

BISBEE ECONOMIC

Outlook

2008



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A review of the national, state, and local economy



Main Street in historic Old Bisbee.



Robert Carreira
Director
Cochise College
Center for
Economic Research

National

As of late 2008, financial institutions nationwide had slowed lending for residential and commercial investment, as well as consumer lending, in response to heavy losses resulting from rising default rates. Banks had also become hesitant to lend to each other in the wake of heavy losses suffered by major financial institutions as a result of exposure to the subprime mortgage markets and rising defaults. The tightening of credit markets gave rise to concerns of an impending, prolonged recession. In October, the national government launched an effort to buy up bad debt and inject liquidity into the market, hoping to encourage banks to begin lending to one another again and to expand credit generally. Despite this emergency action, it will likely be some time before the nation's

housing and real estate markets get moving again, and recessionary fears remain.

As of the second quarter of 2008, the nation's real Gross Domestic Product (GDP) – the inflation-adjusted value of all final goods and services produced in the economy – hadn't yet shown signs of recession. Real GDP grew by 2.8 percent in the second quarter. This relatively strong rate of growth was widely attributed to the national government's economic stimulus plan, which sent tax rebate checks to millions of U.S. households in an effort to stimulate consumer spending. The second quarter growth was a considerable jump from real GDP growth of only 0.9 percent in the first quarter of the year, and -0.2 percent in the fourth quarter of 2007. As of October 2008, declines in retail sales at the national level, combined with a drop in industrial output, rising unemployment, and a continued tightening of credit markets, indicated real GDP growth might go negative in the third and fourth quarters, largely dependent upon the success or fail-

ure of the national government's efforts to prop up the nation's financial sector.

The national unemployment rate has begun to give cause for concern. In the last quarter of 2007, the unemployment rate averaged 4.8 percent, and in December the monthly rate hit 5 percent. Although unemployment declined slightly in January and February 2008, this was largely the result of a declining labor force. In March, the national unemployment rate rose to 5.1 percent and by August and September the rate had increased to 6.1 percent – its highest level in 5 years. In the first 9 months of 2008, the national economy saw job losses in each month, for a combined loss of 308,000 jobs, with a full quarter remaining in the year.

The Consumer Price Index (CPI), our best measure of inflation, rose 2.8 percent in 2007. As with the unemployment numbers, however, inflation figures toward the end of last year and into 2008 have given reason for concern. In the second half of 2007, consumer prices were up 3.2 percent, and in the final quarter of the year they were up 4 percent (compared to the same period a year prior). In the first 9 months of 2008, consumer prices were up an average of 4.6 percent compared to the same period the year prior. In September, prices were 4.9 percent higher than September 2007.

Rising unemployment and rising inflation occurring simultaneously poses a challenge for the Federal Reserve, since its policies designed to deal with one problem tend to exacerbate the other. When the Fed cuts interest rates to spur economic growth, the outcome tends to be inflationary. Likewise, when the Fed raises rates to deal with inflation, a side effect is

Rising unemployment and rising inflation occurring simultaneously poses a challenge for the Federal Reserve, since its policies designed to deal with one problem tend to exacerbate the other.

typically slower economic growth along with rising unemployment.

Arizona

At the state level in 2007, Arizona's GDP rose only 1.8 percent, placing Arizona's economy 28th in the nation among states ranked according to economic growth. This follows two consecutive years of being one of the top 3 fastest growing states, economically, in the nation. The decline in construction was the major culprit, subtracting 1.24 points from the state's GDP. The unemployment rate in Arizona dropped to 3.8 percent in 2007, down from 4.1 percent in 2006. However, in the first 8 months of 2008 the unemployment rate rose to 4.5 percent, and in August the rate hit 5.6 percent – its highest level in 5 years.

Currently, one of the biggest challenges facing the state economy is the state government's budget deficit. The Joint Legislative Budget Committee has estimated a \$700 million to \$1.1 billion budget deficit for fiscal year 2008-2009. State Treasurer Dean Martin has projected the deficit will be higher, perhaps reaching \$1.5 billion. The state's constitutional requirement to balance the annual budget has broad economic consequences. During times of economic slowdown, the state government is often forced to make fiscal policy decisions, such as cutting spending, that tend to make recessionary conditions worse. In times of economic prosperity, the balanced budget requirement often leads policymakers to increase spending in light of higher tax revenues. This can spur inflation, which is already a danger when the economy is strong. It also establishes higher levels of spending, which cannot be sustained when revenue falls during the next economic downturn.

Cochise County

In Cochise County, the unemployment rate in 2007 was 4.1 percent. The low unemployment rate was primarily the result of sluggish growth in the labor force, which meant fewer people were competing for available jobs. In 2007, the countywide labor force grew by only 0.7 percent and

the county lost 175 nonfarm jobs. The employment situation began to worsen in the final quarter of 2007, with the unemployment rate reaching 4.3 percent in October, 4.5 percent in November, and 4.9 percent in December. For the first 8 months of 2008, the unemployment rate averaged 4.6 percent, and hit 5.6 percent in August – its highest level since 2003. In August, the number of nonfarm jobs in the county was down by 1,175 compared to August 2007, for a 12-month job growth rate of -3.1 percent.

Retail sales in Cochise County were down by 1.3 percent in 2007, after adjusting for inflation. From January through July 2008, inflation-adjusted retail sales were down 3.5 percent compared to the same period of 2007. The county's restaurant and bar sales were up only 0.1 percent in 2007; for the first 7 months of 2008, sales saw real growth of 2.0 percent compared to the same period of 2007. The county's accommodation receipts (hotel, motel, and other temporary lodging stays) were up 19.7 percent in 2007. Much of this was due to an increase in room rates, which were up more than 10 percent for the year, spurred by a sharp increase in demand. For the first 7 months of 2008, accommodation sales were down 3.7 percent after the inflation adjustment.

New home permits in Cochise County were down by nearly half in 2007. This followed a decline of nearly 20 percent the year prior. New home permits countywide fell from a housing boom peak of 1,108 in 2005 to 900 in 2006 and 472 in 2007. In the first 5 months of 2008, permits totaled 206, down 8 percent when compared to the same period the year prior.

The number of existing site-built homes sold in Cochise County fell 10.7 percent in 2007. This followed a 20.6 percent decline in 2006. The decline continued into the first 9 months of 2008, with sales down 20.3 percent from the same period a year prior. The local declines followed trends at the state and national levels resulting from the end of the housing market boom; the subprime mortgage crisis and associated rising default rates; and the general credit crunch as financiers, suffering losses associated primarily with sub-

Mule Pass
Tunnel was
built in 1958.



prime lending, slowed the flow of capital to the nation's primary lenders.

The slowdown in home sales brought home prices down slightly at the county level. Although the median price of a home sold in Cochise County was up 0.6 percent in 2007, from \$205,250 to \$206,579, the average price per square foot was down 3.7 percent from \$127.11 to \$122.44. In the first 9 months of 2008, the median price was down 3.9 percent to \$199,972 and the average price per square foot was down 4.3 percent to \$117.79, compared to the same period a year prior.

Bisbee

At the city level, the unemployment rate in Bisbee for 2007 was 4.5 percent. This was down from 4.8 percent the year prior, and represents the city's lowest unemployment rate on record, with records going back to 2000. In the first 8 months of 2008, Bisbee's unemployment rate increased to a seasonally adjusted 5.1 percent, following the upward trend at the county, state, and national levels. In August, the city's monthly unemployment rate hit 6.2 percent, its highest level in 5 years.

In 2007, retail sales in Bisbee were up 3.8 percent after inflation. In the first 7 months of 2008, Bisbee's retail sales were up 2.3 percent. The city's retail sales outperformed county-level sales in 2007 and into 2008 (sales at the county level declined

in both periods). Bisbee's restaurant and bar sales were down 4.4 percent in 2007, after adjusting for inflation. For the first 7 months of 2008, sales were down 7.3 percent after inflation, underperforming sales at the county level. Accommodation receipts in Bisbee in 2007 were up 20.9 percent after inflation, and were up 15.6 percent for the first 7 months of 2008. Performance of the city's accommodation industry in 2007 was slightly ahead of industry performance countywide; and in the first 7 months of 2008, accommodation sales at the city level vastly outperformed sales countywide, which actually declined.

Existing home sales in Bisbee peaked in 2005, with the sale of 128 homes. Since then, the sales volume has dropped each year, with a 2.3 percent drop in 2006, followed by a 19.2 percent drop in 2007. In the first 9 months of 2008, sales fell by 36.3 percent. Also in the first 9 months of 2008, the median home price in Bisbee increased by 4 percent compared to the same period a year prior. This followed a 13.4 percent annual increase in 2007 and a 26 percent increase in 2006. Although the median price was up in both 2007 and 2008, the average price per square foot was down in both years. In 2007, the average price per square foot fell 0.8 percent, followed by a 0.6 percent drop in the first 9 months of 2008. This indicates the increase in the median home price was due in part to larger homes being sold.

Optimism, with a bit *of* caution

A view of historical Bisbee from N. Old Divide Road.



Stephen Pauken
Bisbee City
Manager

Caution. That's a word many of us are using in Arizona these days. Let's face it: We're in a recession in this state, brought on mostly by the housing crunch and the mortgage foreclosure crisis. The collapse of unbridled growth has turned this state from a horn of plenty to a beggar on the street corner. The State of Arizona, with its sizeable budget deficit, has looked to the cities and towns, among others, to balance its budget. The result has been cuts in the state's allocation to the cities and towns from the state's sales tax, income tax, and gas tax funds, along with attempts at billing the cities for use of the state crime lab and billing the cities for a "contribution" to the state budget. While the state has attempted to bill Bisbee for almost \$40,000 for the crime lab and the "contribution," it has also hit us with a

reduction of \$31,000 in state-shared revenue and an additional \$160,000 in public safety pension costs. When the city's total general fund is \$6.86 million, these kinds of cuts and additional costs can be very challenging.

Optimism. Despite the recessionary times we are living in, the City of Bisbee's revenues collected locally are holding their own. Our tax revenues are breaking even with last year, and our receipts from fees and charges are equal to, or better than, last year. What this means is that our local efforts at revenue generation have paid off, along with the fact that our base economy has not deteriorated. Bisbee has not been a high-growth city in the past, a fact that is working to our advantage in the current recession. Additionally, Bisbee has focused on its tourist trade over the last three years, and our efforts are paying off. While our tourist numbers are continuing to increase, we have noticed that the demographics are changing. While we are seeing a lower number of visitors from other states, the number of visitors from Arizona

and foreign countries is increasing. This is a result of the weakening of the dollar on world markets along with the increase in gasoline prices in this country. Bisbee and Cochise County have been working on attracting foreign and Arizona visitors for several years now, and our efforts are paying off at the most opportune time.

At this point, the fiscal year is young. While we already know that our base economy is holding steady, we are anxiously awaiting our tourist season, which runs from late November through the end of April. We've set the stage for success over the last three years, and we're ready to succeed in the coming months. With cautious optimism, Bisbee is moving forward with our many assets, despite the challenges that face us.

Bisbee and Cochise County have been working on attracting foreign and Arizona visitors for several years now, and our efforts are paying off at the most opportune time.



Scenic view of Old Bisbee.

The City of Bisbee

Garfield Park is located in Upper Tombstone Canyon.



Bisbee, the county seat of Cochise County, is located 94 miles southeast of Tucson, 205 miles southeast of Phoenix, and 9 miles from the U.S./Mexico border. The city's population, as of mid-2007, was 6,310. Bisbee was founded in 1880 as a mining camp and was incorporated in 1902. The city is named after Judge DeWitt Bisbee, a financial backer of the Copper Queen Mine. In the early 1900s, Bisbee was the largest city between St. Louis and San Francisco, with a population of 20,000. In 1908, a fire destroyed most of Bisbee's commercial district along Main Street. Reconstruction began immediately and by 1910 most of the district had been rebuilt.

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

With the departure of its industrial

base, the real estate market in Bisbee collapsed as hundreds of homes went on the market. The increase in the supply of available homes caused home prices to drop significantly drawing retirees, artists, and eventually a new group of speculators. These new residents purchased property and contributed to the renovation of the city. By the 1980s, Bisbee's economy had become more diversified to include government, tourism, and light manufacturing.

In recent years, Bisbee has been known for its mining history and as an artist and retirement community. The city hosts monthly special events and is a popular tourist destination. In March 2005, the National Trust for Historic Preservation – the nation's largest, private, nonprofit preservation organization – named Bisbee one of "America's Dozen Distinctive Destinations." Bisbee was the first city in Arizona to earn this distinction. In October 2008, Bisbee was named one of America's 20 Prettiest Towns by *ForbesTraveler.com*.

As noted in the Arizona Department

of Commerce's Community Profile, there are numerous community facilities in Bisbee, including a library, 25 art galleries, 17 antique stores, three museums, 13 parks, a swimming pool, tennis courts, an 18-hole golf course, and numerous baseball, football, basketball, and little league baseball facilities. According to the Bisbee Visitor Center, Bisbee is served by 35 restaurants and 303 hotel and other lodging rooms.

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

Mining Operations Today

In 2007, Freeport-McMoRan Copper & Gold, Inc. acquired Phelps Dodge, making Freeport the world's largest publicly traded copper producer. Worldwide demand for copper has increased in recent years, leading to a surge in prices. Freeport-McMoRan has recently been examining the feasibility of resuming copper mining operations in the Bisbee area. A pre-feasibility study was conducted in 2007, which included developing mine plans; conducting metallurgical tests; engineering the process facilities and estimating project capital and operating costs; identifying infrastructure requirements; developing a project timeline; identifying project risks and opportunities; developing a community enrichment plan along with community partners; identifying permitting requirements; conducting environmental studies; and developing construction and closure

design criteria. The results of the pre-feasibility study were positive, which resulted in advancement of the project to the feasibility study phase, initiated in 2008. In late 2008, the feasibility study was placed on hold in response to broader economic conditions nationally and internationally.

Freeport-McMoRan has emphasized its commitment to addressing environmental concerns and sustainable development, and has voluntarily undertaken reclamation projects at historical mining sites statewide, including Bisbee. Freeport-McMoRan has been working with the Arizona Department of Environmental Quality (ADEQ) under its Voluntary Remediation Program to address environmental issues from past mining eras, including potential surface soil impacts in Old Bisbee due to past smelter operations. Freeport has also been working in Bisbee's Warren district to address city roads built with sulfide-bearing material. The company is also working with ADEQ under a mitigation order to address sulfate impacts to groundwater migrating southwest from former evaporation ponds. For more information, visit www.fcx.com.

Arizona Street Project

In 2007, the City of Bisbee launched the Arizona Street Project, a \$2.8 million revitalization effort to reconstruct the main thoroughfare that runs through the city's Warren district. Arizona Street is a classic American Main Street with a mixture of homes, commercial buildings, churches, medical clinics, government offices, and the oldest baseball field in Arizona. The project will include digging up the current road, laying down a new base, and constructing a new road. Enhancements will include multi-use paths, sidewalks, landscaping, pedestrian lighting, signage, benches, gateway sculpture, ADA accessibility, and fencing around the storm water channel. The project will be funded in large part by a grant from the Arizona Department of Transportation. The goal of the project is to make Arizona Street safe and enjoyable to pedestrians, bicyclists, and motorists. For more information, visit www.cityofbisbee.com.

COST OF LIVING COMPARISONS

2005	SIERRA VISTA/DOUGLAS MICRO AREA*		PHOENIX	FLAGSTAFF	YUMA	LAKE HAVASU
	TUCSON					
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
2006						
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
2007						
1st Quarter	96.3	100.4	101.7	113.7	102.3	113.5
2nd Quarter	**	100.8	100.3	116.1	101.6	112.7
3rd Quarter	99.3	100.5	100.9	119.1	105.1	108.8
4th Quarter	98.0	100.3	100.6	115.9	102.7	111.2
2008						
1st Quarter	98.5	99.8	101.6	**	104.4	112.0
2nd Quarter	101.4	99.6	99.8	118.4	104.2	111.2

*The Sierra Vista-Douglas Micropolitan Area is a statistical area designation for all of Cochise County. Sierra Vista and Douglas are included in the title since they are the principal cities that meet the criteria for establishing Cochise County as a Micropolitan Statistical Area. **Data not available. Note: The average for all participating places nationwide equals 100; each participant's index is read as a percentage of the average for all places. Source: The Council for Community and Economic Research (C2ER), ACCRA Cost of Living Index.

SIERRA VISTA/DOUGLAS MICROPOLITAN AREA COST OF LIVING

	COMPOSITE INDEX	GROCERY ITEMS	HOUSING	UTILITIES	TRANS- PORTATION	HEALTH CARE	MISC. GOODS & SERVICES
3rd Qtr, 07	99.3	104.3	96.1	100.9	107.0	100.4	97.4
4th Qtr, 07	98.0	105.5	94.6	100.7	104.3	97.6	95.5
1st Qtr, 08	98.5	105.0	99.7	100.7	98.7	99.4	94.1
2nd Qtr, 08	101.4	102.1	103.3	99.8	103.7	101.3	99.0

Note: The Sierra Vista-Douglas Micropolitan Area is a statistical area designation for all of Cochise County. Sierra Vista and Douglas are included in the title since they are the principal cities that meet the criteria for establishing Cochise County as a Micropolitan Statistical Area. The average for all participating places nationwide equals 100; each participant's index is read as a percentage of the average for all places. Source: The Council for Community and Economic Research (C2ER), ACCRA Cost of Living Index.

BISBEE WEATHER

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

Source: The Weather Channel ©

San Jose Planning Charrette

In May 2008, the City of Bisbee hosted a week-long planning charrette for the city's San Jose district. The charrette team received input from the community regarding opportunities, suggestions, and concerns for the San Jose district; and, based on that input, developed several recommendations for the future development of the San Jose area. The charrette team recommended updating the city's General Plan to include adopting a specific plan for the San Jose district; adopting a landscape ordinance; installing signage, wayfinding, and civic monumentation; and encouraging the use of public art in the San Jose area.

The team also provided recommendations for city code reform, which included incorporating a form-based rather than a use-based zoning ordinance. According to the team, a form-based ordinance would place greater emphasis on the building form; development envelope; mixed housing and mixed-uses; street design and building/street relationship; connections within and between blocks of development; transitions between areas of differing uses and/or character; and the creation and design of public spaces. The team identified opportunities to introduce form-based codes and standards in a way that protects individual property rights and development potential.

The charrette team also recommended the city consider two amendments to current zoning regulations. The first was the creation of an overlay district that incorporates new standards for street and parking design; landscaping and connectivity; enhancement of the ecological infrastructure, such as washes and groundwater resources; and comprehensive site plan review for the entire district. The overlay district standards would be applied to new development and the improvement of existing development with regard to streets and ecological infrastructure. The new overlay district would not supersede existing zoning districts, entitled uses, or other site development standards such as setbacks, height limitations, or site coverage. The second recommended amendment was the creation of a new, mixed-use and mixed-housing zoning district within the zoning regulations that incorporates form-based standards. Individual property owners in San Jose or elsewhere in the city would apply voluntarily for this district through a typical rezoning and public hearing process. Benefits to the property owner would include the ability to develop a wider range of uses. For more information on the San Jose Planning Charrette, including the final report, visit www.cityofbisbee.com.

Bisbee's Wastewater Treatment Facility

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

Turquoise Valley Golf Course



city. In addition, the Border Environment Cooperation Commission provided a grant for final design through its Project Development Assistance Program.

The new 1.2-million-gallon-per-day wastewater treatment plant was constructed at a site in the San Jose section of the city. The project also involved constructing a new pump station, a force main to convey sewage from the Mule Gulch wastewater treatment facility; the retirement of the Warren wastewater treatment facility lagoon; and replacement of 120,000 feet of the previously existing collection lines.

Prior to the wastewater treatment project, Bisbee had been under a sewer hookup moratorium. The moratorium was part of a Consent Order entered into by the City of Bisbee and the Arizona Department of Environmental Quality (ADEQ) in 1997 and again in 2001. The moratorium severely restricted new construction while Bisbee worked to improve the city's public sewer system. As the project progressed, the moratorium was lifted for neighborhoods where the upgrades had been completed. In September 2005, the moratorium was lifted in the Warren district; and in October 2005, the moratorium was lifted for the communities of Old Bisbee, Saginaw, and Lowell, opening the door for new construction throughout the city. Prior to the lifting of the moratorium, additional bathrooms or other utilities that may have strained the sewer system could not be added without prior approval from ADEQ. Although construction has remained slow in the city following the lifting of the moratorium –

which coincided with the nationwide decline in the housing and real estate market – several developers have contacted the city expressing interest in pursuing residential and commercial development projects.

In 2007, the Bisbee city council voted to move forward on a partnership with the Border Environment Cooperation Commission for improvements to wastewater facilities in the city's Tintown district. The city will be seeking technical and financial assistance for the design and construction of new wastewater facilities. Also in 2007, the city implemented a project to transport effluent from the wastewater treatment facility to the Turquoise Valley golf course to be used there for irrigation. It is estimated the reuse project will save about 500 acre feet (approximately 163 million gallons) of water each year.

Bisbee Municipal Airport

Bisbee Municipal Airport is a general aviation airport serving southeastern Arizona for both business and recreational aviation. The airport is located 3 miles south of Bisbee's Warren district on South Arizona Street, about 2 miles from the U.S.-Mexican border. The City of Bisbee provides two courtesy cars and a large van to transport visitors from the airport into town. According to information published by the Ari-

It is estimated the reuse project will save about 500 acre feet (approximately 163 million gallons) of water each year.



Historic business buildings in Old Bisbee.

zona Department of Transportation, the Bisbee Municipal Airport has an economic impact on the local area of \$2 million per year.

The airport has one 5,900-foot paved runway with pilot activated runway lights and a 2,900-foot dirt runway. The facility has a large ramp area with 22 tie-downs, nine shade hangars, and three enclosed hangars. There are currently about 40 locally owned aircraft based at the airport. The airport has approximately 65 acres available for commercial and industrial development and 6 acres set aside for ground leases for privately owned hangars. Recent projects have included the widening of Runway 17/35, an electrical grant, and a grant for fire suppression to accommodate growth.

The Bisbee Airport Advisory Commission meets monthly at Bisbee City Hall. It is made up of nine members, most of whom are pilots. The commission's role is to provide input and citizen participation to advise the city on policies and procedures that affect the operation and use of the Bisbee Municipal Airport, and that promote growth and expansion of airport services to the general public.

Rebuilding Together Bisbee/Naco

Rebuilding Together (formerly Christmas in April) is a national nonprofit organization headquartered in Washington, D.C. Rebuilding Together Bisbee/Naco is a local chapter made up of volunteers from the local community. The chapter raises funds, which are used to help the needy – includ-

ing the elderly, disabled, and those with low incomes – with the upkeep of their homes. The organization has helped supply hot water, electricity, and indoor plumbing, and has provided major cleanup, painting, and repair work to several houses in the area. Subject to resource availability, the organization seeks to assist in the upkeep of 5 to 7 homes each year. For more information, visit www.rebuildtogetherbisbeenaco.org.

Cost of Living

The Sierra Vista-Douglas Micropolitan Area is a participant in the ACCRA Cost of Living Index, a nationwide program administered by the Council for Community and Economic Research (C2ER). The Sierra Vista-Douglas Micropolitan Area is a statistical designation for all of Cochise County. Sierra Vista and Douglas are included in the title since they are the principal cities that meet the criteria for establishing Cochise County as a micropolitan statistical 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 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 2005 through the first half of 2008, the cost of living in Cochise County

was mostly below the national average. The only exceptions were the second quarter of 2005 and the second quarter of 2008, which saw the cost of living locally rise to slightly above the national level. Most recently, in the second quarter of 2008, the cost of living in Cochise County was 1.4 percent above the national average. The increase was due to relative increases in the cost of housing, transportation, healthcare, and miscellaneous goods and services.

From 2005 through the second quarter of 2008, the cost of living in Cochise County ranged from a low of 94.0 (interpreted as 94 percent of the average cost of living of all places nationwide participating in ACCRA), to a high of 101.4 (interpreted as 101.4 percent of the nationwide average). From the fourth quarter of 2005 through the first quarter of 2008, Cochise County's cost of living was below that of Tucson and Phoenix; however, this trend reversed in the second quarter of 2008. The reason for the reversal was an increase in costs for housing, utilities, transportation, and healthcare in Cochise County, relative to costs in Tucson and Phoenix.

Climate

Bisbee is at an elevation of 5,350 feet. The average monthly temperature ranges from a low of 30°F in December and January to a high of 90°F in June. The record low of -9°F was observed in January 1987. The record high is 106°F, observed in June 1990. The average monthly precipitation ranges from a low of 0.16 inches in May to a high of 4.52 inches in July.

BISBEE PROPERTY TAX RATES (PER \$100 ASSESSED VALUE), 2008-2009

DISTRICT	PRIMARY	SECONDARY	TOTAL
City of Bisbee	2.2212		2.2212
Bisbee Unified School District	3.7419	1.7989	5.5408
Cochise County General Government*	2.6759		2.6759
Library*		0.1451	0.1451
Flood Control*		0.2597	0.2597
Cochise College*	1.6604		1.6604
Arizona Fire District Assistance Tax**	0.0808		0.0808
TOTAL	10.3802	2.2037	12.5839

Note: Rates are established the third Monday in August. *Rate applies to all property in Cochise County. **Rate applies to all property in Arizona. Source: Cochise County Treasurer and Cochise College Center for Economic Research.

BISBEE TRANSACTION PRIVILEGE (SALES) TAX RATES

CATEGORY	COUNTY AND STATE	CITY OF BISBEE	TOTAL
Privilege Tax	6.10%	2.50%	8.60%
Hotel/Motel	6.05%	5.00%	11.05%

Note: Rates as of September 1, 2008. Source: Arizona Department of Revenue and Cochise College Center for Economic Research.

Industrial Properties

Several industrial properties are available with utilities at the Bisbee Airport Industrial Park. In nearby Naco, Sonora, Mexico there is an industrial park operated under the maquiladoras (twin plant) concept that allows U.S. companies to operate in Mexico. For more information on industrial properties in Bisbee, contact the City of Bisbee at (520) 432-6000.

Arizona Enterprise Zone Program

Bisbee is located in the Cochise County Enterprise Zone, currently in effect through 2011. This zone also includes the communities of Benson, Douglas, Huachuca City, Tombstone, Willcox, and portions of Sierra Vista. Companies that locate to enterprise zones may be eligible to benefit from two tax incentive programs.

The Arizona Enterprise Zone program was enacted in 1989 and revised by subsequent legislation. The goal of the program is to improve the economies of areas in the state with high poverty or unemployment rates by promoting private investment. The program provides income tax credits for non-retail businesses creating new jobs in enterprise 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 per-

cent of health insurance costs. In 1999, legislation was passed to allow insurers to use credits to offset premium taxes. In 2001, the investment threshold for small manufacturers in rural Arizona was lowered, and qualified companies were allowed to conduct up to 10 percent retail activity at the zone location. In 2002, the program was revised to strengthen administrative procedures and help target the program more closely toward its purpose as an economic development tax incentive. In 2006, the program was extended for 5 years and revised to allow certain family-owned manufacturers to qualify under the EZ property tax reduction. Additionally, qualified commercial printers using lithography or flexography printing processes 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" (\$8.38 in 2008 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 proper-



Bisbee Municipal Airport has a total of nine shade hangers.

ty 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 (for cities with a population of less than 15,000) or \$1 million (for cities with a population between 15,000 and 80,000; in Cochise County, this includes only Sierra Vista and Douglas as of 2007). 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; or visit www.azcommerce.com.

Tax Rates

TRANSACTION PRIVILEGE TAX

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

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

PROPERTY TAX

For 2008-2009, the combined total of all primary and secondary city, school district, county, state, and special district property taxes for property located in Bisbee is \$12.5839 per \$100 assessed value. This is down from \$14.3495 in 2007-2008 (note: Tax rates are established the third Monday in August each year). All taxing districts with jurisdiction over property located in Bisbee reduced their rates for 2008-2009, with the exception of Cochise County Libraries and Cochise County Flood Control, both of which have taxing jurisdiction over all property countywide. Many taxing jurisdictions lowered their rates in response to a substantial increase in property valuations, which brought in more revenue at lower rates. The property tax levied by the City of Bisbee was \$2.2212 per \$100 of assessed value, the highest rate of the seven incorporated areas of Cochise County.

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

- *23 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; and commercial and industrial real property not included in other classes.

The assessment ratio for property in this class is scheduled to decline incrementally, reaching 20 percent in 2011 as follows: 23 percent in 2008; 22 percent in 2009; 21 percent in 2010; and 20 percent in 2011.

- *21 percent:* Railroad operating property, private car company property, and airline flight property.
- *16 percent:* Agricultural real property, golf courses, and vacant land.
- *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).

Crime Rate

The crime rate in Bisbee in 2006 was 45.2 crimes per 1,000 residents, which was below the countywide rate of 48.5 and the statewide crime rate of 50.2. Bisbee's crime rate has dropped steadily from a high of 58.6 in 2004. The crime rate reflects data reported in the Federal Bureau of Investigation's (FBI) Uniform Crime Report and includes violent crimes (murder and non-negligent manslaughter, forcible rape, robbery, and aggravated assault), property crimes (burglary, larceny-theft, and motor vehicle theft), and arson, which is reported separately. The crime index measures only crimes that are reported to local law enforcement agencies, thus crime rates may be impacted by changes in reporting patterns, as well as changes in the actual rates of occurrence of crime.

CRIME RATE, 2006 (PER 1,000 RESIDENTS)

LOCATION	POPULATION	VIOLENT CRIME	PROPERTY CRIME	ARSON	TOTAL CRIME	CRIME RATE (PER 1,000 POPULATION)
United States	298,754,819	1,417,745	9,938,568	*	11,401,313	38.2
Arizona	6,305,210	30,916	285,370	*	316,286	50.2
Cochise County	135,150	*	*	*	*	**48.5
Benson	4,820	11	246	1	258	53.5
Bisbee	6,355	15	272	0	287	45.2
Douglas	17,660	*	*	*	*	*
Huachuca City	1,825	2	44	0	46	25.2
Sierra Vista	44,870	109	1,957	12	2,078	46.3
Tombstone	1,655	*	*	*	*	*
Willcox	3,910	8	316	2	326	83.4
Unincorporated Areas	54,055	*	1,531	15	*	*

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

BISBEE CRIME RATE (PER 1,000 RESIDENTS)

2002	50.8
2003	47.8
2004	58.6
2005	50.8
2006	45.2

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

Demographics

From 2000 to 2007, Bisbee's population grew by 3.6 percent.



Population Estimates and Projections

The population of Bisbee as of July 2007 was 6,310, according to estimates by the Arizona Department of Commerce (ADOC). This was down 0.7 percent from 2006. From 2000 to 2007, Bisbee's population grew by 3.6 percent, with average annual growth of 0.5 percent. This was considerably below the statewide average growth rate of 3.4 percent and the county-wide rate of 2.2 percent.

According to the U.S. Census Bureau, Bisbee's population declined by 12.1 percent during the 1990s, while Cochise County as a whole grew by 20.6 percent and the State of Arizona experienced rapid population growth of 40 percent. Bisbee's overall population growth of 3.6 percent since 2000 has lagged considerably behind that of Cochise County, which has grown by 16.5 percent; and the state, which has grown by 26.7 percent.

In 2006, Bisbee ranked as the 52nd largest incorporated sub-county area of 90 areas statewide. Based on its population

growth rate since Census 2000, Bisbee ranked as the 79th fastest-growing, incorporated sub-county area of the 90 areas.

Although the population of Bisbee is 6,310, the Bisbee area includes nearby populated areas that create a community of more than 28,000, according to the Arizona Department of Commerce. This community includes the City of Bisbee, the unincorporated area of Naco, the Southeast portion of Sierra Vista, and surrounding unincorporated areas including Hereford and Palominas.

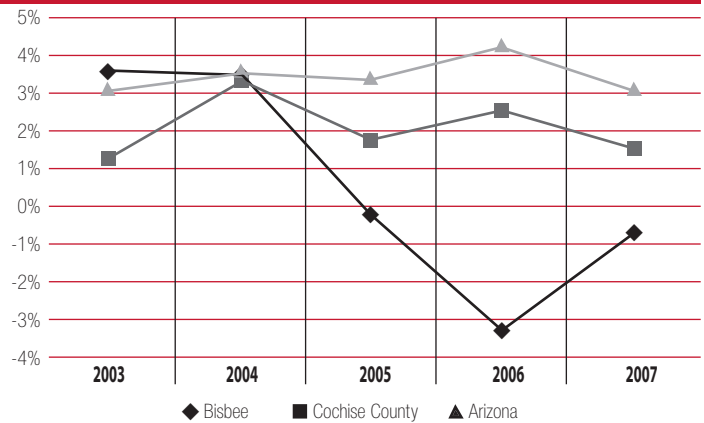
The slow population growth in Bisbee in recent years largely reflects a sewer hookup moratorium, which brought new construction in the city to a near standstill for about a decade. The moratorium was lifted in late 2005; however, this coincided with a slowdown of the housing and real estate market at the national, state, and local levels. Another contributing factor to slow population growth is the city's demographics. Residents of the city tend to be older than the countywide and statewide averages, leading to a greater number of deaths than births each year.

POPULATION ESTIMATES

	BISBEE		COCHISE COUNTY		ARIZONA	
	POPULATION	GROWTH	POPULATION	GROWTH	POPULATION	GROWTH
1990	6,288	—	97,624	—	3,665,228	—
2000	6,090	*-12.1%	117,755	*20.6%	5,130,632	*40.0%
2001	6,095	0.1%	120,845	2.6%	5,319,785	3.7%
2002	6,140	0.7%	123,945	2.6%	5,470,720	2.8%
2003	6,360	3.6%	125,430	1.2%	5,642,725	3.1%
2004	6,585	3.5%	129,600	3.3%	5,845,250	3.6%
2005	6,570	-0.2%	131,790	1.7%	6,044,985	3.4%
2006	6,355	-3.3%	135,150	2.5%	6,305,210	4.3%
2007	6,310	-0.7%	137,200	1.5%	6,500,194	3.1%

*Total growth over the period 1990-2000. Source: Figures for 1990 and 2000 obtained from the U.S. Census Bureau. Figures for 2001-2007 are estimates provided by the Arizona Department of Commerce.

POPULATION GROWTH COMPARISONS



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

Despite three consecutive years of population decline in Bisbee, the Cochise College Center for Economic Research (CER) projects Bisbee’s population will grow by about 1.1 percent per year, reaching 6,665 in 2012. There are numerous factors, however, that may affect the city’s future population growth, the largest of which is potential new construction. City officials have been in discussions with real estate developers considering large scale projects within the city’s San Jose district. Such developments, along with potential annexation of areas outside the city limits as identified in the city’s general plan, could result in a sharp upward shift in the city’s population growth trend. Major developments, however, are not likely to move forward until the nation’s housing and real estate markets recover in late 2009 or 2010.

Race and Ethnicity

In 2000, according to the U.S. Census Bureau, approximately 34.4 percent of Bisbee’s population was Hispanic or Latino (of any race), compared to a 30.7 percent Hispanic/Latino population for all of Cochise County and a 25.3 percent Hispanic/Latino population statewide. The CER estimates that, in 2007, Hispanics/Latinos accounted for 32.9 percent of the Bisbee population. If recent trends continue, the Hispanic/Latino population in Bisbee is projected to drop to 31.9 percent of the city’s population in 2012. (Note: The U.S. Census Bu-

reau 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.)

Bisbee’s population in 2000 was 84.1 percent White; 0.5 percent Black/African American; 1.2 percent American Indian/Alaska Native; 0.6 percent Asian/Pacific Islander; and 13.7 percent other (including two or more races combined). Based on trends between 1990 and 2000, the CER estimates that, in 2007, the racial composition of Bisbee was 76.5 percent White; 0.5 percent Black/African American; 1.4 percent American Indian/Alaska Native; 0.7 percent Asian/Pacific Islander; and 20.8 percent other (including two or more races combined).

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

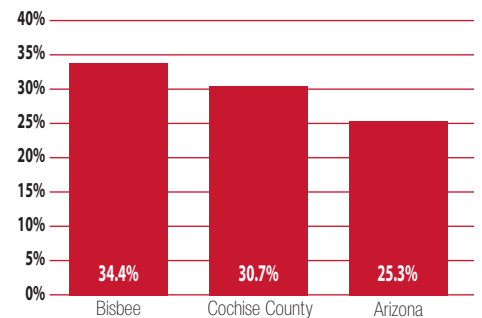
The CER projects that, in 2012, the racial composition of Bisbee will be 71.1 percent White; 0.5 percent Black/African American; 1.6 percent American Indian/Alaska Native; 0.8 percent Asian/Pacific Islander; and 26 percent other (including two or more races combined).

POPULATION PROJECTIONS

YEAR	BISBEE	GROWTH PERCENTAGE	COCHISE COUNTY	GROWTH PERCENTAGE
2008	6,379	1.1%	140,560	2.4%
2009	6,450	1.1%	143,346	2.0%
2010	6,521	1.1%	146,037	1.9%
2011	6,592	1.1%	148,672	1.8%
2012	6,665	1.1%	151,258	1.7%

Source: City projections prepared by the Cochise College Center for Economic Research; county projections prepared by the Arizona Department of Commerce.

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.

BISBEE POPULATION BY RACE; ESTIMATES AND PROJECTIONS

	WHITE	BLACK OR AFRICAN AMERICAN	AMERICAN INDIAN OR ALASKA NATIVE	ASIAN OR PACIFIC ISLANDER	OTHER	TOTAL
2007	4,827 76.5%	32 0.5%	88 1.4%	44 0.7%	1,312 20.8%	6,310
2008	4,816 75.5%	32 0.5%	89 1.4%	51 0.8%	1,391 21.8%	6,379
2009	4,798 74.4%	32 0.5%	97 1.5%	52 0.8%	1,477 22.9%	6,450
2010	4,780 73.3%	33 0.5%	98 1.5%	52 0.8%	1,558 23.9%	6,521
2011	4,760 72.2%	33 0.5%	99 1.5%	53 0.8%	1,641 24.9%	6,592
2012	4,739 71.1%	33 0.5%	107 1.6%	53 0.8%	1,733 26.0%	6,665

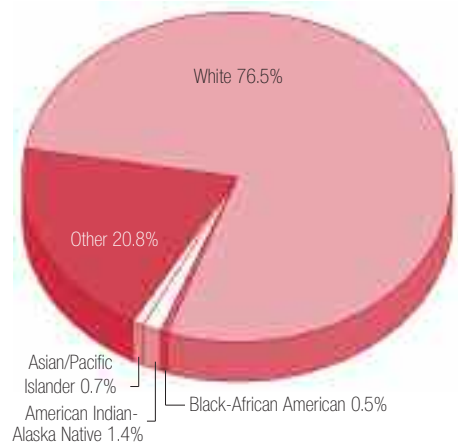
Note: Discrepancies are due to rounding. The U.S. Census Bureau considers Hispanic an ethnicity, not a race; thus, there is no separate racial classification for Hispanic. According to the Census Bureau, people identifying themselves as Hispanic may be of any race. Source: Cochise College Center for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

BISBEE HISPANIC/LATINO POPULATION, ESTIMATES AND PROJECTIONS

YEAR	HISPANIC OR LATINO (OF ANY RACE) % OF TOTAL POPULATION	HISPANIC OR LATINO NUMBER
2007	32.9%	2,078
2008	32.7%	2,087
2009	32.5%	2,097
2010	32.3%	2,106
2011	32.1%	2,115
2012	31.9%	2,125

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: Cochise College Center for Economic Research.

BISBEE RACIAL GROUPS ESTIMATES, 2007



Note: Discrepancies are due to rounding. 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: Cochise College Center for Economic Research.

Age Groups

According to Census 2000, the median age of the city's population that year was 43.2 years, considerably higher than the median age of 36.9 years for all of Cochise County and 34.2 years statewide. In 2000, 78.4 percent of Bisbee's population was aged 18 years and older, and 23 percent was aged 62 years or older.

According to CER estimates, in 2007 the largest age group in Bisbee was the 25 to 44 years group, accounting for 22.1 percent of the city's population. The next largest age group was 45 to 54 years, accounting for 19.2 percent; followed by 5 to 17 years, at 14.1 percent. If recent trends continue, these will remain the three largest age groups into 2012; however, the 45 to 54 years group will overtake the 25 to 44 years group beginning in 2011 to become the largest age group in the city.

Household Characteristics

According to Census 2000, the average household size in Bisbee that year was 2.15 persons, down from 2.34 in 1990. Based on a continuation of this trend, the CER estimates the average household size in 2007 was 2.02. If recent trends continue, Bisbee's average household size is projected to drop to 1.92 persons per household in 2012.

Of total Bisbee households, 53.5 percent were classified as family households as of Census 2000. A total of 25.1 percent of households had individuals under the age of 18, and 31.5 percent had individuals aged 65 years and older. A total of 7.4 percent of Bisbee households were headed by single mothers of children under the age of 18, compared to 7.1 percent countywide and 6.8 percent statewide. Of Bisbee's population aged 15 years and older, 44.9 percent were married (not including those who were separated), 2.1 percent were separated, 18.4 percent were divorced, 9.7 percent were widowed, and 24.9 percent had never been married.

According to the U.S. Census Bureau, as of the year 2000 approximately 55.1 percent of Bisbee's population aged 5 years and older had resided in the same house for at least 5 years. Approximately 19.8 percent had relocated to the city within the previous 5 years from outside Cochise County.

Income

The median household income in Bisbee for 2006 was approximately \$33,444, compared to \$38,427 for Cochise County, \$47,265 for Arizona, and \$48,451 nationwide. The median family income for Bisbee in 2006 was approximately \$44,496, compared to \$46,097 for the county, \$55,709 statewide, and \$58,526 nationally. The Bisbee per capita income in 2006 was approximately \$21,195, compared to \$19,783 for the county, \$24,110 at the state level, and \$25,267 nationally. While Bisbee's median household and family incomes were lower than those at the county level, its per capita income was higher. This is due to smaller household and family sizes in Bisbee. County, state, and national figures are estimated by



Bisbee High School

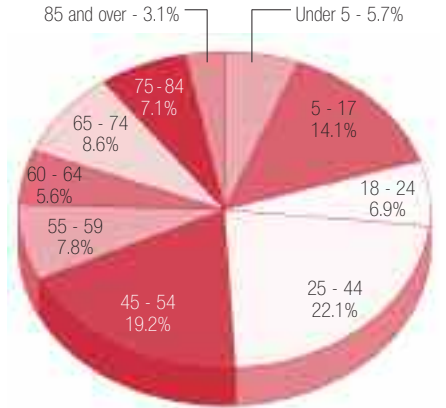
the U.S. Census Bureau; city figures are estimated by the CER.

Military Veterans

Between Censuses 1990 and 2000, the number of Bisbee residents who were civilian veterans of the military decreased from 980 to 975. As a proportion of the city's population aged 18 years and older, civilian veterans of the military declined slightly from 20.6 to 20.5 percent. Based on recent trends, the CER estimates that, in 2007, there were 1,033 civilian veterans of the military, or 20.4 percent of the city's population aged 18 years and older, residing in Bisbee. If the trend continues, this number will reach 1,118 in the year 2012, while stabilizing at 20.4 percent of the population aged 18 years and older.

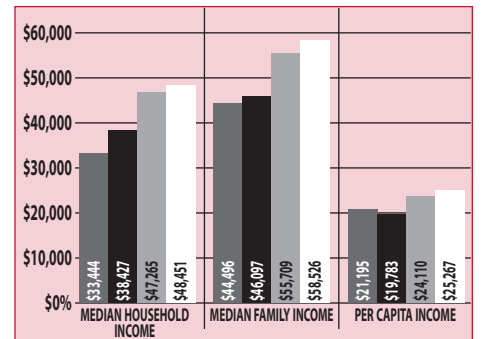
The number of civilian veterans in the area is important to housing market analysis, since many veterans finance their homes using Veterans Administration (VA) guaranteed loans. This leads to higher rates of home ownership among veterans, but also decreases the level of affordability of homes as determined 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, Real Estate, and Commercial Construction section of this publication.

BISBEE AGE GROUP ESTIMATES, 2007



Note: Discrepancies are due to rounding. Source: Cochise College Center for Economic Research.

INCOME COMPARISON, 2006



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.

BISBEE POPULATION BY AGE GROUP, ESTIMATES AND PROJECTIONS

	UNDER 5	5 - 17	18 - 24	25 - 44	45 - 54	55 - 59	60 - 64	65 - 74	75 - 84	85 +	TOTAL
2007	359 5.7%	885 14.0%	429 6.8%	1,393 22.1%	1,210 19.2%	490 7.8%	351 5.6%	543 8.6%	448 7.1%	193 3.1%	6,310
2008	361 5.7%	879 13.8%	434 6.8%	1,389 21.8%	1,255 19.7%	507 7.9%	353 5.5%	536 8.4%	453 7.1%	200 3.1%	6,379
2009	363 5.6%	873 13.5%	439 6.8%	1,386 21.5%	1,302 20.2%	524 8.1%	356 5.5%	529 8.2%	458 7.1%	208 3.2%	6,450
2010	365 5.6%	867 13.3%	443 6.8%	1,382 21.2%	1,350 20.7%	541 8.3%	359 5.5%	522 8.0%	463 7.1%	215 3.3%	6,521
2011	367 5.6%	861 13.1%	448 6.8%	1,378 20.9%	1,398 21.2%	559 8.5%	361 5.5%	514 7.8%	468 7.1%	223 3.4%	6,592
2012	369 5.5%	854 12.8%	453 6.8%	1,374 20.6%	1,448 21.7%	577 8.7%	364 5.5%	507 7.6%	473 7.1%	231 3.5%	6,665

Note: Discrepancies are due to rounding. Source: Cochise College Center for Economic Research.

BISBEE CIVILIAN VETERANS OF THE MILITARY, ESTIMATES AND PROJECTIONS

YEAR	NUMBER OF CIVILIAN VETERANS OF THE MILITARY	CIVILIAN VETERANS OF THE MILITARY AS A % OF THE POPULATION 18 YEARS AND OLDER
2007	1,033	20.4%
2008	1,047	20.4%
2009	1,062	20.4%
2010	1,076	20.4%
2011	1,091	20.4%
2012	1,118	20.4%

Source: Cochise College Center for Economic Research.

Education

7th and 8th grade students attend Lowell School.



Primary and Secondary Education

The Bisbee Unified School District (BUSD) operates an elementary school, middle school, junior high school, and high school. The district's total enrollment as of October 1, 2007 was 963, down from 988 a year prior. The district's average daily membership (ADM), which determines state-level funding, declined from 1,006 in 2002-2003 to 944 in 2006-2007.

Arizona Learns, a program within the Arizona Department of Education, evaluates each Arizona school and assigns a rating with respect to the school's ability to meet or exceed the Arizona Standards of Education. The ratings include: excelling, highly performing, performing plus, performing, and underperforming. Ratings are issued each fall term for the previous year. For the 2006-2007 school year, Greenway Primary School was rated performing, which was down from its rating of highly performing the year prior. All other schools in the district were rated performing plus for both the 2005-2006 and 2006-

2007 school years.

In fiscal year 2007, the student/teacher ratio in BUSD was 16.6, down from 16.8 in 2006 and 17.2 in 2005. The district's student/teacher ratio of 16.6 in 2007 was lower than the statewide average of 17.4. The average years of experience for teachers in the BUSD in 2007 was 9.5, compared to 8.1 statewide.

BUSD spent an average of \$8,218 per student in 2007; this was 11.3 percent higher than the statewide average of \$7,382. The district spent 49.7 percent of per pupil dollars, or \$4,083, in the classroom; this was below the statewide average of 57.9 percent or \$4,277. Of Arizona's 229 school districts, BUSD was ranked 179th for classroom dollars.

Non-classroom per pupil expenditures in the district totaled \$4,135, or 50.3 percent of total per pupil spending in 2007. Statewide, non-classroom per-pupil spending averaged \$3,105, or 42.1 percent of the total. Non-classroom spending includes

administration, plant operations, food service, transportation, student support, and instruction support. In 2007, BUSD spent a greater share of per pupil dollars than state and national averages in each of these categories except instruction support, which was 3.5 percent of total per pupil spending in BUSD compared to 4.8 percent at the state and national levels. In its response to a 2006 audit by the State of Arizona Office of the Auditor General, the district indicated its intention to direct more of its spending into the classroom, but noted that a large portion of the district's expenses supported areas such as special education-required purchased services, food service, transportation, and utilities, which do ultimately support students, even though they are coded as non-classroom expenditures.

In addition to the Bisbee Unified School District schools, the City of Bisbee also has a charter high school: PPEP TEC - Manuel Borjorquez Learning Center, with an enrollment of 36 as of October 1, 2007. In the 2006-2007 school year, PPEP TEC was rated as performing under Arizona Learns.

Post-secondary Educational Opportunities

COCHISE COLLEGE

Cochise College is a two-year institution "serving the education needs of Cochise County, the State of Arizona, and the world." The college's academic programs include aviation, nursing, welding, computers, English, and Spanish. Its athletic programs draw students from the entire southwest United States and beyond. Students can earn an associate degree and gain experience that will prepare them to complete a bachelor's degree at a four-year institution. The college offers classes in Bisbee, Benson, Douglas, Fort Huachuca, Sierra Vista, Willcox, and in outlying areas. Classes are also offered online and in neighboring Santa Cruz County.

In 2008, the college initiated a number of capital improvement projects. The initial projects - on both the Douglas and Sierra Vista campuses - are part of the Master Facilities Plan, which was originally devel-

oped to modernize substandard facilities, upgrade classroom technology and learning environments, and create space to accommodate growth. Since Cochise County voters rejected a bond proposal to fund the plan, the college has modified it to address inadequate and substandard facilities that have the greatest impact on student learning and life and infrastructure systems that are inefficient or ineffective. The revised plan does not address significant growth and calls on funding sources without imposing a secondary property tax levy.

Cochise College is accredited by the Higher Learning Commission of the North Central Association. In 2006, Cochise College earned the maximum re-accreditation of 10 years as the result of an exceptional evaluation by the visiting accreditation team. To learn more about Cochise College, visit www.cochise.edu.

UNIVERSITY OF ARIZONA SOUTH

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

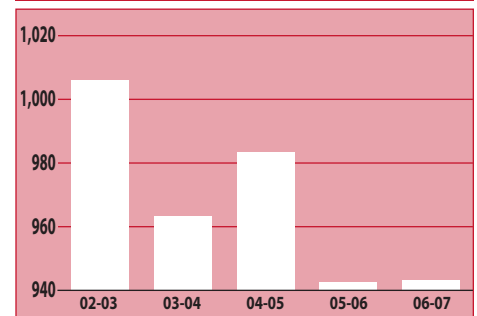
UA South offers upper-division courses for students to complete undergraduate degree programs in cooperation with Cochise College and other Arizona community colleges. This program is often referred to as "2 + 2." Graduate degrees are also offered in select disciplines. UA South is a commuter

BISBEE K-12 SCHOOLS, ARIZONA LEARNS RATINGS

SCHOOL	2006/2007	2005/2006
Bisbee Unified School District		
Bisbee High School (9-12)	Performing Plus	Performing Plus
Bisbee Middle School (4-6)	Performing Plus	Performing Plus
Greenway Primary School (Pre-K-3)	Performing	Highly Performing
Lowell School (7-8)	Performing Plus	Performing Plus
Charter Schools		
PPEP TEC - Manuel Borjorquez Learning Center (9-12)	Performing	Performing

Source: Arizona Department of Education.

BISBEE UNIFIED SCHOOL DISTRICT, AVERAGE DAILY MEMBERSHIP



Source: Arizona Department of Education.

In 2006, Cochise College earned the maximum re-accreditation of 10 years as the result of an exceptional evaluation by the visiting accreditation team.

BISBEE K-12 SCHOOL ENROLLMENT

	2005/2006	2006/2007	2007/2008
Bisbee Unified School District	990	988	963
Bisbee High School (9-12)	392	394	377
Bisbee Middle School (4-6)	208	195	187
Greenway Primary School (Pre-K-3)	264	269	250
Lowell School (7-8)	126	130	149
Charter Schools	28	35	36
PPEP TEC - Manuel Borjorquez Learning Center (9-12)	28	35	36

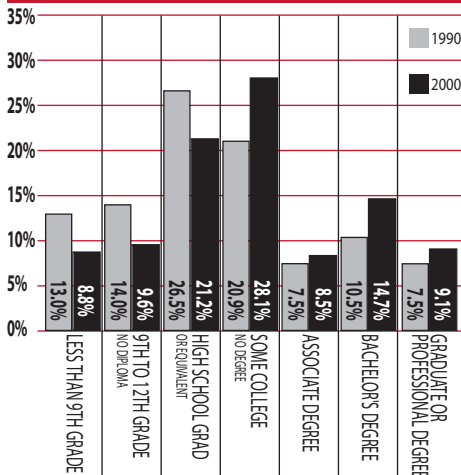
Note: Figures reflect enrollment as of October 1 of each school year. Source: Arizona Department of Education.

DISTRIBUTION OF PER PUPIL SPENDING

	BISBEE UNIFIED SCHOOL DISTRICT	ARIZONA	UNITED STATES
Classroom Dollars	49.7	57.9	61.2
Non-classroom Dollars	50.3	42.1	38.8
Administration	14.1	9.5	11.0
Plant Operations	14.1	11.3	9.6
Food Service	6.2	4.7	3.9
Transportation	4.7	4.3	4.1
Student Support	7.7	7.3	5.2
Instruction Support	3.5	4.8	4.8
Other	0.0	0.2	0.2

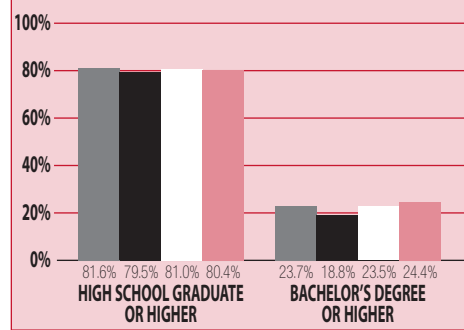
Note: Numbers shown are percentages of total per pupil spending. Data for the Bisbee Unified School District and Arizona are from 2007; national figures are from 2005. Source: State of Arizona, Office of the Auditor General.

BISBEE EDUCATIONAL ATTAINMENT, 1990-2000



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

EDUCATIONAL ATTAINMENT COMPARISONS, 2000



Legend: Bisbee (Dark Gray), Cochise County (Black), Arizona (White), United States (Light Gray)

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

BISBEE EDUCATIONAL ATTAINMENT, ESTIMATES AND PROJECTIONS

YEAR	PERCENT HIGH SCHOOL GRADUATE OR HIGHER	PERCENT BACHELOR'S DEGREE OR HIGHER
2007	87.6%	27.7%
2008	88.5%	28.3%
2009	89.3%	28.8%
2010	90.2%	29.4%
2011	91.1%	30.0%
2012	91.9%	30.5%

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.

campus, with schedules designed to accommodate working adults and returning students. Throughout Arizona, students may also take advantage of UA South courses available online. In addition to its campus in Sierra Vista, UA South maintains an office in Douglas, approximately 23 miles southeast of Bisbee, which serves the needs of Southeast Cochise County and Northern Mexico. For more information, visit www.uas.arizona.edu.

Educational Attainment

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

Between 1990 and 2000, according to U.S. Census Bureau data, the number of Bisbee residents with less than a 9th grade education dropped from 13.0 to 8.8 percent of the city's population aged 25 years and older. At the same time, the number of residents with a 9th to 12th grade education, but without a high school diploma, dropped from 14.0 to 9.6 percent; the number of high school graduates (or equivalent) decreased from 26.5 to 21.2 percent;

and the number of residents with some college, but no degree, increased from 20.9 to 28.1 percent. The number of residents with an associate degree increased from 7.5 to 8.5 percent of the city's population aged 25 years and older; the number of residents with a bachelor's degree increased from 10.5 to 14.7 percent; and the number of residents with a graduate or professional degree increased from 7.5 to 9.1 percent.

Of the Bisbee population aged 25 years and older, the proportion of residents with a high school diploma or higher increased from 73.0 to 81.6 percent between 1990 and 2000, while those with a bachelor's degree or higher increased from 18.0 to 23.7 percent. Thus, the trend has been toward expanded educational attainment, particularly at the post-secondary education level.

Based on trends between 1990 and 2000, the Cochise College Center for Economic Research estimates that, in 2007, approximately 87.6 percent of Bisbee's population aged 25 years and over had attained a high school diploma or higher and 27.7 percent had attained a bachelor's degree or higher. If recent trends continue, in 2012 the proportion of residents who have earned a high school diploma or higher will reach 91.9 percent and the number of residents who have earned a bachelor's degree or higher will reach 30.5 percent.

Healthcare



Copper Queen Community Hospital serves more than 25,000 patients.

As an industry grouping, healthcare and social assistance provides the second largest number of jobs in the Bisbee area, behind government. According to a 2008 Arizona Department of Commerce economic base study, Bisbee's healthcare and social assistance industry grouping had a per capita employment level higher than both the state and national averages.

Copper Queen Community Hospital

The Copper Queen Community Hospital (CQCH), located in Bisbee, is a not-for-profit, full-service community health care facility. In 2008, CQCH was the second largest employer in Bisbee with 174 full-time equivalent (FTE) employees (a full-time equivalent employee equals one full-time or two part-time employees). The local medical staff includes 23 physicians: 12 are local fully active physicians and 11 are consultants.

The hospital provides a broad range of inpatient and outpatient services including acute care; outpatient surgery; 24-hour emergency services; cardio-pulmonary

services; rehabilitation services; home health care; an occupational medicine department; a full-service laboratory; and diagnostic imaging, which includes a state-of-the-art fluoroscopy unit, flat plate basic radiology unit, Dexa-Scan bone density unit, spiral CT scanner, mammography services, ultrasound, on-site experienced and professional radiologists, and teleradiology for speedy diagnostic capability. CQCH serves more than 25,000 patients, many of whom are unemployed, have low family incomes, and are uninsured or underinsured.

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

In recent years, CQCH has expanded its services to include diagnostic services in outlying areas, both in physician offices and in sliding-fee-scale clinics. In late 2003, the hospital completed a \$4.6 million renovation project, including infrastructure improvements to the heating, ventilating, and electrical systems and interior. The Imaging Services/Radiology Department was totally refurbished with new fluoroscopy, flat plate x-ray, CT scanner, and bone density scanner. Other areas of the hospital that received major improvements were the medical/surgical unit, food services, and cardio-pulmonary department. In 2004, the hospital absorbed the former Copper Cities Physicians Practice and established Rural Health Clinics in Bisbee and Douglas. In 2007, CQCH opened a new clinic in the Palominas/Hereford area of Cochise County. The 2,900-square-foot Palominas/Hereford Rural Health Clinic has six exam rooms and is staffed by two physicians, a physician assistant, and a pediatric nurse practitioner. Services include office visits, immunizations, and laboratory services. Also in 2007, CQCH installed Trauma Telemedicine technology, which gives emergency room doctors at the hospital a real-time video and audio connection with trauma doctors at University Medical Center in Tucson, who are then able to guide emergency room staff to facilitate patient stabilization prior to transfer.

In 2008, CQCH instituted teledermatology services and Coumadin clinics in the Rural Health Centers. Also in 2008, the hospital signed on with the Mayo Clinic in Phoenix to provide Stroke Telemedicine for Rural Residents (STARR). The STARR system provides physicians at the hospital with two-way, audiovisual communication with top neurologists throughout the state to treat acute stroke victims. The systems allows for patients to be examined and stabilized prior to transport, if necessary; or to be treated locally without transport. CQCH has also implemented Electronic Medical Records, and uses telemonitors in patients' homes as part of their Copper Valley Home Health program.

In recent years, CQCH has incurred

significant costs 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, including CQCH. These uncompensated services have put a financial strain on the hospital. In late 2004, 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; however, as of late 2008 the federal reimbursement payments were in danger of not being renewed for the 2009 federal budget.

CQCH is licensed by the Arizona Department of Health Services and is certified as a service provider by Medicare. CQCH is one of only four hospitals in Arizona to be recognized as one of the 100 Top Regional Hospitals.TM This award recognizes hospitals for clinical excellence and efficient delivery of care. In 2008, the Rural Health Association presented the Inspiring Rural Health Program Award to the CQCH teledermatology program, which the hospital provides in collaboration with the Carondelet Healthcare Network. For more information on CQCH, visit www.cqch.org.

Chiricahua Community Health Centers

The Chiricahua Community Health Centers, Inc. (CCHC) is a nonprofit organization with three centers and two mobile units (one medical and one dental), providing family health and dental care to patients in medically underserved areas of Cochise County. Using a sliding-fee-scale program for medical and dental care, CCHC's practitioners serve a variety of patients. Clinics are located in Bisbee, Elfrida, and Douglas. In 2008, CCHC was Cochise County's 47th largest employer, with 95 FTE employees.

The Bisbee Clinic, located in the city's Warren District, opened in April 2003. The clinic has eight service providers (six MDs, a family nurse practitioner, and a clinical

social worker) and offers a variety of services including mental health and specialized services for patients who have been diagnosed HIV positive or with AIDS. Services include preventive medicine; chronic disease management program/diabetes education; women's health prenatal care; well child check ups; HIV/AIDS care; mental health; immunizations; a patient assistance program; physicals (sports, CDLs, DOT, and pre-employment); laboratory; referral service; and AHCCCS eligibility assistance. For more information, visit www.cchci.org.

Southeastern Arizona Behavioral Health Services

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

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

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

Employment



Winchester's restaurant at the Copper Queen Hotel is located in Old Bisbee.

Employment, Unemployment, Labor Force, and Job Growth

In 2007, Bisbee's unemployment rate was 4.5 percent, according to estimates by the Arizona Department of Commerce (ADOC). This was above the countywide rate of 4.1 percent and the statewide rate of 3.8 percent; but below the nationwide rate of 4.6 percent. Bisbee's unemployment rate in 2007 was down three-tenths of a percentage point from 4.8 percent the year prior, and represents the city's lowest unemployment rate on record, with records going back to 2000. In the first 8 months of 2008, Bisbee's unemployment rate increased sharply to a seasonally adjusted 5.1 percent, following the upward trend at the county, state, and national levels. In August 2008, the city's monthly unemployment rate hit a 5-year high of 6.2 percent. It is important to note that the ADOC estimates of unemployment rates for cities in Cochise County are derived from a model that pegs city rates to the county rate based on data from Census 2000. The model does not pick up changes

at the city level since 2000 that differ substantially from county-level trends.

Bisbee's monthly unemployment rates reflect 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, and July, while lower-than-average rates prevail in April, May, August, September, October, November, and December.

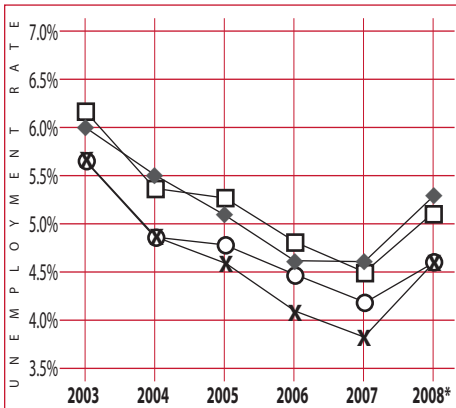
According to ADOC estimates, Bisbee's civilian labor force in 2007 consisted of 3,306 potential workers, of whom 3,156 were employed. The civilian labor force consists of those persons aged 16 years and older who either are employed or are actively seeking work, and excludes active duty military personnel. Countywide, the 2007 civilian labor force, according the ADOC estimates, included 57,275 actual or potential workers, of whom 54,925 were employed. Cochise County's labor force grew by only 0.7 percent in 2007. The slow growth was a primary contributor to the county's low unemployment rate. As fewer jobs were

UNEMPLOYMENT RATE

	BISBEE	COCHISE COUNTY	ARIZONA	UNITED STATES
2003	6.2%	5.6%	5.7%	6.0%
2004	5.4%	4.9%	4.9%	5.5%
2005	5.3%	4.8%	4.7%	5.1%
2006	4.8%	4.4%	4.1%	4.6%
2007	4.5%	4.1%	3.8%	4.6%
2008*	5.1%	4.6%	4.5%	5.3%

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

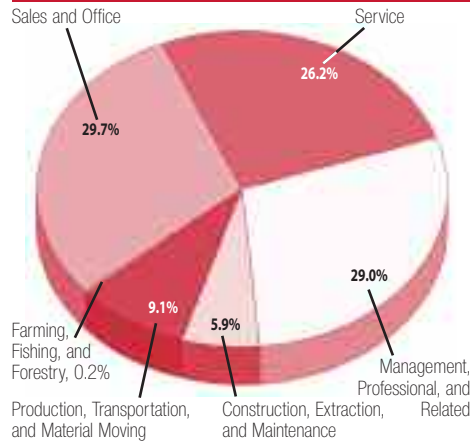
UNEMPLOYMENT RATE



□ BISBEE
 ○ COCHISE COUNTY
 X ARIZONA
 ◆ UNITED STATES

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

BISBEE OCCUPATIONS, 2000



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

BISBEE CIVILIAN LABOR FORCE, EMPLOYMENT, JOB GAINS, AND JOB GROWTH RATES

	CIVILIAN LABOR FORCE	EMPLOYMENT	JOB GAINS	JOB GROWTH RATE
2003	3,119	2,925	87	3.1%
2004	3,151	2,981	56	1.9%
2005	3,206	3,037	56	1.9%
2006	3,282	3,124	87	2.9%
2007	3,306	3,156	32	1.0%

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

BISBEE MONTHLY UNEMPLOYMENT RATE

		UNADJUSTED RATE	SEASONALLY ADJUSTED RATE
2006	January	5.3%	4.7%
	February	5.1%	5.0%
	March	4.9%	4.8%
	April	4.9%	5.0%
	May	4.6%	4.9%
	June	5.2%	5.1%
	July	5.3%	5.0%
	August	4.7%	4.8%
	September	4.7%	4.9%
	October	4.5%	4.6%
	November	4.4%	4.6%
	December	4.4%	4.5%
2007	January	5.0%	4.4%
	February	4.6%	4.3%
	March	4.4%	4.3%
	April	4.1%	4.2%
	May	3.8%	4.1%
	June	4.4%	4.4%
	July	4.6%	4.4%
	August	4.4%	4.5%
	September	4.4%	4.6%
	October	4.6%	4.8%
	November	4.8%	5.0%
	December	5.4%	5.4%
2008	January	5.6%	4.9%
	February	5.0%	4.7%
	March	4.8%	4.7%
	April	4.3%	4.4%
	May	4.5%	4.9%
	June	5.5%	5.5%
	July	5.9%	5.7%
	August	6.0%	6.2%

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

created in the local economy, there were fewer potential workers competing for those jobs. Sluggish growth in the labor force is likely the result of a slowdown in population growth, as well as a larger share of retired persons moving to the area.

According to ADOC estimates, job growth in Bisbee in 2007 was 1 percent, reflecting a net gain of 32 jobs. Although job growth rates by specific industry are not available at the city level; countywide, most of the job growth in 2007 occurred in the trade, transportation, and utilities industry grouping and state and local government. Construction; professional and business services; and the federal government saw the most job losses countywide. Overall, Cochise County lost 175 nonfarm jobs in 2007, for job growth of -0.5 percent. In August 2008, the number of nonfarm jobs in the county was down by 1,175 compared to August 2007, for a 12-month job growth rate of -3.1 percent.

Occupations and Classes of Workers

According to data collected during Census 2000, of those workers aged 16 years and older who reside in Bisbee: 29.7 percent were employed in sales and office occupations; 29 percent were employed in management, professional, and related occupations; and 26.2 percent were employed in service occupations. Production, trans-

portation, and material moving occupations employed approximately 9.1 percent of the city's workers, while construction, extraction, and maintenance occupations employed approximately 5.9 percent. Farming, fishing, and forestry occupations employed 0.2 percent of Bisbee workers in 2000.

Approximately 50.5 percent of Bisbee workers were private wage and salary workers, while 35.6 percent were government workers as of Census 2000. Major government employers in Bisbee include Cochise County government, Bisbee Unified School District, and the City of Bisbee. Self-employed workers in unincorporated businesses accounted for 12.6 percent of Bisbee workers, while unpaid family workers accounted for 1.3 percent.

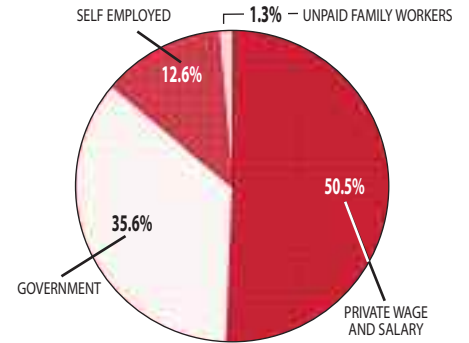
Industries

The industry grouping employing the largest number of Bisbee workers, as of Census 2000, was educational, health and social services, which employed approximately 20.3 percent; followed by retail trade (14.7 percent); public administration (14.3 percent); the arts, entertainment, recreation, accommodation, and food services industry grouping (9.9 percent); professional, scientific, management, administrative, and waste management services (7.9 percent); construction (7.4 percent); and other services (5.6 percent). The industry groupings of manufacturing; finance,

In 2008, the Cochise County government was the top employer in the Bisbee area.



BISBEE CLASSES OF WORKERS 2000



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

insurance, real estate, and rental and leasing; agriculture, forestry, fishing and hunting, and mining; transportation and warehousing, and utilities; and wholesale trade each employed fewer than 5 percent of Bisbee workers as of Census 2000.

Major Employers

In 2008, the Cochise County government was the top employer in the Bisbee area, employing 678 fulltime equivalent (FTE) employees. An FTE employee equals one fulltime or two part-time employees. Countywide, the Cochise County government employed 1,021 FTE employees in 2008. The Copper Queen Community Hospital was the second-largest employer in Bisbee, with 174 FTE employees. Third was the Bisbee Unified School District, employing 139 FTE employees. The City of Bisbee held the fourth-ranked position, with 112 FTE employees. Bisbee Hospitality Group was the fifth-ranked top employer, with 87 FTE employees.

The top employer list includes only those employers who responded to the Cochise College Center for Economic Research's (CER's) annual top employer survey. The CER makes every effort to ensure all large employers are given the opportunity to participate in the survey. Large employers in Cochise County that did not respond to the 2008 survey include the U.S. Department of Homeland Security, which includes the U.S. Border Patrol and Immigration and Customs

Enforcement, which have large contingencies in the Bisbee area. The Naco Border Patrol Station and the Naco Port of Entry likely employ several hundred workers, which were not included in the survey. Another large employer in Bisbee that did not respond to the 2008 survey was the Copper Queen Hotel, which had 61 FTE employees in 2007.

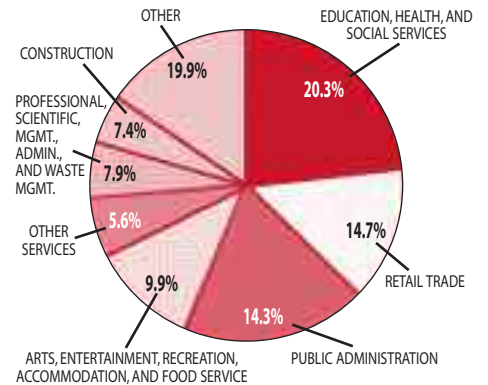
Most private-sector employers in Bisbee are small businesses. According to the U.S. Census Bureau, nearly 80 percent of all business establishments in Bisbee employed fewer than 10 workers each in 2006. More than half of all businesses employed fewer than 5 workers each.

Between 2002 and 2006, the number of business establishments in Bisbee decreased from 195 to 189, according to the U.S. Census Bureau. Despite the decline in the number of businesses, the number of private sector employees increased from 1,641 to 1,689, a 2.9 percent rise. From 2002 through 2006, the total annual payroll of businesses located in Bisbee increased from \$29.5 to \$34.1 million. On a per-employee basis, private-sector payrolls in Bisbee grew by 12.1 percent between 2002 and 2006, from \$17,991 to \$20,165.

Wages

The average wage per job in Bisbee in 2007 was \$15.14 per hour, compared to \$17.43 countywide, \$18.06 statewide, and \$19.56 nationally. The average annual wage in Bisbee in 2007 was \$31,501, com-

INDUSTRIES IN BISBEE, 2000 BY PERCENT OF WORKFORCE



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

BISBEE'S TOP EMPLOYERS, 2008

EMPLOYER	NUMBER OF FULLTIME EQUIVALENT (FTE) EMPLOYEES*
Cochise County	678
Copper Queen Community Hospital	174
Bisbee Unified School District No.2	139
City of Bisbee	112
Bisbee Hospitality Group	87
Catholic Community Services in Southeastern Arizona	81
Safeway	54
Turquoise Valley Golf, Restaurant & RV	31
SEABHS	22

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



Bisbee Breakfast Club offers employment opportunities.

BISBEE BUSINESS ESTABLISHMENTS, EMPLOYEES, AND PAYROLL

	2002	2003	2004	2005	2006
No. of Business Establishments	195	182	177	188	189
Number of Employees	1,641	1,581	1,583	1,635	1,689
Annual Payroll	\$29,523,000	\$27,279,000	\$30,078,000	\$32,340,000	\$34,059,000
Annual Payroll Per Employee	\$17,991	\$17,254	\$19,001	\$19,780	\$20,165
Annual Payroll Per Employee Growth	0.2%	-4.1%	10.1%	4.1%	1.9%

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

COCHISE COUNTY NON-FARM PAYROLL EMPLOYMENT

	2007	2006	CHANGE	% CHANGE
Total Nonfarm	37,800	37,975	-175	-0.5%
Total Private	25,675	25,850	-175	-0.7%
GOODS-PRODUCING	3,225	3,550	-325	-9.2%
Construction*	2,375	2,725	-350	-12.8%
Manufacturing	875	825	50	6.1%
SERVICE-PROVIDING	34,575	34,425	150	0.4%
Private Service-Providing	22,450	22,300	150	0.7%
Trade, Transportation, and Utilities	6,925	6,700	225	3.4%
Information	525	450	75	16.7%
Financial Activities	1,000	1,050	-50	-4.8%
Professional and Business Services	4,875	5,025	-150	-3.0%
Educational and Health Services	4,150	4,075	75	1.8%
Leisure and Hospitality	4,050	3,975	75	1.9%
Other Services	900	1,000	-100	-10.0%
Government	12,150	12,125	25	0.2%
Federal Government	4,750	4,900	-150	-3.1%
State and Local Government	7,400	7,225	175	2.4%

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

pared to \$36,263 for the county, \$37,560 for the state, and \$40,690 nationally. National wages are estimated by the U.S. Department of Labor; state and county figures are estimated by the Arizona Department of Commerce, and city figures are estimated by the CER.

Cochise County Employment

In 2007, Cochise County lost 175 non-farm jobs for job growth of -0.5 percent. The fastest growing industry grouping in 2007, as measured by its job growth rate, was information, which added 75 jobs for annual job growth of 16.7 percent. This was followed by manufacturing, which added 50 jobs for job growth of 6.1 percent. Other industry groupings that experienced job growth were trade, transportation, and utilities, which added 225 jobs (3.4 percent); state and local government, which added 175 jobs (2.4 percent); leisure and hospitality, which added 75 jobs (1.9 percent); and educational and health services, which also added 75 jobs (1.8 percent). Industry groupings that lost jobs in 2007 were construction, which lost 350 jobs (-12.8 percent); other services, which lost 100 jobs (-10.0 percent); financial activities, which declined by 50 jobs (-4.8 percent); federal government, which declined by 150 jobs (-3.1 percent); and professional and business services, which declined by 150 jobs (-3.0 percent). In August 2008, the number of nonfarm jobs in the county was down by 1,175 compared to August 2007, for a 12-month job growth rate of -3.1 percent.

Outlook

Countywide, we should expect continued job losses and rising unemployment through the remainder of 2008 and into 2009. The hardest hit industries will continue to be construction, financial activities, and other services. Much of this is tied to the decline in the county's housing and real estate market, which has followed state and national trends.

Due to the limited availability of data at the sub-county level, it is difficult to predict how this will impact Bisbee specifically. Bisbee's largest employer is the Cochise County government, which is likely to continue to be hit hard by declining revenues as a result of the slowdown in new construction, declining property values, and state budget woes, which threaten the flow of state sources of revenue. In 2008, the number of workers employed by the county in Bisbee dropped from 830 to 678, a decline of 18.3 percent. Countywide, the number of workers employed by the county government fell 1.7 percent.

Bisbee's housing market data suggest the city has been hit harder than other areas of the county, which could mean further job losses in real estate, financial activities, and related industries.

Bisbee's housing market data suggest the city has been hit harder than other areas of the county, which could mean further job losses in real estate, financial activities, and related industries.

BISBEE BUSINESS ESTABLISHMENTS BY EMPLOYMENT-SIZE CLASS, 2006

NUMBER OF ESTABLISHMENTS BY EMPLOYMENT-SIZE CLASS

INDUSTRY	TOTAL	1-4	5-9	10-19	20-49	50-99	100-249
Accommodation & food services	39	15	13	7	2	2	0
Admin, support, waste mgt, remediation services	7	3	3	1	0	0	0
Arts, entertainment & recreation	3	3	0	0	0	0	0
Construction	17	10	6	0	1	0	0
Educational services	1	0	1	0	0	0	0
Finance & insurance	6	3	2	1	0	0	0
Health care and social assistance	19	5	6	4	1	0	3
Information	4	3	1	0	0	0	0
Management of companies & enterprises	2	2	0	0	0	0	0
Manufacturing	1	1	0	0	0	0	0
Mining	2	1	0	0	1	0	0
Other services (except public administration)	16	10	4	2	0	0	0
Professional, scientific & technical services	18	14	1	3	0	0	0
Real estate & rental & leasing	8	6	2	0	0	0	0
Retail trade	36	18	9	5	3	1	0
Transportation & warehousing	2	1	0	0	1	0	0
Unclassified establishments	2	2	0	0	0	0	0
Utilities	2	1	0	1	0	0	0
Wholesale trade	4	2	0	1	0	1	0
TOTAL	189	100	48	25	9	4	3

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

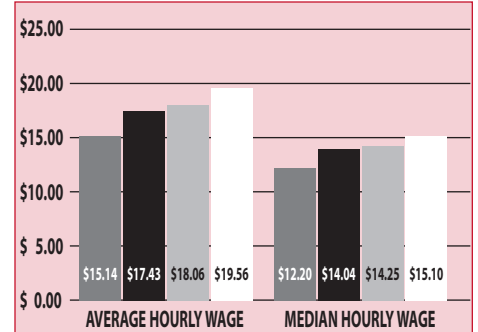
Other economic indicators such as retail sales, and sales in accommodations, suggest the tourism-related segments of the city's economy continued to perform well in the first half of 2008, while most of the rest of Cochise County saw declining economic activity. Thus, the city's tourism-related industries should help provide a buffer against steep job losses seen elsewhere in the county, state, and nation. Much of the strength of the city's tourism activities, however, has been tied to a weak U.S. dollar on the foreign exchange market, which makes travel to the United States less expensive for foreign visitors. At the time this publication went to print, however, the dollar was performing much more strongly against other major currencies due to the looming global financial crisis. Worldwide, early action by the U.S. Federal Reserve helped establish the dollar and dollar-de-

nominated securities as more secure than currencies of other nations that were facing fallout from overinvestment in U.S. mortgage securities. According to the Intercontinental Exchange's (ICE's) Futures Exchange, that organization's U.S. dollar index gained nearly 13 percent from March to October. A stronger dollar on the foreign exchange market, that may result if other nations are hit harder by the global credit crisis, could weaken Bisbee's tourism sector in 2009 and threaten jobs in those industries.

A Note on Employment Data

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

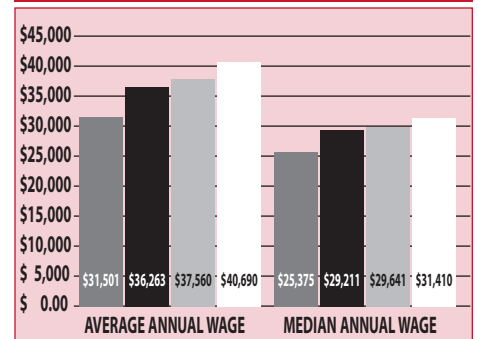
HOURLY WAGE COMPARISONS, 2007



Legend: Bisbee (dark grey), Cochise County (black), Arizona (light grey), United States (white)

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.

ANNUAL WAGE COMPARISONS, 2007



Legend: Bisbee (dark grey), Cochise County (black), Arizona (light grey), United States (white)

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

Retail trade *and* commerce

Santiago's Mexican Restaurant serves authentic Sonoran-style cuisine.



Although the population of Bisbee is 6,310, the Bisbee area includes nearby populated areas that create a community of more than 28,000, according to the Arizona Department of Commerce. This includes the City of Bisbee, the unincorporated area of Naco, the Southeast portion of Sierra Vista, and surrounding unincorporated areas including Hereford and Palominas. Thus, the commercial market in Bisbee serves a much larger population. In addition to the residential population of more than 28,000, local businesses also cater to tourists, sightseers, shoppers, and other visitors from across Cochise County and those traveling from other areas of the state and nation; as well as international tourists and day-shoppers from Mexico. Focus group discussions in Bisbee have indicated a large impact of Mexican shoppers, as evidenced by the large number of vehicles with Sonora, Mexico license plates parked in the city's retail centers on a daily basis. According to the Arizona Department of Transportation, approximately 9,000 vehicles per day travel along State Route 80 near the Brewery Gulch area of Old Bisbee.

According to data from the U.S. Department of Homeland Security, approximately 900 vehicles a day cross from Mexico into the United States through the Naco Port of Entry, with the vast majority of those vehicles traveling to or through Bisbee. Businesses in Bisbee also cater to military and civilian personnel stationed at nearby Fort Huachuca. One Bisbee restaurant – Café Roka – estimates that 15 to 18 percent of its business is related to Fort Huachuca. This includes business banquets; hosted parties of 8-12 attendees; and social dining by military and civilian personnel either employed by, or on official travel to, the fort.

Taxable Sales

In fiscal year 2007-2008 (July 1 through June 30), the City of Bisbee collected \$1.9 million in sales tax. This was up 2.5 percent from the previous fiscal year, failing to keep pace with inflation, which was 5 percent during the same period. The largest sales tax revenue generator was retail trade which accounted for 44.5 percent of the

total. This was followed by communications and utilities at 14.4 percent and restaurant and bar at 9.4 percent. Construction accounted for 7.2 percent of the city's sales tax revenue, followed by accommodation (6.9 percent); services (5.2 percent); real estate, rental and leasing (5.0 percent); manufacturing (0.7 percent); wholesale trade (0.4 percent); and finance and insurance (0.1 percent). The category of "other," which includes all industries not reported in one of the aforementioned industry groupings, accounted for 6.2 percent of total sales tax revenue collected by the city.

Retail trade generated the most new sales tax dollars for the city in fiscal year 2007-2008, increasing by 6.6 percent and bringing in an additional \$52,000 in tax revenue. The accommodation industry brought in an additional \$26,000 in tax dollars, up 25.3 percent from the previous year. Other industries that brought in additional tax revenue were communications and utilities, and the category of "other." Industries that generated less tax revenue in the most recent fiscal year were manufacturing; services; real estate, rental and leasing; restaurant and bar; wholesale trade; and construction.

Retail Sales

According to the U.S. Census Bureau, in 2006 there were 36 establishments in Bisbee whose primary business was retail trade. This was down from 37 the year prior. In 2007, retail sales in Bisbee totaled \$32.9 million, up 6.6 percent from 2006, for inflation-adjusted growth of 3.4 percent. Bisbee's retail sales in 2007 accounted for 4.1 percent of all retail sales countywide, up from 3.9 percent in 2006.

From January through July 2008, retail sales in Bisbee grew by 6.8 percent when compared to the same period of 2007, for inflation-adjusted growth of 2.3 percent. In the first 7 months of 2008, Bisbee's retail sales grew to 4.5 percent of the countywide total. The increase in Bisbee's share of the countywide retail market is due in part to declining sales elsewhere in the county. From January through July 2008, retail sales declined in every city in Cochise

County except Bisbee. Countywide, sales were down 3.5 percent in the first 7 months of the year, after adjusting for inflation. Bisbee's strong tourism industry in the first half of 2008, as evidenced by the strong performance of the city's accommodation industry, bolstered the city's retail sales.

Restaurant and Bar Sales

In 2007, restaurant and bar receipts in Bisbee totaled \$7.3 million, down 4.8 percent from 2006 after adjusting for inflation. In the first 7 months of 2008, restaurant and bar sales fell 7.3 percent when compared to the same period of 2007. It is important to note that the declines in 2007 and 2008 followed exceptionally strong growth in this industry in the previous two years. From 2004 to 2006, Bisbee's restaurant and bar sales grew by 40 percent after inflation. Thus, part of the reason for the declines in 2007 and 2008 was the higher base established by the strong-growth years.

AVERAGE ANNUAL DAILY TRAFFIC COUNT

LOCATION	2003	2004	2005	2006	2007
State Route 80 (State Route 90 to West Blvd - Bisbee)	4,500	5,500	5,500	5,600	5,400
State Route 80 (West Blvd - Bisbee to Brewery Gulch)	4,500	4,900	4,900	4,600	4,500
State Route 80 (Brewery Gulch to State Route 92/Bisbee Rd)	8,500	9,700	9,500	9,100	8,900
State Route 80 (State Route 92/Bisbee Rd to Warren Cutoff)	5,400	6,300	5,700	6,000	5,900
State Route 80 (Warren Cutoff to Double Adobe Rd)	5,400	6,200	5,500	5,800	4,600

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

BISBEE SALES TAX REVENUE COLLECTIONS, ANNUAL COMPARISON

INDUSTRY GROUP	FY 2007-2008	FY 2006-2007	GROWTH (\$)	GROWTH (%)
Retail Trade	\$840,823	\$789,088	\$51,735	6.6%
Accommodation	\$130,692	\$104,294	\$26,398	25.3%
Other	\$116,145	\$109,024	\$7,121	6.5%
Communications & Utilities	\$271,365	\$264,582	\$6,783	2.6%
Manufacturing	\$12,998	\$15,123	-\$2,125	-14.1%
Services	\$98,525	\$101,973	-\$3,448	-3.4%
Real Estate, Rental & Leasing	\$94,629	\$101,885	-\$7,256	-7.1%
Restaurant & Bar	\$178,290	\$189,065	-\$10,775	-5.7%
Wholesale Trade	\$6,631	\$17,636	-\$11,005	-62.4%
Construction	\$135,639	\$147,368	-\$11,729	-8.0%
Finance & Insurance	\$1,684	*	*	*
TOTAL	\$1,887,421	\$1,840,038	\$45,699	2.5%

*Data not available; prior to FY 2007-2008, data in this category were included in the category "Other." Note: The fiscal year begins July 1 and ends June 30. Source: Arizona Department of Revenue and Cochise College Center for Economic Research.

BISBEE RETAIL SALES

YEAR	SALES	% CHANGE	INFLATION-ADJUSTED GROWTH
2003	\$27,736,600	5.2%	2.9%
2004	\$27,280,080	-1.6%	-4.3%
2005	\$29,409,960	7.8%	4.4%
2006	\$30,871,000	5.0%	1.8%
2007	\$32,914,880	6.6%	3.4%
2008*	\$20,320,520	6.8%	2.3%

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

BISBEE ACCOMMODATION SALES

YEAR	SALES	% CHANGE	INFLATION-ADJUSTED GROWTH
2003	\$2,367,580	13.9%	11.6%
2004	\$3,056,260	29.1%	26.4%
2005	\$3,135,680	2.6%	-0.8%
2006	\$1,860,700	-40.7%	-43.9%
2007	\$2,302,820	23.8%	20.6%
2008*	\$1,661,040	20.1%	15.6%

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

BISBEE RESTAURANT & BAR SALES

YEAR	SALES	% CHANGE	INFLATION-ADJUSTED GROWTH
2003	\$4,670,880	-6.9%	-9.2%
2004	\$5,042,640	8.0%	5.3%
2005	\$5,893,800	16.9%	13.5%
2006	\$7,399,880	25.6%	22.4%
2007	\$7,284,800	-1.6%	-4.8%
2008*	\$4,287,680	-2.9%	-7.3%

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

BISBEE SHARE OF TOTAL COUNTY SALES

CATEGORY	2006	2007	2008*
Retail	3.9%	4.1%	4.5%
Restaurant & Bar	6.2%	5.9%	5.5%
Accommodation	5.3%	5.3%	6.1%

*January through July only. Source: Arizona Department of Revenue and Cochise College Center for Economic Research.



Express Stop, located across from the historic Warren ball park.

The decline in 2007 and 2008 is likely attributable to declining local patronage as a result of weak consumer confidence, recessionary concerns, and higher inflation. Worries over a pending recession lead households to reevaluate spending and eliminate nonessential spending such as dining out. Moreover, higher prices force households to cut unnecessary spending.

Accommodation Receipts

In 2007, accommodation (hotel, motel, and other temporary lodging) receipts in Bisbee totaled \$2.3 million, up 20.6 percent from the year prior, after adjusting for inflation. This mirrored strong growth countywide. In Cochise County, accommodation sales saw real growth of 19.7 percent in 2007.

The strong growth in this industry has been driven by a variety of factors, including a stronger tourism industry, as evidenced by a 14 percent increase in visits to the Bisbee Visitor Center in 2007. Another factor was an increase in room rates. According to data from the Arizona Office of Tourism, the average daily room rate in Cochise County increased by 10.1 percent in 2007. The increase was spurred by a strong demand for rooms, which was up 12.9 percent according to AOT. The supply of rooms in Cochise County was up 6.2 percent, mostly as a result of several new hotels that opened in Sierra Vista, approximately 30 miles from Bisbee.

Bisbee's accommodation receipts in 2007 accounted for 5.3 percent of the countywide total, the same level as in 2006. In the first 7 months of 2008, however, this jumped to 6.1 percent of the countywide total as a result of continued strong performance of this industry in Bisbee in contrast to declining sales countywide. From January through July, accommodation receipts in Bisbee were up 15.6 percent after inflation, compared to a 3.7 percent decline countywide.

Business Establishments

According to the U.S. Census Bureau, as of 2006 there were 189 business establishments located in the Bisbee area (zip code 85603). The industry with the largest number of businesses was accommodation and food services, which had 39 establishments. This was followed by retail trade, with 36 establishments. Next were healthcare and social assistance, with 19 establishments; professional, scientific, and technical services, with 18 establishments; construction, with 17 establishments; and other services, with 16 establishments. Other industries in Bisbee each had fewer than 9 establishments.

Bisbee Retail Out-Shopping Survey

In 2006, the Cochise College Center for

Economic Research (CER) conducted a survey of Bisbee residents to determine their level of retail out-shopping. Out-shopping refers to shopping done by Bisbee residents at businesses located outside the City of Bisbee. The survey included 409 Bisbee residents and was conducted at Bisbee grocery stores at random days and times over a six-week period.

Residents reported conducting between 45 and 50 percent out-shopping for most categories of retail goods. The categories that saw the lowest levels of out-shopping were health and personal care items; beer, wine, and liquor; gasoline; and groceries. The highest levels of out-shopping were for music (CDs, tapes, etc.); hobby supplies; videos (DVDs, VHS tapes, etc.); books; sporting goods; jewelry; children's clothing; women's clothing; men's clothing; and appliances. High levels of out-shopping provide an indication of unmet demand for retail goods or a lack of competitive pricing within the city, encouraging residents to shop elsewhere. Categories of retail goods with a high level of out-shopping present an opportunity for new businesses to enter the market to supply these goods, or for existing businesses to expand within the market.

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

Outlook

Although Bisbee's retail sales were up overall in the first 7 months of 2008, there have been some troubling signs. One cause for concern is that sales were actually down in

3 of the 7 months (March, May, and June). Also, countywide retail sales were down overall by 3.5 percent from January through July. Retail sales performance at the county level matches predictions of a recession nationwide, and this may eventually spill over into the Bisbee economy.

Bisbee was the only city in Cochise County to see a real increase in retail sales in the first 7 months of 2008. The city's strong tourism industry was likely a major contributor to the strong performance, but there are indications the city may see a slowdown in tourism in late 2008 and into 2009. One indicator is visitor center counts, which after five consecutive quarters of double-digit growth actually declined in the fourth quarter of 2007 and again in the second quarter of 2008. Visits to the Queen Mine Tour – the city's most popular attraction – were also down by 1.8 percent in the first 8 months of 2008. Moreover, the city's accommodation sales, after strong growth throughout most of the first half of 2008, saw a 17.5 percent inflation-adjusted decline in July.

One factor that has helped Bisbee's tourism industry is the declining value of the U.S. dollar on the foreign exchange market; this has made travel to the United States less expensive for foreign travelers. However, as the financial crisis that stemmed from rising defaults in U.S. mortgages has spread worldwide, impacting foreign investors and financial markets in other nations, the dollar began to regain ground in late 2008 relative to other leading currencies. A strong dollar may threaten Bisbee's tourism industry, diminishing the buffer this has helped provide. Another outcome of the strengthening dollar has been lower oil prices, which have lowered the price of gasoline. While it is difficult to measure the overall impact of gas prices on tourism, the net effect of higher prices appears to have been positive for tourism in Bisbee. Thus, lower gas prices may actually hurt tourism to the city. Also, domestic visitors, particularly those from other Arizona locations, may curtail day trips and other nonessential spending in the wake of deteriorating economic conditions at the state and national levels. Retail sales bear close monitoring in late 2008 and

BISBEE SALES TAX REVENUE BY INDUSTRY GROUP, FY 2007-2008

INDUSTRY GROUP	SALES TAX REVENUE	SHARE OF TOTAL SALES TAX REVENUE
Retail Trade	\$840,823	44.5%
Communications & Utilities	\$271,365	14.4%
Restaurant & Bar	\$178,290	9.4%
Construction	\$135,639	7.2%
Accommodation	\$130,692	6.9%
Other	\$116,145	6.2%
Services	\$98,525	5.2%
Real Estate, Rental & Leasing	\$94,629	5.0%
Manufacturing	\$12,998	0.7%
Wholesale Trade	\$6,631	0.4%
Finance & Insurance	\$1,684	0.1%
TOTAL	\$1,887,421	14.4%

Note: The fiscal year begins July 1 and ends June 30. Source: Arizona Department of Revenue and Cochise College Center for Economic Research.

BISBEE BUSINESS ESTABLISHMENTS

INDUSTRY	2002	2003	2004	2005	2006
Accommodation & food services	39	39	37	37	39
Admin, support, waste mgt, remediation services	5	6	6	6	7
Arts, entertainment & recreation	5	3	2	3	3
Auxiliaries	1	0	0	0	0
Construction	16	12	10	17	17
Educational services	3	2	1	1	1
Finance & insurance	5	4	4	5	6
Healthcare and social assistance	22	22	20	20	19
Information	3	3	3	4	4
Management of companies & enterprises	0	1	1	1	2
Manufacturing	3	0	1	0	1
Mining	1	1	2	2	2
Other services (except public administration)	21	19	19	20	16
Professional, scientific & technical services	19	17	19	18	18
Real estate, rental & leasing	9	4	7	8	8
Retail trade	33	37	34	37	36
Transportation & warehousing	3	4	4	3	2
Unclassified establishments	0	1	1	0	2
Utilities	1	1	2	2	2
Wholesale trade	6	6	4	4	4
TOTAL	195	182	177	188	189

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

RETAIL OUT-SHOPPING BY BISBEE RESIDENTS, 2006

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

Source: Cochise College Center for Economic Research.

2009, since this industry provides about 15 percent of jobs in the city and accounts for nearly half of the city's sales tax revenue.

Restaurant and bar sales performed poorly in 2007 and the first half of 2008 and this is likely to continue or even worsen in the second half of 2008 and into 2009. As of mid-year 2008 there were no signs of improvement, with sales down in each month for the eight consecutive months from December 2007 through July 2008. Recessionary fears and inflationary realities are likely to continue to create incentives for households to cut nonessential spending such as dining out. Performance of this industry is not likely to improve until broader economic conditions improve, which is not likely to occur until well into 2009. This industry bears close watching since it accounts for nearly 10 percent of the city's sales tax revenue and is the city's third largest sales tax generator.

There are several reasons to expect a slowdown in Bisbee's accommodation industry in 2008, despite the strong performance in the first half of the year. One

reason is the high base level sales established in 2007, which saw sales increase by more than 20 percent from the previous year. Another reason is the strengthening of the U.S. dollar on the foreign exchange market, which makes travel to the U.S. more expensive for foreign visitors. Despite the economic downturn in the United States, recent developments suggest the economies of other industrialized nations may be hit harder than the U.S. as a result of the fallout from higher default rates on U.S. mortgages, many of which were purchased by foreign entities. Signs of a slowdown in Bisbee's accommodation industry began to surface in early 2008, which saw accommodation receipts fall in April and again in July. This market bears close watching since the effects of a downturn could spill over into other industries in the city, including retail trade and restaurant and bar. Combined, the city's retail, accommodation, and restaurant and bar industries account for approximately 60 percent of the city's total sales tax revenue and about 25 percent of jobs in the city.

Housing, real estate, *and* commercial construction



Newer housing in the San Jose area.

New Residential Construction

In Cochise County, new home permits were down by nearly half in 2007. This followed a decline of nearly 20 percent the year prior. New home permits countywide fell from a housing boom peak of 1,108 in 2005 to 900 in 2006 and 472 in 2007. The overall decline in the 2 years from 2005 to 2007 was 57.4 percent. In the first 5 months of 2008, new home permits countywide were down by another 8 percent compared to the same period the year prior. From January through May, 206 permits were issued – compared to 224 in the same period of 2007.

At the city level, new home construction in Bisbee has been slow since 1997 due to a sewer hookup moratorium, which was lifted in late 2005. The moratorium was part of a consent order entered into by the City of Bisbee and the Arizona Department of Environmental Quality (ADEQ). Prior to the lifting of the moratorium, additional bathrooms or other utilities that may have strained the city's sewer system could not be added without prior approval from

ADEQ. This placed severe limitations on new construction in the city. In late 2004, Bisbee launched a \$32 million wastewater project to upgrade the city's century-old sewer system. As the project progressed, the moratorium was lifted for neighborhoods where the upgrades had been completed. By October 2005, the moratorium had been lifted for all neighborhoods, opening the door for new construction throughout the city. The lifting of the moratorium, however, coincided with the end of the housing boom and the nationwide downturn in the housing market; thus, new construction in the city has proceeded slowly. Several developers have expressed interest in developing large-scale residential communities in the city's San Jose district, including one project of nearly 2,000 homes; but such projects will not likely move forward until the nationwide housing market recovers and economic conditions improve. As of late 2008, recessionary fears at the national level have caused many developers to curtail new projects pending

NEW HOME PERMITS, COCHISE COUNTY

YEAR	PERMITS	CHANGE
2003	926	41.8%
2004	1,046	13.0%
2005	1,108	5.9%
2006	900	-18.8%
2007	472	-47.6%
2008*	206	-8.0%

*Jan-May only; comparisons to same period 1 year prior. Note: Includes site-built, single family residential homes only. Source: Bright Future Business Consultants of Tucson and Cochise College Center for Economic Research.

assessment of the length and severity of impending recessionary conditions, as well as the effectiveness of the national government's efforts to stimulate the nation's financial sector. Financial institutions had slowed lending for residential and commercial investment, as well as consumer lending, in response to heavy losses resulting from rising default rates.

Existing Home Sales

In 2007, the number of existing site-built homes (including townhouses and condominiums) sold in Cochise County fell 10.7 percent from the year prior. This followed a 20.6 percent decline in 2006. The decline continued into the first 9 months of 2008, with sales down 20.3 percent from the same period a year prior. The declines followed trends at the state and national level resulting from the end of the housing market boom; the subprime mortgage crisis and associated rising default rates; and the general credit crunch as financiers, suffering losses associated primarily with subprime lending, slowed the flow of capital to the nation's primary lenders.

The slowdown in home sales has brought home prices down slightly at the county level. Although the median price of a home sold in Cochise County was up 0.6 percent in 2007, from \$205,250 to \$206,579, the average price per square foot was down 3.7 percent from \$127.11 to \$122.44. In the first 9 months of 2008, the median price was down 3.9 percent to \$199,972 and the average price per square foot was down 4.3 percent to \$117.79 (comparisons are to the same period a year prior). It is important to note that these declines followed a period of strong growth

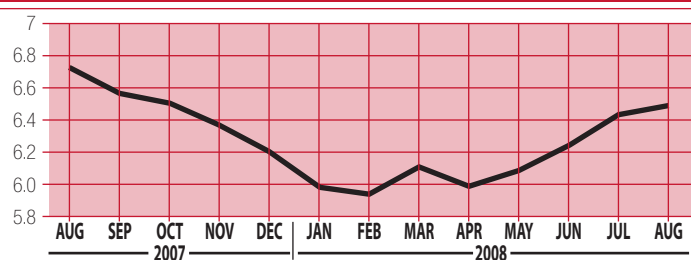
in home prices. From 2004 to 2006, the median price of a site-built home in Cochise County rose 36.8 percent and the average price per square foot increased 37.1 percent.

In 2007, the average site-built home in Cochise County sold for 96.4 percent of the asking price. This was down from 97.6 percent in 2006 and 98.4 percent in 2005, at the peak of the housing boom. In the first 9 months of 2008, the selling/asking price ratio dropped further to 95.9 percent. In 2007, the average home sold countywide was on the market for 134 days, up from 114 days the year prior. In the first 9 months of 2008, this further increased to 149 days.

Cochise County's manufactured home sales have also seen a decline in sales volume and price. In 2007, sales were down 7.5 percent countywide. This followed a 21.6 percent drop in 2006. In the first 9 months of 2008, sales were down 37.7 percent from the same period of 2007. Although the median price of a manufactured home in Cochise County was up 8.9 percent in 2007, from \$101,050 to \$110,000, the average price per square foot was up only 0.4 percent from \$73.25 to \$73.52. This indicates the median home price was pulled upward by the sale of larger homes. In the first 9 months of 2008, the median price stabilized at \$110,000; however, the price per square foot fell 3.6 percent compared to the same period of 2007.

In 2007, the average manufactured home in Cochise County sold for 94.1 percent of the asking price, down from 95.1 percent in 2006 and the housing boom peak of 96.5 percent in 2005. In the first 9 months of 2008, the selling/asking price ratio fell further to 93.4 percent. In 2007,

U.S. AVERAGE CONTRACT RATE, FIXED 30-YEAR NON-JUMBO MORTGAGES, AUGUST 2007-2008



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

NEW HOME PERMITS, CITY OF BISBEE

YEAR	NUMBER OF PERMITS	AVERAGE VALUE	AVERAGE VALUE CHANGE	MEDIAN VALUE	MEDIAN VALUE CHANGE
2005	10	\$72,046	—	\$53,500	—
2006	6	\$117,334	62.9%	\$93,000	73.9%
2007	8	\$77,229	-34.2%	\$71,206	-23.4%
2008*	3	\$73,728	-4.5%	\$40,000	-43.8%

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

the average manufactured home that was sold in Cochise County was on the market for 147 days, up from 129 the year prior. In the first 9 months of 2008 this increased to 158 days.

At the city level, existing home sales in Bisbee also peaked in 2005, with the sale of 128 homes listed on SAMLs. Since then, the sales volume has dropped each year, with a 2.3 percent drop in 2006, followed by a 19.2 percent drop in 2007. In the first 9 months of 2008, sales fell by 36.3 percent compared to the first 9 months of 2007. Also in the first 9 months of 2008, the median home price in Bisbee increased by 4 percent compared to the same period a year prior. This followed a 13.4 percent annual increase in 2007 and a 26 percent increase in 2006. Although the median price was up both in 2007 and 2008, the average price per square foot was down in both years. In 2007, the average price per square foot fell 0.8 percent, followed by a 0.6 percent drop in the first 9 months of 2008.

As of mid-October 2008, there were 1,041 active listings in Cochise County for single family residential homes (site-built, manufactured, and mobile homes, as well as townhouses and condominiums) on SAMLs. This represented an 11-month supply, based on the amount of time it took to sell the previous 1,041 homes. In Bisbee, there were 118 active listings, or a 17-month supply. A 6-month supply is commonly considered to be indicative of a healthy real estate market.

Housing Affordability

The Cochise College Center for Economic Research's (CER) Housing Affordability Index (HAI) gauges whether a family with the area's median income would qualify for a mortgage on a median-priced home. In 2007, the estimated median family income for Bisbee was \$51,570 and the median home price was \$140,000. In calculating the HAI, the CER considers the average effective interest rate (contract rate plus fees) on a fixed, 30-year conventional mortgage as reported by the Federal Housing Finance Board. In 2007, this rate was 6.24 percent.

The HAI for Bisbee in 2007 was 156.0. 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's 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, Bisbee's HAI of 156.0 indicates that a family with the median income had 156 percent of the income necessary to qualify for a conventional loan covering 80 percent of a median-priced, single-family home in 2007, or 56 percent more income than necessary to qualify.

From 2004 to 2006, homes became decisively less affordable in Bisbee, with the HAI falling from 194.1 to 146.4. From 2006 to 2007, however, homes became more affordable as interest rates fell and family incomes increased at a greater rate than home prices. While declining housing affordability is a concern, its effect is not

COCHISE COUNTY EXISTING HOME SALES (SITE-BUILT)

YEAR	SALES	CHANGE IN SALES VOLUME	MEDIAN PRICE	MEDIAN PRICE CHANGE	AVERAGE SOLD/ASK PRICE	AVERAGE PRICE PER SQ. FT.	AVE. PRICE PER SQ. FT. CHANGE	AVERAGE DAYS ON MARKET
2004	1,472	—	\$150,000	—	97.8%	\$92.74	—	111
2005	1,703	15.7%	\$186,000	24.0%	98.4%	\$113.52	22.4%	107
2006	1,352	-20.6%	\$205,250	10.3%	97.6%	\$127.11	12.0%	114
2007	1,208	-10.7%	\$206,579	0.6%	96.4%	\$122.44	-3.7%	134
2008*	760	-20.3%	\$199,972	-3.9%	95.9%	\$117.79	-4.3%	149

*Jan-Sep only; comparisons to same period 1 year prior. Note: Includes site-built homes, townhouses, and condominiums. Includes only those homes listed on the Southeast Arizona Multiple Listing Service. Source: Southeast Arizona Multiple Listing Service and Cochise College Center for Economic Research.

COCHISE COUNTY EXISTING HOME SALES (MANUFACTURED)

YEAR	SALES	CHANGE IN SALES VOLUME	MEDIAN PRICE	MEDIAN PRICE CHANGE	AVERAGE SOLD/ASK PRICE	AVERAGE PRICE PER SQ. FT.	AVE. PRICE PER SQ. FT. CHANGE	AVERAGE DAYS ON MARKET
2004	217	—	\$76,000	—	93.7%	\$53.28	—	132
2005	273	25.8%	\$91,000	19.7%	96.5%	\$65.41	22.8%	131
2006	214	-21.6%	\$101,050	11.0%	95.1%	\$73.25	12.0%	129
2007	198	-7.5%	\$110,000	8.9%	94.1%	\$73.52	0.4%	147
2008*	101	-37.7%	\$110,000	0.0%	93.4%	\$71.03	-3.6%	158

*Jan-Sep only; comparisons to same period 1 year prior. Note: Includes only those manufactured and mobile homes listed on the Southeast Arizona Multiple Listing Service. Source: Southeast Arizona Multiple Listing Service and Cochise College Center for Economic Research.

BISBEE EXISTING HOME SALES

YEAR	SALES	CHANGE IN SALES VOLUME	MEDIAN PRICE	MEDIAN PRICE CHANGE	AVERAGE SOLD/ASK PRICE	AVERAGE PRICE PER SQ. FT.	AVE. PRICE PER SQ. FT. CHANGE	AVERAGE DAYS ON MARKET
2004	113	—	\$90,500	—	95.0%	\$84.03	—	164
2005	128	13.3%	\$98,000	8.3%	94.3%	\$96.29	14.6%	119
2006	125	-2.3%	\$123,500	26.0%	95.6%	\$118.75	23.3%	126
2007	101	-19.2%	\$140,000	13.4%	94.3%	\$117.81	-0.8%	149
2008*	51	-36.3%	\$130,000	4.0%	93.1%	\$113.71	-0.6%	204

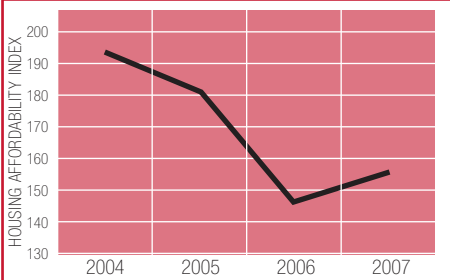
*Jan-Sep only; comparisons to same period 1 year prior. Note: Includes site-built, manufactured, and mobile homes, as well as townhouses and condominiums. Includes only those homes listed on the Southeast Arizona Multiple Listing Service. Source: Southeast Arizona Multiple Listing Service and Cochise College Center for Economic Research.

BISBEE HOUSING AFFORDABILITY INDEX (HAI)

YEAR	MEDIAN FAMILY INCOME	MEDIAN HOME PRICE	AMOUNT FINANCED	EFFECTIVE INTEREST RATE	MONTHLY PRINCIPAL AND INTEREST PAYMENT	HAI
2004	\$40,530	\$90,500	\$72,400	6.02%	\$435	194.1
2005	\$41,299	\$98,000	\$78,400	6.08%	\$474	181.5
2006	\$44,496	\$123,500	\$98,800	6.64%	\$634	146.4
2007	\$51,570	\$140,000	\$112,000	6.24%	\$689	156.0

Note: Based on the median homes price for residential homes (site-built, manufactured, and mobile homes, as well as townhouses and condominiums) sold on MLS. Presumes a 30-year conventional fixed-rate mortgage, a 20 percent down payment, and a 25 percent qualifying income ratio (principal and interest only). Source: Cochise College Center for Economic Research.

BISBEE HOUSING AFFORDABILITY INDEX



Note: Based on the median homes price for residential homes (site-built, manufactured, and mobile homes, as well as townhouses and condominiums) sold on MLS. Presumes a 30-year conventional fixed-rate mortgage, a 20 percent down payment, and a 25 percent qualifying income ratio (principal and interest only). Source: Cochise College Center for Economic Research.

COMMERCIAL BUILDING PERMITS (NEW CONSTRUCTION), CITY OF BISBEE

YEAR	NUMBER OF PERMITS	TOTAL VALUATION
2003	2	\$5,096,406
2004	5	\$451,027
2005	7	\$149,989
2006	3	\$376,481
2007	3	\$452,000
2008*	0	\$0

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

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.

Commercial Construction

The year 2003 saw \$5 million in new commercial construction investment in Bisbee. Since then, annual commercial construction investment for new construction in the city has averaged just over \$350,000, with investment of over \$450,000 in both 2004 and 2007. For the first 7 months of 2008, there were no new commercial construction permits issued within the city.

Outlook

Although home sales and new residential and commercial construction in Bisbee have been slow, the city is poised for growth as a result of the lifting of the sewer hookup moratorium. The problem is the moratorium was lifted at the end of the housing boom; and the period that followed was one of instability in the nation's real estate and financial activities

sectors. As a result, developers placed many planned projects on hold. As of late 2008, the national government had stepped in with efforts to stabilize the nation's financial markets by buying up bad debt and injecting liquidity into the market. Despite this emergency action, it will likely be some time before the nation's housing and real estate markets get moving again. For Cochise County, new residential construction likely hit bottom in 2007 and 2008, and may begin to recover in early 2009 – ahead of the state and national markets. There have already been partial recoveries, with higher levels of new residential construction in Sierra Vista and Benson in the first 3 quarters of 2008. In Bisbee, the large supply of existing homes will pose a challenge both to that segment of the market and to new construction, which will be in competition with the existing home market with its vast oversupply of homes. This will likely put greater downward pressure on prices. For commercial projects, general economic conditions will likely cause investors to pause well into 2009. Discount retailers and others that may benefit from economic downturns would be the exception.



In the first 7 months of 2008, there were 3 new home permits issued in Bisbee.

Bank deposits *and* bankruptcy filings



Bank of America on Main Street in Old Bisbee.

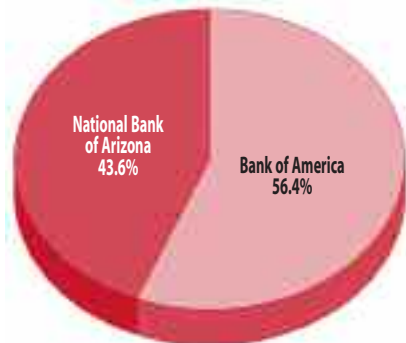
Bank Deposits

Bisbee is served by two banks: Bank of America and National Bank of Arizona. Within the Bisbee market, Bank of America had the larger market share in 2007, at 56.4 percent. National Bank of Arizona had 43.6 percent of the Bisbee market. Bank deposits in Bisbee in 2007 totaled \$98.7 million, up 3.2 percent from 2006. This followed a 16 percent increase the year prior – the largest,

single-year increase in bank deposits in Bisbee in at least a decade.

At the county level, bank deposits inched upward by 0.8 percent in 2007. Deposits at the county level remained above the \$1 billion mark, which was first achieved in 2006. In 2007, Bisbee bank deposits accounted for 9.5 percent of total deposits in the Cochise County market, up from 9.3 percent the year prior.

BISBEE BANK DEPOSITS, MARKET SHARE (CITY), 2007



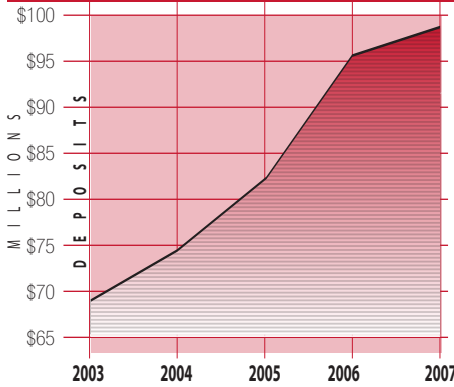
Source: Federal Deposit Insurance Company and the Cochise College Center for Economic Research.

BANK DEPOSITS

YEAR	BISBEE		COCHISE COUNTY	
	AMOUNT	CHANGE	AMOUNT	CHANGE
2003	\$69,010,000	2.9%	\$769,197,000	5.5%
2004	\$74,637,000	8.2%	\$824,453,000	7.2%
2005	\$82,444,000	10.5%	\$904,994,000	9.8%
2006	\$95,634,000	16.0%	\$1,025,652,000	13.3%
2007	\$98,671,000	3.2%	\$1,033,740,000	0.8%

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

BISBEE BANK DEPOSITS



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

BISBEE BANK DEPOSITS, SHARE OF COCHISE COUNTY MARKET

YEAR	SHARE OF COCHISE COUNTY MARKET
2003	9.0%
2004	9.1%
2005	9.1%
2006	9.3%
2007	9.5%

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

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

Bankruptcy Filings

In 2007, there were 180 bankruptcies filed from within Cochise County, up 42.9 percent from the year prior. This followed a 79.7 percent drop in filings in 2006. Adjusting for population size, Cochise County's bankruptcy rate in 2007 increased to 1.31 bankruptcies per 1,000 residents, up from 0.93 in 2006.

The remarkable decrease of bankruptcies in Cochise County in 2006 followed the trend at the state and national levels. At the national level, bankruptcy filings dropped 70.3 percent, while Arizona saw an 80.6 percent drop. The decline was due primarily to the implementation of the Bankruptcy Abuse Prevention and Consumer Protection Act, which took effect in October 2005. The act requires that most individual debtors complete a special briefing from an approved credit counseling agency before filing for bankruptcy.

The 2007 increase in bankruptcy filings in Cochise County outpaced increases at the state and national levels. At the state level, filings increased 25.1 percent, while nationally they increased 29.7 percent; compared to an increase of nearly 50 percent in Cochise County. The 2007 increases at the county, state, and national levels likely reflect, in large part, a societal adjustment to the credit counseling requirements of the 2005 legislation. The year 2006 was the first full year the new requirements were in place, leading to the dramatic drop in filings that year. Despite the increases in 2007, filings at the county, state, and national levels remained considerably below the pre-legislation figures.

Cochise County's bankruptcy rate has remained considerably below state and national levels since the beginning of the new millennium. In 2007, Cochise County experienced 1.31 bankruptcies per 1,000 residents, compared to 1.50 at the state level and 2.66 nationally. In 2007, Cochise County's bankruptcy rate was 12.7 percent below the state level and 50.8 percent below the national level, reflecting a relatively healthy environment for lending and borrowing.

COCHISE COUNTY BANKRUPTCY FILINGS

YEAR	POPULATION	TOTAL FILINGS	FILINGS PER 1,000 POP.
2003	125,430	533	4.25
2004	129,600	504	3.89
2005	131,790	620	4.70
2006	135,150	126	0.93
2007	137,200	180	1.31

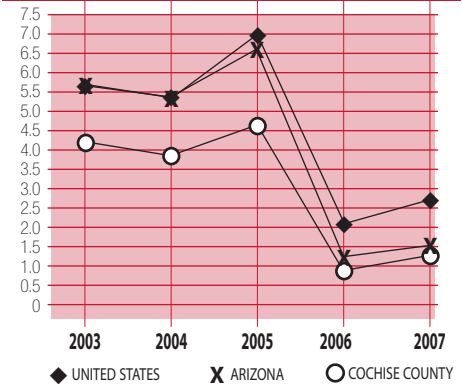
Source: U.S. Bankruptcy Court, Tucson Division; U.S. Census Bureau; Arizona Department of Commerce; and Cochise College Center for Economic Research.

BANKRUPTCY FILINGS PER 1,000 RESIDENTS

YEAR	COCHISE COUNTY	ARIZONA	UNITED STATES
2003	4.25	5.64	5.71
2004	3.89	5.37	5.44
2005	4.70	6.62	7.01
2006	0.93	1.24	2.07
2007	1.31	1.50	2.66

Note: For 2007, county data reflect the calendar year and state and national data are from 12-month period ending on September 30. All other data reflect the calendar year. Source: U.S. Bankruptcy Court, Tucson Division; U.S. Census Bureau; Arizona Department of Commerce; and Cochise College Center for Economic Research.

BANKRUPTCY FILINGS, (PER 1,000 RESIDENTS)



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

Mexico



The Naco Port of Entry for vehicle and pedestrian traffic is open 24 hours a day, 7 days a week.

The economy of Cochise County is significantly impacted by that of Mexico. The 82-mile shared border between Cochise County and Sonora, Mexico serves as a crossover point for millions of visitors from Mexico each year, ranging from day shoppers and workers who cross legally through the designated ports of entry at Naco and Douglas, to drug and illegal alien smugglers who cross illegally through the Sonoran desert. The Naco Port of Entry is approximately 9 miles from Bisbee, while the Douglas Port is approximately 22 miles from Bisbee. Cochise College Center for Economic Research (CER) focus group discussions in Bisbee indicate the city hosts a large number of Mexican shoppers, indicated by a large proportion of vehicles with license plates from Sonora, Mexico parked daily at the city's retail outlets.

In addition to visitors from Mexico, the Naco and Douglas ports also serve as crossover points for about 2.5 million U.S. visitors traveling to Mexico each year. As noted by the Arizona Department of Commerce, the Janos Highway (which begins in Douglas) is the shortest paved

route in the western United States to Mexico City and Guadalajara. In early 2008, a provision of the Western Hemisphere Travel Initiative took effect, which requires U.S. citizens returning from Mexico to show a government-issued identification card (e.g., a driver's license) and proof of citizenship (e.g., a birth certificate). This likely has contributed to the decline in the number of U.S. citizens crossing the border. In Naco, U.S. citizen crossings were down 3.1 percent in the first 3 months of 2008; in Douglas, the decline was much steeper at 25.2 percent.

Naco, Sonora

The town of Naco, Sonora, Mexico shares a border with Naco, Arizona, an unincorporated area of Cochise County approximately 9 miles from Bisbee. The population of Naco, Sonora as of 2000 was 5,370, according to Mexico's El Instituto Nacional de Estadística, Geografía e Informática (INEGI). The population of the Naco, Arizona Census Designated Place (CDP) as of 2000 was 833, according to the U.S.

US-MEXICO BORDER CROSSINGS, NACO PORT

	U.S. CITIZENS		NON-U.S. CITIZENS		VEHICLES	
	CROSSINGS	% CHANGE	CROSSINGS	% CHANGE	CROSSINGS	% CHANGE
2003	214,949	—	756,782	—	343,411	—
2004	262,684	22.2%	870,187	15.0%	345,959	0.7%
2005	405,921	54.5%	957,048	10.0%	320,432	-7.4%
2006	395,447	-2.6%	846,705	-11.5%	321,357	0.3%
2007	226,291	-42.8%	739,664	-12.6%	323,422	0.6%
2008*	48,392	-3.1%	165,233	-11.4%	70,680	-11.2%

*January through March only; percent change based on comparison to same period one year prior. Note: Includes only those crossing from Mexico into the United States. Source: U.S. Customs and Border Protection and the University of Arizona's Economic and Business Research Center.

US-MEXICO BORDER CROSSINGS, DOUGLAS PORT

	U.S. CITIZENS		NON-U.S. CITIZENS		VEHICLES	
	CROSSINGS	% CHANGE	CROSSINGS	% CHANGE	CROSSINGS	% CHANGE
2003	2,310,310	—	3,447,921	—	2,123,801	—
2004	2,010,095	-13.0%	3,003,384	-12.9%	2,120,724	-0.1%
2005	2,174,486	8.2%	3,151,861	4.9%	2,137,150	0.8%
2006	2,154,087	-0.9%	3,244,392	2.9%	1,983,618	-7.2%
2007	1,986,069	-7.8%	3,157,669	-2.7%	1,776,456	-10.4%
2008*	364,203	-25.2%	797,101	7.9%	418,841	-6.1%

*January through March only; percent change based on comparison to same period one year prior. Note: Includes only those crossing from Mexico into the United States. Source: U.S. Customs and Border Protection and the University of Arizona's Economic and Business Research Center.

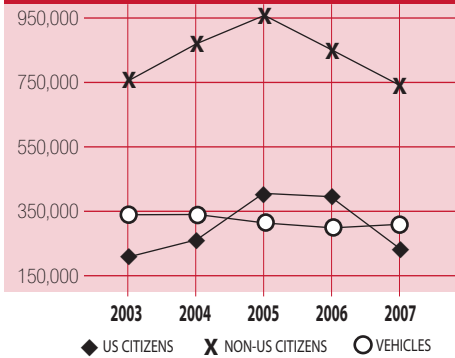
Census Bureau.

With thousands of border crossings into the United States each day at the Naco Port of Entry, the area serves as a gateway to Cochise County's retail shopping outlets. A 2002 study conducted by the University of Arizona indicated that 85 percent of Mexico residents entering the United States through the Naco port did so for the purpose of shopping – the highest proportion of all ports of entry in the State of Arizona.

The Naco Port of Entry for vehicle and pedestrian traffic is open 24 hours a day, 7 days a week. Between 2003 and 2007, an average of 1.1 million people each year (more than 3,100 per day) passed through the pedestrian walkway at the Naco Port of Entry from Mexico into the United States. About 73 percent of these were non-U.S. citizens, while 27 percent were U.S. citizens returning from Mexico. In addition, more than 330,000 vehicles each year (more than 900 per day) enter the United States from Mexico through the Naco port.

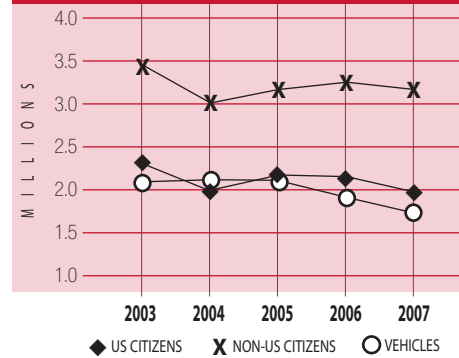
In 2007, the number of non-U.S. citizens entering from Mexico into Naco, Arizona through the pedestrian crossing was down 12.6 percent, following an 11.5 percent decline the year prior. In the first 3 months of 2008, non-U.S. citizen crossings were down 11.4 percent, compared to the same period a year prior. Vehicle crossings

US-MEXICO BORDER CROSSINGS: NACO, AZ



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 Center.

US-MEXICO BORDER CROSSINGS: DOUGLAS, AZ



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 Center.

through the Naco Port of Entry were up 0.6 percent in 2007, but were down 11.2 percent in the first quarter of 2008.

Agua Prieta, Sonora

The City of Douglas shares a border with Agua Prieta, Sonora, Mexico, approximately 22 miles from Bisbee. With thousands of border crossings into the United States each day at the Douglas Port of Entry, the cities of Douglas, Bisbee, and other areas of Cochise County host many foreign shoppers, workers, and other visitors. A 2002 study conducted by the University of Arizona indicated that more than 70 percent of Mexico residents entering the United States through the Douglas Port did so for the purpose of shopping. Just over 21 percent of visitors reported work as the purpose of their visit – the highest proportion of all ports of entry in the State of Arizona.

Population estimates for Agua Prieta vary widely, generally ranging from about

60,000 to 150,000, although some estimates have placed the city's population close to 200,000. According to figures provided by the Agua Prieta municipal government, the city's population in 2006 was 100,000, of which 35 percent were economically active. The city's unemployment rate in 2006 was 15 percent,

with a total labor force of 35,000, according to municipal government figures.

Agua Prieta was traditionally a ranching, farming, and copper smelting community, but since the passage of the North American Free Trade Agreement (NAFTA) in 1993 the town has seen a significant increase in maquiladoras (twin factories), which are foreign-owned factories that manufacture and assemble products for export. Major industrial employers in Agua Prieta in 2006 were Levolor Kirsh, a blinds manufacturer employing 2,100 workers; Commercial Vehicle Group, an automotive manufacturer employing 2,000 workers; Takata, a seat belt/harness manufacturer employing 1,200 workers; Velcro USA, a textile and Velcro products manufacturer employing 850 workers; and Standex International, an electronics manufacturer employing 965 workers.

Agua Prieta's general infrastructure, according to the municipal government, includes 50 hotels and motels, 30 restaur-

rants, a museum, two theaters, two bookstores, five private clubs, a bowling club, two gymnasiums, two shopping centers, seven gas stations, six local radio stations (AM/FM), three supermarkets/food stores, three local newspapers, a post office, six main banks, six private hospitals, three public hospitals, and two sports arenas. Transportation infrastructure includes six national, intercity bus companies; a local public transport intra-city bus system with 25 routes; eight local and international trucking companies; a rail line; and an interstate airline.

The Douglas Port of Entry for vehicle and pedestrian traffic is open 24 hours a day, 7 days a week. Between 2003 and 2007, an average of more than 5.3 million people each year (more than 14,600 per day) passed through the pedestrian walkway at the Douglas Port of Entry from Agua Prieta 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 million vehicles each year (more than 5,500 per day) enter Douglas from Agua Prieta through the port of entry.

In 2007, the number of non-U.S. citizens entering from Mexico into Douglas through the pedestrian crossing was down 2.7 percent. In the first 3 months of 2008, however, non-U.S. citizen crossings were up 7.9 percent compared to the same period a year prior. Vehicle crossings through the Douglas Port of Entry were down 10.4 percent in 2007, and were down 6.1 percent in the first quarter of 2008.

Economic Impact

In 2002, the University of Arizona published a study that measured the economic impact of Mexican visitors' spending statewide. The results were based on a year-long survey of Mexican visitors returning from Arizona at the Phoenix and Tucson airports, as well as six border ports of entry, including the Naco and Douglas ports in Cochise County. The study is scheduled to be updated in 2008.

The 2002 study indicated that, statewide, the primary reason for visits was shopping, which accounted for 72 percent of total visits. Other reasons included work (14 percent); visiting family (8 percent); and vacation, medical, business, and personal (less than 3 percent each). At the two ports of entry in Cochise County, 70.6 percent of visitors at the Douglas port and 85 percent at the Naco port listed shopping as the purpose of their visit. At the Douglas port, 23.9 percent reported work as the purpose of their visit, the highest rate in the state.

The study showed that, in 2001, Mexican visitors to Cochise County spent an estimated \$96.8 million (\$113.3 million in 2007 dollars) in the county. Of this amount (note: Figures in parenthesis reflect 2007 dollars): \$49.4 million (\$57.8 million) was spent in grocery stores; \$17 million (\$19.9 million) was spent in department stores; \$16.3 million (\$19.1 million) was spent at restaurants;

and \$12.8 million (\$15 million) 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 (\$67.3 million in 2007 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 indirect and induced jobs and wages. The study indicated that, in 2001, 5.9 percent of all taxable sales in the county were attributable to Mexican visitors.

US-MEXICO BORDER CROSSINGS, COCHISE COUNTY, BY MONTH

	DOUGLAS			NACO		
	U.S. CITIZENS	NON-U.S. CITIZENS	VEHICLES	U.S. CITIZENS	NON-U.S. CITIZENS	VEHICLES
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
January 2007	162,581	244,559	151,394	13,929	62,775	26,556
February	154,105	234,320	140,997	16,377	56,112	24,637
March	170,502	259,701	153,690	19,609	67,590	28,404
April	172,851	250,185	158,978	18,039	60,948	27,040
May	193,073	290,798	166,194	30,151	56,810	26,773
June	171,554	258,387	138,900	17,015	57,341	25,994
July	173,402	261,170	139,258	17,481	59,107	26,471
August	168,275	242,952	148,110	18,354	62,336	27,271
September	176,712	266,157	143,262	16,999	57,874	24,691
October	185,770	272,439	148,837	17,572	60,033	25,262
November	125,794	278,722	142,632	18,244	62,192	26,655
December	131,450	298,279	144,204	22,521	76,546	33,668
January 2008	115,393	251,845	133,322	14,414	49,366	20,891
February	123,185	268,933	142,177	15,477	52,604	22,585
March	125,625	276,323	143,342	18,501	63,263	27,204

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.

Fort Huachuca

Fort Huachuca has a rich heritage and is a National Historic Landmark.



Fort Huachuca is an active U.S. Army installation located approximately 35 miles northwest of Bisbee. The fort is home to nearly 6,000 active duty military personnel, about 40 percent of whom are students temporarily assigned to the fort for training. Approximately 3,000 military family members also reside on Fort Huachuca and in surrounding communities. Bisbee's restaurant and bar industry, along with the retail industry in Old Bisbee, benefits from day visitors from Fort Huachuca. One Bisbee restaurant – Café Roka – estimates that 15 to 18 percent of its business is related to Fort Huachuca. That includes business banquets; hosted parties of 8-12 attendees; and social dining by military and

civilian personnel either employed by, or on official travel to, the fort. San Jose planning charrette discussions regarding future growth in the city's San Jose district included mention of the potential for San Jose to serve as a residential housing

market for military and civilian personnel working on the fort.

Economic Impact

COCHISE COUNTY'S TOP EMPLOYER

In 2008, Fort Huachuca remained Cochise County's top employer, according to the Cochise College Center for Economic Research's (CER's) annual Top 75 Employer Survey. Fort Huachuca has been the top employer in Cochise County every year since the CER began conducting the survey in 2000. According to the *Arizona Daily Star's* annual "Star 200" employer survey, the fort was the seventh largest employer in all of Southern Arizona in 2008.

In 2008, Fort Huachuca employed 7,315 fulltime equivalent (FTE) employees, which includes active duty military personnel and Department of the Army civilian employees. An FTE employee is equal to one fulltime or two part-time employees. The fort's number of FTE employees includes only those workers employed directly by the fort. There are several thousand workers who report to work on Fort Huachuca but

According to the *Arizona Daily Star's* annual "Star 200" employer survey, the fort was the seventh largest employer in all of Southern Arizona in 2008.

are not employed directly by the fort. This includes employees of the Fort Huachuca Accommodation Schools (FHAS), which reports its employees separately and was the county's 36th largest employer in 2008. Although located on Fort Huachuca, FHAS schools are Arizona public schools that fall under the Arizona Department of Education; they are not Department of Defense Dependent Schools (DoDDS). The school district is under the direction and authority of the Cochise County School Superintendent, who serves as the district's one-person governing board. Financial support for FHAS is derived from state aid and federal impact aid.

Also not included in the fort's direct employment numbers are employees of defense contracting firms. These employees are reported by the contracting firms that directly employ them, such as Northrop Grumman Corporation, which is the county's 5th largest employer; and Newtec, LLC, which is the county's 14th largest employer. Fort Huachuca has a large impact on the local economy through indirect employment. In 2008, eight of Cochise County's top 75 employers were professional and business service firms whose customer base, in whole or large part, was Fort Huachuca. This included Northrop Grumman; Newtec; Science Applications International Corporation (SAIC); Command & Control Systems and Software (C2S2); All Star Services; Integrated Systems Improvement Services (ISIS); ManTech Telecommunications and Information Systems Corporation; and Computer Sciences Corporation (CSC). Combined, these firms employed 2,019 FTE employees in 2008, or 9.1 percent of the total workers employed by the county's 75 largest employers. It is important to note that not all of these employees work in direct support of the fort, as several of the firms have customer bases beyond Fort Huachuca. For example, SAIC serves customers across the United States and internationally from its site in Sierra Vista.

THE MAGUIRE REPORT

In 2008, the Maguire Company, in collaboration with ESI Corp, released the results of its *Economic Impact of Arizona's Principal*

Military Operations study, commonly referred to as the Maguire Report. According to the study, the direct, indirect, and induced employment impact of Fort Huachuca on Cochise County was 26,921 FTE jobs, which includes the fort's direct employees, as well as those employed due to government contracts and spending by the fort and its employees. Nearly 83 percent of the indirect and induced employment generated by Fort Huachuca occurred in the retail trade and services industries. The total economic impact of the fort on Cochise County was estimated at \$2.4 billion annually. Nearly 42 percent of this impact was the result of indirect and induced economic activity in the county's retail trade and services industries. The report also estimated that the direct, indirect, and induced economic activity of Fort Huachuca generated \$23.2 million per year in local sales tax and \$17.3 million in local property tax in Cochise County.

U.S. Fish and Wildlife Service Biological Opinion

In recent years, Fort Huachuca has been engaged in litigation with the Center for Biological Diversity (CBD) and the Maricopa Audubon Society (MAS). CBD and MAS alleged Fort Huachuca was in violation of the Endangered Species Act. The allegations stemmed primarily from water use by the fort, as well as water use that results from Fort Huachuca's indirect and induced employment and any resultant population increases.

In late 2006, the CBD, MAS, and Fort Huachuca 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, which was released in June 2007, reexamined the environmental impact of Fort Huachuca. The biological opinion concluded that the proposed ongoing and future military operations and activities at Fort Huachuca were not likely to adversely affect the endangered species in question: the Canelo Hills ladies' tresses (*Spiranthes delitescens*); the threatened bald eagle (*Haliaeetus leuco-*



Fort Huachuca remains Cochise County's top employer.

cephalus); the endangered jaguar (*Panthera onca*); the threatened spikedace (*Meda fulgida*) with critical habitat; the endangered Gila topminnow (*Poeciliopsis occidentalis occidentalis*); and the endangered desert pupfish (*Cyprinodon macularius*).

The biological opinion noted that Fort Huachuca had been a recognized leader in energy and water reduction initiatives for more than a decade; water use had been reduced by over 50 percent, or over half a billion gallons per year; the fort had been below the federal energy conservation goals for more than a decade; and the fort had increased the use of renewable energy in the form of solar and wind, neither of which consume water in the production of electricity. Perhaps most important to the future of Fort Huachuca, the FWS biological opinion determined that Fort Huachuca can accommodate additional growth, accomplish the mission, and continue to meet water conservation measures.

History

Fort Huachuca, a National Historic Landmark, was established during the Indian Wars of the 1870s and 1880s. In

1877, Camp Huachuca was established to protect settlers and travel routes in southeastern Arizona and block 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 almost 20 years. The 10th Cavalry joined General John J. Pershing in the 1916 expedition into Mexico. During World War I, the fort was assigned the mission of guarding the U.S.-Mexican border.

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

In 1967, Fort Huachuca became headquarters to the U.S. Army Strategic Communications Command. In 1971, the fort became home to the U.S. Army Intelli-

gence Center and School. Also in 1971, the fort was annexed into Sierra Vista, bringing additional tax revenue to the city and Cochise County.

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 11th Signal Brigade; the Unmanned Aerial Systems Training Battalion of the U.S. Army Aviation Center; 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. For more information on Fort Huachuca, visit <http://huachuca-www.army.mil>.

Cochise County agriculture



Agriculture is a large part of the Cochise County economy.

Agriculture is a large part of the Cochise County economy. While most of the county's agricultural production occurs in the eastern part of the county in the Sulphur Springs Valley, considerable production continues in the San Pedro Valley.

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 (mostly beef cows), layers, sheep and lambs, and hogs and pigs.

Between 1997 and 2002, the number of farms in Cochise County grew by 126, or 15.3 percent, from 824 to 950, according to the 2002 Census of Agriculture conducted by the U.S. Department of Agriculture (USDA). 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 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. County-wide, the average value of land and buildings per farm grew from \$546,000 to \$705,000, an increase of 29.2 percent, for inflation-adjusted growth of 17.1 percent. The average market value of land and buildings per acre of farmland grew by 81.3 percent, from \$348 to \$631, for an inflation-adjusted increase of 69.2 percent. The estimated market value of machinery and equipment per farm in Cochise County grew from \$41,000 to \$53,000 between 1997 and 2002, an inflation-adjusted increase of 17.4 percent.

The changing structure of farms in Cochise County was 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 declined between 1997 and 2002, 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 13.2 percent increase in acres of cropland while the overall acreage of farms in the county dropped by 23.1 percent.

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.

USDA conducts the Census of Agriculture every five years, in years ending in a 2 or 7. The 2007 forms were mailed out in late December 2006. Recipients were asked to complete and return their report forms by February 4, 2008, providing data for the 2007 calendar year. The final series of reports will be available on the USDA – National Agricultural Statistics Service (NASS) website at www.nass.usda.gov in early 2009.

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



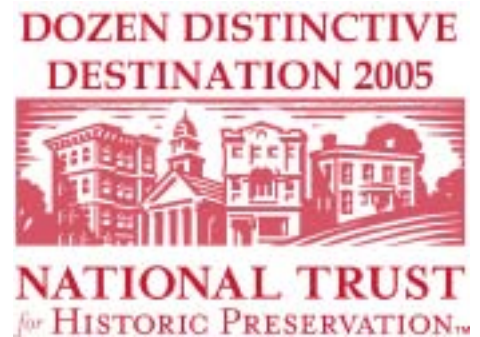
The Bisbee Visitor Center underwent renovations in 2008.

General Overview

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

small bed-and-breakfast establishments. A recent focus of the city has been on transforming Bisbee into a year-round tourist destination, rather than a seasonal one. Toward that goal, the city has sought to sponsor events in the traditional off-season months of June, July, and August. Bisbee’s high elevation – 5,350 feet – gives it a distinct advantage in this regard. Temperatures in Bisbee during the summer months are typically several degrees cooler than most other areas of Cochise County and Arizona.

Bisbee’s close proximity to Mexico lures travelers through the city who plan to



BISBEE VISITOR CENTER, VISITOR COUNTS

	1ST QTR	CHANGE	2ND QTR	CHANGE	3RD QTR	CHANGE	4TH QTR	CHANGE	ANNUAL	CHANGE
2003	11,089	-0.1%	7,038	-30.6%	5,308	-17.5%	8,498	-1.3%	31,933	-12.0%
2004	12,069	8.8%	8,182	16.3%	6,940	30.7%	9,993	17.6%	37,184	16.4%
2005	17,403	44.2%	9,980	22.0%	7,582	9.3%	11,283	12.9%	46,248	24.4%
2006	19,232	10.5%	9,904	-0.8%	8,662	14.2%	12,987	15.1%	50,785	9.8%
2007	21,605	12.3%	12,952	30.8%	10,720	23.8%	12,624	-2.8%	57,901	14.0%
2008	23,725	9.8%	12,729	-1.7%					*36,454	5.5%

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

cross at the nearby ports of entry in Naco and Douglas. In 2008, a provision of the Western Hemisphere Travel Initiative took effect, which requires U.S. citizens returning from Mexico to show a government issued identification card (e.g., a driver's license) and proof of citizenship (e.g., a birth certificate). This is likely to lead to a decline in the number of U.S. citizens crossing the border, which may impact the various sectors of the Bisbee economy that cater to that group of travelers. The provision does not impact Mexican nationals crossing into the United States.

In October 2008, Bisbee was named one of America's 20 Prettiest Towns by ForbesTraveler.com. In March 2005, the National Trust for Historic Preservation, the nation's largest private, nonprofit preservation organization, recognized Bisbee as one of *America's Dozen Distinctive Destinations*. Bisbee was the first community in Arizona to receive that distinction. The annual list is comprised of what the trust characterizes as "unique and lovingly preserved communities" in the United States. Bisbee was selected from more than 80 communities in 44 states, nominated by individuals, preservation organizations, and local communities. Richard Moe, president of the National Trust for Historic Preservation, in describing Bisbee declared: "To visit Bisbee is to step back in time...Travelers from all over the world come to Bisbee to savor its unique charm - an uncommon blend of history, creativity, friendliness, style, romance and adventure, all wrapped in the rugged splendor of the Old West."

In April 2002, *Money* magazine listed Bisbee as one of the top 10 places to vacation in the United States, citing its climate and accessibility to a variety of nearby attractions. Bisbee has also received recognition in *National Geographic Traveler*, *National Geographic Adventurer*, *Budget Travel*, *Travel and Leisure*, Alaska Airlines and Great Lakes Airlines in-flight magazines, and *Mother Earth News*. The city has also been profiled in the *Los Angeles Daily News* and *The Guardian*, published in the United Kingdom.

Cochise County communities, including Bisbee, have joined together forming

the Cochise County Tourism Council (CCTC). The marketing efforts of the CCTC, which are funded by the individual communities, Cochise County, and grant dollars from AOT, market Cochise County as a single entity. For more information, visit www.explorecochise.com. For more information on Bisbee, contact the Bisbee Visitor Center at (520) 432-3554 or toll-free at (866) 224-7233; or visit www.discoverbisbee.com.

Visitor Attractions and Activities

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

Another popular tourist activity is the Bisbee Mining & Historical Museum, the West's first rural Smithsonian Institute affiliate. Featured among its exhibits is "Bisbee: Urban Outpost on the Frontier," an in-depth look at the lives of early miners and settlers; as well as "Digging In," which tells the story of copper from a uniquely Bisbee perspective. The museum attracts more than 20,000 visitors each year.

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

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

The nearby Turquoise Valley Golf & RV Park is Arizona's oldest, continuously

operated golf course and is home to Arizona's only Par 6, the longest golf hole west of the Mississippi at 747-yards. Turquoise Valley Golf & RV Park is the only Cochise County course to be named in Bill Huffman's "Arizona's Greatest Golf Courses."

Nearby locations of interest include the historic John Slaughter Ranch; Naco and Agua Prieta, Sonora, Mexico; the cities of Tombstone and Douglas; the ghost towns of Charleston and Dos Cabezas; Fort Bowie National Historic Site; Fort Huachuca; Coronado National Memorial; Cochise Stronghold; Texas Canyon; San Bernardino Wildlife Refuge; Chiricahua National Monument; Coronado National Forest; the Chiricahua Mountains; and Historic Arizpe in Sonora, Mexico. Combined, Cochise County tourist attractions lure hundreds of thousands of 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. Of 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 to learn about life as it once was for the farmers, ranchers, prospectors, and cowboys of the Old West.

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

National Geographic MapGuide Project

In 2007, National Geographic released its Arizona-Sonora Desert Region Geotourism MapGuide, its first bi-national Geotourism MapGuide, which identifies

The Bisbee Blues Festival is one of the largest of the local events that draws a large crowd.

Photo: Mark Levy (Sierra Vista Herald/Bisbee Daily Review)



desert attractions and historical sites in Southern Arizona and Northern Mexico. The project, which was a collaborative effort between National Geographic, the Arizona Office of Tourism, the Sonora Office of Tourism, the Bureau of Land Management, the Sonoran Institute, and the Arizona-Mexico Commission, solicited nominations of places and events from residents of the region for inclusion in the guide. Geotourism locations in Cochise County identified in the guide include: Amerind Museum; Arizona Folklore Preserve; Chiricahua National Monument; Cochise Stronghold Bed & Breakfast; Copper Queen Mine Tour and Copper Queen Hotel; Fort Bowie National Historic Site; Fort Huachuca; the John Slaughter Ranch; Kartchner Caverns State Park; Muleshoe Ranch Cooperative Management Area; Ramsey Canyon Preserve; Rex Allen Museum and Willcox Cowboy Hall of Fame; San Pedro Riparian National Conservation Area; and Tombstone. A copy of the guide can be accessed at www.sonorandesertgeotourism.org.

Bisbee Visitor Center

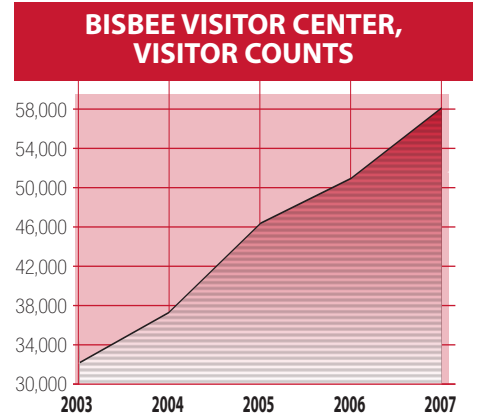
In 2008, the Bisbee Visitor Center, located in the Bisbee Convention Center, underwent \$40,000 in renovations, paid for by an Arizona Office of Tourism Rural Tourism Development Grant of \$30,000, along with

\$10,000 in matching funds from the city. Renovations included new carpeting, paint, and office furniture, along with accent lighting, a new customer service counter, and other upgrades. Also included in the renovations was an electronic information kiosk that allows visitors to access information when the center staff is busy with other customers.

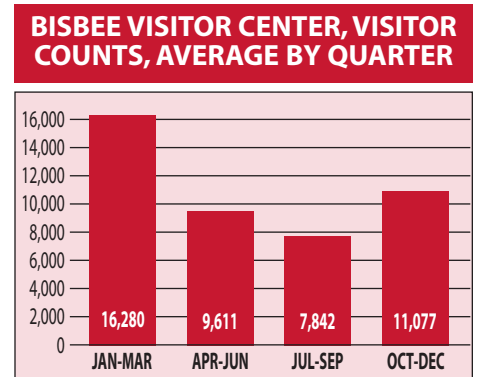
In addition to welcoming visitors and providing information about Bisbee area attractions, the visitor center also connects visitors with lodging establishments in the city. For walk-in visitors, the visitor center provides a listing of local lodging establishments; provides images of the establishments viewable on large-screen television; and phones the establishments selected by the visitors to put visitors in direct contact with lodging representatives. CER focus group discussions in Bisbee have indicated lodging establishments have been pleased with this service and have received a greater number of inquiries and bookings as a direct result of the service.

Bisbee Tourism Trends

Tourism in Bisbee, as measured by visits to the Bisbee Visitor Center, has increased steadily since 2003. Visits have been up almost every quarter since the first quarter of 2004, and have been up each year on an annual basis. In 2007, visits were up 14 per-



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



Based on data from 2003-2007. Source: Bisbee Visitor Center and Cochise College Center for Economic Research.

COCHISE COUNTY NATIONAL PARK VISITATIONS

YEAR	CHIRICAHUA NATIONAL MONUMENT		CORONADO NATIONAL MEMORIAL		FORT BOWIE NATIONAL HISTORIC SITE	
	VISITATIONS	CHANGE	VISITATIONS	CHANGE	VISITATIONS	CHANGE
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%	71,111	-17.9%	10,679	10.6%
2007	58,434	-5.1%	71,702	0.8%	10,027	-6.1%
2008**	35,718	-0.2%	44,494	5.7%	6,215	2.0%

*Areas of the Coronado National Memorial were closed to the public in August and September 2006 due to damage from flash flooding. **January-June only; comparisons to same period one year prior. Source: Arizona Office of Tourism and Cochise College Center for Economic Research.

BISBEE ATTRACTIONS, VISITATIONS

YEAR	QUEEN MINE TOUR		BISBEE MINING & HISTORICAL MUSEUM	
	VISITORS	CHANGE	VISITORS	CHANGE
2003	42,989	-7.8%	21,973	6.0%
2004	44,525	3.6%	22,492	2.4%
2005	46,461	4.3%	21,714	-3.5%
2006	46,613	0.3%	21,515	-0.9%
2007	48,960	5.0%	22,823	6.0%
2008*	36,100	-1.8%	16,282	0.3%

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

COCHISE COUNTY STATE PARK VISITATIONS

YEAR	KARTCHNER CAVERNS STATE PARK		TOMBSTONE COURTHOUSE STATE HISTORIC PARK	
	VISITORS	CHANGE	VISITORS	CHANGE
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	168,501	-5.9%	54,806	9.1%
2007	172,372	2.3%	56,106	2.4%
2008*	113,574	-2.8%	37,969	0.3%

*January-August only; comparisons to same period one year prior. Source: Arizona Office of Tourism and Cochise College Center for Economic Research.

cent from the year prior; and in the first half of 2008, visits were up by 5.5 percent. In 2007, the annual number of visits to the visitor center was 81.3 percent higher than 4 years prior. In addition to walk-in visits, the visitor center also received 5,954 phone inquiries in 2007. Although this was down from 6,230 in 2006, the number of emails received by the center was up from 607 to 839, reflecting the greater use of the internet by travelers seeking to learn more about potential destinations. This is supported by the number of hits on the visitor center's website, which nearly doubled from 2006 to 2007 – from 2.7 to 5.2 million.

January through March is the busiest season for the Bisbee Visitor Center. Between 2003 and 2007, the visitor center received an average of 16,280 visitors in the first quarter of each year. First quarter visits in 2008 accelerated to a record high of 23,725. The slowest quarter of the year for visitors has been July through September, which has seen an average visitor count of 7,842. For the past couple of years, visits in each quarter have been considerably higher than the 5-year average.

Visits to the Queen Mine Tour, Bisbee's most popular attraction, increased steadily from 2004 through 2007; however visits in the first 8 months of 2008 were down 1.8 percent compared to the same period the previous year. Visits to the Bisbee Mining & Historical Museum grew by 6 percent in 2007 following 2 years of decline. Visits to the museum in the first 8 months of 2008 were up by 0.3 percent compared to the first 8 months of 2007.

Cochise County State and National Park Visitations

Visits to the Chiricahua National Monument were down 5.1 percent in 2007. In the first half of 2008, visits were down 0.2 percent. The Coronado National Memorial saw visits increase by 0.8 percent in 2007 and 5.7 percent in the first half of 2008. Visits to the Fort Bowie National Historic Site declined by 6.1 percent in 2007, but were up by 2 percent in the first 6 months of 2008.

In 2007, visits to Kartchner Caverns State Park were up 2.3 percent; however, visits were down 2.8 percent in the first 8 months of 2008. The Tombstone Courthouse State Historic Park saw visits increase by 2.4 percent in 2007 and 0.3 percent in the first 8 months of 2008.

Cochise County Lodging Indicators

In 2007, Cochise County's lodging industry performed well, according to AOT lodging indicator data. Cochise County's lodging occupancy rate increased by 6.4 percent, climbing to 72 percent for the year – the second highest in the State of Arizona, following Graham County. This increase was reflected in accommodation sales in Cochise County, which were up 22.5 percent in 2007, according to tax collection data provided by the Arizona Department of Revenue (ADOR). (For more on Cochise County accommodation sales, see the Retail Trade and Commerce section of this publication.)

The average daily room rate in Cochise County increased by

10.1 percent to \$63.39 in 2007. This was the second largest increase in the state, behind Graham County which saw its average daily rate increase by 11.7 percent. Despite the increase in 2007, Cochise County's average daily rate was the second lowest in Arizona, following Navajo County.

In 2007, revenue generated per available room in Cochise County was up 17.2 percent to \$45.63. Of 13 Arizona counties for which data are available, Cochise County saw the second fastest rate of increase in revenue generated per available room in 2007 (note: Data are not available for Greenlee and La Paz counties).

Lodging room demand in Cochise County was up 12.9 percent in 2007, the fastest rate of growth in the state. Lodging room supply was up 6.2 percent in 2007, also the fastest rate of growth in the state. The increase in supply was due primarily to the opening of several new hotels in Sierra Vista.

Although performance of the county's lodging industry was strong in 2007, this performance slowed considerably in the first 8 months of 2008. Countywide, the occupancy rate fell from 77.3 to 69.0 percent. Part of this decline was due to a 9.6 percent increase in room supply, as a result of several new hotels opening in Sierra Vista. Another factor was a 2.2 percent decline in room demand, compared to the same period the year prior. Although the average daily room rate in the first 8 months of 2008 was up 8.8 percent, the revenue per available room was down 2.9 percent.

Economic Impact of Tourism in Cochise County

According to research commissioned by the Arizona Office of Tourism (AOT) and conducted by Dean Runyon & Associates, total travel-related spending in Cochise County was \$350.2 million in 2007, up 7.1 percent from the year prior.

Overnight visitors who stayed in lodging establishments, including campgrounds, in Cochise County accounted for 44.9 percent of all spending by visitors to the county in 2007. Those who stayed in private homes, including vacation homes, accounted for 21.5 percent of total visitor spending, while day travelers accounted for 33.1 percent.

In 2007, 49.8 percent of spending by visitors to Cochise County was for leisure and hospitality services (arts, entertainment, recreation, accommodations, and food service). Spending on retail (including food stores) accounted for 34.8 percent and transportation accounted for 15.4 percent of total visitor spending.

Approximately 4,460 jobs were generated in Cochise County in 2007 by travel-related spending. More than 80 percent of these jobs were in leisure and hospitality services, according to the Dean Runyon & Associates study. Travel-related spending accounted for approximately \$81.3 million in direct earnings in the county in 2007.

According to the study, travel-related spending in Cochise County generated approximately \$11.8 million in direct, local government tax revenue in 2007. These are taxes levied on visitors rather than residents. This leaves more money in the hands of residents, increasing their purchasing power and, as a result, generating higher levels of local spending that also strengthen local area job growth.

COCHISE COUNTY TRAVEL IMPACTS

	2004	2005	2006	2007
TOTAL DIRECT TRAVEL SPENDING (\$MILLION)				
Visitor Spending at Destination	301.6	319.5	327.1	350.2
Other Travel*	0.8	0.8	0.8	0.9
Total Direct Spending	302.4	320.3	327.9	351.1
VISITOR SPENDING BY TYPE OF TRAVELER ACCOMMODATION (\$MILLION)				
Hotel, Motel	69.4	78.9	86.2	106.2
Campground	46.0	48.6	50.6	51.0
Private Home	60.3	63.3	66.1	68.4
Vacation Home	6.3	6.5	6.8	7.1
Day Travel	118.2	120.5	115.7	115.9
Spending at Destination	301.6	319.5	327.1	350.2
VISITOR SPENDING BY COMMODITY PURCHASED (\$MILLION)				
Lodging	33.6	37.6	40.4	49.0
Food & Beverage Services	67.6	71.9	74.1	81.2
Food Stores	63.3	62.2	57.8	57.6
Ground Tran. & Motor Fuel	36.2	44.6	50.5	54.0
Arts, Entertainment & Recreation	38.7	40.0	41.4	44.1
Retail Sales	62.1	63.2	62.9	64.2
Spending at Destination	301.6	319.5	327.1	350.2
INDUSTRY EARNINGS GENERATED BY TRAVEL SPENDING (\$MILLION)				
Accommodation & Food Services	31.6	33.6	35.4	41.6
Arts, Entertainment & Recreation	17.1	17.6	19.1	20.4
Retail**	18.3	18.3	18.2	18.4
Auto Rental & other ground tran.	0.2	0.3	0.3	0.3
Other Travel*	0.6	0.6	0.6	0.7
Total Direct Earnings	67.9	70.4	73.6	81.3
INDUSTRY EMPLOYMENT GENERATED BY TRAVEL SPENDING (JOBS)				
Accommodation & Food Services	2,040	2,110	2,140	2,250
Arts, Entertainment & Recreation	1,200	1,220	1,260	1,390
Retail**	810	810	800	790
Auto Rental & other ground tran.	10	10	10	10
Other Travel*	20	20	20	20
Total Direct Employment	4,070	4,160	4,230	4,460
GOVERNMENT REVENUE GENERATED BY TRAVEL SPENDING (\$MILLION)***				
Local	10.0	10.5	10.8	11.8
State	11.1	11.7	12.0	12.8
Total Direct Gov't. Revenue	21.1	22.2	22.7	24.6

Note: 2007 data are preliminary. Details may not add to totals due to rounding. *Other Travel includes resident air travel and travel arrangement. **Retail includes gasoline. ***Property taxes and sales tax payment of travel industry employees not included. Source: Dean Runyon Associates and Arizona Office of Tourism.



The Bisbee Mining and Historical Museum is the West's first rural Smithsonian Institute affiliate.

As noted by Dean Runyon & Associates, the jobs, earnings, and tax revenue generated by travel spending are relatively more important for the rural areas of Arizona, including Cochise County, than for the larger metropolitan areas of the state. 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. For more information, visit the AOT website at www.azot.gov.

The Film Industry in the Bisbee Area

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

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

- *Groom Lake*, starring William Shatner, Dan Gauthier, and Dick Van Patten
- *Ruby, Jean and Joe*, starring Tom Selleck
- *Legend*, starring Richard Dean

Anderson, John deLancie, and Mark Adair Rios

- *Roswell*, starring Kyle MacLachlan, J. D. Daniel, Doug Wert, Dwight Yoakam, and Kim Griest
- *Open Arms*, starring John Stelmach and Heather Evans
- *Young Guns II*, starring Emilio Estevez, Kiefer Sutherland, Lou Diamond Phillips, and Christian Slater
- *Four Eyes and Six Guns*, starring Judge Reinhold
- *Cold Feet*, starring Keith Carradine, Sally Kirkland, Tom Waits, and Bill Pullman
- *Jesse*, starring Lee Remick and Scott Wilson
- *Million Dollar Mystery*, starring Tom Bosely and Rich Hall
- *World Gone Wild*, starring Bruce Dern and Adam Ant
- *Stones For Ibarra*, starring Glenn Close and Keith Carradine
- *A Different Affair*, starring Ann Archer
- *Cannonball Run II*, starring Burt Reynolds, Frank Sinatra, Dean Martin, and Sammy Davis, Jr.
- *Violent Saturday*, starring Victor Mature, Virginia Leith, Richard Egan, Stephan McNally, Lee Marvin, and Ernest Borgnine.

The Arizona Motion Picture Production Tax Incentives Program

Those interested in filming in the Bisbee area may benefit from the Arizona Motion Picture Production Tax Incentives Pro-

gram, 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 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. 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 Bisbee, contact the Bisbee Visitor Center supervisor at (520) 432-3554.

Bisbee events

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

Chocolate Tasting

Sponsored by the Copper Queen Library, Arizona's oldest public library, this event revolves around the most decadent chocolate desserts. It is for serious chocolate lovers. Tickets \$10. For information call (520) 432-4232. **Saturday, February 7, 2009, 6 p.m. to 9 p.m. at the Library; To-Go Boxes, 4 pm at the Bookstore**

Bisbee Community Chorus' – Latin Flair

The Tucson Symphony Orchestra community performance with the Bisbee Community Chorus. For information call (520) 432-3523 or bisbeechorus@cableone.net. At the Bisbee Repertory Theater on Main St. in Old Bisbee **Thursday, February 26, 2009, 7 p.m.**

Annual Art Auction

Set in Historic Bisbee, this annual art auction offers a collection of some of Bisbee's finest artists. Proceeds benefit the Bisbee Arts Commission. Held at the Serbian Hall. For more information call (520) 432-3554 or 1-866-2BISBEE. **Saturday, March 7, 2009, 6 p.m. to 9 p.m.**

Copper Classic Car Show

Classic cars with lots of dazzle and chrome. Prizes awarded for various categories. Drawings, goody bags, food, music, and lots of fun. Main Street, Old Bisbee. For information call (520) 432-5421 or (520) 432-3554 or 1-866-2BISBEE. **Saturday April 11, 2009, 8 a.m. to 5 p.m.**

La Vuelta de Bisbee

The 29th year of the three-day staged bicycling event includes time trials, a circuit race and a road race covering Bisbee, Hereford, and Tombstone. For more information call (520) 432-5795 or visit www.lvdb.info. **Friday, April 24, 2009 to Sunday, April 26, 2009**

Farmers Market

Every Saturday morning during the warmer months, Bisbee-area growers market a wide variety of locally grown or handmade items at Vista Park in the Warren Area of Bisbee. A variety of workshops take place here as well as occasional live music and other happenings. Call Laura Smith (520) 227-5060, or the Visitor Center at (520) 432-3554 or 1-866-2BISBEE for more information. **Saturdays, April 25, 2009 – October 31, 2009, 8 a.m. to 12 p.m.**

18th Annual Earth Day Festival

Celebrate Bisbee's Earth Day with educational and environmental booths, arts and crafts for sale, live entertainment, natural foods booths, mini massages, a circus parade, traditional May pole, and children's activities at Vista Park in the Warren district in conjunction with the Farmers Market. Call (520) 227-5060 or (520) 432-3554 or 1-866-2BISBEE for details. **Saturday, April 25, 2009: 9 a.m. to 3 p.m.**

Bisbee Gem and Mineral Show

Queen Mine Tour. Gems and minerals from many regions. In Historic Old Bisbee. Call (520) 432-2071 or go to www.queenminetour.com **Friday, Saturday and Sunday, May 22, and 24, 2009, 9 a.m. to 5 p.m.**

Bisbee Lodging Tour

Tour of Bisbee's unique lodging facilities. A two-day event sponsored by the Bisbee Chamber of Commerce. For more information call (520) 432-5421 or visit www.bisbeearizona.com. **Saturday, June 6 and Sunday, June 7, 2009, 11 a.m. to 4 p.m.**

GLBT Pride Weekend

Spend the weekend in Bisbee and celebrate your pride. Three exciting, fun-filled days that include a street fair, leather and lace ball, pool party, music, dancing, and an array of other activities. For more information call (520) 236-3699 or visit www.bisbeepride.com. **Friday to Sunday, June 12, 13 and 14, 2009**

4th of July in Bisbee

The big day begins with our world famous Coaster Races down Tombstone Canyon starting at 8:30 a.m. A parade is held in the Warren section of Bisbee at 11 a.m. In the afternoon the contest of the traditional mining activities of Mucking (2 p.m.) and Hard-Rock-Drilling (4 p.m.) takes place in Brewery Gulch. Fireworks at dark at Vista Park in Warren. Call (520) 432-6016 for more information.

Saturday – July 4

8:30 a.m. Coaster Races down Tombstone Canyon
11 a.m. Parade in Warren
12:30 p.m. – 1 p.m. Watermelon eating contest at Vista Park
1 p.m. – 2 p.m. Youth performances in Vista Park
2 p.m. Hard rock drilling contest in Brewery Gulch
2 p.m. – 7 p.m. Bisbee Copper Kings 1st Annual Invitational Baseball Tournament

2 p.m. – 6 p.m. D.J. at Vista Park
4 p.m. Mucking contest in Brewery Gulch
6 p.m. – 8 p.m. Bone Canyon Band in Vista Park
At Dark Fireworks #7 dump

Sunday – July 5

8 a.m. Farmer's Market Vista Park
9 a.m. – 7 p.m. Bisbee Copper Kings 1st Annual Invitational Baseball Tournament
Horseshoes in Vista Park
1 p.m. Kids Talent Show – City Park
6 p.m. Movie in city park – "The Sandlot"
8 p.m.

44th Annual Brewery Gulch Daze

Events such as the "Miz Old Biz" contest and Belt and Races (new) make up this unique event celebrating Bisbee's past. Once home to more than 20 bars and brothels, Brewery Gulch was one of Bisbee's liveliest avenues. Today, it is the site of a carnival atmosphere annually known as Brewery Gulch Daze. Also featured is a pancake breakfast, pet parade, chili cook off, recycled art show, and kiddie carnival games. Look for the waiter/waitress relay races, always good for a giggle. All proceeds to the Boys & Girls Club of Bisbee. Call (520) 432-3554 or 1-866-2BISBEE for more information. **Sunday September 5, 2009, 7 a.m. to 5 p.m.**

Bisbee Bloomers Garden Tour

Tour the delightful gardens in Bisbee as residents open their yards to the public. A shuttle bus will be available. Tickets: \$10, available at the Bisbee Visitor Center. Call (520) 432-3554 or 1-866-2BISBEE for information. **Saturday, September 12, 2009, 10 a.m. to 4 p.m.**

Bisbee Plein Air Weekend

Various visual artists will be creating their own style of art in and around Old Bisbee in competition. Call (520) 432-3554 or 1-866-2BISBEE for information.

Friday – September 11

7 a.m. to 5 p.m. Canvas registration at the Visitor Center
7 p.m. Artists reception

Saturday, September 12

10 a.m. to 4 p.m. Garden tour
4 p.m. to 5 p.m. Art displayed on Main St.
5 p.m. Judging
4 p.m. to 6 p.m. Gallery walk
4 p.m. to 7 p.m. Bidding on artwork

National Day of the Cowboy

Enjoy western music, poetry, vendors, artists, and food at this fund raiser for the National Day of the Cowboy. Listen to the music of Night Life, Terry Wolfe, Fiddler Jake Wise, and Pat Gahn, and then watch gunfights by the Helderado Mavericks at City Park all for a donation of \$8. For more information contact the Bisbee Visitors Center: www.discoverbisbee.com, call (520) 432-3554 or 1-866-2BISBEE or Dan and Connie (520) 508-1490. For reservations contact the Copper Queen Hotel at (520) 432-2216. **Saturday, September 13, 2009, 2 p.m. to 6 p.m.**

Bisbee Blues Festival

The fourth annual Bisbee Blues Festival will feature live blues from a variety of bands from 11 a.m. to 7 p.m. Food and beverages will be available. Sponsored by the Bisbee Arts Commission. Tickets are \$20 in advance and \$25 at the door. For additional information, check the website www.bisbeeb Bluesfest.com or call (520) 432-3554 or 1-866-2BISBEE. **Saturday, September 19, 2009 11 a.m. to 7 p.m.**

Bisbee Turquoise Hunt

The annual Turquoise Hunt will take place in what locals call "Number 7," the Queen Mine's dump. For two hours each day, rock hounds can scour the earth for the rarest and, some would say, most valuable "Bisbee Turquoise" along with other minerals. For details call the Bisbee Mining & Historical Museum at (520) 432-7071. **Friday, October 2 and Saturday, October 3, 2009**

Fiber Arts Festival

Celebrating its 17th year, the Fiber Arts Festival will be held in Historic Old Bisbee. The juried Fiber Arts shows will present more than 30 artists' works made from natural fibers such as wool, cotton, flax, and paper. Hands-on experience can be gained at workshops staged throughout the day. Vendors will be on hand with materials for artists, as well as finished products for the public. Vista Park in conjunction with the Farmers Market. For information call (520) 642-3603. **Saturday, October 10**

Wine Festival

Visitors can sample more than 50 Old and New World Wines at the Vintage Bisbee Wine Festival at City Park in Brewery Gulch. Guaranteed to be an afternoon of food, music, and fun. Sponsored by the Bisbee Rotary Club, wine festival proceeds will benefit scholarship programs, community projects, and help the world-wide fight against polio. For ticket information call (520) 432-3554 or 1-866-2BISBEE or visit the website www.bisbeerotaryclub.org. **Saturday, October 10, 2009: 4 p.m. to 7 p.m.**

Bisbee 1000 Stair Climb

This 19th annual event can be a challenging competitive run or a leisurely explorative walk of Bisbee's more than 1000 stairs. Pledge the event, win prizes, and help restore the historic steps while improving your own health. The Barco Ice Man, "the event within the event," involves carrying blocks of ice up 153 stairs in under 30 seconds - fun to participate in or just to watch! For information call (520) 432-1585 or go to www.bisbee1000.com. **Saturday, October 17, 2009**

Halloween in Bisbee

Expect the unexpected! Halloween is one of Bisbee's favorite holidays and visitors are guaranteed a fun-filled, zany street scene. Bisbee's favorite holiday is celebrated with a week of activities bringing out the creative best of this one-of-a-kind, artsy community. Call (520) 432-3554 or 1-866-2BISBEE for information about this year's events. **Friday, October 31, 2009**

Festival of Lights

The holiday season officially begins with a merry lighting ceremony and celebration in front of the Copper Queen Library. Santa will arrive in downtown Old Bisbee on a flashy fire truck with goodies for all children. Call (520) 432-6016 for details. **Friday, November 28, 2009, 6 p.m.**

Old Bisbee Holiday Bazaar

Local and regional artists offer their hand-made crafts and more. 10 a.m. to 5 p.m. in Historic Bisbee. Call (520) 432-3554 or 1-866-2BISBEE **Friday, November 27, 2009**

Historic Home Tour

Each year, Bisbee residents open their doors—giving visitors a glimpse into the town's architectural history. Turn-of-the-century splendor comes to life with docents – some in period costumes – leading tours and answering questions about the distinctive structures. Call (520) 432-3554 or 1-866-2BISBEE for further information. **Friday November 27 and Saturday, November 28, 2009**

Art Chairs of Bisbee Silent Auction

Come bid on local artists' decorated chairs done in a variety of mediums at the 6th Annual Art Chairs of Bisbee Silent Auction. Sponsored by the Bisbee Woman's Club, proceeds go to a local charity. Call (520) 432-3721 or 1-866-2BISBEE for information. **Saturday, November 28, 2009, Location to be determined**

About the Center *for* Economic Research

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



CONTACT THE CENTER

CENTER FOR ECONOMIC RESEARCH

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Daniel Chung – Office Assistant

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The Cochise College Center for Economic Research (CER), founded in 1995, is dedicated to analyzing and interpreting economic information and educating residents of Cochise County on the local, state, and national economy. The CER provides economic and demographic information, analysis, and forecasting to help community leaders in the public, private, and non-profit sectors make informed decisions.

The CER hosts economic outlook luncheons each year in Benson, Bisbee, Douglas, and Sierra Vista. The Center also produces four major publications annually as part of its Cochise County Economic Outlook Publication Series: *Benson Economic Outlook*, *Bisbee Economic Outlook*, *Douglas Economic Outlook*, and *Sierra Vista Economic Outlook*. In previous years, these were published, respectively, as *Benson Prospectus*, *Bisbee Outlook*, *Douglas Perspective*, and *Sierra Vista Economic Focus*. They were renamed in 2008 to more clearly identify them as economic outlook publications.

Throughout the year, the CER responds to a wide range of information requests from business and community

leaders throughout Cochise County and across the state and region. The CER also provides personnel to serve on community projects, committees, and task forces. In these partnerships, the CER provides technical expertise in research methodology and serves as a source of economic and demographic information, analysis, and forecasting.

As an extension of Cochise College's educational mission, the CER prepares weekly press releases that are published in newspapers countywide and provide 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 also produces the *Cochise County Economic Update*, a biweekly compilation of links to online newspaper articles relevant to the Cochise County economy, which is emailed to everyone on the CER's distribution list. The CER's website (www.cochise.edu/cer) provides updated economic news, information, analyses, forecasts, and studies.

The CER has economic advisory com-

mittees in Benson, Bisbee, Douglas, and Sierra Vista. These committees include representatives from various sectors of the local economy who provide advice, expertise, and input to the content of the economic outlook publications and luncheon presentations. They also serve as focus groups for the study of the qualitative aspects of the local economy, and provide specialized expertise related to the industries they represent.

The CER is a member of the Association for University Business and Economic Research (AUBER), one of only two community college organizations in the nation holding membership. In addition, the CER is a state data center affiliate, receiving and disseminating U.S. Census Bureau data to local governments and non-governmental data users at no charge or on a cost-recovery or reimbursable basis.

As an auxiliary department of Cochise College, the CER is charged with raising its own operating budget, independent of the college's budget, through sponsorships, gifts, donations, contract research, and other sources.

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



Andrea Cracchiolo Library, Sierra Vista Campus of Cochise College.

Cochise College

Cochise College Douglas Campus.



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ADMINISTRATION

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President
- Dr. Joanna K. Michelich
Executive Vice President
- Mr. Kevin Butler
Vice President for Administration
- Mr. Carlos Cartagena
Vice President for Information Technology
- Mr. Robert Howell
Vice President for Human Resources

Adult Education

Adult Education offers various programs that are free to all Cochise County residents 16 years of age and older. These programs include English language acquisition (ELA), GED (high school equivalency) preparation, adult basic education, reading, math, writing, computer skills, civics, citizenship, family literacy and workplace education. Classes meet on Cochise College campuses as well as other locations in the county. For more information please email adulthoodeducation@cochise.edu or call the Benson Center at (520) 586-1981, the Douglas Campus at (520) 364-3736, Sierra Vista Campus at (520) 515-5456, or the Willcox Center at (520) 384-3569.

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 seeking 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.

Cochise College Foundation

The Cochise College Foundation is designed to support the educational goals of Cochise College and its students. The Foundation serves the educational needs of students through a variety of methods and also works to support capital improvements at College

campuses and centers across Cochise County. The mission of the Foundation is: *The Cochise College Foundation promotes student success through scholarships, facilities development, and program support. By supporting Cochise College, the Foundation endeavors to increase the College's accessibility to our diverse and changing communities.* The Foundation was incorporated in 1967 and is a 501(c)(3) tax-exempt organization. Its 15-member volunteer board of directors meets regularly to assure stewardship of funds, oversee activities, review donations, approve financial reports, and develop fundraising strategies. The Foundation offers a variety of methods for donors to support higher education, while also providing a wide range of scholarship assistance to students. During the 2006-07 academic year, the Foundation awarded 691 scholarships totaling more than \$365,000 to 452 students. Many Foundation donors have established endowments (\$5,000 minimum); the interest is used to award student scholarships. For more information call (800) 966-7943, Ext. 4100, or email foundation@cochise.edu.

Libraries

The Cochise College library system consists of the Charles Di Peso Library on the Douglas Campus and the Andrea Cracchiolo Library on the Sierra Vista Campus. Many services and resources are also available online at www.cochise.edu/information/library. The libraries house 66,000 books and have more than 300 periodical subscriptions. The libraries also provide access to various web-based periodical indexes, most of which provide the full text of articles. Library access is free to Cochise College students and personnel. Non-student Cochise County residents pay a one-time fee of \$3 and show proof of residency.

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 procure-

ment, 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.

The Center for Lifelong Learning

Non-traditional training and outreach are an important part of the Cochise College mission and the Center for Lifelong Learning (CLL) has been created to expand and enrich these offerings to the community. The new center combines the efforts of the former departments of Workforce Training and Community Education and the Center for Southwest Studies.

CLL offers a wide variety of training services to individuals and organizations locally and internationally. Both credit and non-credit courses are offered in the classroom, off campus, and online. Topics include a wide variety of professional development courses, personal enrichment and local interest classes and computer workshops. Customized classes on nearly any topic can be contracted to support area businesses and organizations. CLL publishes a quarterly schedule of offerings and a complete listing of courses can be found on the college website.

The region offers a unique combination of historical and natural attractions. The border location makes the 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 area. CLL will continue its mission of establishing the college as a leader in border related studies, training and research and a strong partner to existing organizations in resource availability and procurement.

CLL works with its partners to identify and implement entrepreneurial activities related to the rich historical, cultural and geographic characteristics of Southeast Arizona and the border area and to meet the

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training and educational needs of the community. For more information, call (520) 417-4772.

Tech Prep

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

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

Community resources

Post Office and Copper Queen Library
in Old Bisbee.



City of Bisbee

118 Arizona Street, Bisbee, AZ 85603

Telephone (520) 432-6000

Fax (520) 432-6069

Website www.cityofbisbee.com

Accountant(520) 432-6010

Accountant – Payroll(520) 432-6009

Accounts Payable(520) 432-6006

Accounts Receivable(520) 432-6005

Airport(520) 432-6030

Ambulance Billing (Fry Fire Station – SV) .(520) 378-3276

Ambulance Payments(520) 432-6005

Animal Shelter(520) 432-6020

Bisbee Swimming Pool Higgins Hill .(520) 432-6042

Building Inspector/Code Enforcement (520) 432-6015

City Attorney(520) 432-6019

City Clerk(520) 432-6012

City Hall(520) 432-6000

City Magistrate Judge(520) 432-9540

City Manager(520) 432-6014

Community Development(520) 432-6269

Deputy City Clerk(520) 432-6000 Ext. 100

Events & Recreation(520) 432-6000 Ext. 200

Finance Director(520) 432-6008

Fire Chief(520) 432-4110

Grants Coordinator(520) 432-6016

Mayor(520) 432-6003

Parks & Recreation(520) 432-6016

Personnel(520) 432-6269

Personnel Director(520) 432-6271
 Planning Assistant(520) 432-6016
 Planning & Zoning(520) 432-6269
 Police Chief(520) 432-2261
 Public Works(520) 432-6004
 Public Works Director(520) 432-6000 Ext. 202
 Public Works Superintendent(520) 432-6000 Ext. 204
 Public Works (Garage)(520) 432-6044
 Public Works (Wastewater Plant) ... (520) 432-6035
 Queen Mine Tour(520) 432-2071
 Sewer – Garbage Billing(520) 432-6005

COPPER QUEEN LIBRARY

Telephone(520) 432-4232
 Fax(520) 432-7061
 Emailpwhite@bisbeepl.lib.az.us
 Websitewww.cochise.lib.az.us/bisbee/bisbee

BISBEE FIRE & AMBULANCE DEPARTMENT

Emergency911
 Fire Station #1 (192 Highway 92) ..(520) 432-4110
 Fire Station #2 (644 Tombstone Canyon) (520) 432-6022

BISBEE POLICE DEPARTMENT

35 Highway 92, Bisbee, AZ 85603
 Emergency911
 Non-Emergency(520) 432-2261
 Graffiti Hotline(520) 432-6050
 Fax(520) 432-6058
 Emailcobpolice@cityofbisbee.com

BISBEE VISITOR CENTER

#2 Copper Queen Plaza, Bisbee, AZ 85603
 Telephone(520) 432-3554 or 866-2BISBEE
 Emailinfo@discoverbisbee.com
 Websitewww.discoverbisbee.com

QUEEN MINE TOUR

478 Dart Road, Bisbee, AZ 85603
 Telephone(520) 432-2071
 Fax(520) 432-5191
 Emailmail@queenminetour.com
 Websitewww.queenminetour.com

Bisbee Chamber of Commerce

1 Main Street, Bisbee, AZ 85603 • PO Box BA, Bisbee, AZ 85603
 Telephone(520) 432-5421
 Emailchamber@bisbearizona.com
 Websitewww.bisbearizona.com

Bisbee Unified School District # 2

100 Old Douglas Road, Bisbee, AZ 85603
 Telephone(520) 432-5381
 Emailmflores@busd.k12.az.us
 Websitewww.busd.k12.az.us

Cochise County Board of Supervisors

1415 Melody Lane, Bldg. G, Bisbee, AZ 85603
 Telephone(520) 432-9200
 Fax(520) 432-5016
 Emailboard@cochise.az.gov
 Websitewww.cochise.az.gov/

San Jose Fire District

2160 South Barnett Road, Bisbee, AZ 85603
 Telephone(520) 432-7300

U.S. Customs Service Port of Entry

3867 South Towner Avenue, Naco, AZ 85620
 Telephone(520) 432-5349

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

2136 South Naco Highway, Bisbee, AZ 85603
 Telephone(520) 432-5121

Financial Institutions

AMERICAN SOUTHWEST CREDIT UNION

101 South Naco Highway, Ste. 125, Bisbee, AZ 85603
 Telephone(520) 432-2184
 Websitewww.americansouthwestcu.org

BANK OF AMERICA

1 Main Street, Bisbee, AZ 85603
 Telephone(520) 432-2234
 Websitewww.bankofamerica.com

10 Bisbee Road, Bisbee, AZ 85603

Telephone(520) 432-3962
 Websitewww.bankofamerica.com

DUN & BRADSTREET

138 San Jose Drive, Bisbee, AZ 85603
 Telephone(520) 432-5366

EDWARD JONES INVESTMENTS

1175 South Naco Highway, Bisbee, AZ 85603
 Telephone(520) 432-1711

JUSTICE FINANCIAL

1326 W. Hwy. 92 Unit 10, Bisbee, AZ 85603
 Telephone(520) 432-6680

NATIONAL BANK OF ARIZONA

101 South Naco Highway, Ste. 111, Bisbee, AZ 85603
 Telephone(520) 432-2221
 Websitewww.nbarizona.com

Utilities

ARIZONA PUBLIC SERVICE (APS), INC.

101 South Naco Highway, Ste. A-1, Bisbee, AZ 85603
 Telephone(520) 432-2281
 Websitehttp://aps.com

ARIZONA WATER COMPANY

1345 South Naco Highway, Ste. A, Bisbee, AZ 85603
 PO Box AW, Bisbee, AZ 85603
 Telephone(520) 432-5321
 EmailBisbee@azwater.com
 Websitewww.azwater.com/be.html

CABLE ONE

99 Bisbee Road, Bisbee, AZ 85603
 Telephone(520) 432-5397 or (520) 432-4807
 Websitewww.cableone.net

QWEST

Telephone(800) 491-0118
 Websitewww.qwest.com

SOUTHWEST GAS

Telephone(800) 428-7324
 Websitewww.swgas.com



Contact the Center for Economic Research

CENTER FOR ECONOMIC RESEARCH
Cochise College
901 North Colombo Avenue
Sierra Vista, AZ 85635-2317
Phone: (520) 515-5486
Fax: (520) 515-5343
Email: cer@cochise.edu
Website: www.cochise.edu/cer

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

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

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

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