be given the highest quality service has been a basic tenet of the organization. The department focuses its efforts on providing the information necessary to prevent, reduce, and avoid emergency situations before they occur.

Tel: (520) 458-3319 Fax: (520) 417-6925

Sierra Vista Public Library

First established when 600 donated books were placed on the running boards of a fire truck at the old station on Sherbundy Street, the Sierra Vista Public Library has served the greater Sierra Vista area since 1958. In 1999 a new state-of-the art facility was opened next to City Hall.

Tel: (520) 458-4225 Fax: (520) 458-5377

Greater Sierra Vista Chamber of Commerce

The Greater Sierra Vista Area Chamber of Commerce has nearly 800 members. These businesses - listed in the member directory section at the chamber's website - www.sierravistachamber.org - are the organizations that drive Sierra Vista's economic growth through their involvement in the community and activities with the chamber. The power of this marketplace of ideas is available to tap into by joining the other successful businesses that have made an investment in the chamber.

Tel: (520) 458-6940 Fax: (520) 452-0878

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.

Phone: (520) 432-5349 or (520) 432-3111.

Utility Assistance

AZ Water Company: (520) 432-5321

Bella Vista Water Company: (520) 458-5470

Southwest Gas: (800) 428-7324

Sulphur Springs Valley Electric Cooperative: (520) 458-4691

Qwest: (800) 879-4357

Cox Communications: (520) 458-4705

SIERRA VISTA POLICE DEPARTMENT

Emergency: 911

Non-Emergency: (520) 458-3311

Administration: (520) 452-7500

Animal Control: (520) 458-4151

Chief of Police: (520) 452-7500

Investigations: (520) 452-7500

Narcotics: (520) 452-7500

Non-Injury Traffic Accidents: (520) 458-3311

Patrol Division: (520) 452-7500

Personnel: (520) 458-3315

Public Information Officer: (520) 452-7500

Records and Reports: (520) 452-7500

Recruiter: (520) 452-7500

TDD: (520) 452-7066

88-CRIME: (520) 882-7463

FINANCIAL ASSISTANCE

Armed Forces Bank (Fort Huachuca)
(520) 452-8630

Bank of America
(800) 432-1000

Chase
(520) 458-1441

Compass Bank
(520) 458-1088

Huachuca Federal Credit Union
(520) 459-1860

National Bank of Arizona
(520) 439-5469

Southeastern Arizona Federal Credit Union
(520) 459-1333

Stockman's Bank
(520) 458-5200

Wells Fargo Bank NA
(520) 459-8489

Forecasting Credentials, Director Robert Carreira

Robert began working for Cochise College in August 2003 as an associate faculty member at the Fort Huachuca Center, teaching courses in political science. In November 2003, he was appointed as the center's first economic analyst. In August 2005, Robert was appointed as the director of the Center for Economic Research.

Robert holds a master of science degree in international relations with a concentration in international political economics; a master of science degree in foundations of education with a concentration in educational leadership; and a master of public administration degree with a concentration in public management from Troy State University, Ala. He also holds a bachelor of arts degree in sociology from Saint Leo University, Fla., and an associate of applied science degree in police science and administration from Austin Peay State University, Tenn. He is currently working toward a doctoral degree in public policy and administration through Walden University.

Robert's articles dealing with the economy of Cochise County appear weekly in newspapers countywide. His articles on politics and economics have appeared in major metropolitan newspapers across the nation and world, including the *Philadelphia Inquirer*, *Denver Post*, *Atlanta Journal Constitution*, *Tampa Tribune*, *San Francisco Examiner*, *Detroit News*, *Tucson Citizen*, *Arizona Daily Star*, *Stars & Stripes*, and numerous others. His articles on economics are routinely published by the Foundation for Economic Education in New York in their monthly journal and on their website. His articles have been cited by the Cato Institute in Washington, D.C., and the Center for the Law and the Public's Health at Georgetown and the Johns Hopkins Universities. In addition to serving as the director of the Center for Economic Research, Robert also teaches courses in economics and political science at the college.

Additional copies of the the *Sierra Vista Economic Focus* are available. Cochise County residents may obtain one free copy of this and other CER publications by visiting or contacting the center on the Cochise College Sierra Vista Campus. There is a \$5 charge for each additional copy beyond the initial free copy offered to all residents. Ten or more copies are \$3 each. Economic publications are also available for Benson (published annually in June), Douglas (published annually in September), and Bisbee (published annually in December). The CER's quarterly newsletter, *The Indicator*, is also available free of charge. For more information, contact the center at (520) 515-5846 or cer@cochise.edu.