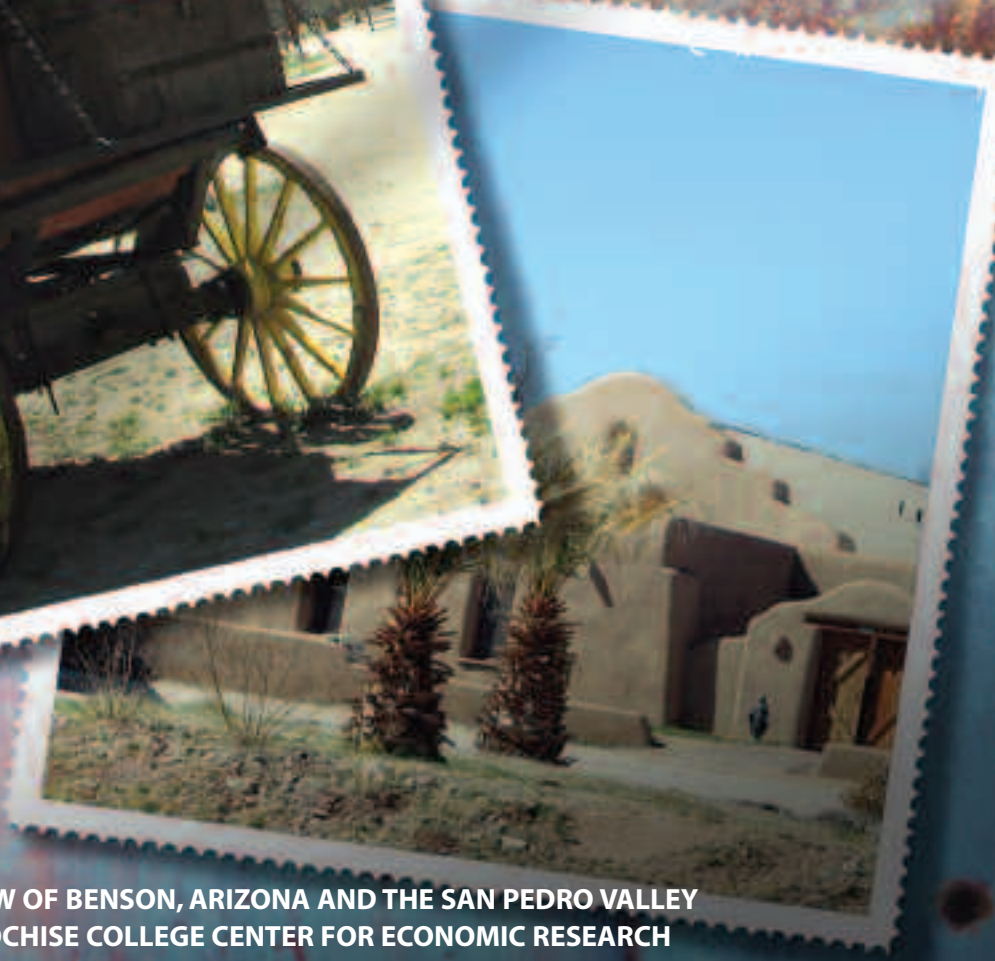


2006-2007

# Benson

PROSPECTUS



AN ECONOMIC OVERVIEW OF BENSON, ARIZONA AND THE SAN PEDRO VALLEY  
PRESENTED BY THE COCHISE COLLEGE CENTER FOR ECONOMIC RESEARCH

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# Table of contents

## 1 A review of the national, state, and local economy

## 3 Benson Poised for the Future

by Martin Roush

## 5 The City of Benson

Cost of living  
Climate  
Snowbirds  
Arizona Enterprise Zone Program  
Rural economic development initiatives  
Tax rates  
Primary and secondary education  
Post-secondary educational opportunities  
Crime rate  
Healthcare

## 13 Demographics

Population estimates and projections  
Race and ethnicity  
Language spoken at home  
Sex and age  
Household characteristics  
Educational attainment  
Military veterans



## 18 Employment

Employment, unemployment, labor force, and job growth  
Occupations and classes of workers  
Industries  
Major employers  
Earnings and income  
Cochise County employment  
Outlook

## 24 Retail and trade

Total taxable sales  
Retail sales  
Restaurant and bar sales  
Accommodation receipts  
Business establishments  
Outlook

## 28 Housing and real estate

Planned developments in the Benson area  
Northwest Cochise County home sales  
Benson MLS home sales  
Housing affordability in the Benson area  
New home construction  
Cochise County housing market summary  
Commercial construction  
Benson land transactions  
Outlook

## 34 Bank deposits and bankruptcy filings

## 36 Mexico

Sonora, Mexico  
Border crossings in Cochise County  
Economic impacts  
Fiscal impacts  
Mexico's economy today  
Factors influencing Mexico's economy

## 41 Fort Huachuca

Economic impact  
Environment  
Water issues



## 44 Cochise County agriculture

National trends  
Statewide trends  
The local impact

## 46 Tourism

Benson's railroad heritage  
Kartchner Caverns  
The Amerind Foundation  
Cochise Stronghold  
Gammons Gulch Ghost Town movie set  
Holy Trinity Monastery  
San Pedro Riparian National Conservation Area  
Benefits of tourism  
Local tourism trends  
Cochise County state and national park visitations  
Cochise County lodging indicators  
The film industry in the Benson area  
The Arizona Motion Picture Production Tax Incentives Program  
Calendar of events

## 53 About the Center

Contact information  
CER staff  
Benson economic advisory committee  
Publication staff

## 54 Cochise College resources

## 56 Community resources

# A review of the national, state, and local economy



Mesquite and mountains in the Lower San Pedro area.

Photo: CER Staff



**Robert Carreira**  
Director  
Cochise College  
Center for  
Economic Research

At the national level in 2006, real Gross Domestic Product – the inflation-adjusted value of all final goods and services produced in the economy – increased by 3.3 percent. This was slightly ahead of the 3.2 percent rate of growth in 2005. Much of the growth in 2006, however, occurred in the first quarter, which saw an annualized growth rate of 5.6 percent. This was followed by much slower growth of 2.6, 2.0, and 2.5 percent in subsequent quarters.

The slowed growth in the final three quarters of last year gave rise to speculation that the Federal Reserve might move to lower interest rates in 2007. A challenge to this came in the first quarter of this year as inflation began to cause concern, spurred by rising energy prices.

The national unemployment rate in 2006 dropped from 5.1 to 4.6 percent, its

lowest level since 2000. In the first 3 months of 2007, the unemployment rate averaged 4.6 percent, with the rate in March at 4.4 percent.

The year 2006 saw a net increase of 2.3 million non-farm jobs at the national level, down from 2.5 million in 2005. In the first quarter of this year, 455,000 new jobs were created, down from 755,000 in the first quarter of 2006.

The Consumer Price Index (CPI), our best measure of inflation, rose 3.2 percent in 2006, down from 3.4 percent the year prior. In the first quarter of 2007, however, consumer prices increased at a seasonally adjusted annual rate of 4.7 percent, reviving concerns over inflation.

The index for energy, which rose 17.1 percent in 2005, increased only 2.9 percent in 2006. But the energy index advanced at a 22.9 percent seasonally adjusted annual rate in the first quarter of 2007. Energy accounted for about 41 percent of the first quarter advance in the overall CPI.

The Federal Open Market Committee (FOMC) – the monetary policymaking branch of the Federal Reserve – raised its

target for the federal funds rate by 25 basis points at each of 17 meetings between June 2004 and June 2006. The most recent increase in June 2006 brought the target rate to its current 5.25 percent, the highest level since January 2001.

Stagflationary concerns (declining productivity and rising inflation at the same time) will force the FOMC toward a policy to address one of the two normally competing concerns: productivity (and its corollary employment) or inflation. With the relatively low employment rate, inflation is likely to take precedence over productivity and job growth, which could mean an interest rate hike in 2007.

Between November 2005 and July 2006, the average contract rate on a fixed, 30-year conventional mortgage increased from 6.32 to 6.83 percent, according to the Federal Housing Finance Board. Then, between July 2006 and January of this year, the rate fell to 6.36 percent. The rate inched upward to 6.37 percent in February. According to Freddie Mac, the average contract rate on a conventional 30-year mortgage as of April 19 was 6.17 percent.

At the state level, Arizona's GDP by state (formerly Gross State Product) rose 9.1 percent in 2005 (most recent data available). This made Arizona's economy the fastest-growing in the nation. The largest contributors were durable goods manufacturing; real estate, rental and leasing; and construction.

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

The unemployment rate in Arizona dropped to 4.1 percent in 2006, its lowest level since 2000. This was down from 4.6 percent in 2005. Arizona added 134,800 non-farms jobs in 2006, up from 127,500 in 2005. Arizona's job growth rate in 2006 was 5.4 percent, the same as in 2005.

In January of this year, the state's

unemployment rate was 4.2 percent; this dropped to 3.9 percent in February. The number of non-farm jobs at the state level in February was up by 100,900 compared to February 2006, for a 12-month job growth rate of 4.3 percent.

In Cochise County, the unemployment rate for 2006 was 4.5 percent, down from 4.8 percent in 2005. This was the lowest rate the county had seen since 2000. The county's 2006 unemployment rate was above the statewide rate of 4.1 percent, but below the national average of 4.6 percent.

In 2006, Cochise County added 1,025 non-farm jobs, for job growth of 2.8 percent. This was down from 2005, when the county added 1,525 non-farm jobs for job growth of 4.3 percent.

Retail sales in Cochise County were up 6.5 percent in 2006. This reflects inflation-adjusted growth of 3.3 percent. Restaurant and bar sales were up 10.4 percent, reflecting strong, inflation-adjusted growth of 7.2 percent.

Accommodation receipts in Cochise County were down 2.6 percent. This reflects real, inflation-adjusted growth of -5.8 percent. Accommodation receipts include hotel, motel, and other lodging.

### **At the city level, Benson's taxable sales in 2006 were up 45.8 percent. This was the highest annual rate of growth of total sales of the seven incorporated cities in Cochise County.**

In 2006, the number of new home permits issued countywide was down 18.8 percent, from 1,108 to 900. The number of closings on new homes was down 15.9 percent, from 611 to 514. Existing home sales were down 20.9 percent, from 2,850 to 2,254.

The median price of a new home in Cochise County was up 15.2 percent to \$241,907 in 2006. The median price of an existing home was up 8 percent to \$151,267.

At the city level, Benson's taxable sales in 2006 were up 45.8 percent. This was the highest annual rate of growth of total sales

of the seven incorporated cities in Cochise County. Adjusting for inflation, this represents real growth of 42.6 percent. In 2006, taxable sales in Benson accounted for 8.3 percent of the countywide total, up from 6.1 percent the year prior. The shift was largely the result of a surge in residential construction and the opening of the new Wal-Mart Supercenter in the city.

In 2006, retail sales in Benson were up 18.9 percent, for inflation-adjusted growth of 15.7 percent. The primary contributor was the opening of the Wal-Mart Supercenter in November, just in time for the holiday shopping season. Although the new store was opened only part of the month, retail sales in November showed a 44.8 percent increase over the same month a year prior. In December, retail sales in the city were up 67.3 percent; and in January, sales were up 56.9 percent. The CER estimates the new Wal-Mart will raise Benson's retail sales by an average of 45 percent from pre-Wal-Mart levels.

Restaurant and bar receipts in Benson for 2006 were up 2.1 percent. This represents an inflation-adjusted decline of 1.1 percent. Benson's restaurant and bar sales accounted for 10.2 percent of the countywide total, down from 11 percent in 2005. Accommodation receipts were up 9 percent from the year prior. This reflects real growth of 5.8 percent. Benson's accommodation receipts in 2006 accounted for 14 percent of the countywide total, up from 12.5 percent in 2005.

There are 16 housing developments currently underway or planned for the Benson area. Combined, these developments will add more than 20,000 homes to the area based on current plans, with about half planned for construction and occupancy between now and 2015. The year 2006 saw the first steps toward build-out. The City of Benson issued 104 new home permits last year, and 11 permits in the first 3 months of 2007. In the previous 5 years, the city had issued a combined total of only 12 permits for new site-built homes.

# Benson poised for the future



A view of Benson.

Photo: CER Staff



**Martin Roush**  
Benson  
City Manager

Benson is a very active city. This past year, while traditional activity occurred, many new things happened as well. Benson has seen the hiring of a new city manager, planning and zoning director, city engineer, and finance director. The latter two are new positions on the city staff. The city has positioned itself well for the already occurring growth by establishing a development team, an engineering team, and a finance team. The new management team has a combined 30 years of municipal experience, and much of the team's knowledge comes firsthand from working in high-growth communities in southern Arizona.

Our financial performance for fiscal year 2006-2007 has been robust. So far, the general fund revenues have increased dramatically – up 58 percent for this fiscal year

to date, compared to the same period last year. We attribute this to a stronger year-round economy, the opening of the new Wal-Mart Supercenter in November 2006, and our large population of winter visitors. In the fiscal year 2007-2008 budget, the city has established the Capital Project Fund with initial funding of \$890,000 provided by a 4 percent construction sales tax.

Financial planning for the city has improved in two ways. First, the mayor and council have adopted the Strategic Plan for a Finance Department, which recommends the city aggressively pursue the Budget Award. Elements of the plan have been incorporated into this year's budget, significantly improving the communication and operational aspects of the budget. Second, the vastly improved Capital Improvement Program will help the city deliver much needed projects to the community.

The opening of the Wal-Mart Supercenter demonstrates Benson is both capable and ready to sustain commercial and industrial development. With this strong commercial growth, Benson saw an increase in commercial and industrial inter-

est. It's clear to see commercial growth is coming to Benson.

In 2006, while many cities across the nation watched as new home permits declined, permits in Benson increased dramatically. During 2006, the city issued 370 building permits (valuation \$38.7 million), compared to 192 building permits (\$9.2 million) in 2005, and 160 permits (\$9.1 million) in 2004. Of the 370 permits issued in 2006, 104 were for new site-built homes. This compares to 5 new site-built home permits in 2005.

**In 2006, while many cities across the nation watched as new home permits declined, permits in Benson increased dramatically. During 2006, the city issued 370 building permits...**

The city provides a variety of utility services: wastewater, potable water, natural gas, and solid waste. The existing infrastructure is in place to support growth. For ex-

ample, the city's main treatment plant has a permitted capacity of 1.2 million gallons per day. Although the city has substantial excess capacity at the plant, the public works department is starting the design of the next expansion. The city has received a designation of adequate water supply from the Arizona Department of Water Resources for the existing city boundaries. This demonstrates the city is committed to looking at the long-term perspective of managing its water resources. The city's adoption of development fees for wastewater and water ensures the long-term financial health of the City of Benson's Utilities.

A number of infrastructure enhancements are planned for the future; these are detailed in the Capital Improvement Program. The city is working on revitalizing the existing community by repaving streets through Community Development Block Grant funding. An aggressive pavement management program funded by general funds will begin within a year to enhance the existing residential streets. Examples of projects that are underway are the new Union Street swimming pool and Phase I of the Lions Park Improvements.

Growth in Benson is evident by the number of new building sites.

Photo: CER Staff



# The City *of* Benson



The Benson Depot/Visitor Center welcomes guests to the local area.

Photo: CER Staff

Benson, Arizona – Home of Kartchner Caverns State Park – is the fourth largest of seven incorporated cities in Cochise County. With a population of 4,820 as of mid-2006, Benson accounts for about 3.6 percent of the county's population. The Benson-St. David area (including the City of Benson and the unincorporated areas of Cascabel, Mescal, Redington, and St. David) had a combined population of 11,352 in 2000. Based on recent growth patterns in the area, the Cochise College Center for Economic Research estimates the population of the combined Benson-St. David area, as of mid-2006, was 12,318.

Benson is located 45 miles southeast of Tucson and 156 miles southeast of Phoenix. Recently, Benson, along with the unincorporated areas of Cochise County just outside the city limits, has been eyed by developers for large-scale, master-planned communities. Developers see Benson as a vital link between Tucson to the west and Sierra Vista/Fort Huachuca to the south. There are currently 20,000 homes planned for the Benson area over the next few decades. At full build-out, this would make Benson the largest city in Cochise County. The first major step toward build-out began in 2006 when the City of Benson issued 104 new home permits, compared to only 12 permits issued over the entire preceding 5-year period. In anticipation of growth in the area, Wal-Mart opened a 99,000 square-foot Supercenter in Benson in late 2006.

The City of Benson was founded in 1880 and incorporated in 1924. Benson developed as a stopping point for the Butterfield Overland Stage mail delivery route. Soon thereafter, the Southern Pacific Railroad came to Benson and continued to serve the area until 1997, when the line was purchased by Union Pacific Railroad. From 1880 to 1910, Benson was the railroad hub of Southern Arizona. Benson's culture is characterized by images of the Old West and steeped with the city's traditional railroad heritage.

The City of Benson is particularly proud of its designation as the Home of Kartchner Caverns State Park. Located on 550 acres at the foothills of the Whetstone Mountains just south of Benson on State Highway 90, Kartchner Caverns State Park offers picnicking, camping, hiking, walking, and the magnificent "still-living" caverns. Since its opening in



Both single-family housing and apartment rentals are available in the Benson area.

Photo: CER Staff

late 1999, Kartchner Caverns has hosted more than a million visitors, with an average annual visitation of more than 190,000 people.

The economy of Benson is dependent on tourism, as well as accommodation and restaurant and bar patronage from traffic along Interstate 10 and state routes 80 and 90. The City of Benson also supports a large retired population and is a winter refuge for people from colder climates. With the 2006 opening of the Wal-Mart Supercenter, Benson is positioned to become the major retail center of northern Cochise County. With the planned construction of more than 20,000 homes over the next few decades, construction will also become a major contributor to Benson's economy. This has already begun to occur, with Benson's construction industry overtaking restaurant and bar in 2006 to become the second-largest contributor to taxable sales in the city. Construction's share of total taxable sales in Benson increased from 6.5 to 18.2 percent between 2005 and 2006.

Nearby locations of interest include Kartchner Caverns State Park; Old Tucson's Mescal movie site; the cities of Tombstone and Bisbee; Gammon's Gulch Movie Set and Museum; the Amerind Museum, which features remnants of prehistoric Native American cultures; the Holy Trinity Monastery; San Pedro Riparian National Conservation Area; historic Old Fort Bowie; Fort Huachuca; Coronado National Memorial; Cochise Stronghold; Texas Canyon; San Bernardino Wildlife Refuge; Chiricahua National Monument; Corona-

do National Forest; and the Chiricahua Mountains. In addition, there are numerous mountain ranges that provide rock hounding, photography, picnicking, hiking, camping, bird watching, and hunting opportunities. To learn more about the City of Benson, visit the city's website at [www.cityofbenson.com](http://www.cityofbenson.com) or the Benson Visitor Center's website at [www.bensonvisitor-center.com](http://www.bensonvisitor-center.com).

### Cost of living

Although cost of living data are not available for Benson, specifically; the Sierra Vista-Douglas Micropolitan area is a participant in the ACCRA Cost of Living Index program. The ACCRA Cost of Living Index data for the Sierra Vista-Douglas Micropolitan area provide an indication of the cost of living in the Benson area.

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, nationwide 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, housing, utilities, transportation, healthcare, and miscellaneous goods and services.

From 2004 through the first half of 2005, the cost of living in the Sierra Vista-Douglas Micropolitan area ranged from slightly below to slightly above the national average. Beginning in the second half of 2005 and continuing through 2006, the

cost of living in the Sierra Vista-Douglas Micropolitan area remained below the national average.

From 2004 through 2006, the Sierra Vista-Douglas Micropolitan area's cost of living ranged from a low of 94.0 (interpreted as 94 percent of the national average cost of living) in the fourth quarter of 2005, to a high of 104.0 (interpreted as 104 percent of the national average) in the second quarter of 2004. In 2004 and through the first half of 2005, the Sierra Vista-Douglas Micropolitan area's cost of living remained above that in Tucson and Phoenix; however, this trend reversed beginning in the third quarter of 2005. Since the fourth quarter of 2005, the cost of living in the Sierra Vista-Douglas Micropolitan area has remained consistently below that of Tucson and Phoenix.

### Climate

Benson is at an elevation of 3,580 feet. The average monthly temperature ranges from an average low of 28°F in December to an average high of 96°F in June. The record low of -7°F was observed in December 1978. The record high is 111°F, observed in June 1973. The average monthly precipitation ranges from 0.24 inches in May to 3.49 inches in July.

### Snowbirds

The City of Benson is a winter refuge for people from colder climates, commonly referred to as "snowbirds." Many of these winter visitors reside in RV/travel trailer

park. As of Census 2000, 11.2 percent, or 309 of the housing units in Benson were classified under the category of “Boat, RV, van, etc.” This compares to only 2.4 percent countywide. Of the total housing units in Benson as of Census 2000, 15.3 percent, or 433 were identified as vacant “For seasonal, recreational, or occasional use,” compared to only 3.8 percent countywide. The presence of snowbirds residing in RV parks between October and March of each year is a unique characteristic of Benson that contributes to the city’s culture, as well as its economy.

While RV parks and spaces appear plentiful in Benson, there are indications of a demand for more. The local SKP RV Park, which hosts visiting members of its “Escapee RV Club,” had a permanent membership of 243 couples and 54 widows and widowers (a total of 297 spaces) in 2006, but had more than 375 couples on its list waiting for space. According to a study conducted by Arizona State University in the 2002-2003 snowbird season, the typical snowbird household in the state spent \$2,000 on monthly living expenses and had a length of stay of 4 months. Assuming a 4-month occupancy and average monthly spending of \$2,000, this waiting list represents a potential of \$3 million in direct local revenue, with a potential total economic impact (direct, indirect, and induced) of more than \$4.5 million each year.

### Arizona Enterprise Zone Program

Benson is located in the Cochise County Enterprise Zone, currently in effect through December 31, 2008. This zone also includes the communities of Bisbee, Douglas, Huachuca City, Tombstone, Willcox, and portions of Sierra Vista. Companies that locate to enterprise zones may be eligible to benefit from two tax incentive programs.

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

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

### COST OF LIVING COMPARISONS, 2004-2006

	SIERRA VISTA	TUCSON	PHOENIX	FLAGSTAFF	YUMA	LAKE HAVASU
<b>2004</b>						
1st Quarter	98.0	96.1	98.7	109.5	*	103.1
2nd Quarter	104.0	98.1	99.0	106.9	99.3	107.0
3rd Quarter	100.7	95.0	99.2	111.5	98.4	106.7
4th Quarter	100.4	94.4	98.7	109.7	94.7	109.6
<b>2005</b>						
1st Quarter	98.7	96.2	96.8	107.3	94.1	106.2
2nd Quarter	100.5	96.6	96.9	109.3	98.7	107.1
3rd Quarter	98.0	97.4	99.0	*	98.0	106.6
4th Quarter	94.0	97.3	100.4	112.4	99.4	109.4
<b>2006</b>						
1st Quarter	98.0	100.3	103.8	116.1	106.3	114.1
2nd Quarter	94.5	98.6	100.4	115.5	101.7	113.3
3rd Quarter	96.9	98.8	101.8	115.9	102.4	115.0
4th Quarter	98.8	99.8	102.5	113.1	103.1	111.0

\*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/DOUGLAS MICROPOLITAN AREA COST OF LIVING, 2006

	COMPOSITE INDEX	GROCERY ITEMS	HOUSING	UTILITIES	TRANSPORTATION	HEALTH CARE	MISC. GOODS & SERVICES
1st Quarter	98.0	101.7	90.2	116.5	101.7	95.0	96.8
2nd Quarter	94.5	99.8	88.0	92.9	101.3	94.4	96.2
3rd Quarter	96.9	111.5	95.5	93.1	101.3	93.6	92.8
4th Quarter	98.8	104.3	91.2	101.2	101.5	96.9	101.6

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.

### BENSON WEATHER

MONTH	AVG. HIGH	AVG. LOW	MEAN	AVG. PRECIP.	RECORD HIGH	RECORD LOW
January	63°F	29°F	46°F	1.05 in.	84°F (1971)	6°F (1964)
February	67°F	32°F	49°F	0.58 in.	90°F (1957)	10°F (1972)
March	71°F	36°F	54°F	0.53 in.	93°F (1989)	12°F (1965)
April	79°F	41°F	60°F	0.26 in.	98°F (1989)	18°F (1945)
May	87°F	49°F	68°F	0.24 in.	105°F (1958)	26°F (1950)
June	96°F	58°F	77°F	0.51 in.	111°F (1973)	33°F (1972)
July	95°F	65°F	80°F	3.49 in.	110°F (1958)	37°F (1952)
August	93°F	64°F	78°F	3.16 in.	107°F (1944)	48°F (1983)
September	90°F	57°F	74°F	1.73 in.	105°F (1948)	35°F (1945)
October	81°F	46°F	64°F	1.34 in.	99°F (1980)	20°F (1971)
November	71°F	33°F	52°F	0.50 in.	90°F (1947)	12°F (1957)
December	63°F	28°F	46°F	0.82 in.	84°F (1954)	-7°F (1978)

Source: The Weather Channel ©

### BENSON PROPERTY TAX RATES (PER \$100 ASSESSED VALUE)

DISTRICT	PRIMARY	SECONDARY	TOTAL
City of Benson	0.6317		0.6317
Benson Unified School District	4.5326	1.9937	6.5263
Cochise Joint Technical District		0.0500	0.0500
San Pedro Valley Hospital		0.9000	0.9000
Cochise County General Government*	2.9160		2.9160
Library*		0.1551	0.1551
Flood Control*		0.2597	0.2597
Cochise College*	1.7868		1.7868
Arizona Fire District Assistance Tax*		0.0919	0.0919
<b>TOTAL</b>			<b>13.3175</b>

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

Programs available to students in Benson include Career and Technical Education, Service Learning, and D.A.R.E.

Photo: CER Staff



### BENSON PRIVILEGE TAX RATES\* (SALES)

CATEGORY	COUNTY AND STATE	CITY OF BENSON	TOTAL
Privilege Tax	6.10%	2.5%	8.6%
Retail Tax (single item over \$5,000)	6.10%	1.0%	7.1%
Hotel/Motel	6.05%	2.5+2.0%	10.55%
Construction Contracting	6.10%	4.0%	10.1%

\*As of March 1, 2007. Source: Arizona Department of Revenue and Cochise College Center for Economic Research.

ers using lithography or flexography printing processes are now able to participate in the program.

The Enterprise Zone program provides for an income and premium tax credit for net increases in qualified employment positions at a site located in the enterprise zone, except for those at a business location where more than 10 percent of the activity is the sale of tangible personal property at retail. Tax credits may total up to \$3,000 per qualified employment position over three years, for a maximum of 200 employees in any given tax year. A qualified employment position is a fulltime permanent job (1,750 hours per year), pays an hourly wage above the "Wage Offer by County" (\$8.40 in 2007 for the Cochise County Enterprise Zone), and provides health insurance to employees for which the employer pays at least 50 percent.

The program also provides for property tax benefits in conjunction with property reclassification for qualified manufacturing businesses locating or expanding facilities in the enterprise zone. A manufacturer in an enterprise zone is eligible for an

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

### Rural Economic Development Initiatives

Benson is an Arizona Rural Economic Development Initiatives (REDI) accredited community. In 1987, the Arizona legislature created the REDI program to promote economic development in rural areas and communities of the state. The Arizona REDI program provides direct assistance to rural communities in organizing an economic development program or effort, and evaluating community resources. The REDI program provides both technical and matching fund assistance.

As an Arizona REDI community, Benson receives on-site technical assistance from REDI staff. Assistance includes board and staff consultation on community and economic development topics; intensive, day-to-day consultation when necessary; consultation during special projects; on-

site consultant services for specific local economic development issues; strategic planning assistance; special strategy sessions; assistance in identifying education and training opportunities to reach economic development goals and objectives; workshops on timely economic development topics; evaluation of goals and activities to improve economic development effectiveness; community survey implementation and analysis assistance; reduced fees for various regional and statewide training workshops on current economic development practices and techniques; assistance in generating community interest and support for local community program goals; media releases on community programs and progress; and research provided through the Statewide Economic Study.

### Tax rates

#### PRIVILEGE TAX

Sales (or privilege) tax rates in Benson vary based on the category 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 sales tax rate in Benson is 2.5 percent, for a total (city, county, and state) tax of 8.6 percent. For retail sales on single items costing more than \$5,000, the city sales tax is reduced to 1 percent, for a total tax rate of 7.1 percent. An additional tax of 2 percent is added to hotel/motel stays, for a total tax of 10.55 percent (Note: The state and county com-

bined tax for hotel/motel stays is 6.05 percent). Construction contracting in the city is taxed at 4 percent, for a total rate of 10.1 percent.

**PROPERTY TAX**

The combined total of all primary and secondary city, school district, county, state, and special district property taxes for property located in Benson is \$13.32 per \$100 assessed value as of fiscal year 2007. This is down from \$13.60 in fiscal year 2006, due primarily to decreases in the general government property tax levied by Cochise County, as well as the elimination of the statewide school district assistance tax. The decreases were partially offset by increases in the Benson Unified School District tax and the statewide fire district assistance tax. Property taxes levied by the City of Benson totaled \$0.6317 per \$100 of assessed value in fiscal year 2007, the second lowest rate of the seven incorporated areas of Cochise County (behind only Sierra Vista).

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

- **24 percent:** Mines and mining claim property, and standing timber; local telecommunications service, gas, water, and electric utility company property; pipeline company property producing oil; gas property; commercial and industrial real property not included in other classes; and commercial and industrial personal property exceeding \$62,142 of full cash value. (Note: This assessment ratio will decline by one-half of one percent each year, reaching 20 percent in 2014).
- **21 percent:** Railroad operating property, private car company property, and airline flight property.
- **16 percent:** Agricultural real property, golf courses, and vacant land; and agricultural personal property exceeding \$62,142 of full cash value.
- **10 percent:** Owner-occupied residential property; and leased or rented residential property.
- **5 percent:** Noncommercial historic

property, foreign trade zone property, qualifying military reuse zone property, qualifying enterprise zone property, qualifying environmental technology property, and qualifying environmental remediation property.

- **1 percent:** Possessor interests; improvements to commercial historic or historic residential rental property (for up to 10 years).

**Primary and secondary education**

**BENSON UNIFIED SCHOOL DISTRICT**

The Benson Unified School District (BUSD) includes an area of approximately 620 square miles and consists of Benson Primary School (grades pre-K-4), Benson Middle School (grades 5-8), and Benson High School (grades 9-12). The BUSD district-wide average daily membership (ADM) declined each year from the 2001-2002 through the 2004-2005 school year. In the 2001-2002 school year, ADM was 1,224 students. This dropped steadily, reaching a low of 947 in the 2004-2005 school year. ADM increased slightly for the 2005-2006 school year, reaching 954. An upward trend in the district's ADM is projected for the next several decades as construction moves forward on nearly 20,000 homes in the Benson area, most of which will be located within the BUSD boundaries.

In its recently completed Student Population Growth and Facilities Plan, the Mesa-based consulting firm Demographic Studies recommended BUSD consider requesting three new schools (grades K-4; 5-8; and 9-12) based on projected population growth in the district. In Arizona, funding for new schools is provided by the state School Facilities Board. Demographic Studies anticipated the new schools would be needed by the 2011-2012 school year.

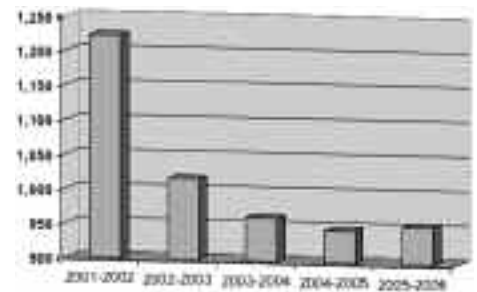
Arizona Learns, a program within the Arizona Department of Education, evaluates each school in the state and assigns a rating with respect to the school's ability to meet or exceed the Arizona Standards of Education. The ratings include: Excelling, Highly Performing, Performing Plus, Performing, and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

**BENSON UNIFIED SCHOOL DISTRICT, PUBLIC SCHOOLS**

SCHOOL	ENROLLMENT*	ARIZONA LEARNS RATING**
Benson High School (9-12)	331	Highly Performing
Benson Middle School (5-8)	302	Performing Plus
Benson Primary School (pre-K-4)	320	Performing Plus
<b>TOTAL ENROLLMENT</b>	<b>953</b>	

\*As of October 1, 2005. \*\*2005-2006 school year. Source: Arizona Department of Education.

**BENSON UNIFIED SCHOOL DISTRICT, AVERAGE DAILY MEMBERSHIP, 2000-2006**



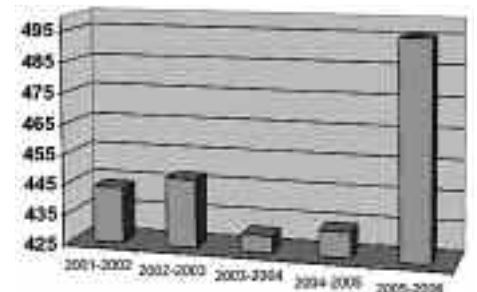
Source: Arizona Department of Education.

**ST. DAVID UNIFIED SCHOOL DISTRICT, PUBLIC SCHOOLS**

SCHOOL	ENROLLMENT*	ARIZONA LEARNS RATING**
St. David Elementary School (pre-K-8)	352	Highly Performing
St. David High School (9-12)	175	Highly Performing
<b>TOTAL ENROLLMENT</b>	<b>527</b>	

\*As of October 1, 2005. \*\*2005-2006 school year. Source: Arizona Department of Education.

**ST. DAVID UNIFIED SCHOOL DISTRICT, AVERAGE DAILY MEMBERSHIP, 2000-2006**



Source: Arizona Department of Education.

year. BUSD schools were rated as follows for the 2005-2006 school year: Benson High School: Highly Performing; Benson Middle School: Performing Plus; and Benson Primary School: Performing Plus.

Programs within BUSD include Career and Technical Education, which is a program offered at Benson High School that provides students with the necessary career and technical skills to enter the workforce or advanced training/education upon graduation; Service Learning, which seeks to promote student learning through experiences with volunteerism or community service; and D.A.R.E., which teaches students how to recognize and resist the direct and subtle pressures that influence them to experiment with alcohol, tobacco, marijuana, and other drugs.

For more information on the Benson Unified School District, visit [www.bensonsd.k12.az.us](http://www.bensonsd.k12.az.us).

#### ST. DAVID UNIFIED SCHOOL DISTRICT

St. David Unified School District consists of St. David Elementary School (grades pre-K-8) and St. David High School (grades 9-12). Under Arizona Learns, both schools were rated Highly Performing for the 2005-2006 school year, which gives the district an overall rating of Highly Performing. In 2006, the St. David Unified School District collected \$24,000 through the Tax Credit Fund. This was an increase of \$5,000, or 26.3 percent, from 2005. The funding will be used to support extra-curricular programs within the district.

Programs within the district include vocational classes: Agriculture, Business, Computer Maintenance, Childcare, Culinary

Arts, Life Skills, and Welding/Small Engines. Dual credit courses, offered through a partnership with Cochise College, include Nursing and Business Math. The district also has available after-school tutoring, Accelerated Reader program and Game Club in addition to the traditional middle/high school athletic program and extracurricular activities.

District-wide average daily membership (ADM) was around 430 students from the 2002-2003 through the 2004-2005 school year. ADM increased significantly for the 2005-2006 school year, reaching 495.

The St. David Unified School District will be impacted by the population growth projected for the Benson area. While most of the new construction will occur within the boundaries of the Benson Unified School District (BUSD), some of the new homes will be located in the St. David Unified School District. Moreover, the close proximity of St. David to Benson may lead some families residing within the boundaries of BUSD to opt to send their children to St. David Unified School District schools.

For more information on the St. David Unified School District, visit [www.stdavid-school.net](http://www.stdavid-school.net).

#### CHARTER SCHOOLS

In addition to the Benson and St. David district schools, the Benson area also has four charter schools with a total enrollment of 212 students as of October 2005. Each of the four charter schools received an Arizona Learns rating of Performing for the 2005-2006 school year. The New West School enrolled 34 students in grades 5-12. The New West Schools enrolled 70 students

in grades K-4. Visions Unlimited Academy enrolled 69 students in grades K-8. San Pedro Valley High School enrolled 39 students in grades 9-12. San Pedro Valley High School is unique among charter schools in that it was chartered by the Benson Unified School District.

### Post-secondary educational opportunities

#### COCHISE COLLEGE

Cochise College, a comprehensive "learning community" college, provides high-quality learning opportunities by offering a diverse curriculum in general education and liberal arts, direct employment programs, and various community courses and events that provide educational, cultural, and recreational services beyond formalized classroom instruction. Cochise College was established in 1961 as one of the first community colleges in Arizona. The original 540-acre Douglas Campus, which opened in 1964, is unique in its architecture and provides panoramic views of the Mule and Chiricahua Mountains, as well as neighboring Sonora, Mexico.

The development of community-directed college programs and services district-wide has included Workforce Training and Community Education, the Small Business Development Center, the Career Services Center, the Online Campus, the Prison Education Program, Adult Education, the Center for Southwest Studies, and the Center for Economic Research. The college now offers classes in Benson, Bisbee, Douglas, Fort Huachuca, Sierra Vista, Willcox, and in outlying areas. Classes also are offered online and in Nogales in neighbor-

Under Arizona Learns, both St. David's schools were rated Highly Performing for the 2005-2006 school year.

Photo: CER Staff



### BENSON AREA CHARTER SCHOOLS

SCHOOL	ENROLLMENT*	ARIZONA LEARNS RATING**
New West School (5-12)	34	Performing
New West Schools (K-4)	70	Performing
San Pedro Valley High School (9-12)***	39	Performing
Visions Unlimited Academy (K-8)	69	Performing
<b>TOTAL ENROLLMENT</b>	<b>212</b>	

\*As of October 1, 2005. \*\*2005-2006 school year. \*\*\*San Pedro Valley High School is a charter school sponsored by the Benson Unified School District. Source: Arizona Department of Education.

ing Santa Cruz County.

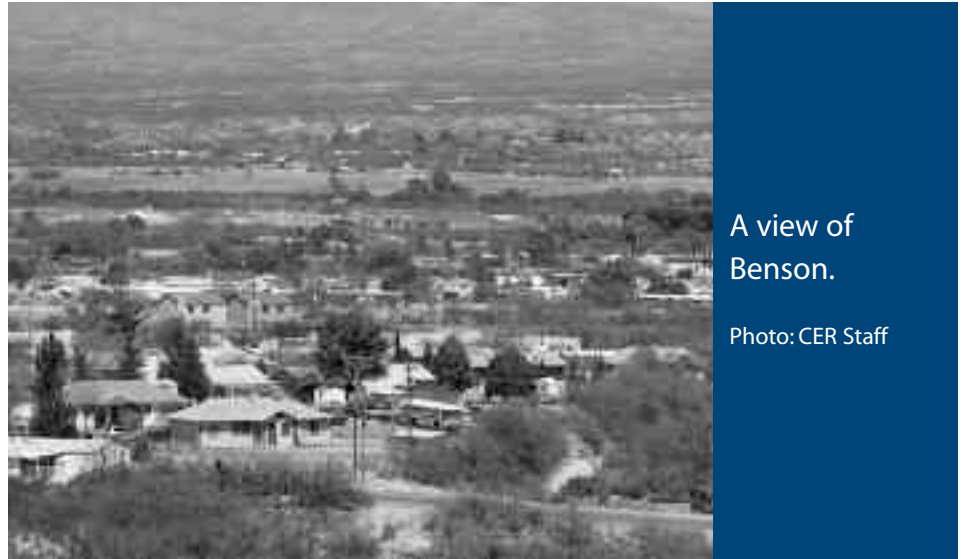
Cochise College began offering evening classes in Benson at Benson High School in 1967. In 1998, after Benson residents lobbied the state capitol, House Bill 2505 provided \$1 million over a two-year period to support construction of the 13,000-square-foot Cochise College Benson Center. The Benson Center opened in August 2000 and has two computer labs, a virtual library, four articulated classrooms that together can accommodate up to 200 students, a distance learning classroom, and a science lab/art room. The center serves students with traditional college courses, adult education, and personal interest classes. A full-time staff provides placement assessment, GED testing, advising, admissions, registration, and financial aid.

The Benson Center has designated space to provide computer training to area businesses and has partnered with Southeast Arizona Behavioral Health Services to provide work-related coursework for employees. Cochise College has offered CISCO certification training for the high school technology district and adult learners. The Benson Center hosts numerous community events, including several arts and cultural events which have included an exhibit of lithographs and serigraphs by Ted DeGrazia.

Cochise College is accredited by the Higher Learning Commission of the North Central Association and in 2006 earned the maximum re-accreditation of 10 years. To learn more about Cochise College, visit their website at [www.cochise.edu](http://www.cochise.edu).

## Crime rate

The crime rate in Benson in 2005 was 52.1 crimes per 1,000 population, slightly below the statewide rate of 52.6. 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.



A view of  
Benson.

Photo: CER Staff

## Healthcare

Benson Hospital opened in 1970 as a small community hospital meeting the needs of patients in the area. Today, the majority of the hospital's business is conducted through its emergency room, due in large part to the hospital's location near the junction of Interstate 10 and state routes 80 and 90. With the influx of hundreds of winter visitors and many new permanent residents, outpatient use of laboratory, radiology, and rehabilitation has increased dramatically in recent years.

The staff at the Benson Hospital includes seven local physicians, a family nurse practitioner, and specialists in cardiology, obstetrics, mammography, rehabilitation, podiatry, and hearing who see patients on specified days. The staff at the hospital includes technologists, technicians, and phlebotomists, all certified in their individual specialties.

The Benson hospital provides 24-hour emergency care. The emergency physician and nursing staff are specially trained to provide emergency trauma, cardiac, and respiratory care. Based on the needs of the patient, a quick transfer can be made to nearby facilities.

In March 2007, the hospital opened its newly expanded, 3,000-square-foot emergency room. The expanded emergency room accommodates 12 beds, secured admitting, CT scans, an isolation room with separate entrance, and an urgent care unit.

Benson Hospital inpatient services include acute care, skilled nursing, swing beds, long-term respite, hospice care, and inpatient drug therapy. Comprehensive laboratory and radiology services are offered, as well as nutritional consultations. Rehabilitation services are available on site.

The Benson Hospital has 22 acute-care beds, including four equipped with cardiac monitors. The most common diagnoses treated are cardiac and respiratory. In addition to acute care, the hospital provides services for patients who are in need of long-term or respite care. Many of these patients receive rehabilitation following orthopedic surgery.

Comprehensive, on-site laboratory and radiology services provide fast test results for emergencies, outpatients, and inpatients. Comprehensive services provide test results to physicians quickly so that treatment can be initiated without delay. Reports can be faxed to healthcare providers in other communities within or outside the state. The hospital's comprehensive services include CT scans.

The hospital offers physical, occupational, and speech therapy to restore normal function, improve mobility, and help patients achieve a greater degree of independence. This care is provided in a variety of settings, including at the hospital, nursing homes, patient homes, and work sites in Benson and surrounding areas.

Occupational therapists at the hospital use functional activities, such as dressing,

personal hygiene, and leisure interests, to help patients achieve the highest level of independence in activities of daily living, as well as therapeutic exercise and modalities. Occupational therapists also treat a variety of upper extremity disorders and provide splinting services.

Speech/Language pathologists at the hospital use a wide range of language activities to treat communication disorders and evaluate swallowing disorders.

The Benson Hospital Laboratory is staffed and equipped to offer state-of-the-art laboratory technology to residents of the San Pedro Valley District and beyond. This includes testing in the areas of chemistry, blood banking, and transfusion services, hematology, urinalysis, coagulation, toxicology, therapeutic drug monitoring, and limited microbiology. Testing that is not done at the hospital is collected and forwarded to an appropriate reference laboratory facility. The laboratory is certified and licensed by the State of Arizona as a full service laboratory, and is inspected for

compliance by the Division of Laboratory Licensure. Laboratory licensure is monitored by the Clinical Laboratory Improvement Act department of the federal government. Physicians are notified of laboratory results by phone or by fax, making it possible to serve the needs of patients who come from other areas, including winter visitors. Most laboratory tests are done within 1 to 2 hours of specimen collection. The hospital strives to have emergency lab results available within one hour.

The Benson Hospital also provides a wide variety of outpatient services including chemotherapy, IV antibiotics, injections, and EKGs. Outpatient programs include cardiology, podiatry, women's health, and hearing tests. Free blood pressure tests are given at the Nurses' Station.

The Benson Hospital Nutritional Services Department assists patients in meeting nutritional needs and goals. Each patient admitted to the hospital is assessed by the department and an individual diet plan is developed. Patients are reassessed

throughout their hospital stay, and the diet plan is updated as needed. Outpatients who would like help in developing a healthy diet plan can ask for a referral from their primary care physician. The department provides nutritional assessment, assessment of food/drug interactions, lab value monitors to provide screening information to assess the nutritional status of patients, special needs, and patient education by a registered dietitian on a wide range of nutritional topics to promote healthy lifestyle changes.

In late 2006, Benson Hospital became one of the rural hospitals participating in Teletrauma with University Medical Center in Tucson. The program puts a highly trained trauma surgeon in a rural emergency room through technology via the use of a cart carried from patient to patient and a headset that allows the local physician to communicate directly with the physician in Tucson. To learn more about the Benson Hospital, visit the hospital's website at [www.bensonhospital.org](http://www.bensonhospital.org).

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

2001	.....36.3
2002	.....38.8
2003	.....44.1
2004	.....45.8
2005	.....52.1

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

#### CRIME RATE, 2005 (PER 1,000 POPULATION)

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

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

# Demographics



Spring blossoms in the Benson area.

Photo: CER Staff

## Population estimates and projections

The population of Benson as of July 2006 was 4,820, according to estimates by the Arizona Department of Economic Security (DES). This represents a 1.7 percent increase from 2005, the highest rate of annual growth the city has seen since Census 2000. Between 2001 and 2005, the city's average annual population growth rate was 0.1 percent, the slowest rate of growth of the seven incorporated places in Cochise County.

According to the U.S. Census Bureau, Benson's population grew by 23.2 percent during the 1990s, outpacing growth in Cochise County as a whole, which grew at 20.6 percent. The State of Arizona experienced rapid population growth of 40 percent during the 1990s.

In 2006, Benson ranked as the 60th largest incorporated sub-county area of 88 areas statewide. Based on its population growth rate of 2.3 percent since Census 2000, Benson ranked as the 78th fastest-growing, incorporated sub-county area of the 88 areas.

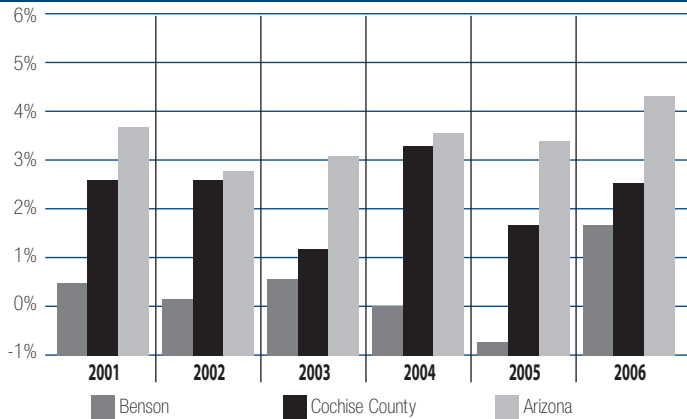
With the recent surge in construction, Benson is poised to become the fastest-growing city in the county over the next few years. Developers have looked to Tucson and Fort Huachuca to provide a market for new homes built in the Benson area. The current vision presents Benson as a vital geographical link between Sierra Vista/Fort Huachuca to the south and Tucson to the west. The Cochise College Center for Economic Research projects Benson's population will grow at an average rate of 3.1 percent per year over the next

### POPULATION COMPARISONS, 1990-2006

	BENSON		COCHISE COUNTY		ARIZONA	
	POPULATION	GROWTH	POPULATION	GROWTH	POPULATION	GROWTH
1990	3,824	—	97,624	—	3,665,228	—
2000	4,711	23.2%*	117,755	20.6%*	5,130,632	40.0%*
2001	4,735	0.5%	120,845	2.6%	5,319,785	3.7%
2002	4,745	0.2%	123,945	2.6%	5,470,720	2.8%
2003	4,775	0.6%	125,430	1.2%	5,642,725	3.1%
2004	4,775	0.0%	129,600	3.3%	5,845,250	3.6%
2005	4,740	-0.7%	131,790	1.7%	6,044,985	3.4%
2006	4,820	1.7%	135,150	2.5%	6,305,210	4.3%

\*Indicates total growth over the period 1990-2000. Source: Figures for 1990 and 2000 obtained from the U.S. Census Bureau. Figures for 2001-2006 are estimates provided by the Arizona Department of Economic Security.

## POPULATION GROWTH COMPARISONS, 2001-2006



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

few years, reaching 5,620 in 2011. Cochise County's population is projected to grow by an average annual rate of 2.4 percent, reaching 152,107 in 2011.

### Race and ethnicity

In 2000, according to the U.S. Census Bureau, approximately 19.8 percent of Benson'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 CER estimates that, in 2006, Hispanics/Latinos comprised 18.7 percent of Benson's population. If recent trends continue, the Hispanic/Latino population in Benson is projected to decline to 17.7 percent in 2011. (Note: The U.S. Census Bureau considers Hispanic an ethnicity, not a race; thus, there is no separate racial classification for Hispanics. According to the Census Bureau, people identifying themselves as Hispanic may be of any race.)

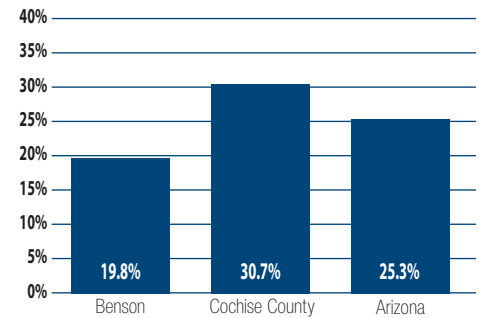
According to the U.S. Census Bureau, Benson's population in 2000 was 89.3 percent White; 0.7 percent Black or African American; 1.3 percent American Indian or Alaska Native; 0.6 percent Asian or Pacific Islander; and 8.1 percent other (including two or more races combined). Based on a continuation of trends between 1990 and 2000, the CER estimates that, in 2006, the racial composition of Benson was 84.7 percent White; 0.9 percent Black or African American; 1.5 percent American Indian or

## POPULATION PROJECTIONS, 2007-2011

YEAR	BENSON	GROWTH PERCENTAGE	COCHISE COUNTY	GROWTH PERCENTAGE
2007	4,980	3.3%	138,319	2.3%
2008	5,140	3.2%	141,766	2.5%
2009	5,300	3.1%	145,213	2.4%
2010	5,460	3.0%	148,660	2.4%
2011	5,620	2.9%	152,107	2.3%

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 2006.

## HISPANIC/LATINO POPULATION, 2000



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 and Cochise College Center for Economic Research.

Alaska Native; 0.7 percent Asian or Pacific Islander; and 12.1 percent other (including two or more races combined).

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

If recent trends continue, in 2011 Benson's racial composition will be 80.9 percent White; 1.1 percent Black or African American; 1.7 percent American Indian or Alaska Native; 0.8 percent Asian or Pacific Islander; and 15.4 percent other (including two or more races combined). This, however, will depend largely on the extent to which new residents to the city, as the

upshot of the recent surge in residential construction, have a racial and ethnic distribution similar to that of those who have relocated to the city in previous years.

### Language spoken at home

In 2000, approximately 83.1 percent of Benson’s population aged 5 years or 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, 29.8 percent reported they spoke English less than “very well.”

Of those residing in homes where a language other than English was spoken, 91.3 percent also spoke Spanish in 2000. Of Spanish speakers, 30.1 percent reported they spoke English less than “very well.”

Based on trends between 1990 and 2000, the CER estimates that, in 2006, approximately 84.3 percent of the population aged 5 years or older resided in homes where English was the only language spoken, up slightly from the 2000 figures. Of those who spoke a language other than English, the CER estimates that, in 2006, approximately 35.9 percent spoke English less than “very well,” up considerably from 2000.

Of those residing in homes where a language other than English is spoken, it is

estimated that, in 2006, approximately 92.6 percent also spoke Spanish, up slightly from the 2000 figures. Of those who spoke Spanish at home, the CER estimates that 34.7 percent spoke English less than “very well,” up 4.6 percentage points since 2000.

The recent trend in Benson has been toward an increasing share of the population speaking only English at home. Of those speaking a language other than English, an increasing number also speaks Spanish. Among Spanish speakers, there has been a declining level of mastery of the English language.

If recent trends continue, the CER projects that, in 2011, the proportion of the population aged 5 years or older who will reside in homes where English is the only language spoken will increase to 85.3 percent. Of those speaking a language other than English at home, the CER projects the proportion of those speaking English less than “very well” will increase to 40.9 percent.

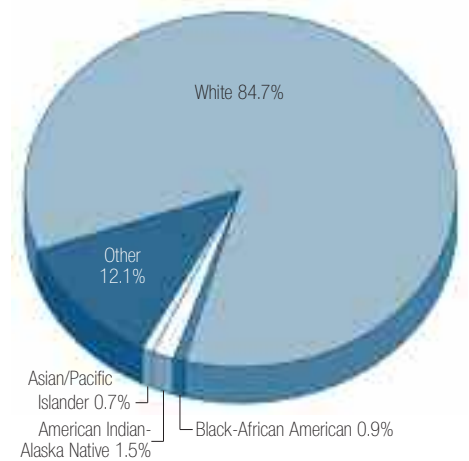
Of those who reside in homes where a language other than English is spoken, it is estimated that 93.4 percent will also speak Spanish in 2011, up slightly from current estimates. Of those who speak Spanish at home, the CER estimates that 39 percent will speak English less than “very well,” up considerably from current estimates.

### BENSON HISPANIC/LATINO POPULATION, ESTIMATES AND PROJECTIONS, 2006-2011

YEAR	HISPANIC OR LATINO (OF ANY RACE) % OF TOTAL POPULATION	HISPANIC OR LATINO NUMBER
2006	18.7%	901
2007	18.5%	921
2008	18.3%	941
2009	18.1%	959
2010	17.9%	977
2011	17.7%	995

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 2006. 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.

### BENSON RACIAL GROUPS ESTIMATES, 2006



Note: Estimates by the Cochise College Center for Economic Research using U.S. Census data for 1990 and 2000, and Arizona Department of Economic Security mid-year population estimates for 2001 through 2006. 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.

### BENSON POPULATION BY RACE; ESTIMATES AND PROJECTIONS, 2006-2011

	WHITE	BLACK OR AFRICAN AMERICAN	AMERICAN INDIAN OR ALASKA NATIVE	ASIAN OR PACIFIC ISLANDER	OTHER	TOTAL
2006	4,084 84.7%	44 0.9%	73 1.5%	35 0.7%	584 12.1%	4,820
2007	4,183 84.0%	50 1.0%	80 1.6%	35 0.7%	632 12.7%	4,980
2008	4,276 83.2%	51 1.0%	82 1.6%	41 0.8%	689 13.4%	5,140
2009	4,373 82.5%	56 1.1%	87 1.7%	41 0.8%	744 14.0%	5,300
2010	4,461 81.7%	60 1.1%	93 1.7%	44 0.8%	803 14.7%	5,460
2011	4,547 80.9%	65 1.1%	98 1.7%	47 0.8%	864 15.4%	5,620

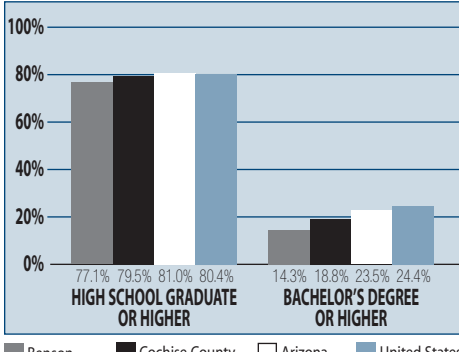
Note: Discrepancies due to rounding. Estimates and projections by the Cochise College Center for Economic Research using U.S. Census data for 1990 and 2000, and Arizona Department of Economic Security mid-year population estimates for 2001 through 2006. The U.S. Census Bureau considers Hispanic an ethnicity, 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.

### BENSON LANGUAGE SPOKEN AT HOME, ESTIMATES AND PROJECTIONS, 2006-2011 (PERSONS 5 YEARS AND OLDER)

	2006	2007	2008	2009	2010	2011
English Only	3,863	4,003	4,144	4,286	4,428	4,571
Language other than English	719	734	749	762	775	788
• Do not speak English very well	258	271	284	296	309	322
Speak Spanish	665	680	695	709	723	736
• Do not speak English very well	232	243	254	265	276	287

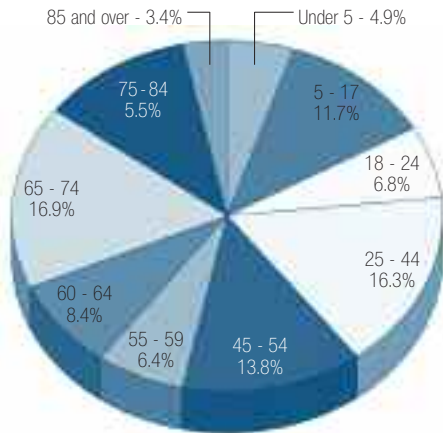
Note: Estimates and projections by the Cochise College Center for Economic Research using U.S. Census data for 1990 and 2000, and Arizona Department of Economic Security mid-year population estimates for 2001 through 2006.

### EDUCATIONAL ATTAINMENT COMPARISONS, 2000\*



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

### BENSON AGE GROUP ESTIMATES, 2006



Note: Estimates by the Cochise College Center for Economic Research using U.S. Census data for 1990 and 2000, and Arizona Department of Economic Security mid-year population estimates for 2001 through 2006.

### BENSON POPULATION BY AGE GROUP, ESTIMATES AND PROJECTIONS, 2006-2011

	UNDER 5	5 - 17	18 - 24	25 - 44	45 - 54	55 - 59	60 - 64	65 - 74	75 - 84	85 +	TOTAL
2006	238 4.9%	563 11.7%	327 6.8%	784 16.3%	664 13.8%	309 6.4%	404 8.4%	817 16.9%	549 11.4%	166 3.4%	4,820
2007	243 4.9%	561 11.3%	339 6.8%	795 16.0%	698 14.0%	323 6.5%	419 8.4%	848 17.0%	578 11.6%	176 3.5%	4,980
2008	248 4.8%	557 10.8%	352 6.8%	806 15.7%	732 14.2%	337 6.6%	434 8.4%	880 17.1%	609 11.8%	186 3.6%	5,140
2009	252 4.8%	552 10.4%	364 6.9%	816 15.4%	767 14.5%	351 6.6%	449 8.5%	912 17.2%	640 12.1%	197 3.7%	5,300
2010	257 4.7%	546 10.0%	377 6.9%	824 15.1%	803 14.7%	366 6.7%	464 8.5%	945 17.3%	672 12.3%	207 3.8%	5,460
2011	261 4.6%	538 9.6%	389 6.9%	832 14.8%	839 14.9%	380 6.8%	479 8.5%	977 17.4%	704 12.5%	219 3.9%	5,620

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 2006. Discrepancies due to rounding.

### Sex and age

Benson's population, as of Census 2000, was 51.1 percent female and 48.9 percent male. This represents a narrowing of the gap between males and females from 1990, when Benson's population was 52 percent female and 48 percent male.

According to the U.S. Census Bureau, the median age of the city's population in 2000 was 49.6 years, considerably higher than the median age of 36.9 years for Cochise County and 34.2 years statewide. In 2000, 34.4 percent of Benson's population was aged 62 years or older, and 29.3 percent was aged 65 years or older.

Based on recent trends, the CER estimates that, in 2006, Benson's largest age group was the 65 to 74 years group, comprising 16.9 percent of the city's population. The next largest age group, according to CER estimates, was 25 to 44 years, comprising 16.3 percent. If recent trends continue, the CER estimates that, in 2011, the three largest age groups will be 65 to 74 years (17.4 percent of the population); 45 to 54 years (14.9 percent); and 25 to 44 years (14.8 percent).

### Household characteristics

According to Census 2000 data, the average Benson household size that year was 2.22 persons, down from 2.37 in 1990. Based on a continuation of this trend, the CER estimates the average household size in 2006

was 2.13. The declining household size in Benson is attributable to the growing population of those aged 55 or older, who tend to have smaller household sizes.

Of total Benson households, 64.6 percent were classified as family households as of Census 2000. A total of 22.9 percent of households had individuals under the age of 18, and 45.3 percent had individuals aged 65 years or older. A total of 4.5 percent of Benson 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 Benson's population aged 15 years or older, 58.6 percent were married (excluding those who were separated), 1.4 percent were separated, 13.6 percent were divorced, 11.7 percent were widowed, and 14.7 percent had never been married as of Census 2000.

According to the U.S. Census Bureau, as of 2000 approximately 47 percent of Benson's population aged 5 years or older had resided in the same house for at least 5 years. Approximately 26 percent of Benson's population aged 5 years or older had relocated to the city within the previous 5 years from outside Cochise County.

### Educational attainment

Of Benson's population aged 25 years or older, 77.1 percent had at least a high

school diploma or equivalent as of Census 2000, compared to 79.5 percent county-wide and 81 percent statewide. Approximately 14.3 percent of Benson residents held a bachelor's degree or higher in 2000, compared to 18.8 percent at the county level and 23.5 percent statewide.

Between 1990 and 2000, according to U.S. Census Bureau data, the number of Benson residents with less than a 9th grade education decreased from 12.8 to 8.7 percent of the city's population aged 25 years or older. At the same time, the number of city residents with a 9th to 12th grade education, but without a high school diploma, dropped from 17.6 to 14.2 percent; the number of high school graduates (or equivalent) decreased from 35.5 to 30.1 percent; while the proportion of residents with some college, but no degree, nearly doubled, increasing from 17.3 to 32.1 percent. The number of residents with an associate degree increased from 4.9 to 6.4 percent of the city's population aged 25 years and older; the number of residents with a bachelor's degree increased from 7.8 to 10.7 percent; and the number of residents with a graduate or professional degree declined slightly from 4.0 to 3.6 percent. (Note: The educa-

tion levels shown represent the highest level of education attained.)

Based on trends between 1990 and 2000, the CER estimates that, in 2006, approximately 81.7 percent of Benson's population aged 25 years and older had attained a high school diploma or higher, and 15.8 percent had attained a bachelor's degree or higher. If the trend continues, in 2011 the number of residents having earned a high school diploma or higher will have increased to 85.5 percent of the population aged 25 years or older, and the number of residents having earned a bachelor's degree or higher will have increased to 17.1 percent.

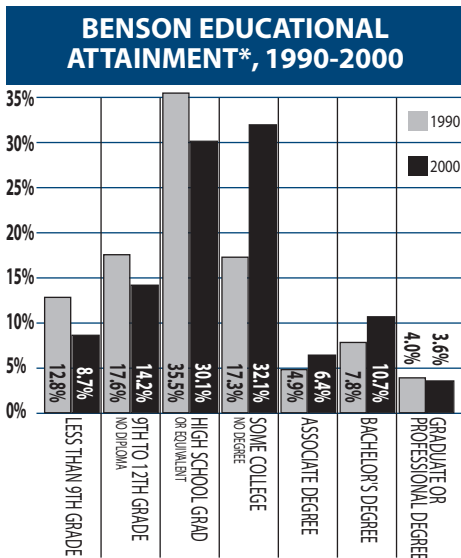
Thus, the overall trend in the educational attainment of Benson's residents has been toward higher levels of education, with most of the increase occurring in the number of residents having earned some college credit, but no degree.

### Military veterans

Between Censuses 1990 and 2000, the number of Benson residents who were civilian veterans of the military increased from 774 to 905. However, as a percentage

of the city's population aged 18 years or older, civilian veterans of the military declined from 26.7 to 23.2 percent. Based on recent trends, the CER estimates that, in 2006, there were 847 civilian veterans of the military residing in Benson, or 21.1 percent of the city's population aged 18 years or older. If the trend continues, this number will reach 940 by the year 2011, while decreasing to 19.4 percent of the civilian population aged 18 years or older.

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 home ownership among veterans, but also decreases the level of affordability of homes as determined by qualifying income ratios. This is because VA loans are guaranteed without the traditional 20 percent down payment, which means affordability is based on 100-percent of the home price rather than 80 percent. Thus, 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.



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

### BENSON EDUCATIONAL ATTAINMENT, ESTIMATES AND PROJECTIONS, 2006-2011

YEAR	PERCENT HIGH SCHOOL GRADUATE OR HIGHER	PERCENT BACHELOR'S DEGREE OR HIGHER
2006	81.7%	15.8%
2007	82.4%	16.1%
2008	83.2%	16.3%
2009	83.9%	16.6%
2010	84.7%	16.8%
2011	85.5%	17.1%

Note: 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.

### BENSON CIVILIAN VETERANS OF THE MILITARY, ESTIMATES AND PROJECTIONS, 2006-2011

YEAR	NUMBER OF CIVILIAN VETERANS OF THE MILITARY	CIVILIAN VETERANS OF THE MILITARY AS A % OF THE POPULATION 18 YEARS AND OLDER
2006	847	21.1%
2007	867	20.8%
2008	887	20.4%
2009	906	20.1%
2010	923	19.7%
2011	940	19.4%

Note: Estimates and projections by the Cochise College Center for Economic Research using U.S. Census data for 1990 and 2000, and Arizona Department of Economic Security mid-year population estimates for 2001 through 2006.

# Employment

Workers set a foundation for a new home at one of the many new developments in the Benson area.

Photo: CER Staff



## ANNUAL UNEMPLOYMENT RATE COMPARISONS, 2002-2006

	BENSON	COCHISE COUNTY	ARIZONA	UNITED STATES
2002	10.5%	5.9%	6.1%	5.8%
2003	10.0%	5.6%	5.7%	6.0%
2004	8.7%	4.9%	4.9%	5.5%
2005	8.5%	4.8%	4.6%	5.1%
2006	8.1%	4.5%	4.1%	4.6%

Source: Arizona Department of Economic Security.

## Employment, unemployment, labor force, and job growth

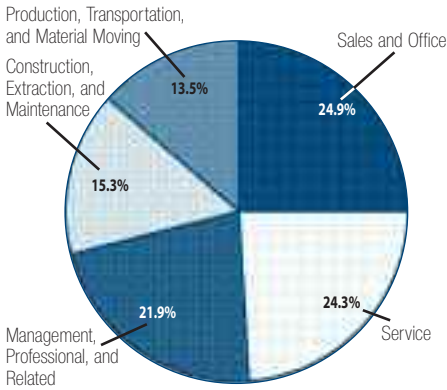
In 2006, Benson's unemployment rate was 8.1 percent, according to estimates by the Arizona Department of Economic Security (DES). This was considerably above the countywide rate of 4.5 percent and the statewide rate of 4.1 percent. Nationwide, the unemployment rate in 2006 was 4.6 percent. Benson's unemployment rate in 2006, as estimated by DES, was down four-tenths of a percentage point from 8.5 percent the year prior, and represents the lowest rate the city has seen since 2000.

It is important to note that city-level unemployment estimates produced by DES are based on a census share model, which assumes unemployment in the county's seven incorporated areas is distributed similarly to what was observed in the most recent census. Using this model, changes in the county's employment situation will produce changes in the city-level estimates, but the ratio of city to county data will remain the same as observed in Census 2000. An inherent weakness of this model is that it does not detect when the employment situation in one area of the county changes at a significantly different rate than that of the county as a whole; and this is certain to have occurred in Benson over the past year. The opening of the new Wal-Mart Supercenter in November and the surge in residential construction in the northwest corner of the county likely pose a significant threat to the DES model, resulting in an overestimation of the unemployment rate in Benson.

Benson's month-to-month unemployment rate reflects seasonal patterns evident in employment data for most localities. The trend in Cochise County has been for higher-than-average unemployment rates to prevail in January, February, March, June, July, and August, while lower-than-average rates prevail in April, May, September, October, November, and December.

According to DES estimates, Benson's civilian labor force in 2006 consisted of 2,336 potential workers, of which 2,146 were actually employed. The civilian labor force consists

### BENSON OCCUPATIONS, 2000



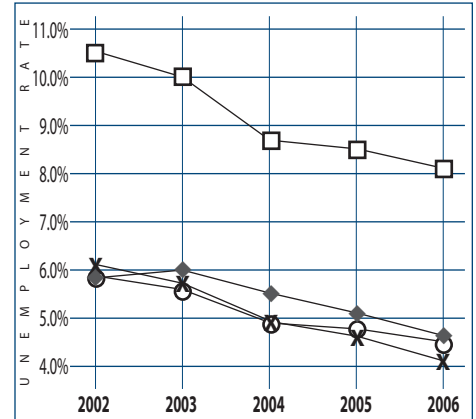
Source: U.S. Census Bureau and Cochise College Center for Economic Research.

### BENSON CIVILIAN LABOR FORCE, EMPLOYMENT, JOB GAINS, AND JOB GROWTH RATE ESTIMATES, 2002-2006

	CIVILIAN LABOR FORCE	EMPLOYMENT	JOB GAINS	JOB GROWTH RATE
2002	2,168	1,941	44	2.3%
2003	2,244	2,019	78	4.0%
2004	2,261	2,064	45	2.2%
2005	2,293	2,098	34	1.6%
2006	2,336	2,146	48	2.3%

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

### UNEMPLOYMENT COMPARISONS, 2002-2006



  BENSON  
  COCHISE COUNTY  
X ARIZONA  
◆ UNITED STATES

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

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 2006 civilian labor force, according to DES estimates, comprised 56,500 potential workers, of which 53,925 were employed.

According to DES, job growth in Benson in 2006 was 2.3 percent, reflecting a net gain of 48 jobs over the year. Between 2002 and 2006, the average annual job growth rate in Benson was 2.5 percent. DES figures likely underestimate both the number of jobs and job growth in the city. The opening of the new 99,800 square-foot Wal-Mart Supercenter in November created approximately 250 new jobs in Benson. While there may have been some job losses experienced by Wal-Mart competitors, it is unlikely to have been of sufficient degree to result in a net gain of fewer than 50 jobs, as suggested by DES estimates. The level of retail sales in Benson in 2006 supports the conclusion that Wal-Mart lured significant new business to the city, rather than a mere reshuffling of existing business, and workers, among competitors. Anecdotally, accounts from business owners in the City of Benson indicate a tight labor market, making jobs difficult to fill and placing upward pressure on wages.

### Occupations and classes of workers

According to data collected during Census 2000, of those workers in Benson aged 16 years or older, 24.9 percent were employed in sales and office occupations; 24.3 percent were employed in service occupations; and 21.9 percent were employed in management, professional, and related occupations. Construction, extraction, and maintenance operations employed approximately 15.3 percent of Benson's workers, while production, transportation, and material moving occupations employed approximately 13.5 percent.

Approximately 72.2 percent of Benson workers were private wage and salary workers, while 19.4 percent were government workers as of Census 2000. Self-employed workers in unincorporated businesses comprised 8.4 percent of Benson workers.

### Industries

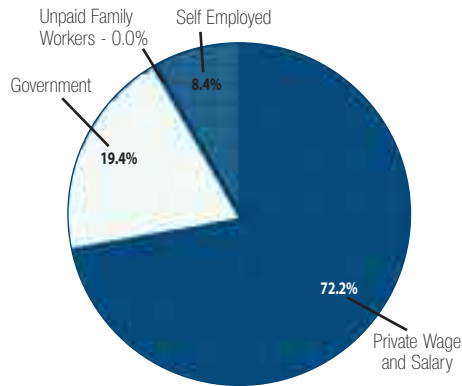
The industry grouping employing the largest number of Benson workers, as of Census 2000, was educational, health and social services, which employed approximately 26.1 percent; followed by the arts, entertainment, recreation, accommodation, and food services industry grouping, which employed 15.1 percent; retail trade, which employed 13.7 per-

### BENSON MONTHLY UNADJUSTED AND SEASONALLY ADJUSTED UNEMPLOYMENT RATES, 2005-2006

		UNADJUSTED RATE	SEASONALLY ADJUSTED RATE
2005	January	8.3%	7.8%
	February	8.5%	8.2%
	March	8.6%	8.3%
	April	8.2%	8.2%
	May	7.8%	8.3%
	June	8.6%	8.3%
	July	9.1%	8.6%
	August	8.7%	8.4%
	September	9.1%	9.1%
	October	8.6%	8.8%
	November	8.3%	8.8%
	December	8.1%	8.8%
2006	January	8.7%	8.1%
	February	8.4%	8.1%
	March	8.1%	7.7%
	April	8.0%	8.2%
	May	7.7%	8.2%
	June	8.6%	8.3%
	July	8.8%	8.3%
	August	7.8%	7.6%
	September	8.1%	8.1%
	October	8.0%	8.0%
	November	7.7%	8.4%
	December	7.8%	8.7%

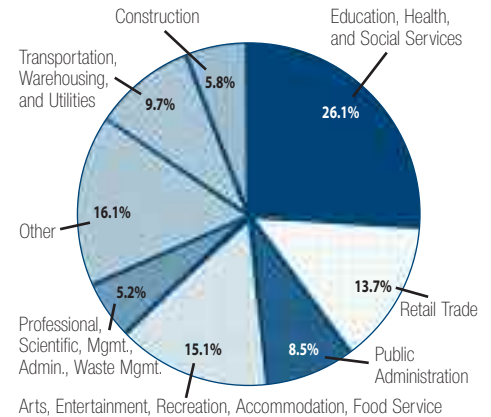
Source: Unadjusted rate is provided by the Arizona Department of Economic Security; seasonally adjusted rate is estimated by the Cochise College Center for Economic Research.

### BENSON CLASSES OF WORKERS, 2000



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

### INDUSTRIES IN BENSON, 2000 BY PERCENT OF WORKFORCE



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

### BENSON BUSINESS ESTABLISHMENTS BY EMPLOYMENT-SIZE CLASS, 2004

NUMBER OF ESTABLISHMENTS BY EMPLOYMENT-SIZE CLASS

INDUSTRY	1-4	5-9	10-19	20-49	50-99	100-249	250-499	TOTAL
Accommodation & Food Services	8	5	12	7	1	1	0	34
Admin., Support, Waste Mgmt., Remediation Services	3	1	0	0	1	0	0	5
Arts, Entertainment, & Recreation	3	1	0	1	1	0	0	6
Construction	13	2	3	1	0	0	0	19
Educational Services	1	0	1	0	0	0	0	2
Finance & Insurance	2	3	0	0	0	0	0	5
Health Care and Social Assistance	12	2	3	3	2	1	0	23
Information	3	0	0	0	0	0	0	3
Management of Companies & Enterprises	1	0	0	0	0	0	0	1
Manufacturing	2	1	0	1	0	0	0	4
Other Services (Except Public Administration)	16	6	0	1	0	0	0	23
Professional, Scientific, and Technical Services	6	2	1	1	0	0	0	10
Real Estate & Rental & Leasing	14	1	0	0	0	1	0	16
Retail Trade	17	8	4	3	1	0	0	33
Transportation & Warehousing	6	2	2	1	0	0	0	11
Unclassified Establishments	1	0	0	0	0	0	0	1
Utilities	0	0	2	1	0	0	1	4
Wholesale Trade	2	1	0	0	0	0	0	3
<b>TOTAL</b>	<b>110</b>	<b>35</b>	<b>28</b>	<b>20</b>	<b>6</b>	<b>3</b>	<b>1</b>	<b>203</b>

Note: Includes businesses located in zip code 85602. Source: U.S. Census Bureau.

cent; transportation and warehousing, and utilities, which employed 9.7 percent; public administration, which employed 8.5 percent; construction, which employed 5.8 percent; and professional, scientific, management, administrative, and waste management services, which employed 5.2 percent. The industry groupings of manufacturing; finance, insurance, real estate, and rental and leasing; agriculture, forestry, fishing and hunting, and mining; information; wholesale trade; and other services each employed less than 5 percent of Benson workers as of Census 2000.

### Major employers

In 2006, Southeastern Arizona Behavioral Health Services, Inc. (SEABHS) was the top

### BENSON BUSINESS ESTABLISHMENTS, EMPLOYEES, AND PAYROLL, 2002-2004

	2002	2003	2004
No. of Establishments	188	187	203
Number of Employees	2,178	2,004	2,388
Annual Payroll	\$51,492,000	\$52,139,000	\$56,543,000
Annual Payroll per Employee	\$23,642	\$26,017	\$23,678

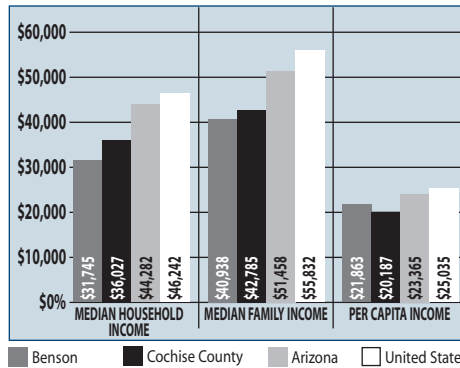
Note: Includes businesses located in zip code 85602. Source: U.S. Census Bureau and the Cochise College Center for Economic Research.

### BENSON'S TOP 10 EMPLOYERS, 2006

EMPLOYER	NUMBER OF FULLTIME EQUIVALENT (FTE) EMPLOYEES*
Southeastern Arizona Behavioral Health Services, Inc.	288
Sierra Southwest Cooperative Services, Inc.	241
Benson Unified School District	140
Benson Hospital Corporation	134
Gas City/Holiday Inn Express	114
Apache Nitrogen Products, Inc.	72
City of Benson	70
Quiburi Mission Samaritan Center	66
WSK Management Systems/McDonald's of Benson	31
Turquoise Hills Family Golf Center, Inc.	29

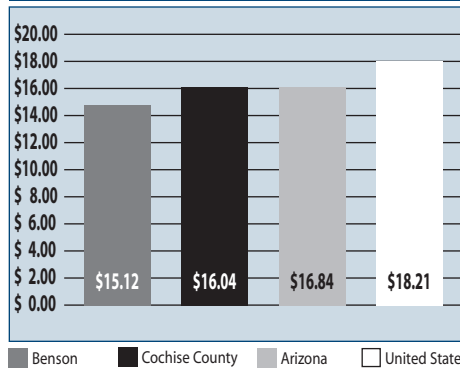
\*A fulltime equivalent employee equals one fulltime employee or two part-time employees. For employers with multiple site locations, the number of fulltime equivalent employees reflects only those employees reporting to work in Benson. This list includes only those employers who responded to the annual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

### INCOME COMPARISON, 2005



Source: National, state, and county figures are reported by the U.S. Census Bureau. City figures are estimated by the Cochise College Center for Economic Research using a census ratio model.

### AVERAGE HOURLY WAGE COMPARISONS, 2005

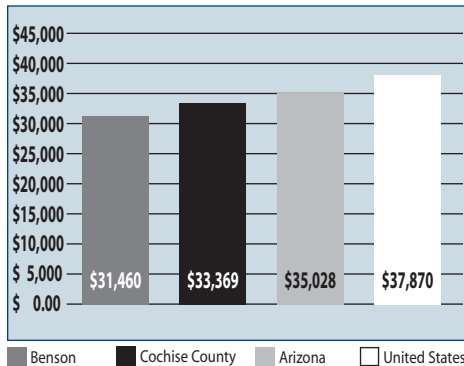


Source: U.S. figures are reported by the U.S. Department of Labor. State and county figures are reported by the Arizona Department of Economic Security. City figures are estimated by the Cochise College Center for Economic Research using a census ratio model.

employer in Benson, based on the number of fulltime equivalent (FTE) employees. An FTE employee equals one fulltime or two part-time employees. SEABHS employed 288 FTE employees in 2006. The second largest employer in Benson in 2006 was Sierra Southwest Cooperative Services, Inc., which employed 241 FTE employees. The Benson Unified School District held the third-ranked position with 140 FTE employees. Benson Hospital Corporation was fourth with 134 FTE employees, and Gas City/Holiday Inn Express was the fifth-largest employer, with 114 FTE employees. The Cochise College Center for Economic Research conducts an annual major employer survey countywide, with results reported in October of each year. Businesses included in this section and listed on the accompanying table reflect only those that responded to the survey. Subsequent to the 2006 survey, the new Wal-Mart Supercenter opened in Benson; thus, the new Wal-Mart was not included in the 2006 survey. Based on the estimated number of employees upon opening (approximately 255), it is predicted the new Wal-Mart will rank as one of the top three employers in the city for 2007.

According to the U.S. Census Bureau, more than 85 percent of business establishments in Benson employed fewer than 20 workers each in 2004 (the most recent data available). Of the 203 business establishments in Benson as of 2004, a total of 110, or 54.2

### AVERAGE ANNUAL SALARY COMPARISONS, 2005



Source: U.S. figures are reported by the U.S. Department of Labor. State and county figures are reported by the Arizona Department of Economic Security. City figures are estimated by the Cochise College Center for Economic Research using a census ratio model.

Benson's per capita income in 2005 was approximately \$21,863, compared to \$20,187 for the county...

### COCHISE COUNTY EMPLOYMENT BY CATEGORY, 2005-2006

	2006	2005	CHANGE	% CHANGE
<b>TOTAL EMPLOYMENT</b>	<b>53,925</b>	<b>52,725</b>	<b>1,200</b>	<b>2.3%</b>
Total Nonfarm	37,700	36,675	1,025	2.8%
Total Private	25,500	24,625	875	3.6%
<b>GOODS-PRODUCING</b>	<b>3,650</b>	<b>3,500</b>	<b>150</b>	<b>4.3%</b>
Mining and Construction	2,775	2,625	150	5.7%
Manufacturing	850	875	-25	-2.9%
<b>SERVICE-PROVIDING</b>	<b>34,075</b>	<b>33,150</b>	<b>925</b>	<b>2.8%</b>
Private Service-Providing	21,850	21,125	725	3.4%
Trade, Transportation, and Utilities	6,650	6,450	200	3.1%
Information	450	450	0	0.0%
Financial Activities	1,025	1,000	25	2.5%
Professional and Business Services	4,775	4,325	450	10.4%
Educational and Health Services	3,975	3,975	0	0.0%
Leisure and Hospitality	3,950	3,925	25	0.6%
Other Services	1,025	1,000	25	2.5%
Government	12,225	12,025	200	1.7%
Federal Government	4,900	4,925	-25	-0.5%
State and Local Government	7,300	7,100	200	2.8%

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

percent, employed fewer than 5 workers each.

Between 2002 and 2004, the number of business establishments in Benson grew from 188 to 203, according to the U.S. Census Bureau. With this came a rise in the number of employees from 2,178 to 2,388, an increase of 9.6 percent. During this time, the total annual payroll of businesses located in Benson grew from \$51.5 to \$56.5 million. On a per employee basis, this represented an increase in annual payroll from \$23,642 to \$23,678 – a modest rise of 0.15 percent, well below the rate of inflation.

### Earnings and income

The median household income in Benson for 2005 was approximately \$31,745, compared to \$36,027 for Cochise County, \$44,282 for Arizona, and \$46,242 nationwide. The median family income for Benson in 2005 was approximately \$40,938, compared to \$42,785 for the county, \$51,458 statewide, and \$55,832 nationally. Benson's per capita income in 2005 was approximately \$21,863, compared to \$20,187 for the county, \$23,365 for the state, and \$25,035 nationally. County, state, and national figures are estimated by the U.S. Census Bureau; city figures are estimated by the Cochise College Center for Economic Research (CER).

The fact that Benson's per capita income is higher than the county average, while the household and family incomes are lower, is reflective of the smaller household and family sizes in Benson, relative to those of the county.

The average wage per job in Benson in 2005 was approximately \$15.12 per hour, compared to \$16.04 countywide, \$16.84 statewide, and \$18.21 nationally. The average annual wage in Benson in 2005 was \$31,460, compared to \$33,369 for the county, \$35,028 for the state, and \$37,870 nationally. National wages are estimated by the U.S. Department of Labor; state and county figures are estimated by the Arizona Department of Economic Security, and city figures are estimated by the CER.

## COCHISE COUNTY JOB GROWTH PROJECTIONS, 2007-2010

	2007		2008		2009		2010	
	NUMBER	GROWTH	NUMBER	GROWTH	NUMBER	GROWTH	NUMBER	GROWTH
Total Number of Jobs	54,725	1.5%	55,625	1.6%	56,525	1.6%	57,375	1.5%
Total Non-farm Jobs	38,500	2.1%	39,500	2.6%	40,500	2.5%	41,475	2.4%
Total Private Sector Jobs	26,200	2.7%	26,975	3.0%	27,750	2.9%	28,475	2.6%
Goods Producing	3,775	3.4%	3,925	4.0%	4,075	3.8%	4,225	3.7%
Mining & Construction	2,925	5.4%	3,075	5.1%	3,225	4.9%	3,375	4.7%
Manufacturing	850	0.0%	850	0.0%	850	0.0%	850	0.0%
Service-Providing	34,725	1.9%	35,575	2.4%	36,425	2.4%	37,250	2.3%
Private Service Providing	22,425	2.6%	23,050	2.8%	23,675	2.7%	24,250	2.4%
Trade, Transportation, and Utilities	6,775	1.9%	6,950	2.6%	7,100	2.2%	7,275	2.5%
Information	450	0.0%	450	0.0%	450	0.0%	425	-5.6%
Financial Activities	1,050	2.4%	1,100	4.8%	1,125	2.3%	1,150	2.2%
Professional and Business Services	5,075	6.3%	5,375	5.9%	5,675	5.6%	5,975	5.3%
Educational and Health Services	4,075	2.5%	4,175	2.5%	4,275	2.4%	4,375	2.3%
Leisure and Hospitality	4,000	1.3%	4,025	0.6%	4,075	1.2%	4,100	0.6%
Other Services	1,000	-2.4%	975	-2.5%	975	0.0%	950	-2.6%
Government	12,300	0.6%	12,525	1.8%	12,750	1.8%	13,000	2.0%
Federal Government	5,000	2.0%	5,075	1.5%	5,150	1.5%	5,225	1.5%
State and Local Government	7,300	0.0%	7,450	2.1%	7,600	2.0%	7,775	2.3%

Forecasts by the Cochise College Center for Economic Research.

### Cochise County employment

DES tracks employment monthly by industry grouping and makes these data available for the state and county levels. In 2006, Cochise County added 1,200 jobs, for overall job growth of 2.3 percent. The number of non-farm jobs in the county grew by 1,025, for a 2.8 percent job growth rate.

The fastest growing industry grouping in 2006, as measured by job growth rate, was professional and business services, which added 450 jobs for job growth of 10.4 percent. Other industry groupings that experienced job growth were mining and construction, which added 150 jobs (5.7 percent); trade, transportation, and utilities, which added 200 jobs (3.1 percent); state and local government, which added 200 jobs (2.8 percent); financial

activities, which added 25 jobs (2.5 percent); other services, which added 25 jobs (2.5 percent); and leisure and hospitality, which added 25 jobs (0.6 percent). Industry groupings that lost jobs in 2006 were federal government, which lost 25 jobs (-0.5 percent), and manufacturing, which lost 25 jobs (-2.9 percent). Information, as well as educational and health services, remained unchanged.

### Outlook

Benson's labor force is projected to reach 2,383 in 2007. Future growth in the labor force will largely depend on the continued pace of construction in the area over the next few years, and the demographics of new residents as the new homes are occupied. The unemployment rate is expected

to stabilize at or near 8.3 percent. It is important to note these projections are based on DES estimates, which will likely continue to overestimate unemployment and underestimate jobs and job growth until recalibration of the census share model occurs subsequent to Census 2010.

At the county level, the CER projects non-farm jobs will grow by an average of 2.4 percent per year over the next few years. Those industry groupings expected to experience the highest rates of job growth are professional and business services, mining and construction, and financial activities. In terms of the number of new jobs created, the industry groupings expected to add the largest number of new jobs are professional and business services; trade, transportation, and utilities; state and local government; and mining and construction.

## BENSON EMPLOYMENT FORECAST, 2007-2011

	2007	2008	2009	2010	2011
Labor Force	2,383	2,430	2,477	2,523	2,570
Unemployment Rate	8.3%	8.3%	8.3%	8.2%	8.2%
Average Hourly Wage	\$15.51	\$15.90	\$16.28	\$16.67	\$17.06
Average Annual Wage	\$32,265	\$33,070	\$33,875	\$34,680	\$35,485

Forecasts by the Cochise College Center for Economic Research.

## Retail and trade

Strong growth projected for 2007 can be attributed to the first full year of sales at the new Wal-Mart Supercenter.

Photo: CER Staff



Benson had the highest per capita taxable sales and second highest per capita retail sales in Cochise County in 2006. The city's location makes it easily accessible to tens of thousands of travelers each day along Interstate 10 and Highways 80 and 90. According to the Arizona Department of Transportation, 30,000 vehicles per day travel along I-10 between exits 299 and 302. Of these, 18,500 exit onto State Route 80 or 90, entering the City of Benson. The opening of the new Wal-Mart Supercenter

in November 2006 lures travelers to Benson from across northern Cochise County and neighboring Pima County.

### Total taxable sales

Total taxable sales in Benson include the categories of communications and utilities; construction; manufacturing; wholesale trade; retail trade; finance and insurance; real estate, rental and leasing; restaurant and bar; accommodation; services; and the category of "other." Taxable sales are estimated by the Cochise College Center for Economic Research (CER) applying current tax rates to monthly tax collection data reported by the Arizona Department of Revenue.

Taxable sales in Benson for 2006 totaled \$112.7 million, up 45.8 percent from 2005. This was the highest annual rate of growth of total sales among the seven incorporated cities in the county. Adjusting for inflation, this represents real growth of 42.6 percent.

In 2006, Benson's retail sales totaled \$52.8 million, or 46.8 percent of total taxable sales in the city, making retail the

### AVERAGE DAILY TRAFFIC COUNT

LOCATION	2002	2003	2004	2005
I-10, Exit 297 to Exit 299	27,100	28,500	27,300	29,100
I-10, Exit 299 to Exit 302	33,000	33,900	31,500	30,000
I-10, Exit 302 to Exit 303	20,000	26,100	24,400	25,400
I-10, Exit 303 to Exit 304	13,700	21,300	15,900	16,800
I-10, Exit 304 to Exit 307	12,700	22,100	15,400	14,900
SR 80, SB-10(3) to Country Club Dr	8,700	9,800	6,900	9,100
SR 80, Country Club Dr to Apache Powder Rd (South)	3,500	6,500	7,000	6,400
SR 80, Apache Powder Rd (South) to ADOT Maintenance Yard	5,800	5,900	6,200	6,100
SR 80, ADOT Maintenance Yard Entrance to Judd St	4,800	4,900	6,400	4,300
SR 90, I-10 Exit 302 to Kartchner Caverns Main Entrance	8,300	8,500	8,800	9,400

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

largest category of sales in Benson. The second largest category was construction, which accounted for \$20.5 million or 18.2 percent of total sales (up from only 6.6 percent in 2005). The third largest category of sales in 2006 was real estate, rental and leasing, which totaled \$14.1 million or 12.5 percent of total sales. The fourth largest category was restaurant and bar, which accounted for \$11 million or 9.7 percent of total taxable sales. All other categories accounted for less than 4 percent each of total taxable sales in the city. In 2006, taxable sales in Benson accounted for 8.3 percent of the countywide total. This was up from 6.1 percent the year prior and was largely the result of a surge in residential construction and the opening of the new Wal-Mart Supercenter in the city.

### Retail sales

In 2006, retail sales in Benson totaled \$52.8 million, up 18.9 percent from 2005, for inflation-adjusted growth of 15.7 percent. On a per capita basis, Benson's retail sales increased 16.9 percent, or 13.7 percent after adjusting for inflation. Per capita retail sales totaled \$10,949 in 2006. The primary contributor to the surge in retail sales was the opening of the Wal-Mart Supercenter in November, just in time for the holiday shopping season. Although the new store was open only part of the month, retail sales in November showed a 44.8 percent increase over the same month a year prior. In December, the first full month of operation of the new store, retail sales in the city were up 67.3 percent. In January, the first month following the holiday shopping season, retail sales were up 56.9 percent, compared to the same period a year prior. The CER estimates the new Wal-Mart will raise Benson's retail sales by an average of 45 percent from pre-Wal-Mart levels.

In 2006, Benson's retail sales accounted for 6.8 percent of total retail sales countywide. This was up from 6.1 percent in 2005. It is important to note that this increase was spurred by the new Wal-Mart store being open less than 2 months, albeit the two busiest shopping months of the year. In December and January, Benson's retail sales accounted for 8.5 percent of

total sales countywide, providing a glimpse of the shift in market share that can be expected to result from the new store. Also important is the portion of the Pima County retail market captured by the new store. Residents of Pima County who previously traveled to Tucson now have the convenience of a big box store within the same or shorter driving distance, with less traffic congestion. The result, then, is not just a shifting of market share within the county, although that does occur; but also, the county market grows due to an increased share of the larger, regional, Southeastern Arizona retail market.

### Restaurant and bar sales

In 2006, restaurant and bar receipts in Benson totaled \$11 million, up 2.1 percent from 2005. This represents an inflation-adjusted decline of 1.1 percent. The poor performance of this sector is in contrast to the strong performance seen elsewhere in the county. At the county level, restaurant and bar sales were up 10.4 percent. This was led by strong growth of 25.6 percent in Bisbee and 12.3 percent in Sierra Vista. Benson was the only one of the incorporated cities to see a real decline in restaurant and bar sales in 2006. It is, however, important to note the lackluster performance of Benson's restaurant and bar sales last year was on the heels of strong growth of 10.9 percent in 2005.

In 2006, Benson's restaurant and bar sales accounted for 10.2 percent of the countywide total, down from 11 percent in 2005. Despite this decline, Benson maintained a relatively large share of countywide restaurant and bar sales. This is reflective of Benson's location along Interstate 10, making it a popular and convenient stop, as well as its designation as the "Home of Kartchner Caverns." Kartchner Caverns, an Arizona State Park, is the single largest tourist attraction in Cochise County as measured by the number of annual visitors, drawing nearly 200,000 visitors to the Benson area each year.

### Accommodation receipts

In 2006, accommodation (hotel, motel, and

#### BENSON TOTAL TAXABLE SALES, 2002-2006

YEAR	SALES	% CHANGE	INFLATION-ADJUSTED GROWTH
2002	\$70,246,724	7.0%	5.4%
2003	\$74,023,302	5.4%	3.3%
2004	\$74,614,850	0.8%	-1.9%
2005	\$77,333,089	3.6%	0.2%
2006	\$112,720,521	45.8%	42.6%

Note: Inflation-adjusted growth is calculated using the inflation rates as determined by the Consumer Price Index (CPI), average annual change. Data shown are estimates. Source: Arizona Department of Revenue and the Cochise College Center for Economic Research.

#### BENSON TOTAL TAXABLE SALES BY CATEGORY, 2006

INDUSTRY GROUP	SALES	PERCENT OF TOTAL SALES
Communications & Utilities	\$3,082,640	2.7%
Construction	\$20,502,325	18.2%
Manufacturing	\$3,477,960	3.1%
Wholesale Trade	\$678,120	0.6%
Retail Trade	\$52,774,800	46.8%
Finance & Insurance	\$20,640	0.0%
Real Estate, Rental & Leasing	\$14,085,400	12.5%
Restaurant & Bar	\$10,974,200	9.7%
Accommodation	\$3,775,756	3.3%
Services	\$2,463,040	2.2%
Other	\$885,640	0.8%
TOTAL	\$112,720,521	

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

#### BENSON RETAIL SALES, 2002-2006

YEAR	SALES	% CHANGE	INFLATION-ADJUSTED GROWTH
2002	\$38,318,360	2.8%	1.2%
2003	\$40,509,040	5.7%	3.6%
2004	\$41,223,920	1.8%	-0.9%
2005	\$44,393,360	7.7%	4.3%
2006	\$52,774,800	18.9%	15.7%

Note: Inflation-adjusted growth is calculated using the inflation rates as determined by the Consumer Price Index (CPI), average annual change. Data shown are estimates. Source: Arizona Department of Revenue and the Cochise College Center for Economic Research.

### BENSON RETAIL SALES PER CAPITA, 2002-2006

YEAR	RETAIL SALES PER CAPITA	% CHANGE	INFLATION-ADJUSTED GROWTH
2002	\$8,076	---	---
2003	\$8,484	5.1%	3.0%
2004	\$8,634	1.8%	-0.9%
2005	\$9,366	8.5%	5.1%
2006	\$10,949	16.9%	13.7%

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

### BENSON RESTAURANT & BAR SALES, 2002-2006

YEAR	SALES	% CHANGE	INFLATION-ADJUSTED GROWTH
2002	\$10,152,560	3.3%	1.7%
2003	\$10,018,160	-1.3%	-3.4%
2004	\$9,691,840	-3.3%	-6.0%
2005	\$10,746,000	10.9%	7.5%
2006	\$10,974,200	2.1%	-1.1%

Note: Inflation-adjusted growth is calculated using the inflation rates as determined by the Consumer Price Index (CPI), average annual change. Data shown are estimates. Source: Arizona Department of Revenue and the Cochise College Center for Economic Research.

### BENSON ACCOMMODATION SALES, 2002-2006

YEAR	TOTAL REVENUE	% CHANGE	INFLATION-ADJUSTED GROWTH
2002	\$2,967,444	10.7%	9.1%
2003	\$2,910,822	-1.9%	-4.0%
2004	\$3,078,290	5.8%	3.1%
2005	\$3,465,444	12.6%	9.2%
2006	\$3,775,756	9.0%	5.8%

Note: Inflation-adjusted growth is calculated using the inflation rates as determined by the Consumer Price Index (CPI), average annual change. Data shown are estimates. Source: Arizona Department of Revenue and the Cochise College Center for Economic Research.

other lodging) receipts in Benson totaled \$3.8 million, up 9 percent from 2005. This reflects real growth of 5.8 percent. Benson's accommodation receipts in 2006 accounted for 14 percent of the countywide total, up from 12.5 percent in 2005. Between 2002 and 2006, accommodation sales in Benson grew by 27.2 percent, for an inflation-adjusted increase of 15.1 percent.

Benson continues to capture a relatively large share of the county's accommodation market, due primarily to the city's location along Interstate 10, making it a convenient overnight stop; as well as the city's proximity to Kartchner Caverns. Benson's accommodation industry also benefits from a shortage of rooms in Sierra Vista. This leads many business travelers, including military and civilian personnel visiting Fort Huachuca, to turn to Benson for overnight accommodations, which may last from several nights to weeks at a time. This situation is likely to change, however, as construction of six new hotels in Sierra Vista in 2007 will increase the number of rooms in that city by 40 percent. This is likely to significantly slow growth in

### BENSON SHARE OF TOTAL COUNTY SALES, 2005-2006

CATEGORY	2006	2005
Total Taxable Sales	8.3%	6.1%
Retail	6.8%	6.1%
Restaurant & Bar	10.2%	11.0%
Accommodation	14.0%	12.5%

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

Benson's accommodation industry in coming years. This should be partly offset, however, by the continued increase in residential construction, which often brings work crews and personnel associated with the developments to the area. Many construction firms employ out-of-town workers who use overnight accommodations in the area during the work week. Management personnel may visit work sites to check progress, while potential buyers may visit the area and stay a few days to make decisions regarding relocation.

### Business establishments

According to the U.S. Census Bureau, as of 2004 there were 203 business establishments located in the Benson area (zip code 85602). The industry with the largest number of business establishments was accommodation and food services, with 34 establishments, followed closely by retail trade, with 33; healthcare and social assistance, with 23; other services (except public administration), also with 23; construction, with 19; real estate, rental and leasing, with 16; transportation and warehousing, with 11; and professional, scientific, and technical services, with 10 business establish-

ments. Other industries in Benson each had 6 or fewer establishments.

Between 2003 and 2004, the most recent data available, the number of business establishments in the Benson area grew from 187 to 203. The fastest-growing industries in terms of the number of new establishments were accommodation and food services, healthcare and social assistance, and retail trade, each of which added 3 establishments.

### Outlook

Total taxable sales are projected to grow 17.3 percent in 2007, and settle at or near 3.6 percent growth per year from 2008 through 2010. The strong growth projected for 2007 is attributable to the first full year of operation of the new Wal-Mart. The CER estimates the presence of Wal-Mart increases the city's total taxable sales by more than 20 percent. Construction has also had a large impact on the city's total sales, and this will continue for years to come. From January through October 2007, prior to the opening of the new Wal-Mart, total taxable sales in Benson were up 30 percent, due largely to construction in the city.

Retail sales are projected to grow 41.2 percent in 2007, and settle at or near 4.4 percent growth per year from 2008 through 2010. The strong growth in 2007 is attributable to the first full year of operation of the new Wal-Mart. The CER estimates the presence of Wal-Mart increases the city's retail sales by about 45 percent. Other factors contributing to retail sales growth in Benson are a growing population and retail sales associated with new construction (e.g., construction supplies, convenience store visits by workers, etc.). In the first 10 months of 2006, prior to the opening of Wal-Mart, retail sales in Benson were up 10.2 percent.

Restaurant and bar sales are projected to grow 5.2 percent in 2007, slowing to 4.9 percent in 2008. Part of the reason for the slower growth is higher interest rates, which leave families with less discretionary income. Rising gas prices, which also leave families with less discretionary income, also pose a threat in the opening months of

2007, following some relief in the second half of 2006. Additionally, higher gas prices discourage domestic tourism, impacting restaurant and bar sales. The projected loss of accommodation market share as additional hotels open in Sierra Vista will also slow restaurant and bar sales in Benson.

Accommodation sales are projected to grow 4.3 percent in 2007, slowing to 4.1 percent in 2008. Part of the reason for the decline is higher gas prices, which discourage domestic tourism. The projected loss of accommodation market share as additional hotels open in Sierra Vista is another factor. Perhaps the largest factor is simply the higher baseline established by three consecutive years of strong, steady growth, including 12.6 percent in 2005 and 9 percent in 2006. Periods of above-trend growth are normally followed by periods of adjustment that are often characterized by slowed or even negative growth.

In the longer term, Benson is well poised to gain from commercial opportunities that will arise as the city's population increases. Benson's retail sector has the potential to grow substantially to meet the needs of a growing population, and to perhaps serve as a regional economic hub for northern Cochise County and southeastern Pima County. The future health of restaurant and bar sales depends on the manner in which Benson grows. Certain retail and other industries have the added benefit of attracting restaurant and bar, and even accommodation clientele. The performance of the accommodation industry will continue to rely heavily on I-10 traffic, but increased residential and commercial development in the area could give rise to increased traffic along the interstate, including overnight travelers.

### BENSON BUSINESS ESTABLISHMENTS, 2002-2004

INDUSTRY	2002	2003	2004
Accommodation & food services	36	31	34
Admin, support, waste mgt, remediation services	8	5	5
Arts, entertainment & recreation	5	5	6
Auxiliaries	1	0	0
Construction	19	18	19
Educational services	2	1	2
Finance & insurance	5	5	5
Health care and social assistance	18	20	23
Information	4	3	3
Management of companies & enterprises	1	1	1
Manufacturing	3	3	4
Other services (except public administration)	25	24	23
Professional, scientific & technical services	8	9	10
Real estate & rental & leasing	13	14	16
Retail trade	27	30	33
Transportation & warehousing	6	9	11
Unclassified establishments	0	2	1
Utilities	3	4	4
Wholesale trade	4	3	3
<b>TOTAL</b>	<b>188</b>	<b>187</b>	<b>203</b>

Note: Data for zip code 85602. Source: U.S. Census Bureau and the Cochise College Center for Economic Research.

### BENSON SALES FORECAST, 2007-2010

	2007	2008	2009	2010
Total Taxable Sales (\$)	\$132,267,910	\$137,183,846	\$142,099,783	\$147,015,719
Total Taxable Sales (Growth)	17.3%	3.7%	3.6%	3.5%
Retail Sales (\$)	\$74,518,101	\$77,954,327	\$81,390,552	\$84,826,778
Retail Sales (Growth)	41.2%	4.6%	4.4%	4.2%
Restaurant & Bar Sales (\$)	\$11,544,527	\$12,114,966	\$12,685,405	\$13,255,843
Restaurant & Bar Sales (Growth)	5.2%	4.9%	4.7%	4.5%
Accommodation Sales (\$)	\$3,937,418	\$4,099,081	\$4,260,743	\$4,422,406
Accommodation Sales (Growth)	4.3%	4.1%	3.9%	3.8%

Forecasts by the Cochise College Center for Economic Research.

## Housing *and* real estate

New housing located in the St. David area.

Photo: CER Staff



The first half of 2006 was characterized by a steady increase in mortgage rates, but this trend reversed beginning in July with the Fed's pause in its rate-raising campaign. From January through July, the average contract rate on a 30-year conventional mortgage increased from 6.4 to 6.83 percent, according to the Federal Housing Finance Board. From July through December, however, the average rate fell to 6.38 percent, its lowest level since November 2005. This rate held steady into the opening months of 2007, closing the month of January at 6.36 percent and February at 6.37 percent.

Interest rates impact the volume of home sales: As rates rise, fewer homes are sold, and vice versa. Interest rates also have a large impact on the affordability of homes, since monthly mortgage payments comprise primarily principal and interest (other components include property taxes and homeowners insurance). A built-in stabilizer with regard to home prices is that, as interest rates rise, fewer homes are demanded; this drop in the number of homes demanded typically puts downward pressure on home prices. The effect is a

shifting of principal and interest components of monthly payments. In recent years, however, rising home prices in Benson and throughout Cochise County have had a larger impact than lower interest rates on monthly mortgage payments. Moreover, the increase in prices has greatly exceeded increases in local income. The combined effect has been declining housing affordability in Benson and throughout Cochise County.

### **Planned developments in the Benson area**

There are 16 housing developments currently underway or planned for the Benson area. The largest of these is the Anthem development, where construction of more than 5,700 units between 2008 and 2015 is planned. Overall, there are 13,750 units planned for Anthem.

A large-scale development that was previously planned for the unincorporated area just west of Benson along I-10 was Smith Ranch, planned by Diamond Ventures, Inc. of Tucson. In early 2005, the

Cochise County Board of Supervisors approved rezoning of the land to allow for a maximum of 4,900 homes on 2,000 acres. A local citizen's group opposing the rezoning moved forward a referendum to overturn the board's decision. The referendum was successful in November 2006. Diamond Ventures, Inc. still owns the land, so it is likely a revised master development plan for the area will be forthcoming in the next few years.

Other large scale developments planned for the Benson area include the Sage Group, with 3,500 units; San Pedro Partners, with 1,200 units; and The Canyons, with 850 units. Combined, the 16 developments will add more than 20,000 homes to the area based on current plans, with about half planned for construction and occupancy between now and 2015. Of these, about 30 percent are planned to be part of age-restricted communities. Developers have looked to Tucson and Fort Huachuca to provide a market for new homes built in the Benson area. The current vision presents Benson as a vital link between Sierra Vista/Fort Huachuca to the south and Tucson to the west.

The year 2006 saw the first major step toward build-out. The City of Benson issued 104 new home permits last year, and 11 permits in the first 3 months of 2007. In the previous 5 years, the city had issued a total of only 12 permits for new site-built homes.

### Northwest Cochise County home sales

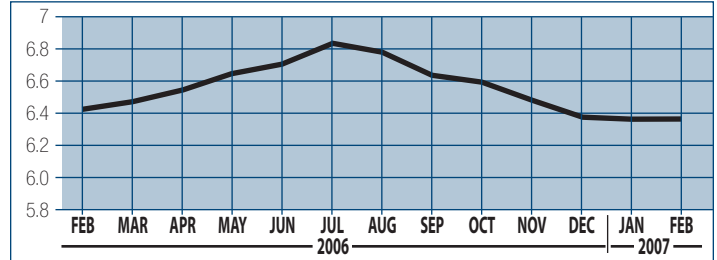
In 2006, there were 309 homes sold in the northwest corner of Cochise County (Benson, Cascabel, Mescal, Redington, Pomerene, and St. David), according to records maintained by the Cochise County Recorder. This includes site-built, manufactured, and mobile homes, as well as townhouses and condominiums. This represented about 10.2 percent of the countywide market for residential homes. With the large number of homes planned for the area in coming years, the area's share of the countywide market is likely to increase substantially. The average price of a home in the northwest corner of the county in 2006 was \$160,100; this was significantly below the countywide average of \$171,850. The median price in the northwest corner was \$130,000, compared to \$162,500 at the county level. (Note: The median price is the price at which half of all homes sold were priced above, and half were priced below.)

Nearly 3 of every 4 homes sold in the northwest corner of the county in 2006 were located in zip code 85602, which includes the City of Benson and the unincorporated areas of Cascabel, Mescal, and Redington. The average price in this area was \$153,500. The median price was \$125,000. Prices in this area were lower than prices in the entire northwest corner of the county, which were pulled upward by higher-priced homes in St. David. The average price of a home sold in St. David in 2006 was \$187,731; the median price was \$151,150. Prices were lower in Pomerene, which saw an average price of \$149,775 and a median price of \$124,500 in 2006.

### Benson MLS home sales

In 2006, there were 41 homes sold in Benson that were listed on the Southeast Arizona Multiple Listing Service (SAMLs). These were

### U.S. AVERAGE CONTRACT RATE, FIXED 30-YEAR MORTGAGES, 2006-2007



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

### RESIDENTIAL SALES BY ZIP CODE, 2006

LOCATION	NO. OF SALES	AVERAGE PRICE	MEDIAN PRICE
Cochise County (all areas)	3,019	\$171,850	\$162,500
Northwest Cochise County (zip codes 85602, 85627, 85630)	309	\$160,100	\$130,000
Zip Code 85602 (Benson, Cascabel, Mescal, Redington)	220	\$153,500	\$125,000
Zip Code 85627 (Pomerene)	26	\$149,775	\$124,500
Zip Code 85630 (St. David)	63	\$187,731	\$151,150

Note: Includes residential site built, manufactured homes, mobile homes, townhouses, and condominiums. Source: Cochise County, Bright Future Business Consultants of Tucson, and Cochise College Center for Economic Research.

### MLS HOME SALES – BENSON, 2004-2007

YEAR	NUMBER OF HOMES SOLD	AVERAGE PRICE	AVERAGE PRICE CHANGE	MEDIAN PRICE	MEDIAN PRICE CHANGE
2004	17	\$110,265	—	\$82,500	—
2005	24	\$107,963	-2.1%	\$105,750	28.2%
2006	41	\$152,370	41.1%	\$148,000	40.0%
2007*	8	\$196,182	28.8%	\$226,696	53.2%

\*Jan-Mar only; comparisons to same period the year prior. Note: Includes only those homes listed on Southeast Arizona Multiple Listing Service. Includes residential site built, manufactured homes, mobile homes, townhouses, and condominiums. Source: Southeast Arizona Multiple Listing Service and Cochise College Center for Economic Research.

### MLS HOME SALES COMPARISONS, 2006

AREA	AVERAGE PRICE	AVERAGE PRICE CHANGE	MEDIAN PRICE	MEDIAN PRICE CHANGE
Benson	\$152,370	41.1%	\$148,000	40.0%
Cochise County	\$200,325	8.8%	\$196,119	11.4%

Note: Includes only those homes listed on Southeast Arizona Multiple Listing Service. Includes residential site built, manufactured homes, mobile homes, townhouses, and condominiums. Source: Southeast Arizona Multiple Listing Service and Cochise College Center for Economic Research.

### PLANNED DEVELOPMENTS IN THE BENSON AREA

DIVISION	PLANNED UNITS
Anthem	13,750
The Sage Group	3,500
San Pedro Partners	1,200
The Canyons	850
San Pedro Golf Estates	224
Kartchner Vistas	201
Cottonwood Highlands	170
San Pedro Vista	121
Cottonwood Bluffs	100
Rincon Acres	61
Water Crest	53
La Cholla Heights	45
Station Overlook	33
Turquoise Hills	31
Old Homestead	26
La Mesa San Pedro	13
<b>TOTAL</b>	<b>20,378</b>

Source: City of Benson.

homes that the selling agent identified as being located in Benson, although some homes included may be located in the unincorporated areas just outside the city. It is important to note that some realtors in the Benson area post their listings exclusively on the Tucson MLS; these homes were not included in this analysis. (Note: If homes were listed on SAMLs and Tucson MLS, they were included.) Also, some realtors do not post properties to MLS; these also were not included in this analysis. Moreover, many home builders do not post their new homes on MLS, but rather sell them through direct marketing.

In 2006, there were 41 single-family residential homes sold in Benson on SAMLs, up from 24 in 2005. This includes site-built, manufactured, and mobile homes, as well as townhouses and condominiums. The average price in 2006 was \$152,370; the median price was \$148,000. In 2006, the average price of a home sold in Benson on SAMLs was up 41.1 percent from the year prior; the median price was up 40 percent.

In the first 3 months of 2007, 8 homes were sold in Benson on SAMLs. The average price was \$196,182, up 28.8 percent from the same period a year prior. The median price was \$226,696, up 53.2 percent

### BENSON MLS HOUSING MARKET AT A GLANCE, 2005-2006

SINGLE FAMILY RESIDENTIAL	2006	2005
Number Sold	41	24
Average Asking Price	\$157,136	\$115,321
Average Selling Price	\$152,370	\$107,963
Median Asking Price	\$155,000	\$107,450
Median Selling Price	\$148,000	\$105,750
Average Selling Price As % of Asking Price	95.5%	94.6%
Homes Sold Above Asking Price	4.8%	4.2%
Homes Sold At Asking Price	33.3%	16.7%
Homes Sold Below Asking Price	61.9%	79.2%
Average Number of Bedrooms	3.0	2.8
Average Number of Bathrooms	1.9	1.8
Average Number of Days on Market	134	91
Average Square Footage (Heated/Cooled only)	1,516	1,437
Average Price Per Square Foot	\$99.41	\$73.20

Note: Includes only those homes listed on Southeast Arizona Multiple Listing Service. Includes residential site built, manufactured homes, mobile homes, townhouses, and condominiums. Source: Southeast Arizona Multiple Listing Service and Cochise College Center for Economic Research.

from the first 3 months of 2006. It is important to note that the 2007 comparisons are based on a small number of homes; home prices throughout the remainder of the year may differ substantially from those in the opening months of the year.

The prices of homes sold in Benson on SAMLs in 2006 were significantly below prices countywide. The average price in Benson was \$152,370, compared to \$200,325 countywide. Benson's median home price of \$148,000 was also significantly below the median price of \$196,119 for homes sold on SAMLs countywide.

Of all homes sold in Benson in 2006 that were listed on SAMLs, 4.8 percent sold above the asking price; this was up from 4.2 percent in 2005. The average selling price was 95.5 percent of the asking price, up from 94.6 percent the year prior. A third of all homes sold at the asking price, up significantly from 16.7 percent in 2005. The proportion of homes sold below the asking price was down from 79.2 to 61.9 percent. The average price per square foot of a home in Benson in 2006 was \$99.41, up 35.8 percent from 2005. While more than a quarter of the homes sold in Benson in 2006 were priced between \$226,000 and \$242,000, nearly 40 percent sold at prices

### BENSON DISTRIBUTION OF MLS HOME PRICES, 2006

MINIMUM PRICE	MAXIMUM PRICE	MIDPOINT PRICE	NUMBER OF HOMES	PERCENT OF TOTAL HOMES
\$27,000	\$60,090	\$43,545	5	12.2%
\$60,090	\$93,180	\$76,635	5	12.2%
\$93,180	\$126,270	\$109,725	6	14.6%
\$126,270	\$159,360	\$142,815	5	12.2%
\$159,360	\$192,450	\$175,905	5	12.2%
\$192,450	\$225,540	\$208,995	4	9.8%
\$225,540	\$258,630	\$242,085	11	26.8%

Note: Includes only those homes listed on Southeast Arizona Multiple Listing Service. Includes residential site built, manufactured homes, mobile homes, townhouses, and condominiums. Source: Southeast Arizona Multiple Listing Service and Cochise College Center for Economic Research.

Of all homes sold in Benson in 2006 that were listed on SAMLs, 4.8 percent sold above the asking price...

below \$126,000. The prices of homes sold below \$226,000 were distributed relatively flat among six equal price ranges.

### Housing affordability in the Benson area

The Cochise College Center for Economic Research's (CER) *Housing Affordability Index* gauges whether a typical family would qualify for a mortgage on a typical home. The CER defines a typical family as one earning the median family income, as estimated by the CER using the most recent U.S. Census Bureau data. In 2006, the estimated median family income for Benson was \$42,334 (Note: This is a preliminary estimate, which will be revised with the release of the Census Bureau's American Community Survey results for 2006). The CER defines a typical home as a median-priced, single-family residential home. In 2006, the median price of a single-family residential home, as sold on SAMLs in Benson, was \$148,000. In calculating the HAI, the CER considers the average effective interest rate (contract rate plus discount points) on a fixed, 30-year conventional mortgage as reported by the Federal Housing Finance Board. In 2006, this rate was 6.63 percent.

The HAI for Benson in 2006 was 116.2. 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, Benson's HAI of 116.2 indicates that a family earning the median income had 116.2 percent of the income necessary to qualify for a conventional loan covering 80 percent of a median-priced, single-family home in Benson in 2006.

To qualify for a conventional loan covering 80 percent of the cost of a median-priced home in 2006, a family in Benson would have needed an annual income of only \$36,450. Using this same methodology, a family living in Benson and earning the median income would have qualified for a conventional loan covering 80 percent of the value of a home costing \$172,000.

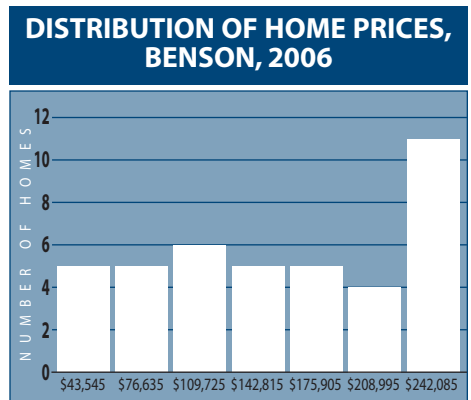
Between 2003 and 2006, homes became less affordable in Benson, with the HAI falling from 203.4 to 116.2. While declining housing affordability is always a concern, its effect is not always negative. An excessively high HAI would indicate a lack of housing suitable for working professionals. Such a situation makes it difficult for

local businesses to attract highly qualified workers. In recent years, many professional employees who work in Benson have been forced to reside outside the area due to a shortage of suitable housing. This shortage is easily identifiable by Benson's HAI of over 200 in 2003 and 2004. In this case, it is important to note that declining affordability does not necessarily reflect rising prices due to inflation alone. As new, larger, and higher quality homes are built and sold, these tend to pull prices upward.

### New home construction

The year 2006 saw an 18.8 percent decline in new home permits in Cochise County. Countywide, there were only 900 permits issued for construction of site-built homes, compared to 1,108 in 2005. This decline, however, did not impact Benson. The City of Benson issued 104 new home permits in 2006, compared to only 12 permits issued over the preceding 5-year period. The surge in permits is the result of the beginning of construction on several of the planned projects discussed above.

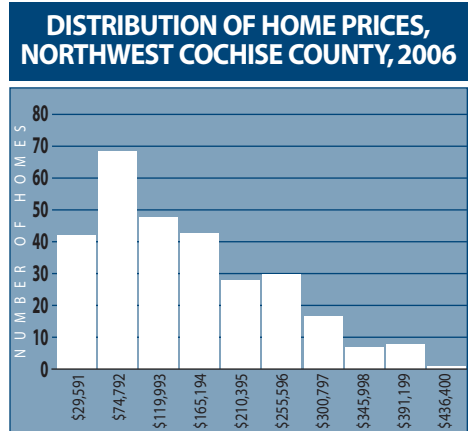
The average value of a new site-built home in Benson, as listed on the building permits issued by the city, was \$192,535 in 2006. This was significantly above the countywide average of \$146,268. In the first 3 months of 2007, the city issued 11 permits at an average value of \$200,045. It is important to note that the value listed on a building permit does not include the value



Note: Includes only those homes listed on Southeast Arizona Multiple Listing Service. Includes residential site built, manufactured homes, mobile homes, townhouses, and condominiums. Prices shown are midpoint prices; each bin represents a price range of \$33,090 (+/- \$16,545 from midpoint). See price distribution table for more information. Source: Southeast Arizona Multiple Listing Service and Cochise College Center for Economic Research.

MINIMUM PRICE	MAXIMUM PRICE	MIDPOINT PRICE	NUMBER OF HOMES	PERCENT OF TOTAL HOMES
\$6,990	\$52,191	\$29,591	42	14.3%
\$52,191	\$97,392	\$74,792	69	23.5%
\$97,392	\$142,593	\$119,993	48	16.4%
\$142,593	\$187,794	\$165,194	43	14.7%
\$187,794	\$232,995	\$210,395	28	9.6%
\$232,995	\$278,196	\$255,596	30	10.2%
\$278,196	\$323,397	\$300,797	17	5.8%
\$323,397	\$368,598	\$345,998	7	2.4%
\$368,598	\$413,799	\$391,199	8	2.7%
\$413,799	\$459,000	\$436,400	1	0.3%

Note: Includes residential site built, manufactured homes, mobile homes, townhouses, and condominiums. Eight outliers (4 highest- and 4 lowest-priced homes) were removed to allow for more meaningful analysis; high-priced homes removed were priced above \$650,000 and low-priced homes removed were priced below \$5,500. Source: Southeast Arizona Multiple Listing Service and Cochise College Center for Economic Research.



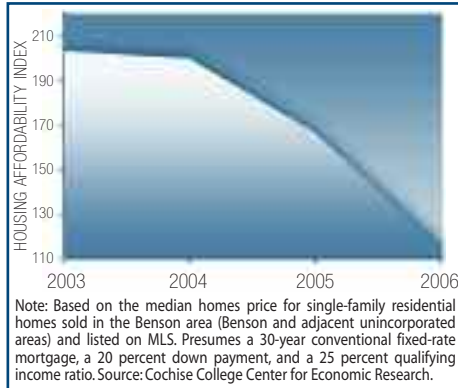
Note: Includes residential site built, manufactured homes, mobile homes, townhouses, and condominiums. Eight outliers (4 highest- and 4 lowest-priced homes) were removed to allow for more meaningful analysis; high-priced homes removed were priced above \$650,000 and low-priced homes removed were priced below \$5,500. Prices shown are midpoint prices; each bin represents a price range of \$45,201 (+/- \$22,601 from midpoint). See price distribution table for more information. Source: Southeast Arizona Multiple Listing Service and Cochise College Center for Economic Research.



The City of Benson issued 104 new home permits in 2006, compared to only 12 permits issued over the preceding 5-year period.

Photo: CER Staff

### BENSON HOUSING AFFORDABILITY, 2003-2006



### NEW HOME PERMITS – CITY OF BENSON, 2001-2007

YEAR	NO. OF PERMITS	AVERAGE VALUE	AVERAGE VALUE CHANGE
2001	2	\$104,000	—
2002	3	\$111,667	7.4%
2003	0	—	—
2004	2	\$153,000	*37.0%
2005	5	\$181,544	18.7%
2006	104	\$192,535	6.1%
2007**	11	\$200,045	**3.9%

\*2-year change. \*\*Jan-Mar only; value comparison to entire previous year. Note: Includes site-built homes only. Values do not include land. Source: City of Benson and Cochise College Center for Economic Research.

### BENSON HOUSING AFFORDABILITY INDEX (HAI), 2003-2006

YEAR	MEDIAN FAMILY INCOME	MEDIAN HOME PRICE	AMOUNT FINANCED	EFFECTIVE INTEREST RATE	MONTHLY PRINCIPAL AND INTEREST PAYMENT	HAI
2003	\$36,750	\$78,749	\$62,999	5.97%	\$377	203.4
2004	\$38,132	\$82,500	\$66,000	6.02%	\$397	200.1
2005	\$40,938	\$105,750	\$84,600	6.08%	\$512	166.6
2006	\$42,334	\$148,000	\$118,400	6.63%	\$759	116.2

Note: Based on the median homes price for residential homes (site built, manufactured homes, mobile homes, townhouses, and condominiums) sold in Benson and listed on MLS. Presumes a 30-year conventional fixed-rate mortgage, a 20 percent down payment, and a 25 percent qualifying income ratio. \*Based on preliminary estimate of median family income. Source: Cochise College Center for Economic Research.

### SINGLE FAMILY RESIDENTIAL PERMITS – COCHISE COUNTY, 2002-2006

YEAR	NUMBER OF PERMITS	CHANGE IN VOLUME	AVERAGE VALUE	AVERAGE VALUE CHANGE	MEDIAN VALUE	MEDIAN VALUE CHANGE
2002	653	—	\$93,550	—	*	*
2003	926	41.8%	\$97,340	4.1%	*	*
2004	1,046	13.0%	\$105,840	8.7%	*	*
2005	1,108	5.9%	\$123,796	17.0%	*	*
2006	900	-18.8%	\$146,268	18.2%	\$134,260	*

\*Data not available. Note: Includes site-built homes only. Values do not include land. Source: Bright Future Business Consultants of Tucson and Cochise College Center for Economic Research.

of land, and is not necessarily reflective of the final selling price.

The City of Benson also issues permits for the placement of manufactured homes. In 2006, the city issued 43 permits; the average value was \$41,321. This was up 17.9 percent from 2005. In the first 3 months of 2007, the city issued 12 permits for the placement of manufactured homes, at an average value of \$45,958.

### Cochise County housing market summary

At the county level in 2006, there were 514 closings on new homes, down nearly 16 percent from 611 in 2005. The median price at closing was \$241,907, up 15.2 percent from the year prior. New home closings in 2006 accounted for 18.6 percent of total closings countywide. This was up from 17.7 percent in 2005, indicating a shift in market demand away from resale home purchases and back toward the purchase of new homes. In general, fluctuations in home prices shift demand between new and resale homes. As the prices of new homes increase, there is typically a shift in demand from new to resale homes. This was seen between 2004 and 2005, when the share of the countywide home market accounted for by new homes fell from 21 to 17.7 percent. This was a reflection of the sharp increase in new home prices. The result was a shift in market demand toward resale homes; this shift in demand then placed upward pressure on the prices of resale homes, leading to yet another shift. Over the past 5 years, new homes have captured just below 18 percent, on average, of the countywide housing market.

In 2006, there were 2,254 resale home closings in Cochise County. This was down nearly 21 percent from 2005. The median price at closing was \$151,267, up 8 percent from the year prior. Resale home closings in 2006 accounted for 81.4 percent of total closings countywide, down from 82.3 percent in 2005.

### Commercial construction

In 2006, there were 8 permits issued for new commercial construction in Benson at a total dollar valuation of \$12.8 million. This compares to a total of only \$8.9 million in new commercial construction over the preceding 5 years. The surge is attributable to the construction of the new Wal-Mart Supercenter, as well as other construction projects throughout the city.

### COCHISE COUNTY HOUSING MARKET AT A GLANCE, 2002-2006

YEAR	NEW HOME			RESALE HOME			NEW HOME PERMITS (SINGLE FAMILY RESIDENTIAL)
	HOME COSINGS	MEDIAN PRICE	AVERAGE PRICE	HOME COSINGS	MEDIAN PRICE	AVERAGE PRICE	
2002	330	\$148,460	\$149,937	1,884	\$89,900	\$104,438	653
2003	407	\$162,157	\$169,647	1,979	\$102,000	\$116,673	926
2004	656	\$169,421	\$179,599	2,464	\$115,000	\$128,857	1,047
2005	611	\$210,000	\$215,020	2,850	\$140,050	\$159,640	1,108
2006	514	\$241,907	\$250,896	2,254	\$151,267	\$169,544	900

Note: Includes only site-built residential homes. Source: Bright Future Business Consultants of Tucson and Cochise College Center for Economic Research.

**SINGLE FAMILY RESIDENTIAL PERMIT COMPARISONS, 2006**

LOCATION	AVERAGE PRICE	AVERAGE PRICE CHANGE FROM PREVIOUS YEAR
Cochise County	\$146,268	18.2%
Benson	\$192,535	6.1%

Note: Includes site-built homes only. Values do not include land. Source: City of Benson, Bright Future Consulting of Tucson, and Cochise College Center for Economic Research.

**COMMERCIAL BUILDING PERMITS (NEW CONSTRUCTION), CITY OF BENSON, 2000-2006**

YEAR	NUMBER OF PERMITS	TOTAL VALUATION
2000	10	\$6,598,075
2001	6	\$1,233,197
2002	13	\$1,275,763
2003	6	\$4,552,953
2004	6	\$1,204,000
2005	4	\$646,374
2006	8	\$12,810,643

Note: Valuation reflects value shown on building permit and does not include value of land. Source: City of Benson.

**MANUFACTURED HOME PERMITS - CITY OF BENSON, 2002-2007**

YEAR	NO. OF PERMITS	AVERAGE VALUE	AVERAGE VALUE CHANGE
2002	11	\$36,364	--
2003	14	\$40,714	12.0%
2004	19	\$48,179	18.3%
2005	45	\$35,056	-27.2%
2006	43	\$41,321	17.9%
2007*	12	\$45,958	*11.2%

\*Jan-Mar only; value comparison to entire previous year. Note: Values do not include land. Source: City of Benson and Cochise College Center for Economic Research.

Commercial construction has continued to expand in the city in response to, and anticipation of, continued population growth, which increases the demand for consumer goods and services. The increased interest in the area by developers, and the high volume of homes currently planned for the area, will open the door wider to commercial investment opportunities in the city.

**Benson land transactions**

In Benson in 2006 there were 17 land transactions for vacant land listed on SAMLs. The average price was \$46,971, up 7 percent from the year prior. The median price was \$40,000, up 23.1 percent. The large disparity in price increases indicates a reduction in the number of higher priced lots, which reflects a shift in the market from larger to smaller lots. The average price per acre of vacant land in Benson soared more than 300 percent, increasing from \$18,912

to \$78,639. The median price was up over 400 percent, from \$7,990 to \$40,371 per acre. Much of the increase is likely the result of speculation, with buyers and sellers anticipating the impact of planned residential construction and associated commercial opportunities. This is spurred along by the opening of the new Wal-Mart, which also gives rise to increased commercial opportunities due to the increase in shoppers lured to the city from surrounding areas.

**Outlook**

Countywide the housing market will continue to slow in 2007 and into 2008, but this will likely have little impact on the Benson area. Benson is well poised to benefit from the slowing market in Tucson and Sierra Vista. As prices have risen in those areas, exacerbated by higher interest rates nationwide, Benson has become a lower-cost opportunity for new homebuyers.

Moreover, the construction of new homes, which proceeded at an unprecedented level in 2006 as developers moved forward on several projects, will put downward pressure on prices, keeping the area an attractive, lower-cost option.

One factor that will have a large impact on the direction of the housing market in the coming years is the direction of interest rate changes at the national level. Going into 2007, slowed economic growth estimates for 2006 gave rise to expectations of an interest rate cut in the second half of 2007. But subsequent inflationary pressures in the opening months of 2007 have overshadowed concerns of an economic slowdown. Concerns over inflation may lead the Federal Reserve to instead consider an interest rate hike in the second half of 2007. This would further slow the countywide real estate market, although the impact to the Benson area would likely be negligible for reasons discussed above.

**BENSON MLS LAND TRANSACTIONS, 2005-2006**

YEAR	NUMBER OF LOTS SOLD	CHANGE IN VOLUME	AVERAGE PRICE	AVERAGE PRICE CHANGE	AVERAGE PRICE PER ACRE	AVERAGE PRICE PER ACRE CHANGE	MEDIAN PRICE	MEDIAN PRICE CHANGE	MEDIAN PRICE PER ACRE	MEDIAN PRICE PER ACRE CHANGE
2005	22	—	\$43,885	—	\$18,912	—	\$32,500	—	\$7,990	—
2006	17	-22.7%	\$46,971	7.0%	\$78,639	315.8%	\$40,000	23.1%	\$40,371	405.3%

Note: Data in this table include only land listed with the Southeast Arizona Multiple Listing Service. Source: Southeast Arizona Multiple Listing Service and Cochise College Center for Economic Research.

# Bank deposits *and* bankruptcy filings

Cochise County Courthouse.

Photo: CER Staff



## Bank deposits

Benson is served by two banks: Bank of America and National Bank of Arizona. Bank deposits in Benson in 2006 totaled \$84.2 million, a 15.2 percent increase from 2005. This represents the second consecutive year of double-digit growth of bank deposits in Benson, following modest average annual growth of less than 4 percent

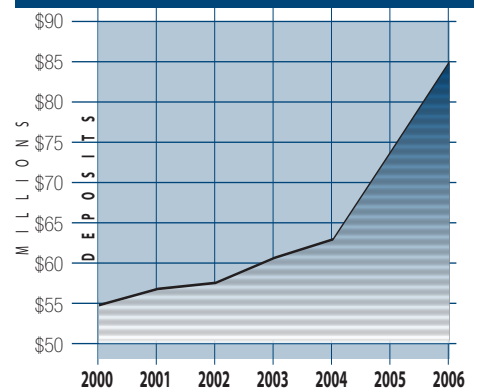
between 2000 and 2004. At the county level, bank deposits totaled just over \$1 billion, an increase of 13.3 percent from the year prior. In 2006, Benson bank deposits comprised 8.2 percent of total deposits in the Cochise County market, up from 8.1 percent the year prior. (Note: Bank deposit data include only those deposits made to commercial banks. They do not include deposits to credit unions or other financial

### BANK DEPOSITS 2000-2006

YEAR	BENSON		COCHISE COUNTY	
	AMOUNT	CHANGE	AMOUNT	CHANGE
2000	\$54,395,000	5.6%	\$652,405,000	10.9%
2001	\$56,470,000	3.8%	\$637,907,000	-2.2%
2002	\$57,492,000	1.8%	\$728,857,000	14.3%
2003	\$60,314,000	4.9%	\$769,197,000	5.5%
2004	\$62,286,000	3.3%	\$824,453,000	7.2%
2005	\$73,061,000	17.3%	\$904,994,000	9.8%
2006	\$84,190,000	15.2%	\$1,025,652,000	13.3%

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

### BENSON BANK DEPOSITS 2000-2006



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

institutions. Annual deposits include those made each year in the 12 months ending June 30.)

### Bankruptcy filings

In 2005, there were 620 bankruptcies filed from within Cochise County, up 23 percent from 504 the year prior. Adjusting for population size, Cochise County's bankruptcy rate in 2005 increased to 4.7 bankruptcies per 1,000 residents, up from 3.89 in 2004. The increase of bankruptcies in Cochise County in 2005 followed the upward trend also seen at the state and national level. While the county's bankruptcy rate grew by 23 percent in 2005, bankruptcies increased 28.5 percent at the state level and 30.1 percent nationally.

Despite the relatively steady increase in bankruptcies countywide since 2001 (with the exception of 2004, which saw a decline in bankruptcies), the Cochise County bankruptcy rate has remained well below state and national levels since the beginning of the new millennium. In 2005, Cochise County experienced 4.7 bankruptcies per 1,000 residents, compared to 6.49 at the state level and 7.01 nationally. Between 2000 and 2005, the narrowest gap

### BENSON BANK DEPOSITS, SHARE OF COCHISE COUNTY MARKET, 2000-2006

YEAR	SHARE OF COCHISE COUNTY MARKET
2000	8.3%
2001	8.9%
2002	7.9%
2003	7.8%
2004	7.6%
2005	8.1%
2006	8.2%

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

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

### COCHISE COUNTY BANKRUPTCY FILINGS, 2000-2005

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

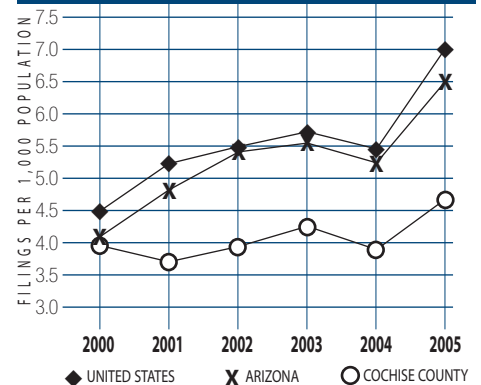
Source: U.S. Bankruptcy Court, Tucson Division; U.S. Census Bureau; Arizona Department of Economic Security; and Cochise College Center for Economic Research.

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

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

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

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



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

# Mexico

2006 China Poblana Rachael Montes and Miss Sierra Vista 2005 Brandi Milloy during the LULAC 2006 Cinco de Mayo Celebration at Veterans Memorial Park.

Photo: LULAC



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 workers and shoppers who cross legally through the designated ports of entry at Douglas and Naco (as well as the port of entry in Nogales in neighboring Santa Cruz County), to drug and illegal immigrant smugglers who cross illegally through the Sonoran desert. Shoppers from Mexico contribute greatly to retail sales throughout the county, particularly in Douglas and Sierra Vista due to the large retail sectors of those cities.

## Sonora, Mexico

Cochise County shares an international border with the Mexican state of Sonora. In 2000, the population of Sonora was 2.2 million, according to Instituto Nacional de Estadística Geografía e Informática (INEGI). The primary economic activities in Sonora are agriculture, livestock, forestry, fishing, mining, and manufac-

turing. To learn more about the State of Sonora, visit [www.sonora.org.mx](http://www.sonora.org.mx).

## AGUA PRIETA, SONORA

The city of Douglas, approximately 75 miles southeast of Benson, shares a border with Agua Prieta, Sonora, Mexico. In 2000, the population of Agua Prieta was 61,994, according to INEGI. As of 2005, there were 23 maquiladoras in Agua Prieta, employing 7,425 workers, according to the Municipal Government of Agua Prieta. The largest was Levolor Kirsch, a retail factory, which employed 1,800 workers, followed by Takata, an automotive factory employing 1,250, and MWC de Mexico, an automotive factory that employed 1,100 workers. To learn more about Agua Prieta, visit [www.aguaprieta.gob.mx](http://www.aguaprieta.gob.mx).

## NACO, SONORA

The town of Naco, Sonora, Mexico shares a border with Naco, Arizona, approximately 65 miles southeast of Benson. In 2000, the population of Naco, Sonora was 5,370, according to INEGI. Naco, Sonora and Naco, Arizona have

worked together on regional issues over the years. From the 1930s until the 1980s, the area was a major agribusiness route for processing and shipping cattle between Mexico and the United States.

As 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 wastewater. 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 in at least one shopping center, and light industrial facilities.

### Border crossings in Cochise County

There are two international pedestrian/vehicle crossings in Cochise County. These are located in Douglas and Naco. Between 2000 and 2006, an average of more than 6.1 million people each year passed through the pedestrian walkway at the Douglas Port of Entry from Mexico into Douglas. About 60 percent of these were non-U.S. citizens, while 40 percent were U.S. citizens returning from visits to Mexico. In addition, about 2.2 million vehicles entered into the United States from Mexico through the Douglas port each year.

Since 2000, the number of non-U.S. citizens entering into Douglas through the pedestrian crossing has ranged from a high of 5.1 million in 2002 to a low of 3 million in 2004. During 2006, the number of pedestrian crossings into Douglas by non-U.S. citizens was up 2.9 percent compared to 2005; however, vehicle crossings were down by 7.2 percent.

Between 2000 and 2006, an average of nearly 1.1 million people each year passed

through the pedestrian walkway at the Naco Port of Entry, from Naco, Sonora into Naco, Arizona. About 74.9 percent of these were non-U.S. citizens, while 26 percent were U.S. citizens returning from Mexico. In addition, about 338,000 vehicles entered into the United States from Mexico through the Naco port each year. Since 2000, the number of non-U.S. citizens entering into Naco, Arizona has ranged from a low of 679,000 in 2000 to a high of 957,000 in 2005. In 2006, the number of non-U.S. citizens crossing into Naco, Arizona from Mexico was down 3.9 percent, compared to 2005; vehicle crossings were up by 5.2 percent.

### Economic impacts

In 2001, the University of Arizona conducted a study to measure the economic impact of Mexican visitors' spending statewide. The published results were based on a year-long survey of Mexican visitors returning from Arizona at the Phoenix and Tucson airports, as well as six border ports of entry, including the Douglas and Naco ports in Cochise County and the Nogales port in neighboring Santa Cruz County. The study indicated that, statewide, the primary reason for visits was shopping, which accounted for 72 percent of total visits. Other reasons included work (14 percent); visiting family (8 percent); and vacation, medical, business, and personal (less than 3 percent each). At the two ports of entry in Cochise County, 70.6 percent of visitors at the Dou-

#### US-MEXICO BORDER CROSSINGS, COCHISE COUNTY, 1996-2006

	DOUGLAS			NACO		
	U.S. CITIZENS	NON-U.S. CITIZENS	VEHICLES	U.S. CITIZENS	NON-U.S. CITIZENS	VEHICLES
1996	2,011,274	2,989,579	1,952,673	367,300	783,084	295,741
1997	2,106,251	3,103,164	2,031,280	350,407	776,439	306,343
1998	2,157,727	3,190,589	2,067,338	373,016	769,886	312,246
1999	2,505,433	3,715,351	2,186,310	357,916	726,815	334,406
2000	2,747,077	4,112,377	2,290,878	286,879	678,929	349,180
2001	2,390,011	3,604,625	2,140,308	215,628	825,875	345,611
2002	3,428,267	5,098,472	2,351,976	221,357	761,253	341,552
2003	2,310,310	3,447,921	2,123,801	214,949	756,782	343,411
2004	2,010,095	3,003,384	2,120,724	262,684	870,187	345,959
2005	2,174,486	3,151,861	2,137,150	405,921	957,048	320,432
2006	2,154,087	3,244,392	1,983,618	395,447	846,705	321,357

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



Luz Cisneros, 19, votes for the first time in an election in Naco, Sonora. Cisneros said the issues most important to her are jobs and education.

Photo: Suzanne Cronn,  
Sierra Vista Herald/Bisbee Review

glas 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 also shows that, in 2001, Mexican visitors to Cochise County spent an estimated \$96.8 million (\$110.2 million in 2006 dollars) in the county. Of this amount, approximately \$49.4 million (\$56.2 million in 2006 dollars) was spent in grocery stores; \$17 million (\$19.4 million in 2006 dollars) was spent in department stores; \$16.3 million (\$18.6 million in 2006 dollars) was spent at restaurants; and \$12.8 million (\$14.6 million in 2006 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 (\$65.5 million in 2006 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. It also includes induced jobs and wages that are generated as a portion of the income earned by local residents is subsequently spent on other locally produced goods and services, in a continuous recycling of income back into the local economy. This is commonly referred to as the “multiplier” or “ripple” effect. Moreover, the study indicated that, in 2001, 5.9 percent of all taxable sales in the county were attributable to Mexican visitors.

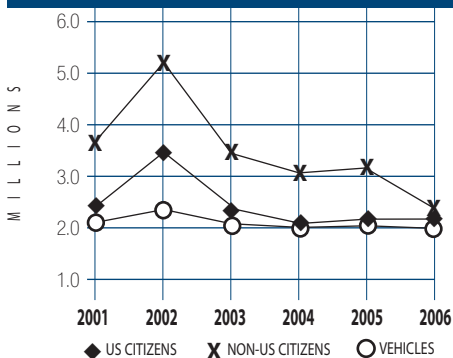
## Fiscal impacts

In 2000, the University of Arizona conducted a fiscal impact study examining the law enforcement, criminal justice, and emergency medical service costs of illegal immigration to Arizona border counties, including Cochise County. The study utilized site visits, interviews with county and federal officials, review of public documents including budgets and court records, and federal border crossing and apprehension statistics.

The study estimated the cost to Cochise County of apprehending and adjudicating criminal illegal immigrants was \$4.6 million (\$5.6 million in 2006 dollars). This includes the costs for general government services, emergency medical care, autopsies, and burials. Separate cost studies were conducted for the sheriff’s department, county attorney, indigent defense, justice court, clerk of superior court, superior court, and the juvenile court center.

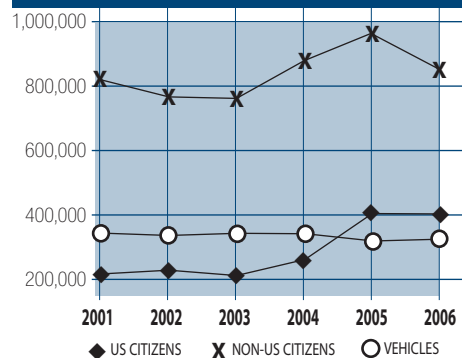
Of the estimated total costs to the county, \$3.3 million (\$4 million in 2006 dollars), or 72 percent, was attributable to the sheriff’s department. The remainder of the cost was \$260,000 (\$315,000 in 2006 dollars) for indigent defense; \$238,000 (\$288,000 in 2006 dollars) for the superior court; \$211,000 (\$255,000 in 2006 dollars) for the juvenile center; \$171,000 (\$207,000 in 2006 dollars) for the county attorney; \$104,000 (\$126,000 in 2006 dollars) for the justice courts; \$97,000 (\$117,000 in 2006 dollars) for the clerk of the superior court; \$82,000 (\$99,000 in 2006 dollars) for emergency medical services; and \$45,000

**US-MEXICO BORDER CROSSINGS:  
DOUGLAS, AZ, 2001-2006**



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

**US-MEXICO BORDER CROSSINGS:  
NACO, AZ, 2001-2006**



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

(\$54,000 in 2006 dollars) for adult probation.

It is important to note that the figures in the fiscal impact 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-level resources and funded from the county's 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, for example, incur costs responding to incidents of trespassing and other property crimes committed by illegal immigrants, 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 Cochise County have reported uncompensated costs totaling 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. 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 \$110.2 million (in 2006 dollars), generating 3,551 jobs and \$65.5 million in local wages far exceeds the estimated \$5.6 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.

### Mexico's economy today

In 2006, Felipe Calderón was elected president by a narrow margin (less than 1 percent of the vote), and has assumed the presidency in Mexico. Calderón had campaigned on issues of job creation, investment, market competition, and greater transparency in gov-

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

	DOUGLAS			NACO		
	U.S. CITIZENS	NON-U.S. CITIZENS	VEHICLES	U.S. CITIZENS	NON-U.S. CITIZENS	VEHICLES
January 2005	152,284	227,971	156,353	30,125	80,225	27,293
February	150,607	225,457	163,944	30,215	78,819	24,704
March	177,136	265,174	185,187	31,002	76,292	28,632
April	191,669	286,930	178,890	32,110	78,422	27,083
May	205,032	306,380	196,237	33,510	80,941	29,406
June	183,483	274,677	182,792	35,013	82,222	21,621
July	187,952	281,365	183,995	34,715	82,132	22,062
August	202,278	200,008	184,864	33,893	79,425	28,382
September	184,102	275,601	174,679	32,710	80,014	25,324
October	181,076	271,072	175,772	36,715	78,198	26,953
November	169,511	253,759	177,099	37,612	80,413	27,952
December	189,356	283,467	177,338	38,301	79,945	31,020
January 2006	189,356	283,468	149,218	37,110	77,850	26,517
February	154,355	231,072	150,697	37,002	74,341	24,235
March	171,667	256,986	156,030	38,012	75,125	26,653
April	171,187	251,671	170,656	37,016	75,803	24,188
May	191,180	286,200	184,552	35,121	74,141	27,383
June	178,718	267,546	173,302	34,612	71,930	26,382
July	179,655	268,945	170,586	33,820	70,022	27,389
August	188,343	281,955	168,690	33,712	67,685	27,530
September	178,934	287,824	166,612	31,916	65,852	25,714
October	183,727	277,432	163,409	28,515	57,944	27,354
November	176,212	265,881	160,417	32,222	61,344	26,403
December	190,753	285,412	169,449	16,389	74,668	31,609

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

### ECONOMIC INDICATORS – MEXICO

	2001	2002	2003	2004	2005	2006
Unemployment Rate*	2.5%	2.1%	3.0%	**3.2%	**3.6%	**4.0%
Real GDP Growth	0.0%	0.8%	1.4%	4.4%	3.0%	**4.7%
Consumer Price Inflation	6.4%	5.0%	4.5%	4.7%	4.3%	**3.9%
Current Account Balance (as % of GDP)	-2.9%	-2.1%	-1.4%	-1.1%	-1.1%	***-0.4%

\*Source: Latin Focus. \*\*Source: CIA World Factbook. \*\*\*Source: The Economist, Mexico Fact Sheet. Source: International Monetary Fund.

ernment.

Mexico's economy has continued to recover from the 2001 recession, which saw real Gross Domestic Product (GDP) stagnate and was followed by slow growth of 0.8 percent in 2002 and 1.4 percent in 2003, according to data published by the International Monetary Fund (IMF). In 2004, according to the IMF, Mexico's GDP rebounded strongly, expanding by 4.4 percent, followed by slower growth of 3 percent in 2005. Banco de Mexico reported GDP growth of 4.7 percent for 2006. According to the Economist magazine forecast, Mexican GDP in 2007 is expected to grow at about 3 percent. The deceleration is attributable to the expected economic slowdown in the United States, which accounts for near-

Mayor José  
Lorenzo Villegas  
Vasquez of Naco,  
Sonora



Mexico's hourly compensation for manufacturing workers is \$2.10, while Chinese workers make 70 cents and Indian workers make 40 cents. A manufacturing worker in the United States makes \$21.30 per hour.

ly 85 percent of the export market for Mexico.

Mexico's inflation rate in 2006 was 3.9 percent, according to Banco de Mexico, down from 4.3 percent in 2005 and 4.7 percent in 2004. This is a significant improvement over the 1980s and 1990s, which were characterized by consistent, double-digit levels of inflation. Mexico's Ministry of Finance attributes recent containment of inflation to improved fiscal discipline. The Organization for Economic Cooperation and Development (OECD) predicts an inflation rate of 3.6 percent for 2006 and 2007, falling to 3.2 percent in 2008.

According to IMF data, Mexico's current account balance in 2005 reflected a trade deficit equal to 1.1 percent of GDP, which was the same level as in 2004. This represents a declining trade deficit as a percent of GDP from 1.4 percent in 2003 and 2.1 percent in 2002. The IMF forecasted 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 unem-

ployment rate in Mexico increased from 3.2 percent in 2004 to 3.6 percent in 2005 and 4.0 percent in 2006, despite higher levels of domestic production. While Mexico's unemployment rate is at or 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, Mexico's underemployment rate is approximately 25 percent.

### Factors influencing Mexico's economy

Mexico is considered to be a middle-income economy, compared to China and India which are considered low-income countries. According to a study conducted by the consulting firm McKinsey, Mexico's hourly compensation for manufacturing workers is \$2.10, while Chinese workers make 70 cents and Indian workers make 40 cents. A manufacturing worker in the United States makes \$21.30 per hour. As a result, the NAFTA spurred job growth in Mexico during the 1990s is now moving to India and China.

This is a normal trend in economic development. No nation remains a "low

cost" manufacturer for long. The movement of manufacturing jobs from the industrial regions of the United States to Mexico, and then to China over the past few decades demonstrates this historical trend. The economic development strategy in such cases is to move from low-cost assembly jobs to more value-added, higher-skilled jobs. This explains the movement of manufacturing jobs to China, while the IT jobs have gone to India, which has a large contingent of highly educated, English-speaking workers.

Every economy has its own comparative advantages, which are the basis of competing successfully in the global market. The way to higher value-added jobs is through education and infrastructure (roads, electricity, and telecommunication systems). The strategic options for governments (national to local) are to invest in these areas to develop a skilled workforce, invest in basic infrastructure, and relax regulations to promote business investments. The strategic option for business investors and entrepreneurs is to find areas of opportunity to utilize the more skilled workforce; for example, replacing low-cost assembly jobs with higher-skilled and higher-paying jobs in product design, marketing, and other business services.

# Fort Huachuca



Soldiers participate in a change of command ceremony on Fort Huachuca. In 2006, Fort Huachuca remained the top employer in Cochise County with 13,098 full-time equivalent (FTE) employees.

Photo: Ed Honda,  
Sierra Vista Herald/Bisbee Review

Fort Huachuca, a National Historic Landmark, is located approximately 30 miles south of Benson. New homes constructed in the Benson area have been marketed to military personnel stationed at the fort. In recent years, Benson area lodging establishments have benefited from the shortage of rooms in Sierra Vista - the area immediately outside the fort. Current construction of several hotels in Sierra Vista may diminish this benefit in the coming years.

The fort 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 into Mexico. Camp Huachuca was designated a fort in 1882.

Following Geronimo's surrender in 1886, 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 nearly 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 headquarters to 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 Sys-

tems 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 operates 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 2006, Fort Huachuca remained Cochise County's top employer, with 13,098 full-time equivalent (FTE) employees (Note: An FTE employee is equal to one fulltime 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*. It is important to note that the fort includes in its reporting not only those directly employed by Fort Huachuca, but also non- Department of Defense (DoD) civilian workers who work on the fort, including post office employees, teachers, contractors, and concessionaires.

The *Annual Economic Impact Statement* for fiscal year 2005, released by the Directorate of Resource Management at Fort Huachuca, concluded that nearly 25 percent of the total jobs in Cochise County were directly related to the presence of the fort. The report noted that, in 2005, the fort spent \$830.6 million in Cochise County, an increase of 23.1 percent or \$156.1 million over 2004 expenditures. This includes both salaries and purchases.

In September 2005, the fort's noonday population was 15,985 (Note: The noonday population represents the average maximum number of people on the fort). This included 3,428 assigned military personnel; 2,252 students; 2,887 military family members living on post; 2,901 DoD civilian employees; and 4,517 non-DoD civilian workers (e.g., post office employees, teachers, contractors, and concessionaires).

According to the 2005 impact statement, there were 1,237 family housing units on post that year. In addition, the

post maintained 250 transient bachelor/guest quarters and 4,751 troop billeting spaces. Over the past several years, Fort Huachuca has replaced outdated family housing units with more modern, energy-efficient ones. When ongoing construction is complete, 381 new on-post housing units will have been added. The new housing units contain energy- and water-efficient heating, air conditioning, toilets, showerheads, dishwashers, refrigerators, and ranges.

Because on-post housing is not sufficient to house all military families, many personnel and their families reside off post, either making real estate purchases or renting property. As of fiscal year 2005, 1,775 active duty mili-

tary personnel and 2,624 military family members resided off post. Of these, 24.8 percent owned a home (including manufactured homes), 30.6 percent rented a home (including manufactured homes), and 44.6 percent rented an apartment.

In January 2007, the Secretary of the Army visited Fort Huachuca. During the visit, the secretary noted that President Bush's plan to add more than 21,000 soldiers in Iraq in 2007 would likely mean the Intelligence Center would be required to conduct more intelligence training. In late 2006, Major General Barbara Fast, commander of the U.S. Army Intelligence Center, announced the center had significantly increased its human intelligence training and would continue to do so. Fast noted that the number of soldiers training to become human intelligence collectors increased from 265 in 2003 to 1,070 in 2006. This number is projected to rise to just over 1,500 by 2009. The fort also trains soldiers in several other military intelligence occupational specialties, including intelligence analysts, counterintelligence agents, and imagery intelligence analysts, among others.

to add more than 21,000 soldiers in Iraq in 2007 would likely mean the Intelligence Center would be required to conduct more intelligence training.

The 2006 Army Soldier Show, held in September, featured the vocals of two soldiers stationed at Fort Huachuca.

Photo: Mark Levy, Sierra Vista Herald/Bisbee Review



## Environment

In 2005 and 2006, Fort Huachuca was engaged in litigation with the Center for Biological Diversity (CBD) and the Maricopa Audubon Society (MAS). CBD and MAS alleged violation of the Endangered Species Act. In late 2006, the CBD, MAS, and the fort reached a settlement in which the fort agreed to submit to a revised biological opinion by the U.S. Fish and Wildlife Service (FWS). The previous FWS biological opinion was issued in 2002. The revised biological opinion will reexamine the impact of Fort Huachuca on the San Pedro River. Endangered species affected include the Huachuca water umbel, the Southwestern willow flycatcher, and the spikedace fish. The revised biological opinion is expected to be complete in spring 2007.

According to its annual economic impact statement, Fort Huachuca Environmental and Natural Resources Division spent approximately \$3.3 million on environmental compliance, conservation, restoration, and pollution prevention in fiscal year 2005. In September 2005, the fort began the Military Munitions Response Program to address unexploded military munitions cleanup at closed, transferring, and transferred ranges. The fort's environmental efforts have included hazardous waste management, cultural resources projects, underground storage tank management, safe drinking water compliance, air quality projects, and natural resources management. Other conservation efforts have included historic adobe rehabilitation efforts; big game hunts to control game populations; endangered species surveys, both on the fort and in the San Pedro Riparian National Conservation Area (SPRNCA), using remote video surveillance to monitor endangered species habitats; geographic information systems that include developing digital maps and overlays to provide tools for improving management of the fort's natural resources; Fort Huachuca Conservation Committee and fire management planning; and prescribed burns to improve wildlife habitat as part of the East Range Watershed Rehabilitation project.



Col. Jonathan B. Hunter,  
Fort Huachuca  
Garrison Commander.

Photo: Mark Levy,  
Sierra Vista Herald/  
Bisbee Review

## Water issues

Fort Huachuca has been a local leader in water initiatives through a program of conservation and effluent reuse. 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. According to the fort's 2005 economic impact statement, the fort reduced its water consumption by more than 40 percent between 1996 and 2005.

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 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.

In fiscal year 2005, Fort Huachuca pumped 3.5 percent less water than the previous year as a result of conservation efforts. Projects included replacement of turf at an athletic field with artificial turf, installation of additional water conservation technology, and the continuation of the Water Wise Energy Smart conservation education program, which included the installation of 66 water-free urinals on post and the replacement of 269 evaporative coolers in family housing with air-conditioning units.

For more information on Fort Huachuca, visit  
<http://huachuca-www.army.mil>.

# Cochise County agriculture

Pecan trees in St. David.

Photo: CER Staff



## COCHISE COUNTY AGRICULTURAL EMPLOYMENT, 2002-2006

YEAR	NUMBER OF JOBS	CHANGE	% CHANGE
2002	15,400	650	4.4%
2003	16,075	675	4.4%
2004	16,200	125	0.8%
2005	15,875	-325	-2.0%
2006	16,150	275	1.7%

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

The agriculture and food sector is impacted by broader local, national, and global economic forces and trends, which include urbanization, industrialization, and the growth of service sectors. These all contribute to a reduction of the agricultural sector. The resultant dislocation may cause loss of jobs, initiating a migration of farm workers to urban areas in search of new employment. Economic growth results in an increase in the relative size of other sectors in comparison to the agricultural sector, which may explain these trends in agriculture. The increased output and productivity in this sector are attributable to the use of technology and efficient production methods.

### National trends

Between 1997 and 2002, the number of farms in the United States decreased from 2.21 million to 2.12 million. During the same period, the total acreage of farmland decreased from 955 to 938 million acres. In addition, the number of farms smaller than 2,000 acres decreased, while those 2,000 acres and larger increased. This led to an increase in the average farm size from 431 to 441 acres.

### Statewide trends

In Arizona, total farmland has declined since 1992. According to the 1992 Agricultural Census, there were 35.04 million acres of farmland in Arizona. This fell to 26.59 million acres in 2002. Recent estimates indicate total acreage has further declined to 26.2 million acres in 2005. The average farm size statewide decreased dramatically, falling from 5,173 acres in 1992 to 2,594 acres by 2005. In addition, the proportion of farms 2,000 acres and larger decreased from 12.5 to 6.9 percent, while those under 2,000 acres increased from 87.5 to 93.1 percent. Thus, the statewide trend has run counter to the national trend, which has shown an increase in the number of larger farms.

### The local impact

In 2006, agriculture in Cochise County accounted for 16,150 jobs or 29.6 percent of all jobs countywide. As a share of total employment, this was down slightly from 2005 when there were 15,875 agriculture jobs accounting for 30 percent of total employment. Between 2001 and 2006, the

number of agriculture jobs in Cochise County grew by 1,400 for total job growth of 9.5 percent. The average annual job growth rate in the county's agricultural industry during this period was 1.9 percent. The agricultural industry in Cochise County experienced strong job growth of 4.4 percent in both 2002 and 2003. This slowed to a modest increase of 0.8 percent in 2004, and agriculture jobs declined by 2 percent in 2005, according to estimates by the Arizona Department of Economic Security. Job growth of 1.7 percent in 2006 fell short of regaining the jobs lost in the previous year.

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

Between 1997 and 2002, the most

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

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 on farms grew from \$546,000 to \$705,000, an increase of 29.2 percent, for an inflation-adjusted growth of 17.1 percent. The average market value of land and buildings per acre of farmland grew by 81.3 percent, from \$348 to \$631, for an inflation-adjusted increase of 69.2 percent. The esti-

mated market value of machinery and equipment per farm in Cochise County grew from \$41,000 to \$53,000 between 1997 and 2002, an inflation-adjusted increase of 17.4 percent.

The changing structure of farms in Cochise County has been characterized by an increase in the number of small farms, and a simultaneous decrease in the number of larger farms. The number of farms that were less than 10 acres each nearly doubled between 1997 and 2002, growing from 60 to 110. At the same time, the number of farms that were 500 acres or 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.

Although the area of farmland in Cochise County has been on the decline, the market value of agricultural products sold grew by 30.2 percent from \$60.2 to \$78.3 million, for an inflation-adjusted increase of 18.1 percent over the five-year period. The majority of these products were crops, which comprised 71.2 percent of total agricultural products countywide in 2002, up from 68.2 percent in 1997. The market value of crops in 2002 was \$55.7 million, up 35.8 percent from \$41.1 million in 1997, for an inflation-adjusted increase of 23.7 percent. This was the result of a shifting of land resources from livestock, poultry, and their products to crops, as evidenced by a 13 percent increase in acres of cropland while the overall acreage of farms in the county dropped by 23.1 percent.

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

## COCHISE COUNTY AGRICULTURE

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

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

# Tourism

A view from inside Kartchner  
Caverns State Park.

Photo: Arizona State Parks



Tourism is a multibillion 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 for Arizona's general fund annually, 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 a recent study by Dean Runyon & Associates, the estimated total travel-related spending in Cochise County was \$322.4 million in 2005, up 6.8 percent from the prior year. Between 1998 and 2005, travel-related spending in the county increased at an average annual rate of 5.9 percent, well ahead of the rate of inflation.

Benson, located in the historic San Pedro Valley, serves as the western gateway to many scenic and historic attractions in Cochise County, including Kartchner Caverns, Fort Huachuca, the Amerind Foundation, Cochise Stronghold, and the

cities of Tombstone and Bisbee. Benson and the surrounding areas have attractions and activities that are internationally renowned and attract tens of thousands of visitors annually. Combined, Cochise County tourist attractions lure nearly half a million visitors to the area each year.

Cultural heritage destinations, especially those in Arizona's Old West Territory, have become increasingly popular among tourists. The days of wagon trains and pioneers, Indian raids, and the Buffalo Soldiers in the western territories characterize the area's history. Also of significant interest to tourists are ghost towns, which symbolize the lawlessness of the Old West. These outcroppings of abandoned buildings draw visitors from all over the world.

## **Benson's railroad heritage**

Benson was founded in 1880 prior to Arizona's mining boom and developed as a stopping point for the Butterfield Overland Stage mail delivery route. Soon thereafter, the Southern Pacific Railroad, coming overland from California, chose the Benson

site to cross the San Pedro River. A junction point was established to obtain ore from, and ship freight to, the mines at Tombstone, Fairbank, Contention, and Bisbee. Copper and silver ore was brought in covered wagons to Benson and then shipped out on the railroad. The Southern Pacific continued to serve the area until 1997, when Union Pacific purchased the line.

Benson's culture is steeped with the Old West and traditional railroad heritage. The Benson Visitor Center – Train Depot, located in the heart of Benson's historic downtown, is a replica railroad depot using many of the same architectural features as the original depot that was built more than a century ago. The Benson Visitor Center provides brochures on the city's Historic Walking Tour, which highlights Benson's history, architecture, and people. For more information, visit [www.bensonvisitorcenter.com](http://www.bensonvisitorcenter.com).

### Kartchner Caverns

The City of Benson is known as the Home of Kartchner Caverns. Kartchner Caverns State Park is located on 550 acres at the foothills of the Whetstone Mountains, 12 miles south of Benson along State Route 90. The caverns were discovered in 1974 and their existence was made public in 1988 when their purchase was approved as an Arizona State Park.

Kartchner Caverns is home to one of the world's longest soda straw stalactites; the tallest and most massive column in Arizona; the world's most extensive forma-

tion of brushite moonmilk; the first reported occurrence of "turnip" shields; the first cave occurrence of "birdsnest" needle quartz formations; and many other unusual formations such as shields, totems, helictites, and rimstone dams.

In 2005, according to the Arizona Office of Tourism (AOT), Kartchner Caverns was the fourth most visited state park in Arizona, behind only Lake Havasu, Slide Rock, and Lake Patagonia. In 2005, visits to Kartchner Caverns accounted for about 8 percent of all visits to Arizona state parks. Between 2000 and 2005, an average of over 192,000 visitors each year visited the park. In 2005, Kartchner Caverns was 19th on AOT's list of the Top Natural Attractions in Arizona, as measured by annual visitations.

Kartchner Caverns State Park offers picnicking, camping, hiking, walking and the magnificent "still-living" caverns. For more information, visit [www.pr.state.az.us/Parks/parkhtml/kartchner](http://www.pr.state.az.us/Parks/parkhtml/kartchner).

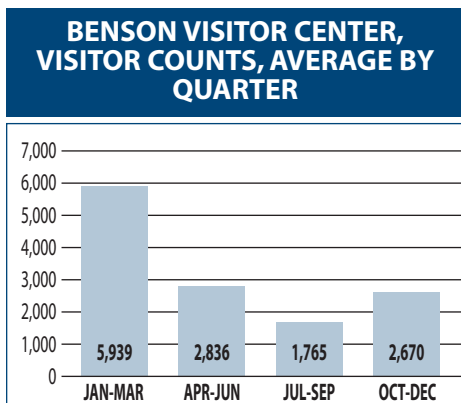
### The Amerind Foundation

The Amerind Foundation is located 12 miles east of Benson in Texas Canyon. The foundation is an anthropological and archaeological museum and research center dedicated to the preservation and interpretation of Native American cultures and their histories. Amerind Museum exhibitions tell the story of America's first peoples from Alaska to South America and from the last Ice Age to the present. Amerind's Fulton-Hayden Memorial Art

Gallery features works on western themes by such artists as Harrison Begay, Carl Oscar Borg, William Leigh, Frederic Remington, and Andy Tsihnahjinnie. The museum store offers southwestern arts and crafts, and books on prehistory, history, and Native American cultures. The museum and art gallery are housed in Spanish Colonial Revival-style buildings designed by noted Tucson architect Merritt Starkweather.

On Native Arts weekends, visitors to the Amerind Foundation will find Native American artists demonstrating their skills in the museum's main gallery. The Amerind also has a comprehensive hands-on education program for children of all ages. Special events and openings are a periodic feature of the Amerind calendar. Many people come to Amerind to experience the native plants, birds, and solitude of the high desert. A secluded picnic area offers a quiet retreat amidst the massive granite boulders of Texas Canyon.

In addition to its museum and public programs, the Amerind Foundation's archaeological and ethnographic collections, research library, and archives are important resources for scholars conducting research on southwestern anthropology, archaeology, history, and Native American studies. Amerind's resident scholar and advanced seminar programs address important research issues in anthropology, archaeology, and related disciplines. Seminar proceedings are regularly published in Amerind's New World Studies Series through the University of Arizona Press.



Based on data from 2001-2006. Source: Benson Visitor Center, Arizona Office of Tourism, and Cochise College Center for Economic Research.

	1ST QTR	CHANGE	2ND QTR	CHANGE	3RD QTR	CHANGE	4TH QTR	CHANGE	ANNUAL	CHANGE
2001	6,986	—	3,316	—	2,260	—	3,003	—	15,565	—
2002	5,644	-19.2%	3,038	-8.4%	2,189	-3.1%	3,021	0.6%	13,892	-10.7%
2003	5,804	2.8%	2,772	-8.8%	1,149	-47.5%	1,962	-35.1%	11,687	-15.9%
2004	5,287	-8.9%	2,868	3.5%	1,579	37.4%	2,449	24.8%	12,183	4.2%
2005	5,719	8.2%	2,397	-16.4%	1,384	-12.3%	2,336	-4.6%	11,836	-2.8%
2006	6,193	8.3%	2,623	9.4%	2,029	46.6%	3,250	39.1%	14,095	19.1%

Source: Benson Visitor Center, Arizona Office of Tourism, and Cochise College Center for Economic Research.

## The Asian themed garden at the Holy Trinity Monastery

Photo: CER Staff



## Cochise Stronghold

Cochise Stronghold, a historic site located within the Coronado National Forest, is the rocky fortress where the famed Chiricahua Apache Chief Cochise and about 1,000 of his followers held out against the U.S. Cavalry in the 1860s. The site is managed by the Douglas Ranger District and is a popular day trip from Benson.

Within the Stronghold is a hiking/equestrian trail that goes from the East Cochise Stronghold Campground, over the "Stronghold Divide" and down into the West Stronghold Canyon. This was originally an Indian trail and is approximately 4.75 miles one way. The Interpretive Trail consists of a short loop among the oaks and junipers approximately 0.12 miles, with information along the way about the Stronghold, Cochise, and his descendants. The self-guided Nature Trail is approximately 0.4 miles long. It forms a rough horseshoe shape and involves some up and downhill

climbing. For more information, visit [www.cochisestronghold.com](http://www.cochisestronghold.com).

## Gammons Gulch Ghost Town Movie Set

Gammons Gulch Ghost Town Movie Set is located north of Benson in the High Desert of Cochise County. Gammons Gulch has a collection of antiques, old cars, and movie memorabilia. The movie set location offers self-guided tours or personalized tours of the set's Old West Town. The high desert film location has been a destination point for RV clubs who stay in RV resorts in Benson. For more information, visit [www.gammonsgulch.com](http://www.gammonsgulch.com).

## Holy Trinity Monastery

The Holy Trinity Monastery is located 9 miles south of Benson on State Route 80 in St. David. It features a bookstore, gift shop, library, oriental garden, museum, art gallery, bird sanctuary, and thrift shop. The monastery holds seasonal festivals that attract hundreds of visitors. For more information, call (520) 720-4642.

## San Pedro Riparian National Conservation Area

The San Pedro Riparian National Conservation Area, managed by the Bureau of Land Management, extends from St. David (just south of Benson along State Route 80) to Naco, Mexico. The San Pedro House is located just off State Route 90 between Sierra Vista and Bisbee. The con-

servation area has over 50,000 acres with quantities of wildlife and vegetation, including over 350 species of migrating and breeding birds – nearly one-half the number of known breeding species in North America. Bird and wildlife watchers, as well as nature lovers, visit the 40 miles of riverbank along the San Pedro River. With over 250 recorded prehistoric and historic sites, the area offers bird watching, wildlife viewing, photography, hiking, camping, seasonal hunting, horseback riding, nature studies, and environmental education. For more information, call Fairbanks BLM Headquarters at (520) 586-3467.

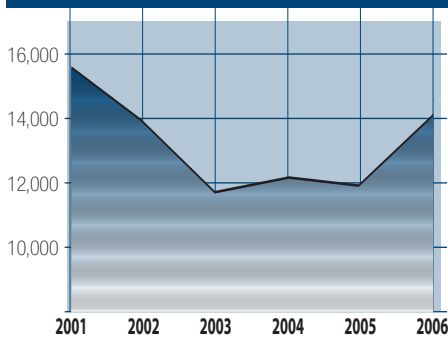
## Benefits of tourism

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

The AOT has dedicated funding and resources specifically designed to assist rural communities in marketing their tourism-related products and services. AOT has also developed a series of customer service and grant workshops to assist Arizona's rural communities in their tourism-related efforts. Additionally, AOT has collaborated with the Arizona Council for Enhancing Recreation and Tourism (ACERT) to assist rural communities with tourism and recreation enhancement throughout the State of Arizona. For more information, visit the AOT website at [www.azot.com](http://www.azot.com).

Cochise County communities, including Benson, have joined together, forming the Cochise County Tourism Council (CCTC). The marketing efforts of the

## BENSON VISITOR CENTER, VISITOR COUNTS, 2001-2006



Source: Benson Visitor Center, Arizona Office of Tourism, and Cochise College Center for Economic Research.

CCTC, which are funded by the individual communities, Cochise County, and grant dollars from AOT, market Cochise County as a single entity. For more information, visit [www.explorecochise.com](http://www.explorecochise.com).

### Local tourism trends

Tourism in Benson, as measured by visits to the Benson Visitor Center, increased substantially in 2006, following a decline in 2005. In 2006, visitor counts were up 19.1

percent from the year prior. Most of the increase occurred in the third and fourth quarters, which saw visitor counts increase 46.6 and 39.1 percent, respectively. Despite the increase in 2006, visitor counts at the Benson Visitor Center remained below the levels seen in 2001.

January through March is the busiest season for the Benson Visitor Center. Between 2001 and 2006, the visitor center received an average of 5,939 visitors in the first quarter of each year. The slowest quar-

ter of the year for visitors has been July through September, which has seen an average visitor count of 1,765.

### Cochise County state and national park visitations

Overall, visits to state and national parks in Cochise County declined 9 percent in 2006. Part of this decline was due to the closing of Coronado National Memorial in August due to debris flow that affected park roads

#### COCHISE COUNTY TRAVEL IMPACTS, 2000-2005

	2000	2001	2002	2003	2004	2005
<b>TOTAL DIRECT TRAVEL SPENDING (\$MILLION)</b>						
Visitor Spending at Destination	256.8	260.8	282.8	279.4	301.0	321.6
Other Travel*	0.8	0.8	0.8	0.8	0.8	0.9
Total Direct Spending	257.7	261.6	283.7	280.2	301.8	322.4
<b>VISITOR SPENDING BY TYPE OF TRAVELER ACCOMMODATION (\$MILLION)</b>						
Hotel, Motel	54.4	53.8	54.2	57.3	69.4	78.9
Campground	41.8	42.6	41.8	44.8	47.5	50.0
Private Home	53.0	54.8	55.6	57.8	60.3	63.1
Vacation Home	5.6	5.7	5.8	6.0	6.3	6.5
Day Travel	102.0	103.9	125.4	113.5	117.6	123.0
Spending at Destination	256.8	260.8	282.8	279.4	301.0	321.6
<b>VISITOR SPENDING BY COMMODITY PURCHASED (\$MILLION)</b>						
Lodging	27.8	27.7	27.8	28.8	33.6	37.6
Food & Beverage Services	55.5	57.1	63.0	62.3	67.4	72.2
Food Stores	56.0	57.3	69.8	62.2	63.3	64.0
Ground Tran. & Motor Fuel	27.6	26.6	25.2	30.5	36.1	44.4
Arts, Entertainment & Recreation	31.4	32.9	33.8	35.3	38.5	39.8
Retail Sales	58.5	59.2	63.2	60.2	61.9	63.5
Spending at Destination	256.8	260.8	282.8	279.4	301.0	321.6
<b>INDUSTRY EARNINGS GENERATED BY TRAVEL SPENDING (\$MILLION)</b>						
Accommodation & Food Services	25.9	26.4	28.4	28.4	31.6	33.7
Arts, Entertainment & Recreation	13.9	14.5	14.9	15.6	17.0	17.6
Retail**	16.6	16.9	19.2	17.9	18.3	18.7
Auto Rental & other ground tran.	0.2	0.2	0.2	0.2	0.2	0.3
Total Direct Earnings	57.2	58.6	63.3	62.7	67.7	70.9
<b>INDUSTRY EMPLOYMENT GENERATED BY TRAVEL SPENDING (JOBS)</b>						
Accommodation & Food Services	1,960	1,960	2,010	1,960	2,040	2,120
Arts, Entertainment & Recreation	1,160	1,160	1,190	1,180	1,190	1,230
Retail**	840	820	890	800	810	820
Auto Rental & other ground tran.	10	10	10	10	10	10
Other Travel*	30	30	20	20	20	20
Total Direct Employment	4,000	3,970	4,120	3,970	4,060	4,190
<b>GOVERNMENT REVENUE GENERATED BY TRAVEL SPENDING (\$MILLION)</b>						
Local	8.6	8.8	9.4	9.2	9.9	10.6
State	8.7	9.1	10.1	10.0	10.7	11.3
Total Direct Gov't. Revenue	17.4	17.9	19.5	19.3	20.6	21.9

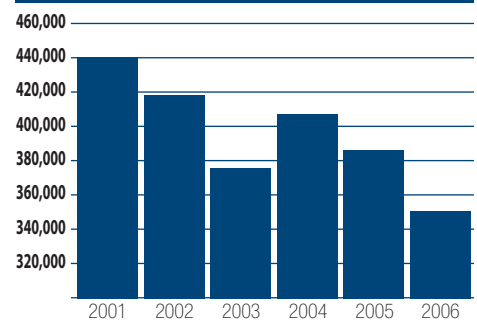
Note: 2005 data are preliminary. Details may not add to totals due to rounding. \*Other Travel includes resident air travel and travel arrangement. \*\*Retail includes gasoline. Source: Dean Runyon Associates and Arizona Office of Tourism.

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

	STATE AND NATIONAL PARK VISITATIONS	CHANGE
2001	440,597	—
2002	418,237	-5.1%
2003	375,228	-10.3%
2004	406,817	8.4%
2005	385,859	-5.2%
2006	*350,983	-9.0%

\*Coronado National Memorial closed to the public for the month of August due to debris flow which affected park roads and trails. Note: Includes all state and national parks in Cochise County. Source: National Park Service, Arizona State Parks Board, Arizona Office of Tourism, and Cochise College Center for Economic Research.

#### COCHISE COUNTY STATE AND NATIONAL PARK VISITATIONS, 2001-2006



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

## The Triangle T Guest Ranch.

Photo: CER Staff



and trails. However, even aside from the closing of Coronado in August, visits to the county's state and national parks were slow in 2006. Total visits to state and national parks in Cochise County have declined each year since 2001, with the exception of 2004, which saw visits increase by 8.4 percent.

The Coronado National Memorial saw visits decline by 18.6 percent in 2006. As noted above, part of this decline was attributable to the closing of the park in August due to debris flow that affected roads and trails. However, from January through July, prior to the park's temporary closure, visits were up only 0.5 percent from the same period a year prior.

Visits to the Chiricahua National Monument were up 2.2 percent in 2006. Visits to the Fort Bowie National Historic Site were up 9.4 percent.

In 2006, visits to Kartchner Caverns State Park were down 12.1 percent, following a similar decline of 12 percent in 2005. The Tombstone Courthouse State Historic Park saw visits increase by 1.4 percent in 2006.

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

### Cochise County lodging indicators

In 2006, Cochise County's lodging industry struggled, according to AOT lodging indi-

cator data. Cochise County's lodging occupancy rate decreased by 2.3 percent, falling to 67.5 percent for the year. This drop was reflected in accommodation sales in Cochise County in 2006, which were down 2.8 percent.

Cochise County's lodging occupancy rate of 67.5 percent was slightly above the statewide occupancy rate of 67 percent. Statewide, the occupancy rate increased 1.8 percent in 2006. Nationwide, the occupancy rate in 2006 was 53.4 percent, up 0.5 percent from the year prior.

The average daily room rate in Cochise County increased by 2.9 percent to \$57.01 in 2006. Despite this increase, Cochise County's average daily room rate was more than 41 percent below both the state and national rates. The 2006 increase of 2.9 percent in the county's average daily room rate was significantly below that of the state, which saw rates increase 8.5 percent; and the nation, which saw the average daily room rate increase 7 percent.

Revenue generated per available room in Cochise County in 2006 was up 0.5 percent to \$38.48. Of 13 Arizona counties, Cochise County saw the slowest rate of increase in revenue generated per available room in 2006 (note: Data are not available for Greenlee and La Paz counties). Revenue generated per available room statewide increased by 10.5 percent in 2006. In Cochise County, revenue generated per available room in 2006 was 41.7 percent

### COCHISE COUNTY NATIONAL PARK VISITATIONS, 2001-2006

YEAR	CHIRICAHUA NATIONAL MONUMENT		CORONADO NATIONAL MEMORIAL		FORT BOWIE NATIONAL HISTORIC SITE	
	VISITATIONS	CHANGE	VISITATIONS	CHANGE	VISITATIONS	CHANGE
2001	75,824	--	89,107	--	8,858	--
2002	67,040	-11.6%	87,311	-2.0%	8,290	-6.4%
2003	44,976	-32.9%	89,309	2.3%	8,445	1.9%
2004	54,155	20.4%	89,591	0.3%	9,483	12.3%
2005	60,224	11.2%	86,618	-3.3%	9,656	1.8%
2006	61,579	2.2%	*70,483	-18.6%	10,568	9.4%

\*Coronado National Memorial closed to the public for the month of August due to debris flow which affected park roads and trails. Source: National Park Service, Arizona Office of Tourism, and Cochise College Center for Economic Research.

below the state level and 37.6 percent below the national level.

Lodging room demand in Cochise County was down 3 percent in 2006. Demand was up 1.8 percent statewide and 1.1 percent nationally. Lodging room supply in Cochise County was down 0.7 percent in 2006, compared to stabilization at 2005 levels statewide and a 0.6 percent increase nationally.

### The film industry in the Benson area

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

- *Trigon: The Legend of Pelgidium*, starring Denise Crosby, Robert McRay, Zen Gesner, Angus Scrimm, and Stefan Gierasch.
- *South of Heaven, West of Hell*, starring Dwight Yoakam, Peter Fonda, Bridget Fonda, Vince Vaughn, Joe Ely, Billy Bob Thornton, and Paul Reubens.
- *Buffalo Soldiers*, starring Danny Glover and Mykelti Williamson.
- *The Magnificent Seven*, starring Michael Biehn, Ron Perlman, Eric Close, Andrew Kavovit, Dale Midkiff, Rick Worthy, and Anthony Starke.

- *Los Locos*, starring Mario Van Peebles.
- *Ruby, Jean and Joe*, starring Tom Selleck.
- *Legend*, starring Richard Dean Anderson, John de Lancie, and Mark Adair Rios.
- *Pontiac Moon*, starring Ted Danson, Mary Steenburgen, Ryan Todd, Cathy Moriarty, Eric Schweig, Frank Carl Fisher Jr., Max Gail, and Lisa Jane Persky.
- *Terminal Velocity*, starring Charlie Sheen and Natassja Kinski.
- *Timemaster*, starring Pat Morita, Joanna Pacula, and Jesse Cameron Glickenhau.
- *The Quick and the Dead*, starring Sharon Stone, Gene Hackman, and Leonardo DiCaprio.
- *Tombstone*, starring Kurt Russell, Val Kilmer, Jason Priestley, Sam Elliott, Dana Delany, Billy Zane, Powers Boothe, and Michael Biehn.
- *Gunsmoke V*, starring James Arness, Bruce Boxlightner, and Kelly Morgan.
- *Posse*, starring Mario Van Peebles, Melvin Van Peebles, Stephen Baldwin, and Woody Strode.
- *Stay Tuned*, starring John Ritter and Pam Dawber.
- *Horse Opera*, starring Rik Mayall and Gina Bellman.
- *The Young Riders*, starring Josh Brolin, Greg Rainwater, Stephen Baldwin, Ty Miller, Yvonne Suhor, Travis Fine, Anthony Zerbe, Don Franklin, and

- Clare Wren.
- *Jesse*, starring Lee Remick and Scott Wilson.
- *Ghost Town*, starring Catherine Hickland and Franc Luz.
- *Buckeye and Blue*, starring Robin Lively and Jeff Osterhage.
- *Stagecoach*, starring Waylon Jennings and Johnny Cash.
- *September Gun*, starring Robert Preston and Patty Duke.
- *I Married Wyatt Earp*, starring Marie Osmond and Bruce Boxleitner.
- *The Frisco Kid*, starring Gene Wilder and Harrison Ford.
- *Tom Horn*, starring Steve McQueen.
- *The Sacketts*, starring Glenn Ford and Ben Johnson.
- *The Outlaw Josey Wales*, starring Clint Eastwood and Chief Dan George.
- *Monte Walsh*, starring Lee Marvin and Jeanne Moreau.
- *Cimarron*, starring Glenn Ford, Maria Schell, Anne Baxter, Vic Morrow, and Henry (Harry) Morgan.
- *Dirty Dingus Magee*, starring Frank Sinatra, George Kennedy, Anne Jackson, Lois Nettleton, Jack Elam, and Harry Carey, Jr.
- *The Life and Times of Judge Roy Bean*, starring Paul Newman, Ava Gardner, Jacqueline Bisset, Anthony Perkins, Stacy Keach, and Tab Hunter.
- *The Hanged Man*, starring Steve Forrest, Cameron Mitchell, and Dean Jagger

### COCHISE COUNTY STATE PARK VISITATIONS, 2001-2006

YEAR	KARTCHNER CAVERNS STATE PARK		TOMBSTONE COURTHOUSE STATE HISTORIC PARK	
	VISITORS	CHANGE	VISITORS	CHANGE
2001	192,289	—	74,519	—
2002	191,661	-0.3%	63,935	-14.2%
2003	183,437	-4.3%	49,061	-23.3%
2004	203,464	10.9%	50,124	2.2%
2005	179,129	-12.0%	50,232	0.2%
2006	157,417	-12.1%	50,936	1.4%

Source: Arizona State Parks Board, Arizona Office of Tourism, and Cochise College Center for Economic Research.



The Amerind Foundation is located in Texas Canyon. The foundation is an anthropological and archaeological museum and research center dedicated to the preservation and interpretation of Native American cultures and their histories.

Photo: CER Staff

## The Arizona Motion Picture Production Tax Incentives Program

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

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

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

For more information on the Motion Picture Production Tax Incentives Program, visit the Arizona Department of Commerce's website at [www.azcommerce.com/Film](http://www.azcommerce.com/Film). For more information on filming in Cochise County, contact the Cochise County Tourism Council's Film Committee at (520) 417-6960 or (800) 288-3861. For information on filming in Benson, contact the Benson Visitor Center at (520) 586-4293.

## Calendar of Events

The Benson area offers a variety of cultural and community activities and events, listed on the calendar below. For more information, contact the Benson Visitor Center at (520) 586-4293, e-mail them at [info@bensonvisitorcenter.com](mailto:info@bensonvisitorcenter.com), or visit their website at [www.bensonvisitorcenter.com](http://www.bensonvisitorcenter.com). To find out more information on special events and activities scheduled throughout Cochise County, visit [www.explorecochise.com](http://www.explorecochise.com).

### 2007

- July 4. . . . . **July 4th Celebration** - Benson will celebrate 4th of July starting with a parade at 9:00 am. The festivities will continue at Lions Park at 10:30 am with the annual "Water Fight" and entertainment all day long. In the evening there is a Fireworks show, which will start about 8:30 pm.
- October 6-7 . . . . **5th Annual Cienega Creek Farm Days** - Includes alpacas, llamas, goats, emu, and poult donkeys. There will be a petting area for children, refreshments, spinning, weaving and felting demonstrations. Llama and alpaca fleece, roving, and yarn in finished products will be offered for sale. 9am-4pm. Free admission. For directions and details call (520) 586-3920, fax: (520) 586-9874, e-mail: [info@cienegacreek.com](mailto:info@cienegacreek.com), or visit the website at [www.cienegacreek.com](http://www.cienegacreek.com)
- October 13 . . . . **Butterfield Overland Stage Days** - For more information, call (520) 586-2842  
**Butterfield Rodeo & Dance** - For more information, call (520) 586-4293
- October 19-20 . . **Biker Rodeo, at Big Boy's Arena** - For more information about the event, call (520) 586-9983
- November 10-11 **Festival of the Arts at the Holy Trinity Monastery** - To obtain information regarding this event, please call (520) 720-4642
- November 18 . . **Singing Wind Bookshop's Thanksgiving Fiesta of Books** - For information, call (520) 586-2425
- December 1-2 . . **Cascabel Christmas Fair**, also known as the San Pedro River Christmas Fair - Several sites along Cascabel Road from mile marker 15 to mile marker 21.
- December 8 . . . **Christmas on Main Street** - Christmas on Main Street will be held in the downtown area of 4th Street between San Pedro and Gila Streets. There will be craft and food vendors, entertainment by the area school choirs, and a visit by Santa Claus. For more information, call (520) 586-2842.

### ONGOING YEAR ROUND:

Bird Watching & Hiking Benson's Birding Trail & Waterfowl Viewing Pond offers year-round birding, hiking, and nature experiences. For more information, call the Benson Visitor Center at (520) 586-4293, or visit their website at [www.bensonvisitorcenter.com](http://www.bensonvisitorcenter.com) and click on the Nature Opportunities button.

### 2008

- January 27 . . . . **Singing Wind Bookshop's Cowboy/Cowgirl Roundup** - Readings and music by cowboy poets, fiction writers, and western historians.
- February 9-10 . . **Territorial Days** - Celebrating Arizona Statehood, held in Lions Park, this event is hosted annually by the Benson Merchants Association with proceeds supporting local student scholarships and civic projects. The event includes entertainers, dancing, singing, cake walk, petting zoo, mesquite grilled food, crafts, and a variety of vendors, a carnival, a beard contest, and door prizes. There will be music, family entertainment, food, and arts & craft vendors. For more information call (520) 586-9706.
- February 24 . . . **Singing Wind Bookshop Poetry Reading** - Includes poetry readings by nationally renowned poets, in conjunction with the University of Arizona's Helen S. Shaefer Poetry Center. Free admission. Starts at 1pm. The Bookshop is located at 700 West Singing Wind Road, Benson. Call for directions (520) 586-2425.
- February TBD . . . **Kartchner Caverns State Park - "Above Ground" Activities & Programs** - For more information, call (520) 586-2283 or visit <http://www.azstateparks.com/Parks/parkhtml/kartchner.html>
- May TBD . . . . . **Bluegrass in the Park** - Hosted by the Benson Chamber of Commerce & Benson Visitor Center, this two-day festival features some of the most well-known bluegrass bands in America. There will be dry camping available for RV's, as well as jam sessions after the performances. There will be food and craft vendors and music workshops taught by some of the well-known bluegrass musicians during this weekend event.
- May TBD . . . . . **Fiesta de la Primavera** - An annual event held at the Holy Trinity Monastery which is located south of Benson on State Highway 80. For more information about the annual event, call (520) 720-4642.
- July TBD . . . . . **Fourth of July 2008** - Events are planned annually in each city throughout Cochise County.
- December TBD . **Cascabel Christmas Fair**, also known as the San Pedro River Christmas Fair - Several sites along Cascabel Road from mile marker 15 to mile marker 21.

\*TBD=To Be Determined

# About the Center *for* Economic Research



The Center for Economic Research is located at the Sierra Vista Campus of Cochise College.

Photo: Gil Kenny

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

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

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

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

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

Robert Carreira has served as director of the CER since 2005. Robert holds master's degrees in international political economics, education, and public administration. He has completed all coursework and is currently working on his dissertation for a doctoral degree in public policy and administration.

## CONTACT THE CENTER

### CENTER FOR ECONOMIC RESEARCH

Cochise College  
901 North Colombo Avenue • Sierra Vista, AZ 85635  
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[cer@cochise.edu](mailto:cer@cochise.edu)

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### BENSON ECONOMIC ADVISORY COMMITTEE

Martha Bersano – Holiday Inn Express/Gas City Ltd.  
Mahlon MacKenzie – Long Realty Benson Affiliate  
Ron McKinnon – Benson Hospital  
Kate Mueller – St. David Unified School District  
Martin Roush – City of Benson  
Dr. Darlene Spoor – Cochise College Benson Center  
Telly Stanger – Sulphur Springs Valley Electric Cooperative, Inc.  
Debbie Thompson – Benson Chamber of Commerce  
Dr. David Woodall – Benson Unified School District

### PUBLICATION STAFF

#### COCHISE COLLEGE:

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Denise Merkel - Public Information Officer

#### SIERRA DESIGN & PUBLISHING:

David Gordon - Designer

# Cochise College resources

The 13,000-square-foot Cochise College Benson Center includes classrooms, computer labs, and offices, as well as meeting space and other facilities available to the public.

Photo: CER Staff



## Cochise College

### GOVERNING BOARD

Mrs. Jan Guy, Chair  
 Dr. Michael J. Carter, Secretary  
 Dr. John M. Eaton, Member  
 Mr. David DiPeso, Member  
 Mrs. Jane C. Strain, Member

### ADMINISTRATION

Dr. Karen A. Nicodemus  
 President

Dr. Joanna K. Michelich  
 Vice President for Instruction/Provost

Mr. Carlos Cartagena  
 Vice President for Information Technology

Mr. Robert Howell  
 Associate Vice President for Human Resources

## Career Services Center (CSC)

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

## Small Business Development Center (SBDC)

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

## Center for Southwest Studies

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

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

## **Tech Prep**

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

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

## **Workforce Training and Community Education (WTCE)**

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

# Community resources

Cochise County has a satellite office in downtown Benson.

Photo: CER Staff



## City of Benson

Tel .....(520) 586-2245  
 Fax .....(520) 586-3375  
 Website .....[www.cityofbenison.com](http://www.cityofbenison.com)

City Clerk .....(520) 586-2245  
 Finance .....(520) 586-2245  
 Building Dept. ....(520) 586-2003  
 Planning & Zoning ....(520) 586-2003  
 Public Works ..... (520) 586-2003

## Benson Police Department

Emergency .....911  
 Non-Emergency .....(520) 586-2211  
 Fax .....(520) 586-2520  
 Animal Control .....(520) 586-3600

## Benson Fire Department

Emergency .....911  
 FIRE ONLY .....(520) 586-3333  
 All other business .....(520) 586-2245

## Benson Hospital

Tel .....(520) 586-2261  
 Fax .....(520) 586-2265  
 Website .....www.bensonhospital.org

## Southeastern Arizona Behavioral Health Services, Inc.

Tel .....(520) 586-0800  
 Website .....www.seabhs.org

## Benson Public Library

Benson Public Library is a city library funded by city taxes, which will increase as business and residential areas grow in the next few years. A community survey done by the library in 1986 showed a strong population of educated adults (beyond high school), indicating the need for a strong public library with access to additional statewide and national library materials through interlibrary loan services.

Tel .....(520) 586-9535  
 Tel (Meeting Room) .....(520) 586-3252  
 Website .....http://cochise.lib.az.us

## Benson SPV (San Pedro Valley) Chamber of Commerce

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

Tel .....(520) 586-2842  
 Fax .....(520) 586-1972  
 Email .....info@bensonchamberaz.com  
 Website .....www.bensonchamberaz.com

## Benson Visitor Center

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

Tel .....(520) 586-4293  
 Email .....info@bensonvisitorcenter.com  
 Website .....www.bensonvisitorcenter.com

## Industrial Development Authority of Benson

City of Benson businesses are eligible for assistance in financing fixed assets through the Finance and Administration Division of the Arizona Department of Commerce.

Tel .....(520) 586-2842

## Benson Municipal Airport

Tel .....(520) 586-3262  
 Fax .....(520) 586-4409  
 Email .....swernaviation@ssvec.net  
 Website .....www.swernaviation.com

## Cochise County Board of Supervisors

Tel .....(520) 432-9200  
 Website .....www.co.cochise.az.us

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

Provides customs, border protection, immigration and naturalization services.

Tel .....(520) 432-5121

## Financial Institutions

Bank of America .....(520) 586-2279  
 American Southwest Credit Union ..(520) 586-8821  
 National Bank of Arizona .....(520) 586-2228  
 Southeastern Arizona Federal  
 Credit Union .....(520) 586-7095

## Utilities

Arizona Electric Power  
 Co-Operative, Inc. ....(520) 586-3631  
 Benson City Government  
 Utilities .....(520) 586-9454  
 Southwest Gas .....(800) 428-7324  
 Sulphur Springs Valley  
 Electric Cooperative .....(520) 586-2238  
 (800) 422-9288  
 Qwest .....(800) 879-4357



## Contact the Center for Economic Research

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901 North Colombo Avenue  
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Website: [www.cochise.edu/cer](http://www.cochise.edu/cer)

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

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

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

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