

SIERRA VISTA

ECONOMIC OUTLOOK 2009



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A review of the national, state, and local economy



Robert Carreira, Ph.D.
Director
Center for Economic
Research
Cochise College

National

There is little doubt that 2008 was the most eventful year for the national economy in many years. In December, the National Bureau of Economic Research announced the national economy had been in recession for the past year. In 2008, the national economy lost 3 million jobs, which pushed the unemployment rate from 4.9 to 7.2 percent. In January 2009, the economy lost another 598,000 jobs—the most in a single month since the recession began—bringing the unemployment rate to 7.6 percent, its highest level since September 1992. According to the U.S. Bureau of Labor Statistics, the fourth quarter of 2008 saw the initiation of 3,140 mass layoff events resulting in the separation of nearly 509,000 workers. Extended mass layoff events and separations were at their highest levels on

record, with records going back to 1995.

The recession, which officially began in December 2007, is on track to be the longest since the Great Depression. The current record is 16 months, occurring in 1973-1975 and again in 1981-1982. Gross domestic product (GDP), which is our broadest measure of production in the economy, after declining by 0.2 percent in the fourth quarter of 2007, saw modest growth of 0.9 percent in the first quarter and relatively strong growth of 2.8 percent in the second quarter of 2008. The second quarter growth was likely attributable to the economic stimulus package that sent tax rebate checks to millions of American households in May in an effort to stimulate consumer spending. Consumer spending accounts for about two-thirds of GDP. GDP fell by 0.5 percent in the third quarter and 3.8 percent in the fourth quarter of 2008. In response to what has been referred to as the worst economy in recent decades, the national government approved a \$790 billion economic stimulus package in February 2009, which included increases in federal government spending and tax cuts.

U.S. RECESSIONS SINCE 1945

PEAK	TROUGH	DURATION (MONTHS)
February 1945	October 1945	8
November 1948	October 1949	11
July 1953	May 1954	10
August 1957	April 1958	8
April 1960	February 1961	10
December 1969	November 1970	11
November 1973	March 1975	16
January 1980	July 1980	6
July 1981	November 1982	16
July 1990	March 1991	8
March 2001	November 2001	8
December 2007	?	?

Source: National Bureau of Economic Research.

One factor that is likely to stoke inflation in the coming year, however, is the effect of the various government bailouts and rescue packages, which will require a considerable expansion of government borrowing that is not likely to be matched by increased private domestic savings and foreign investment...

This is on top of the \$700 billion financial sector bailout approved in late 2008 establishing the Troubled Assets Relief Program (TARP). Discussions at the national level in early 2009 suggested as much as \$1 trillion more may be sought to assist credit markets that have been frozen since the collapse of the subprime mortgage market and the resultant loss in investor confidence.

Despite the recession, inflation was also big news in 2008. For most of the year, consumer prices were about 5 percent higher when compared to the same periods of 2007. This is more than twice the rate most economists would like to see. As recessionary conditions worsened toward the end of the year, inflation moderated somewhat due in large part to declines in energy prices. One factor that is likely to stoke inflation in the coming year, however, is the effect of the various government bailouts and rescue packages, which will require a considerable expansion of government borrowing that is not likely to be matched by increased private domestic savings and foreign investment, the sources of funding for such borrowing. As a result, there is likely to be some expansion of the money supply—the classic definition of inflation. Pulling prices in the opposite direction will be deflationary pressures resulting from the recession and drop in consumer confidence. The ultimate direction prices move will be based on the net effect of strong inflationary and deflationary pressures, keeping price-level stability as a source of major concern in 2009 and 2010, and perhaps beyond.

Arizona

At the state level, the budget deficit dominated the legislative agenda in 2008 and into 2009. During the boom years, state government spending increased to unsustainable levels. The housing market decline and reductions in sales and income tax related to the recession resulted in a \$1.6 billion budget deficit for fiscal year 2009. To balance the budget, the state mandated cuts across departments and cut funding to

the state universities, community colleges, K-12 education, and county and local governments. Estimates of the fiscal year 2010 budget deficit have ranged from \$2.5 to \$3 billion, making further cuts possible, if not likely. The \$790 billion economic stimulus plan passed at the national level in early 2009 includes federal aid to state governments. Estimates are that Arizona will receive \$1 billion in fiscal year 2009 and more than \$2 billion in fiscal year 2010, which should help offset revenue shortfalls.

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.

From December 2007 to December 2008, the state economy lost 116,500 jobs and the unemployment rate rose from 4.2 to 6.9 percent, its highest level in 16 years. The state's private sector lost 120,100 jobs, offset only slightly by the gain of 3,600 government jobs. The biggest job losses were in construction, which lost 43,800 jobs, followed by professional and business services, which lost 28,100 jobs, and retail trade, which lost 25,200 jobs.

At the state level in 2007, the most current data available, 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 cause of the slowdown, subtracting 1.24 points from the state's GDP. It seems likely that state GDP figures for 2008, once released, will show Arizona's economy declined.

Cochise County

Cochise County's retail market slipped into recession in late 2007 and remained there

through 2008. Retail sales countywide declined in 12 of 13 months from November 2007 through November 2008, when compared to the same periods the year prior. The only month that saw positive growth was February 2008, when sales were up 2.4 percent after inflation. Retail sales fell for nine consecutive months from March through November 2008, with double-digit declines from August through September. From January through November 2008, retail sales countywide declined by 6.5 percent when compared to the same period of 2007.

Cochise County restaurant and bar sales also slipped into recession in late 2007. For the first 11 months of 2008, restaurant and bar sales were down 0.1 percent compared to the same period of 2007. Monthly sales were down in 9 of the first 11 months of the year, and were down for 6 consecutive months from June through November.

The county's accommodation sales, which saw extraordinary growth in 2007, slipped into recession in April 2008. Accommodation sales, which include hotel, motel, and other temporary lodging stays, were down 4.2 percent from January through November, after the inflation adjustment. Sales were down in seven of the eight months from April through November 2008.

Cochise County lost 1,275 jobs in the 12 months ending December 2008, and the county's unemployment rate rose from 4.9 to 6.4 percent. The private sector lost 1,600 jobs, only partially offset by the gain of 325 government jobs. The hardest hit industries were construction and other services, each of which lost 1 in 5 jobs over the year.

New residential home construction in Cochise County continued to struggle in 2008. There were 327 new home permits issued throughout the county in the first 9 months of the year, down 16.6 percent from the same period of 2007. This followed annual declines of 18.8 and 47.6 percent in 2006 and 2007, respectively. New construction in some areas of the county, however, began to see a recovery in 2008. New home permits in Sierra Vista were up by nearly 12 percent in 2008, and permits in Benson were more than double the



number issued in 2007.

Despite the declines in Cochise County in 2008, the county's new residential construction market seemed to outperform that of Tucson, the closest major metropolitan area. According to Bright Future Business Consultants of Tucson, the Tucson area market saw new home permits decline 40.8 percent in 2008. Bright Future noted that the Town of Marana saw permits fall 58 percent, while the City of Tucson saw a 52 percent decline in 2008.

Existing site-built home sales in Cochise County fell 18.3 percent in 2008, following declines of 20.6 and 10.7 percent in 2006 and 2007, respectively. Despite the steep drop in sales volume, home prices saw only modest declines, with the county-wide median price down by 5.6 percent. According to Bright Future Business Consultants, the Tucson area home market saw existing home prices fall 11.8 percent in 2008, more than twice the level of decline seen in Cochise County.

Sierra Vista

In the first 11 months of 2008, retail sales in Sierra Vista were down by 7.3 percent in inflation-adjusted terms, compared to the same period of 2007. Restaurant and bar receipts were down 2.6 percent. In early 2009, Scottsdale-based El Paso Bar-B-Que closed its Sierra Vista location following the chain's filing of Chapter 11 bankruptcy.

From January through November 2008, accommodation receipts in Sierra Vista were up 9.9 percent from the same period of 2007, after adjusting for inflation. The strong performance of this industry

was driven by a variety of factors, including a stronger tourism industry as evidenced by a 19.5 percent increase in visits to the city's visitor center over the year, and the recent opening of several new hotels in the city, which reduces business leakage to surrounding communities.

Sierra Vista's unemployment rate in 2008 was 3.1 percent, up seven-tenths of a percentage point from 2.4 percent in 2007. Despite the low annual unemployment rate, the city's monthly rate rose to 3.8 percent in December, it's highest level on record with records going back to 2001, but still well within the range of full employment.

Bucking the trends at the county, state, and national levels, Sierra Vista saw a rebound in new residential construction in 2008, with single family residential home permits up by nearly 12 percent. The rebound followed three consecutive years of decline. New home permits fell by 16.3, 26.0, and 58.3 percent, respectively, in 2005, 2006, and 2007. Indications are that the new residential construction market in Sierra Vista bottomed out in 2007, hitting its lowest level of permits since 1995, and has returned to a path of normal growth.

Despite the increase in new construction, existing home sales in the Sierra Vista area were down 18.6 percent in 2008, following declines of 25.1 and 12.6 percent in 2006 and 2007, respectively. Home prices saw only a modest decline, with the median price down 3.7 percent. *BusinessWeek*, in its "Best and Worst Housing Markets of 2008" named Sierra Vista the best housing market in Arizona based on how well homes have held their value.

Staying focused *on the future*

The new Nancy J. Brua Animal Care Center



Chuck Potucek
City Manager
City of Sierra Vista

In my 23 years with the City of Sierra Vista, our economy has gone through two significant downturns that I believe provide us with one of the best indicators we have as to how we will weather the current recession. In

the late 1980s, a combination of the savings & loan crisis and Desert Shield/Storm deployments left Sierra Vista

in rough shape economically. Between 1987 and 1988, the number of residential building permits issued by the city dropped by 50 percent and didn't fully recover until 1991, after which we enjoyed almost a decade of economic growth. We experienced another downturn in 2001 along with the rest of the country following the tragic events of 9-11. The decrease in building permits wasn't nearly as dramatic as it was in the 1980s, nor was the length of time it took us to recover. In both

instances, however, our community did recover, and in both instances we never went into an economic slump as deep as many other communities across the state and nation. I am optimistic that Sierra Vista will get through this economic crunch in much the same way—we won't go as low as many other communities and we will pull out of it in good shape more quickly than some.

There are a couple of reasons that Sierra Vista is fortunate enough to ride out tough economic times better than many other communities. First and foremost is Fort Huachuca, the area's primary economic driver that continues to help keep our economy strong. Sierra Vista is also fortunate enough to have a strong retail base and to serve as the retail center for much of our region and Northern Sonora. While Sierra Vista is home to only 35 percent of the population of Cochise County, we collect nearly 64 percent of the retail sales taxes in the county. That means that many people who live outside our city limits are shopping in our community and contributing to our local economy. These retail sales tax revenues play a big role

There are a couple of reasons that Sierra Vista is fortunate enough to ride out tough economic times better than many other communities. First and foremost is Fort Huachuca, the area's primary economic driver...

in keeping our community going.

Along with being a retail and employment center for the region, Sierra Vista also provides access to educational opportunities and health care services for the surrounding areas. All of these factors help us avoid the deepest reaches of recession. In fact, in a recent issue of *BusinessWeek* magazine, Sierra Vista was named as having the strongest housing market in all of Arizona. While our highs may not be as high as some communities that have seen housing prices and growth percentages soar in recent years, our lows have also been cushioned from the worst scenarios of plummeting home prices and negative growth numbers.

With that said, let's take a look at where we are now, compared to this time last year. Retail sales tax revenues remained steady in 2008, and although the lack of revenue growth is disappointing, it is encouraging that we did not see any dramatic decrease in this important revenue stream. In looking at building permits as an indicator of our economic health, it is important to note that we actually issued more residential building permits in 2008 than we did in 2007 (199 permits in 2008 vs. 178 permits in 2007). While commercial construction slowed somewhat in 2008, with issued permits valued at just over \$23 million for the year compared to commercial permit values of \$43 million in 2007, new commercial development is coming to Sierra Vista and private investment in our community remains strong.

The strength of private investment in Sierra Vista is reflected in the numerous projects that were completed last year in the West End of Sierra Vista. Those projects

included the Shaieb Office Building, Garden Place Suites, and the Southeast Arizona Association of Realtors office building. A project currently in the planning stages is the Garden Gate Center offices, which will include a redesign and improvements to North Garden Avenue. In addition to this private investment, the city is also continuing to improve Sierra Vista's West End. One of the best examples is Cyr Center Park located just north of the city's recycling center on North Avenue. When this project is completed later this year it will include three lighted sports fields, restroom facilities, a parking lot, a walking path, a snack bar, and a dog park making it a premier recreational area for our West End residents and everyone in the community. We are also beginning increased efforts to annex the remaining county enclaves in and around the Fry Townsite area. Annexation will allow us to invest in street and park improvements in those areas, making the West End even more attractive to future private investment.

Last year the city was also able to make a number of other improvements and facilities for our residents. We opened the Nancy J. Brua Animal Care Center, the Sierra Vista/Kiwanis Skate and Bike Court, and Fire Station #3. Street improvements are planned and in the works, and although the widening of Charleston Road has been delayed because of a lack of state funding, we have been able to move forward with improvements to the intersection at Buffalo Soldier Trail and SR92 in partnership with the Arizona Department of Transportation and private investment by Castle & Cooke.

Of course we also know that it's time for us to be very careful with our spending

and to make sure we keep focused on the future. We have not been complacent in preparing for this downturn. When markets began to shift, we began to proactively prepare for decreased revenues before the impact reached our community. At this point we are not adding new employees to our workforce except in the area of public safety, and we are slowing down on projects that had been planned for 2009. We will continue to finalize the plans for a new youth center, a new bandshell, and two water reclamation plants so we will be ready to begin construction when funds become available. And, we are moving forward this year with the expansion of our police station and construction of a new parks maintenance facility in Veterans' Memorial Park.

The last 2 years of city operations have been guided by "Our Future Vistas," the Mayor and Council's Strategic Plan that has a positive impact on our organization's ability to stay focused on the future and not get distracted by short-term issues. The specific nature of that document, which defines two-year goals for the city, has helped us continue to move forward on the projects that are the most critical to our community. The council met again for two days in February to revise their plan to take us out to 2011. The new set of two-year goals was developed with the current economic climate firmly in mind.

In the meantime, Wal-Mart and Sam's Club are on schedule to begin construction in 2009, local contractors will begin building new housing on Fort Huachuca, and we continue to see national interest from the private sector in investing in Sierra Vista. Our unemployment rate has not risen significantly and estimates show that our population is continuing to grow at a moderate and manageable pace. We will continue to watch the national and state economy closely and to budget very conservatively. I am confident we will weather this economic downturn as we have in the past, and emerge stronger than ever as the nation recovers from the current recession. We all know that Sierra Vista has always been a great place to live and work, and that remains especially true during these economic times.

Fire Station #3 opened
January 2009



The City of Sierra Vista

The new Vista Transit Center includes public restrooms, a lounge area, and multiple offices



Sierra Vista, founded in 1927 and incorporated in 1956, is the largest of seven incorporated areas in Cochise County. With a population of 45,908 as of mid-2008, Sierra Vista accounts for nearly one-third of the county's population. The city is located 70 miles southeast of Tucson and 189 miles southeast of Phoenix.

Sierra Vista is the retail hub of Cochise County. Although the population of the city is just under 46,000, the city serves a commercial market of more than 110,000 people. Large retail chains including Target, Wal-Mart, Kmart, Dillard's, Sears, Home Depot, Lowe's, and Best Buy are located in the city and serve customers from across Cochise County, neighboring Santa Cruz County, and across the U.S. border with Mexico (for more on Sierra Vista's commercial market, see the Retail Trade and Commerce section of this publication).

In 1999, the city saw the opening of The Mall at Sierra Vista, a one-story enclosed regional shopping mall with 50 stores, a food court, and a 10-screen movie theater. Since 2000, the city's restaurant industry has expanded considerably and

now includes such large chain restaurants as Chili's, Outback Steakhouse, Applebee's, Buffalo Wild Wings, and Texas Roadhouse. A boom in commercial construction from 2006 through 2008 added several new hotels, restaurants, large retailers, office complexes, and other businesses throughout the city. From 2006 through 2008, the city issued 76 building permits for more than \$125 million in new commercial construction. For more on this, see the Housing, Real Estate, and Commercial Construction section of this publication.

Fort Huachuca, located in Sierra Vista, is home to the U.S. Army Intelligence Center and the U.S. Army Network Enterprise Technology Command and is an integral part of the Sierra Vista economy and community. Fort Huachuca was annexed by Sierra Vista in 1971, thus population figures for Sierra Vista include the population living on the fort. In 2009, the resident population of Fort Huachuca was approximately 6,822, which included 1,045 military personnel and 2,836 military family members residing in on-post housing, along with 2,941 unmarried or unaccom-

panied military personnel residing in troop billets, including students assigned temporarily to the fort for training. Many military personnel and their families also reside in Sierra Vista and surrounding communities.

Sierra Vista hosts a wide variety of cultural and family-oriented activities and events throughout the year. The Henry Hauser Museum, Art Discovery, and Amazing Arizona Series present a continuing program of plays, concerts, musicals, dances, recitals, and readings. Other major events include Olympic-style Senior Games, the Cochise Cowboy Poetry & Music Gathering, Art in the Park, Cars in the Park, Festival of Color Hot Air Balloon Rally, Oktoberfest, Frontier Days, and several parades including a nighttime holiday parade in December. For more information on local events, see the Tourism section of this publication.

Nearby Ramsey Canyon is a popular spot for observing and photographing 14 species of hummingbirds and hundreds of other birds, mammals, reptiles, and plants. Due to the numerous species of hummingbirds, Sierra Vista has been referred to as the Hummingbird Capital of the United States and is included on virtually all international birding maps.

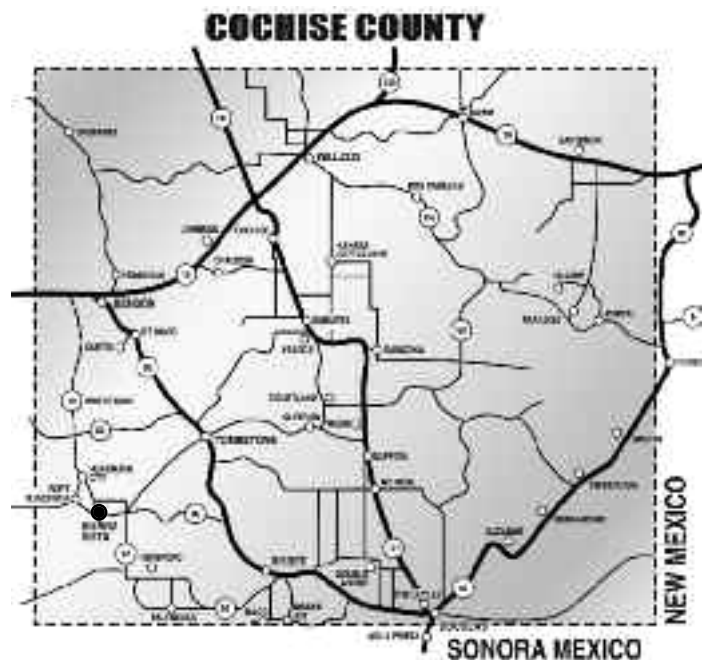
Nearby locations of interest include Kartchner Caverns State Park, the cities of Tombstone and Bisbee, the San Pedro Riparian National Conservation Area, the National Historic Landmark District of Fort Huachuca, Coronado National Memorial, and the Coronado National Forest. Within driving distance are many other attractions including Arizona's Wine Country, Cochise Stronghold, the Amerind Foundation and Museum, Texas Canyon, San Bernardino Wildlife Refuge, and the Chiricahua National Monument. To learn more about Sierra Vista, visit the city's website at www.SierraVistaAZ.gov. For more information on attractions or events in the city, go to the Sierra Vista Visitors Center website at www.VisitSierraVista.com or call 1-800-288-3861. For information on attractions and events throughout Cochise County, visit the Cochise County Tourism Council's website at www.ExploreCochise.com.

West End Development

Sierra Vista's West End, which is the area west of Seventh Street to Buffalo Soldier's Trail and north of Golf Links Road to State Highway 90, has been the focus of redevelopment efforts by the city in recent years. The area is the oldest community within the city and includes most of the original area that made up Sierra Vista when it was first incorporated in 1956. The city staff has worked with residents, business owners, Fort Huachuca officials, Downtown Neighborhood Commissioners, and other community leaders to develop strategies to revitalize the area and promote private investment and redevelopment. Sierra Vista and Fort Huachuca recently completed the Army Community Heritage Partnership, a joint economic and planning program for the West End, working in cooperation with the National Trust for Historic Preservation's National Main Street program.

The West End has been viewed as an important component of the city's economy due to its potential to advance small business ownership and entrepreneurship. The city has in place several incentives to encourage redevelopment in the West End. The city's Infill Incentive District Policy provides an expedited review process and offers some flexibility in the city's development code regarding such issues as parking requirements, setbacks, and height limitations. The city also gives consideration to fee waivers for development in the West End. Commercial projects that replace existing structures automatically qualify for an impact fee waiver.

Recent redevelopment projects in the West End include the Garden Place Suites Hotel, the Piazza San Lorenzo office buildings, the Nystrom/Brinks office building,



and the Big Sky One office building. Residential redevelopment is also underway, including development of the Santa Fe Springs Apartments. In 2008, Sierra Vista completed construction of the West End Entryway Monument Walls and Signage, funded by a Rural Tourism Development Grant from the Arizona Office of Tourism.

Sierra Vista Municipal Airport

The Sierra Vista Municipal Airport serves southeastern Arizona and northern Mexico, sharing runways with Fort Huachuca's Libby Army Airfield. The airport is one of only 23 civilian/military joint-use airports in the United States, and 1 of only 2 in Arizona. The military owns and operates the land and facilities on the south side of the airport including the control tower, while the city owns 75 acres on the north side including 62 hangars and 35 tie-down sites, which it leases out. Hangars include lighting, electrical outlets, skylights, and roof turbine vents, and most have electrically operated doors. Hangar access is available 24-hours a day, seven days a week, through electrically operated security gates. An aircraft wash rack is located on site and fueling services are provided by the city to general aviation customers and corporate jet customers, as well as some military customers and the U.S. Forest Service in support of their annual firefighting activities. For information on hangar or tie-down leasing, call (520) 458-5775.

The airport has three runways: Runway 08-26 is 12,000 feet long by 150 feet wide and is constructed of reinforced concrete. Runway 12-30 is 5,365 feet long by 100 feet wide, constructed of asphaltic concrete. Runway 03-21 is 4,300 feet long by 75 feet wide, also constructed of asphaltic concrete. Over the past several years, general aviation activity has averaged about 25,000 operations per year, of which approximately 30 percent were itinerant aircraft. During the same period, military use averaged approximately 100,000 operations per year.

A 7,000 square-foot commercial terminal configured for Transportation Security Administration screening, along with a 200-space automobile parking lot, is located at the airport. Currently, there is no

commercial air service to the Sierra Vista Municipal Airport. Great Lakes Airlines ended 2 years of service in February 2007 upon expiration of a Federal Air Service Subsidy Grant.

The Sierra Vista Municipal Airport Master Plan was recently updated and the city recently contracted with Z & H Engineering for a \$2.5 million rehabilitation project for Runway 12-30. The project is being funded by the Federal Aviation Administration and the Arizona Department of Transportation. Construction is expected to begin in fiscal year 2009. For more information on the Sierra Vista Municipal Airport, visit www.SierraVistaAZ.gov.

Sierra Vista Industrial Development Authority

The Sierra Vista Industrial Development Authority (IDA) was established in 1981 to promote industry and develop trade by inducing manufacturing, industrial, and commercial enterprises to locate to the city. In 1985, the IDA formed the Sierra Vista Economic Development Foundation (SVEDF) to promote industrial and commercial growth and the IDA became the principal not-for-profit organization that provides financial assistance and leadership to stimulate the development of qualified projects with an emphasis on affordable housing. In 2004, the IDA established Sierra Housing Resource Partner, Inc., a 501(c)(3) set up to develop low-income housing. For more information on the IDA, visit www.SierraVistaAZ.gov.

Sierra Vista Economic Development Foundation

SVEDF actively promotes and preserves the economic strength of the city through actions focused on business recruitment, expansion, and retention, as well as international business development and alliances. SVEDF offers services and technical assistance to businesses interested in relocating or expanding in Sierra Vista, including confidential consultations, site location information and assistance, customized research on specific business questions, representation in Sierra Vista's zon-

ing and building permit approval process, private and public financing and job training assistance, support of local business expansions, and international trade and joint venture partnerships.

The goal of SVEDF is to make business start-up or expansion in Sierra Vista as easy and productive as possible. The organization provides resources, information, contacts, and technical expertise to assist in relocating or expanding businesses. As a support and resource organization, SVEDF offers a variety of services and technical assistance to entrepreneurs and professionals interested in making Sierra Vista their business site. Their services are designed to serve new and existing businesses, from sole proprietorship to Fortune 500 firms. To learn more about SVEDF, visit www.svedf.org.

Cost of Living

The ACCRA Cost of Living Index measures relative price levels for consumer goods and services in 322 participating areas in all 50 states. 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 includes separate weighted sub-indices for grocery items, housing, utilities, transportation, healthcare, and miscellaneous goods and services.

The ACCRA Cost of Living Index data indicate Cochise County's average annual cost of living in 2008 was 0.2 percent higher than the average for all participating places nationwide. This was up from 2007, when the cost of living locally was 2 percent below the national average. The cost of living in Cochise County in 2008 was slightly higher than in Tucson—a reversal of the 2007 data which showed the local cost of living was 2.3 percent below that of Tucson. The cost of living in Cochise County remained below that in Phoenix, although the gap narrowed. In 2007, the cost of living in Cochise County was 2.6 percent below that in Phoenix, but this narrowed to 0.9 percent in 2008.

Part of the reason for the higher relative cost of living in Cochise County has been housing costs, which include both



The Sierra Vista/Kiwanis Skate & Bike Court at Veterans' Memorial Park

home prices and rental rates. As home prices have held relatively steady locally, markets in other areas of the state and nation have seen steep declines. In 2007, the cost of housing in Cochise County was 5.4 percent below the national average. In 2008, local housing costs were 3.1 percent above the national average.

Healthcare costs in Cochise County also increased considerably in 2008 relative to the rest of the nation. In 2007, the cost of healthcare in Cochise County was 2.4 percent below the national average. In 2008, the relative cost of healthcare locally increased to 0.5 percent above the national average. The local cost of miscellaneous goods and services also increased in 2008, relative to the rest of the nation. In 2007,

COST OF LIVING COMPARISONS

	SIERRA VISTA-DOUGLAS MICRO AREA*	TUCSON	PHOENIX	FLAGSTAFF	LAKE HAVASU	PRESCOTT-PRESCOTT VALLEY	YUMA
2007	98.0	100.3	100.6	115.9	111.2	106.4	102.7
2008	100.2	99.6	101.1	118.3	112.2	107.2	105.4

*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 area. Note: The average for all participating places nationwide equals 100 and each participant's index is read as a percentage of the average for all places. Source: 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	TRANSPORTATION	HEALTH CARE	MISC. GOODS & SERVICES
2007	98.0	105.5	94.6	100.7	104.3	97.6	95.5
2008	100.2	104.9	103.1	97.7	100.9	100.5	96.4

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 area. The average for all participating places nationwide equals 100 and each participant's index is read as a percentage of the average for all places. Source: Council for Community and Economic Research (C2ER), ACCRA Cost of Living Index.

SIERRA VISTA WEATHER

MONTH	AVG. HIGH	AVG. LOW	MEAN	AVG. PRECIP.	RECORD HIGH	RECORD LOW
January	62°F	34°F	48°F	1.19 in	81°F (1999)	12°F (1987)
February	65°F	36°F	51°F	0.65 in	83°F (1986)	11°F (1985)
March	70°F	41°F	56°F	0.44 in	91°F (1989)	23°F (1985)
April	77°F	46°F	62°F	0.36 in	97°F (1989)	28°F (1999)
May	85°F	53°F	69°F	0.26 in	102°F (2002)	38°F (1995)
June	93°F	62°F	78°F	0.38 in	107°F (1990)	46°F (1991)
July	93°F	66°F	79°F	3.01 in	108°F (1989)	56°F (2004)
August	90°F	64°F	77°F	3.85 in	102°F (1995)	53°F (1992)
September	87°F	60°F	74°F	1.29 in	98°F (1983)	45°F (1985)
October	79°F	50°F	65°F	1.16 in	96°F (1983)	31°F (1996)
November	69°F	40°F	54°F	0.45 in	85°F (1988)	19°F (2004)
December	62°F	34°F	48°F	0.98 in	79°F (1987)	15°F (1987)

Source: The Weather Channel ©

the cost of miscellaneous goods and services was 4.5 percent below the national average. In 2008, miscellaneous goods and services were priced only 3.6 percent below national averages.

Grocery items, utilities, and transportation costs in Cochise County all declined relative to national averages in 2008. Grocery items, which were 5.5 percent above the national average in 2007, fell to 4.9 percent above the national average in 2008. Utilities, which were priced 0.7 percent higher than the national average in 2007, were 2.3 percent below the national average in 2008. Transportation costs, which include gasoline and automobile maintenance, declined considerably in 2008, relative to the rest of the nation. In 2007, transportation costs in Cochise County were 4.3 percent above the national average. In 2008, transportation costs locally were only 0.9 percent higher than the national average.

Statewide, there were seven places participating in the ACCRA Cost of Living Index in 2008. In addition to Cochise County, other participating areas included Flagstaff, Lake Havasu City, Phoenix, Prescott-Prescott Valley, Tucson, and Yuma. Of these, only Tucson had an overall cost of living that was lower than Cochise County. The highest cost of living in Arizona was in Flagstaff, which was 18.3 percent above the national average.

The ACCRA Cost of Living Index data for Cochise County are collected by the

Cochise College Center for Economic Research and submitted to the Council for Community and Economic Research for inclusion in the index. Cochise County's participation is sponsored by the Sierra Vista Economic Development Foundation, which covers the cost of data collection.

Climate

Sierra Vista is at an elevation of 4,623 feet. The average monthly temperature ranges from an average low of 34°F in January and December to an average high of 93°F in June and July. The record low of 11°F was observed in February 1985. The record high is 108°F, observed in July 1989. The average monthly precipitation ranges from a low of 0.26 inches in May to a high of 3.85 inches in August.

Arizona Enterprise Zone Program

Portions of Sierra Vista are located in the Cochise County Enterprise Zone, currently in effect through 2011. This zone also includes the communities of Benson, Bisbee, Douglas, Huachuca City, Tombstone, and Willcox, and surrounding unincorporated areas. 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 percent 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



Food Court at the Mall
at Sierra Vista

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 Enterprise Zone 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” (\$9.26 in 2009 for the Cochise County Enterprise Zone), and provides health insurance to employees for which the employer pays at least 50 percent.

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

enterprise zone is eligible for an assessment ratio of 5 percent on all personal and real property (for primary tax purposes only) in the zone for five years if it is: (1) either minority-owned, woman-owned, or small (as defined by Enterprise Zone program 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 2008). For more information on the Enterprise Zone program, contact the Cochise County Enterprise Zone Administrator at (520) 432-9215 or by email at gmatter@cochise.az.gov, or the Arizona Enterprise Zone Administrator at (602) 771-1236 or email at rebekahb@azcommerce.com, or visit www.azcommerce.com.

Tax Rates

TRANSACTION PRIVILEGE TAX

Sales (or transaction privilege) tax rates in Sierra Vista vary based on the category of sale. City sales tax is added to a base of 6.1 percent, which includes county and state taxes, for most categories of sales. The general privilege tax rate in Sierra Vista is 1.75 percent for a total (city, county, and state) tax of 7.85 percent. Restaurant and bar sales in the city are taxed at 2.6 percent, for a total tax of 8.7 percent. Hotel, motel, and other transient lodging stays are taxed at 5.5 percent, for a total tax of 11.55 percent (note: The state and county combined tax for hotel, motel,

SIERRA VISTA TRANSACTION PRIVILEGE (SALES) TAX RATES

CATEGORY	COUNTY AND STATE	CITY OF SIERRA VISTA	TOTAL
Privilege Tax	6.10%	1.75%	7.85%
Use Tax - Utilities	6.10%	1.75%	7.85%
Use Tax	5.60%	1.75%	7.35%
Restaurant & Bar	6.10%	2.60%	8.70%
Hotel/Motel	6.05%	5.50%	11.55%
Utilities/Telecommunications	6.10%	2.00%	8.10%
Jet Fuel (per gal.)	\$ 0.03355	\$ 0.02	\$ 0.05355
Rental of Real Property	—	1.00%	1.00%
Construction Contracting	6.10%	2.45%	8.55%

Note: Rates as of January 1, 2009. Source: Arizona Department of Revenue and Cochise College Center for Economic Research.



New housing in Sierra Vista

and other transient lodging stays is 6.05 percent). Utilities and telecommunications sales in the city are taxed at 2 percent, for a total rate of 8.1 percent. Construction contracting is taxed at 2.45 percent, for a total rate of 8.55 percent. In 2006, Sierra Vista added a real property rental tax of 1 percent; real property rentals are not taxed at the county and state levels.

PROPERTY TAX

The combined total of all primary and secondary city, school district, county, state, and other property taxes for real property located in Sierra Vista in 2008 was \$9.6714 per \$100 assessed value. This was

down from \$11.81 in 2007 due to a decrease in tax rates by all jurisdictions except Cochise County library and flood control, which apply to all real property countywide. The lower rates were largely in response to a substantial increase in property valuations, which brought in more revenue at lower rates. The property tax rate levied by the City of Sierra Vista in 2008 was \$0.1258 per \$100 of assessed value, the lowest level of any of the 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:

- **22 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: 22 percent in 2009; 21 percent in 2010; and 20 percent in 2011.
- **21 percent:** Railroad operating

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

DISTRICT	PRIMARY	SECONDARY	TOTAL
City of Sierra Vista	0.1258		0.1258
Buena Elementary School District	2.0112	0.8385	2.8497
Buena High School District	1.2381	0.6359	1.8740
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	7.7114	1.9600	9.6714

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.

- 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; and improvements to commercial historic or historic residential rental property (for up to 10 years).

Crime Rate

The crime rate in Sierra Vista in 2007 was 40.3 crimes per 1,000 residents, down considerably from 46.3 in 2006. In 2006, crime in Sierra Vista was at its highest level since 2003. In the intervening years, the city saw crime rates considerably below the county, state, and national averages. In 2007, Sierra Vista’s crime rate was lower than the county and state rates, but higher than the national rate.

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 FBI issues the following caution when using crime rate data: To assess criminality and law enforcement’s response from jurisdiction to jurisdiction, one must consider many variables, some of which, while having significant impact on crime, are not readily measurable or applicable pervasively among all locales. Geographic and demographic factors specific to each jurisdiction must be considered and applied if one is going to make an accurate and complete assessment of crime in that jurisdiction. The

U.S. Census Bureau data, for example, can be used to better understand the makeup of a locale’s population. The transience of the population, its racial and ethnic makeup, its composition by age and gender, educational levels, and prevalent family structures are all key factors in assessing and comprehending the crime issue. Understanding a jurisdiction’s industrial/economic base; its dependence upon neighboring jurisdictions; its transportation system; its economic dependence on nonresidents (such as tourists and convention attendees); its proximity to military installations, correctional facilities, etc., all contribute to accurately gauging and interpreting the crime known to and reported by law enforcement. The strength (personnel and other resources) and the aggressiveness of a jurisdiction’s law enforcement agency are also key factors in understanding the nature and extent of crime occurring in that area. For example, one city may report more crime than a comparable one, not because there is more crime, but rather because its law enforcement agency through proactive efforts identifies more offenses. Attitudes of the citizens toward crime and their crime reporting practices, especially concerning minor offenses, also have an impact on the volume of crimes known to police.

SIERRA VISTA CRIME RATE (PER 1,000 RESIDENTS)

2003	47.2
2004	37.8
2005	36.9
2006	46.3
2007	40.3

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

CRIME RATE, 2007 (PER 1,000 RESIDENTS)

LOCATION	POPULATION	VIOLENT CRIME	PROPERTY CRIME	ARSON	TOTAL CRIME	CRIME RATE (PER 1,000 RESIDENTS)
United States	301,290,332	1,408,337	9,843,481	N/A	11,251,818	37.3
Arizona	6,500,194	30,600	279,794	N/A	310,394	47.8
Cochise County	137,200	N/A	N/A	N/A	N/A	*43.1
Benson	4,992	10	240	1	251	50.3
Bisbee	6,310	41	307	0	348	55.2
Douglas	18,152	30	619	3	652	35.9
Huachuca City	1,832	3	34	0	37	20.2
Sierra Vista	44,736	134	1,644	26	1,804	40.3
Tombstone	1,682	N/A	N/A	N/A	N/A	N/A
Willcox	3,913	6	345	2	353	90.2
Unincorporated Areas	55,583	N/A	1,383	20	N/A	N/A

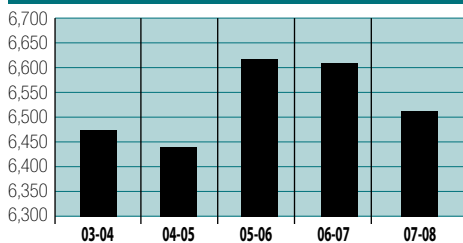
N/A = Data not available. *Estimated by the Cochise College Center for Economic Research based on reporting for all areas except Tombstone and the unincorporated areas. Source: Federal Bureau of Investigation, Uniform Crime Reports; U.S. Census Bureau; Arizona Department of Commerce; and Cochise College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

Education

The new Center for Academic Success (CAS) campus



SIERRA VISTA UNIFIED SCHOOL DISTRICT AVERAGE DAILY MEMBERSHIP



Note: Reflects Total Attending Average Daily Membership. Source: Arizona Department of Education.

Primary and Secondary Education

SIERRA VISTA UNIFIED SCHOOL DISTRICT

The Sierra Vista Unified School District (SVUSD) consists of one high school, two middle schools, and six elementary schools. Average daily membership (ADM) at the district level increased from the 2004-2005 to the 2005-2006 school year, but since then has declined. ADM is a prime determinant of state-level funding.

The K-12 school district has programs for advanced and gifted students and English Language Learners (ELL), as well as those who need special preschools or have special needs. At all levels, activities are designed to meet the various interests of a diverse student population. High school career-technical programs include accounting and financial services, automotive technology and repair, business technology, computer maintenance and repair, construction, culinary arts, drafting, early childhood development,

education professions, commercial and graphic arts, marketing, photo imagery, radio and television, programming and network development, theater technology, and web design. Partnerships with Cochise College include programs in health services, welding, avionics, engineering and numerous other career programs. Also available is Junior Reserve Officer Training Corps (JROTC), as well as advanced placement classes in English, mathematics, science, psychology, geography, art, music, and history. Interscholastic sports, Knowledge Bowl, Speech and Debate, Odyssey of the Mind, Robotics, National History Day, Academic Decathlon competitions, and a variety of service and special interest clubs are available at the middle schools and high school. Gifted programs as well as many other before- and after-school programs are offered at the elementary school level.

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 2007-2008 school year, Pueblo del Sol Elementary was rated highly performing. Buena High School was rated performing and all others were rated performing plus.

In fiscal year 2007, the student/teacher ratio in SVUSD was 17.1, down from 18.0 in 2006 and 17.7 in 2005. The district's student/teacher ratio of 17.1 in 2007 was lower than the statewide average of 17.4. The average years of experience for teachers in SVUSD in 2007 was 9.5, compared to 8.1 statewide.

SVUSD spent an average of \$7,116 per student in 2007, which was 3.6 percent below the statewide average of \$7,382. The district spent 55.5 percent of per pupil dollars, or \$3,952, in the classroom, which was below the statewide average of 57.9 percent or \$4,277. Of Arizona's 229 school districts, SVUSD was ranked 105th for classroom dollars.

Non-classroom per pupil expenditures in the district totaled \$3,164, or 44.5 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.

FORT HUACHUCA ACCOMMODATION SCHOOLS

Fort Huachuca Accommodation Schools (FHAS) consist of one middle school and two elementary schools. FHAS are Arizona public schools that fall under the Arizona Department of Education. The schools are not Department of Defense Dependent Schools (DoDDS). The school district is under the direction and authority of the Cochise County School Superintendent and a 5-person governing board established in 2008. The district is administered by a district superintendent. Financial support for FHAS is derived from state aid and federal impact aid.

Although not under the jurisdiction of the military command, the district has a close working relationship with the garrison commander's office and other military groups on post. A school liaison officer works closely with the district, the individual schools, parents, and the military to enhance the partnerships needed for successful student growth and achievement.

The FHAS curriculum has been aligned to the Arizona state standards and the district has incorporated the standards into instructional practices in the classrooms. The major teaching emphasis is placed on the basic fundamentals while providing a foundation for students to build upon by continuing their learning and inquiry throughout their lifetimes. A certified principal administers each school, and each school employs a registered nurse. ELL coordinators, speech therapists, and counselors work at all three school sites.

Under Arizona Learns, Colonel Johnston Elementary School was rated excelling, and Colonel Smith Middle School and General Myer Elementary School were rated highly performing for the 2007-2008 school year.

CHARTER SCHOOLS

In addition to the SVUSD and the FHAS, Sierra Vista also has five charter schools, which have had a combined enrollment of more than 900 students in recent years. Each of the city's charter schools was rated performing for the 2007-2008 school year 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 throughout the 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.

Cochise College classes have been offered in the Sierra Vista/Fort Huachuca area since the 1960s. By 1972, college instructors were teaching courses in temporary buildings at Buena High

SIERRA VISTA UNIFIED SCHOOL DISTRICT ARIZONA LEARNS RATINGS

SCHOOL	2007-2008	2006-2007
Buena High School (9-12)	Performing	Performing
Apache Middle School (6-8)	Performing Plus	Performing Plus
Joyce Clark Middle School (6-8) (formerly Sierra Vista Middle School)	Performing Plus	Performing Plus
Bella Vista Elementary (K-5)	Performing Plus	Performing
Carmichael Elementary (K-5)	Performing Plus	Performing Plus
Huachuca Mountain Elementary (K-5)	Performing Plus	Highly Performing
Pueblo del Sol Elementary (K-5)	Highly Performing	Excelling
Town & Country Elementary (K-5)	Performing Plus	Performing Plus
Village Meadows Elementary (K-5)	Performing Plus	Highly Performing

Source: Arizona Department of Education.

FORT HUACHUCA ACCOMMODATION SCHOOLS ARIZONA LEARNS RATINGS

SCHOOL	2007-2008	2006-2007
Colonel Smith Middle School (6-8)	Highly Performing	Excelling
General Myer Elementary School (3-5)	Highly Performing	Highly Performing
Colonel Johnston Elementary School (pre-K-2)	Excelling	N/A

N/A = Data Not Available. Source: Arizona Department of Education.

SIERRA VISTA CHARTER SCHOOLS ARIZONA LEARNS RATINGS

SCHOOL	2007-2008	2006-2007
The Berean Schools (K-12)	Performing	Performing/Performing Plus*
Center for Academic Success #1 (9-12)	Performing	Performing Plus
PPEP-TEC Colin L. Powell Learning Center (9-12)	Performing	Performing
Imagine Charter School at Sierra Vista (K-8)	Performing	Performing
Center for Academic Success #5 (K-5)	Performing	Performing

*Grades K-8 were rated Performing; grades 9-12 were rated Performing Plus. Source: Arizona Department of Education.

SIERRA VISTA PRIMARY AND SECONDARY SCHOOL ENROLLMENT

SCHOOL	2006-2007	2007-2008	2008-2009
Sierra Vista Unified School District	6,905	6,831	6,629
Apache Middle School (6-8)	728	693	652
Bella Vista Elementary School (K-5)	431	431	419
Buena High School (9-12)	2,785	2,721	2,577
Carmichael Elementary School (K-5)	410	390	377
Huachuca Mountain Elementary School (K-5)	567	553	540
Pueblo Del Sol Elementary School (K-5)	481	519	542
Sierra Vista Middle School (6-8)	649	643	609
Town & Country Elementary School (K-5)	473	450	423
Village Meadows Elementary School (K-5)	381	431	490
Fort Huachuca Accommodation District	1,046	1,143	1,104
Colonel Johnston Elementary School (pre-K-2)	372	425	403
Colonel Smith Middle School (6-8)	323	348	342
General Myer Elementary School (3-5)	351	370	359
Charter Schools	942	953	N/A
The Berean Schools (K-10)	224	239	255
Center for Academic Success #5 (K-5)	61	67	113
Center for Academic Success #1 (9-12)	165	157	N/A
Imagine Charter School at Sierra Vista (K-8)	435	435	420
PPEP-TEC Colin L. Powell Learning Center (9-12)	57	55	20

N/A = Data Not Available. Note: Figures reflect enrollment as of October 1 of each school year. Source: Arizona Department of Education.

DISTRIBUTION OF PER PUPIL SPENDING

	SIERRA VISTA UNIFIED SCHOOL DISTRICT	ARIZONA	UNITED STATES
Classroom Dollars	55.5	57.9	61.2
Non-classroom Dollars	44.5	42.1	38.8
Administration	10.8	9.5	11.0
Plant Operations	13.5	11.3	9.6
Food Service	4.2	4.7	3.9
Transportation	4.4	4.3	4.1
Student Support	6.8	7.3	5.2
Instruction Support	4.7	4.8	4.8
Other	0.1	0.2	0.2

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

School. In 1974, the Andrea Cracchiolo family donated 40 acres of land east of Sierra Vista for the future site of the Sierra Vista Campus. The campus opened in 1978. To meet the needs of a growing student population, ground was broken on the Andrea Cracchiolo Library and the science building in September 1994. Today, the campus provides a diverse curriculum of general education, transfer, and occupational programs, including computer science, nursing, business, theater, welding, and manufacturing engineering. It is located in close proximity to apartments, shopping, dining, University of Arizona South, and Buena High School. In addition to its Sierra Vista Campus, the college offers classes in Benson, Bisbee, Douglas, Fort Huachuca, Willcox, and in outlying areas. Classes are also offered online and in neighboring Santa Cruz County.

In 2008, the college broke ground on 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 developed 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 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.

In 2008, work at the Sierra Vista Campus included an addition to the science building, a new career-technical building, and related site improvements including a new sewer line. The science building project will add 7,500 square feet of labs/classrooms, preparation areas, and storage space at a cost of \$2.25 million. The \$3.4 million, 15,000 square foot career-technical building will be flexibly designed to house welding, drafting, building/construction technology, and other technological programs. Site improvements totaling \$1.3 million in the vicinity of the new construction include a new domestic water line, fire hydrant relocation, electrical services, fire alarm, data and communications, as well as a new sewer line required by the city.

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 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. Graduate degrees are also offered in select disciplines. UA South is a commuter campus, with schedules designed to accommodate working adults and returning students. Throughout Arizona, students may also take advantage of UA South courses available online.

In addition to its campus in Sierra Vista, UA South maintains a campus in Douglas, serving the needs of Southeast Cochise County and Northern Mexico, and an office on Fort Huachuca. For more information, visit www.uas.arizona.edu.

UNIVERSITY OF PHOENIX

The Southern Arizona Campus of the University of Phoenix has learning center campus locations in Sierra Vista and on Fort Huachuca. The Southern Arizona Campus allows students to earn their college degree while maintaining their personal and professional commitments. University of Phoenix classes are scheduled in the evenings, and the university is committed to providing higher education to working professionals. University of Phoenix offers professional level undergraduate degrees in business, accounting, administration, information systems, management, and nursing, and graduate degrees in business, counseling, information systems, technology management, management, nursing, and education. For more information, visit www.universityofphoenix.com.

WAYLAND BAPTIST UNIVERSITY

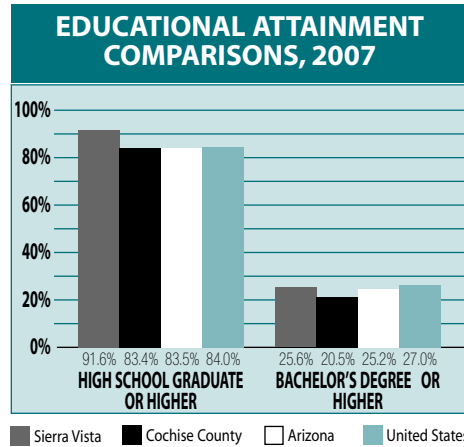
Wayland Baptist University has campus locations in Sierra Vista and on Fort Huachuca. Wayland is a private, coeducational Baptist university and seeks to educate students in an academically challenging and distinctively Christian environment. The majority of Wayland’s undergraduate and graduate programs cater to the working adult student, to include mili-

tary, border patrol, and other government employees. Undergraduate programs include a Bachelor of Science in Occupational Education degree; Bachelor of Science in Interdisciplinary Studies degree; and Bachelor of Christian Ministry degree. Graduate programs include a Master of Christian Ministry and a Master of Arts in Management. For more information, visit www.wbu.edu.

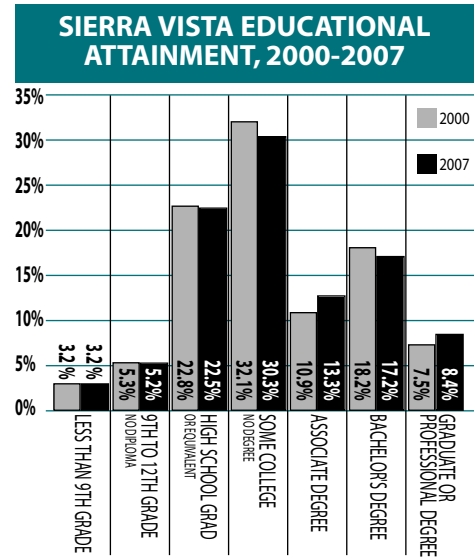
WESTERN INTERNATIONAL UNIVERSITY

Western International University (WIU) has a campus located on Fort Huachuca. WIU provides a broad educational foundation, including a focus on business and technology, designed to prepare students for leadership positions in a dynamic, global marketplace. WIU seeks to provide education programs to a student population that includes working adults and international students, in a format and at times and locations conducive to the education of the student population. The university seeks to provide programs that meet the educational needs identified by industry, government, and other institutions of higher education in the community. WIU also seeks to provide students with an education that blends practical experience with a strong theoretical framework, and an international educational environment through the implementation of global-oriented curriculum. For more information, visit www.wintu.edu.





Note: Population 25 years and older. Source: U.S. Census Bureau, 2005-2007 American Community Survey 3-Year Estimates; and Cochise College Center for Economic Research



Note: Population 25 years and older. Source: U.S. Census Bureau, 2005-2007 American Community Survey 3-Year Estimates; and Cochise College Center for Economic Research.

Educational Attainment

According to the U.S. Census Bureau, 91.6 percent of Sierra Vista's population aged 25 years and older had at least a high school diploma or equivalent in 2007, compared to 83.4 percent countywide, 83.5 percent statewide, and 84.0 percent nationally. Approximately 25.6 percent of Sierra Vista residents held a bachelor's degree or higher in 2007, compared to 20.5 percent for the county, 25.2 percent statewide, and 27.0 percent nationwide.

Between 2000 and 2007, according to U.S. Census Bureau data, the proportion of Sierra Vista residents, aged 25 years and older, with less than a 9th grade education stabilized at 3.2 percent. At the same time, the proportion with a 9th to 12th grade education, but without a high school diploma, decreased slightly from 5.3 to 5.2 per-

cent. The proportion of high school graduates (or equivalent) decreased from 22.8 to 22.5 percent, and the proportion of residents with some college but no degree decreased from 32.1 to 30.3 percent. The proportion of residents with an associate degree increased considerably from 10.9 to 13.3 percent of the city's population aged 25 years and older, the proportion of residents with a bachelor's degree decreased from 18.2 to 17.2 percent, and the proportion of residents with a graduate or professional degree increased from 7.5 to 8.4 percent. The data suggest that many of those who held bachelor's degrees in 2000 went on to earn graduate or professional degrees by 2007, and many of those with some college but no degree went on to earn associate degrees.



Students at Buena High School

Healthcare



The SVRHC Wellness Depot
at the Mall at Sierra Vista

Sierra Vista Regional Health Center

Sierra Vista Regional Health Center (SVRHC) offers state of the art technology, modern facilities, newly expanded maternal child unit with birthing suites, a Level II nursery, intensive care and medical surgical departments, the latest in diagnostics, complete rehabilitation services, and a free-standing ambulatory surgery center. SVRHC maintains an 86-bed, Joint Commission-accredited acute care facility and has 70 active, 37 courtesy, and 9 Allied Health physicians. SVRHC serves more than 40,000 residents in Sierra Vista, Fort Huachuca, and Cochise County, and reports more than 7,600 patient visits, 1,400 births, 28,000 emergency room visits, and 375,000 tests performed each year.

In 2005, SVRHC completed an emergency department expansion, which doubled the size of the department and added a “fast-track” area to speed the processing of patients requiring lower levels of care. The emergency department added a new x-ray machine and four telemetry beds bringing the total to 14. The nursing station was renovated and new services were implemented including dialysis, a sleep lab, and positron emission tomography (PET)/computed tomography (CT).

In 2007, SVRHC renovated its medical surgical department adding a second nursing station, a private patient room, a treatment room, a new visitor waiting room, a medication room for each nursing station, a staff conference room, and space for the new clinical information system. Also in 2007, Trauma Telemedicine equipment was installed, which provides a real-time connection to trauma doctors at the University Medical Center in Tucson.

AMBULATORY SURGERY SERVICES

Ambulatory surgery services at SVRHC include endoscopy, general surgery (including respiratory, digestive, abdominal, and vascular system), gynecological surgery, orthopedics, otolaryngology (ear, nose, and throat procedures), urology (specializing in kidney, urinary system, and prostate procedures), manometry, and podiatry. The cardiopul-

monary services department provides newborn, pediatric, adolescent, adult, and geriatric services, including arterial blood gas analysis, nebulizer/aerosol therapy, electrocardiograms, pulmonary function studies, cardiac stress testing, chest physiotherapy, bronchoscopy, mechanical ventilation, lung expansion therapy, oxygen therapy, CPAP and BiPAP therapy, pulse oximetry, pulmonary rehabilitation, cardiac rehabilitation, and arterial line insertion.

DIAGNOSTIC IMAGING

SVRHC's diagnostic imaging department offers state-of-the-art diagnostic services and employs specially trained and licensed technologists certified in X-ray, CT, magnetic resonance imaging (MRI), PET/CT, nuclear medicine, ultrasound, and mammography. All areas of diagnostic imaging provide coverage 24 hours a day, 7 days a week, for emergency services. Specialized medical equipment and procedures include a full range of diagnostic radiology (X-ray) services with X-ray technologists on duty 24 hours a day; multislice CT scanner, which includes diagnostics, biopsies, trauma, vascular services, and QCT bone density tests; MRI services in complete diagnostics and vascular studies; PET/CT; nuclear medicine; ultrasound (sonography) services; and full service mammography.

INFUSION SERVICES

Infusion services offered by SVRHC include blood transfusions, hydration/infusion (e.g., Remicade, Venofer, Zometa, Aredia, IVIG, and antibiotics), injections (e.g., antibiotics, Aranesp, Procrit, Leukine, Neupogen, and Neulasta), central line maintenance/lab draws, wound care without debridement, and phlebotomies.

CRITICAL CARE SERVICES

Critical care services include an eight-bed intensive care unit, 12-bed telemetry (step-down) unit, and cardiac catheterization laboratory. The entire hospital team consisting of respiratory therapists, clinical dietitians, diagnostic imaging technicians, case managers, social workers, medical technicians, pharmacists, surgical services, and rehabilitation specialists support criti-

cal care when needed. Helicopter services provided by LifeNet are based at SVRHC and are staffed by flight nurses and professional pilots who are certified in emergency care. Ground transportation, staffed by certified paramedics and emergency medical technicians, is readily available.

LABORATORY SERVICES

SVRHC's full-service laboratory is accredited by the Joint Commission for Accreditation of Healthcare Organizations and the College of American Pathologists. It is under the direction of a board-certified pathologist and has two full-time pathologists. Registered medical technologists and other lab professionals assist the clinician in the diagnosis and management of patients. The SVRHC laboratory actively participates in a nationally certified inter-laboratory survey program in which the laboratory is evaluated in relationship to a nationwide peer group. The laboratory has been recognized for its discovery of a new and rare strain of salmonella. The strain was named Salmonella Cochise, stereotype 18:b:1,7. This strain has been confirmed and recorded by the Centers for Disease Control and was forwarded to the International Center in Paris, France.

MATERNAL CHILD SERVICES

The SVRHC maternal child unit delivers more than 1,400 babies each year. The unit, which was expanded in 2004, offers an atmosphere of low lighting and private birthing rooms. There is an on-unit surgical suite to facilitate quick and efficient return to a private room. Babies can "room in" with the mother and rooms are equipped with specialty beds, comfortable chairs that lay flat for guest sleeping, telephones, color TV with cable service, and large windows. All rooms are equipped with state-of-the-art fetal monitors that allow observation in the room or at the nurses' station. The SVRHC nursery is certified by the Arizona Perinatal Trust as a Level II nursery. The maternal child unit is supported by a staff of registered nurses, licensed practical nurses, certified technicians, and prenatal instructors. Supporting the nursing team are clinical professionals from cardiopulmonary, rehabilitation, lab-

oratory, radiology, nutrition and food services, and pharmacy. The maternal child unit has received a Johnson & Johnson Childbirth Nursing Award. Healthy Families Arizona recognized the unit in 2002 with the "Ounce of Prevention" and "2002 Community Partners" awards.

MEDICAL/SURGICAL

The medical/surgical department is SVRHC's largest department, offering care before and after surgery, observation, recuperation during and after illness, disease management, and wound care. The fully licensed and certified staff includes registered nurses, licensed practical nurses, and certified nursing assistants. The entire hospital team consisting of respiratory therapists, clinical dietitians, diagnostic imaging technicians, case managers, social workers, medical technicians, pharmacists, surgical services, and rehabilitation specialists provide support when needed. The staff receives training in the latest in healthcare equipment, cardiopulmonary resuscitation (CPR), advanced cardiac life support (ACLS), pediatric advanced life support, and neonatal stabilization. Patient rooms are semi-private and include remote controlled televisions connected to cable, telephones (TTY equipment available, upon request), restrooms, fully adjustable beds, individual climate controls, and an intercom system.

MEDICAL TELEMETRY/PEDIATRICS

The medical telemetry/pediatrics department offers care before and after surgery, observation, recuperation during and after illness, disease management, and wound care. The medical telemetry unit cares for cardiac patients who require cardiac monitoring for electrolyte imbalance. They also care for patients who require chemotherapy, COPD, CHF and GI bleeds. For pediatric patients, the department offers oxygen saturation monitoring in addition to basic services. The fully licensed and certified staff includes registered nurses, licensed practical nurses, and certified nursing assistants. The entire hospital team consisting of respiratory therapists, clinical dietitians, diagnostic imaging technicians, case managers, social workers,

medical technicians, pharmacists, surgical services, and rehabilitation specialists provide support when needed. The staff receives training in the latest in healthcare equipment, CPR, ACLS, and pediatric advanced life support.

NUTRITION AND FOOD SERVICES

Nutrition outpatient services include medical nutrition therapy provided by a registered dietitian to help manage diseases/conditions, minimize medical complications, reduce medication use, reduce hospital admissions and doctor visits, improve overall quality of life, and promote understanding of food and drug interactions. SVRHC provides individualized medical nutrition therapy for all age groups, from pediatrics to geriatrics, and for a variety of conditions including (but not limited to) diabetes (Type 1, Type 2, and gestational), heart disease, kidney disease, weight management, pre/post-gastric bypass, food allergies, food intolerances, tube feeding, general nutrition, and gastrointestinal disorders. SVRHC offers an adult weight-management program for individuals struggling with weight control. This is a 5-week program that includes an individualized weight-loss plan designed by a registered dietitian. Nutrition inpatient services include menus that reflect appropriate dietary considerations and include selection of food preferences.

Recently updated menus reflect today's healthy lifestyle choices for patients on regular therapeutic diets.

REHABILITATION

SVRHC's rehabilitation services department is a regional provider offering a range of rehabilitation programs. The staff includes licensed and certified physical, occupational, and speech therapists, assistants, and support professionals who provide services to patients of all ages and health conditions and treat the consequences of disease or injury by addressing impairments, functional limitations, and disabilities. The department treats patients with orthopedic conditions, neurologic conditions, acute and general medical conditions, wounds, diabetes, connective tissue conditions, chronic pain, cardiopulmonary/circulatory conditions, amputations, lymphedema, athletic/sports injuries, industrial injuries, hand/wrist/elbow injuries, speech/language conditions, cognitive disorders, and voice disorders. Specialty programs include certified manual therapy, aquatic therapy, wound management, pediatric intervention, hand therapy, functional capacity evaluations, work conditioning/industrial rehabilitation, pre-operative teaching classes (TKA & THA), pre-feeding skills, tongue thrust correction, and videofluoroscopy swallow evaluation.

SVRHC is licensed by Medicare and

the State of Arizona, and is accredited by the Joint Commission on Accreditation of Healthcare Organizations. SVRHC treats all patients, regardless of their ability to pay and strictly adheres to the tenets of the Emergency Medical Treatment and Active Labor Act. For more information, visit www.svrhc.org.

Veterans Administration Outpatient Clinic

In July 2007, the new, 10,000 square-foot Veterans Administration (VA) Outpatient Clinic opened in Sierra Vista to meet the healthcare needs of eligible veterans living in southeastern Arizona. Previously, the clinic was located in a 2,600 square-foot area in the basement of the Raymond W. Bliss Army Health Center on Fort Huachuca. The clinic's services include education, eligibility and enrollment, health maintenance, health promotion, health screening, laboratory, management of acute and chronic diseases, mental health, nutrition, optometry services, physical therapy, primary care, radiology, returning combat veterans program, social work, and routine/urgent care procedures including dermatologic procedures, skin tests, dressing changes, and immunizations. For more information, visit www.tucson.va.gov/CBOCs/SierraVista.asp.

HOSPITAL MILEAGE CHART

	Benson Hospital	Copper Queen Community Hospital	Holy Cross Hospital	Northern Cochise Community Hospital	Northwest Medical Center	Southeast Arizona Medical Center	Sierra Vista Regional Health Center	St. Joseph's Hospital	St. Mary's Hospital	Tucson Medical Center	Tucson Heart Hospital	University Medical Center	University Physician Hospitals
Benson Hospital	0	52	75	37	67	72	35	45	49	49	58	48	43
Copper Queen Community Hospital	52	0	91	86	118	22	27	95	100	99	108	99	94
Holy Cross Hospital	75	91	0	110	84	111	64	72	67	73	75	70	65
Northern Cochise Community Hospital	37	86	110	0	103	72	71	80	85	84	93	84	79
Northwest Medical Center	67	118	84	103	0	137	94	21	16	18	11	15	25
Southeast Arizona Medical Center	72	22	111	72	137	0	47	115	120	119	128	118	114
Sierra Vista Regional Health Center	35	27	64	71	94	47	0	72	77	77	86	76	71
St. Joseph's Hospital	45	95	72	80	21	115	72	0	10	3	11	6	8
St. Mary's Hospital	49	100	67	85	16	120	77	10	0	9	8	5	10
Tucson Medical Center	49	99	73	84	18	119	77	3	9	0	8	4	8
Tucson Heart Hospital	58	108	75	93	11	128	86	11	8	8	0	5	10
University Medical Center	48	99	70	84	15	118	76	6	5	4	5	0	5
University Physician Hospitals	43	94	65	79	25	114	71	8	10	8	10	5	0

Source: Cochise College Center for Economic Research.

Demographics

New housing located on Fort Huachuca



Population Estimates and Projections

The population of Sierra Vista as of July 2008 was 45,908, according to estimates by the Arizona Department of Commerce (ADOC). This was up 2.6 percent from 2007. From 2000 to 2008, Sierra Vista's population grew by 21.5 percent, for average annual growth of 2.5 percent. This was considerably below the statewide average annual growth rate of 3.3 percent, but ahead of the countywide rate of 2.1 percent. Based on its population size, Sierra Vista ranked as the 17th largest incorporated sub-county area in Arizona in 2008, down from 16th the year prior.

Sierra Vista's population includes the population of Fort Huachuca. This is the result of the city's annexation of the fort in 1971. In 2009, the resident population of Fort Huachuca was approximately 6,822, which included approximately 1,045 military personnel and 2,836 military family members residing in on-post housing, and 2,941 unmarried or unaccompanied military personnel residing in troop billets,

including students assigned temporarily to the fort for training. In 1995, Fort Huachuca launched a redevelopment project for its family housing areas. The project, which is scheduled to be completed in 2013, involves the demolition and replacement of existing units. The net effect will be a reduction of housing units from 1,794 in 2001 to approximately 1,075 in 2014. The net decline will result from the demolition of older housing units and the construction of fewer units to replace them. At current troop levels this will result in an increased demand for off-post housing in Sierra Vista and surrounding communities. Housing communities on post will be developed and homes will be constructed by private-sector firms as part of the Army's housing privatization efforts under its Residential Communities Initiative.

Although the population of Sierra Vista, including Fort Huachuca, is just under 46,000, the Sierra Vista area includes nearby populated areas that create a community of nearly 75,000, according to the Arizona Department of Commerce. This includes the City of Sierra Vista (including

Fort Huachuca), the Sierra Vista Southeast Census Designated Place (CDP), the Town of Huachuca City, the City of Tombstone, the unincorporated area of Whetstone, and surrounding unincorporated areas. The population of this wider Sierra Vista area is projected to reach 100,000 in 2028.

The steady population growth in Sierra Vista in the early 2000s was fueled by the increasing number of military and civilian personnel at Fort Huachuca, along with increases in defense contractor personnel to support the fort's missions. In recent years, the fort has seen an increase in the demand for intelligence soldiers, who are trained at the fort. One of the faster-growing sectors of defense contracting has been the Unmanned Aerial Vehicle (UAV) industry. Fort Huachuca became home to the largest UAV training center in the world in 2005 with the opening of a new, 25,000 square-foot UAV training annex. Another contributor to the city's population growth has been an increasing number of retirees, evidenced by the rapid growth of the city's population above the age of 65 and an increase in the share of households receiving retirement income from 28.5 percent in 2000 to 35.4 percent in 2007.

Race and Ethnicity

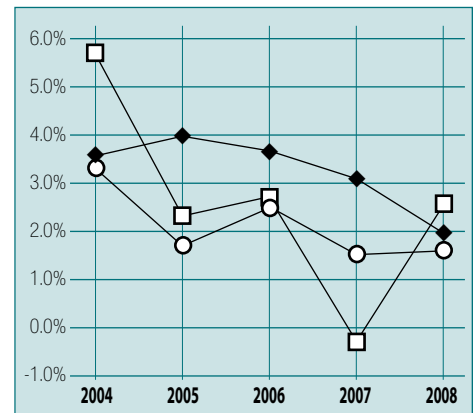
According to data from the U.S. Census Bureau, 16.3 percent of Sierra Vista's population in 2007 was Hispanic or Latino (of any race), up from 15.8 percent in 2000. Sierra Vista's 2007 Hispanic/Latino population was considerably below that of the

county and state, which had Hispanic/Latino populations of 31.3 and 29.0 percent, respectively. Nationally, Hispanics/Latinos accounted for 14.7 percent of the total population

Sierra Vista's population in 2007 was 77.9 percent White, 9.2 percent Black/African American, 0.7 percent American Indian or Alaska Native, 3.5 percent Asian, 0.5 percent Native Hawaiian or other Pacific Islander, and 8.2 percent other (including two or more races combined). From 2000 to 2007, the fastest growing racial group in Sierra Vista was those classifying themselves as White, which grew from 73.3 to 77.9 percent of the city's population, following a considerable decline in the 1990s. Those classifying themselves as other (including two or more races combined), after increasing sharply during the 1990s, declined from 10.9 to 8.2 percent of the city's population between 2000 and 2007. Those classifying themselves as Black or African American declined from 10.9 to 9.2 percent of the population and those classifying themselves as American Indian or Alaska Native dropped from 0.8 to 0.7 percent of the population. The proportion of the city's population classifying themselves as Native Hawaiian or other Pacific Islander remained relatively unchanged from 2000 to 2007, stabilizing at 0.5 percent.

The U.S. Census Bureau considers Hispanic an ethnicity, not a race; thus, there is no separate racial classification for Hispanics. According to the Census Bureau, people identifying themselves as Hispanic may be of any race. Shifts in racial composition do

POPULATION GROWTH COMPARISONS



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

POPULATION PROJECTIONS

YEAR	COCHISE COUNTY	CITY OF SIERRA VISTA	SIERRA VISTA AREA*
2009	143,346	48,560	75,446
2010	146,037	49,694	77,068
2011	148,672	50,805	78,656
2012	151,258	51,895	80,215
2013	153,784	52,959	81,738

*Includes City of Sierra Vista, Sierra Vista Southeast CDP, Huachuca City, Tombstone, Whetstone, and surrounding areas. Source: Arizona Department of Commerce.

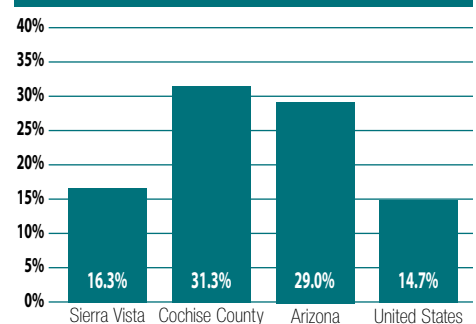
...although the population of Sierra Vista... is just under 46,000, the Sierra Vista area includes nearby populated areas that create a community of nearly 75,000

POPULATION ESTIMATES

	SIERRA VISTA		COCHISE COUNTY		ARIZONA	
	POPULATION	GROWTH	POPULATION	GROWTH	POPULATION	GROWTH
1990	32,983	—	97,624	—	3,665,228	—
2000	37,775	14.5%	117,755	20.6%*	5,130,632	40.0%*
2001	38,740	2.6%	120,845	2.6%	5,319,785	3.7%
2002	40,415	4.3%	123,945	2.6%	5,470,720	2.8%
2003	40,410	0.0%	125,430	1.2%	5,642,725	3.1%
2004	42,725	5.7%	129,600	3.3%	5,845,250	3.6%
2005	43,690	2.3%	131,790	1.7%	6,077,740	4.0%
2006	44,870	2.7%	135,150	2.5%	6,305,210	3.7%
2007	44,736	-0.3%	137,200	1.5%	6,500,194	3.1%
2008	45,908	2.6%	139,434	1.6%	6,629,455	2.0%

*Total growth over the period 1990-2000. Source: Figures for 1990 and 2000 obtained from the U.S. Census Bureau. Figures for 2001-2008 are estimates provided by the Arizona Department of Commerce.

HISPANIC/LATINO POPULATION, 2007



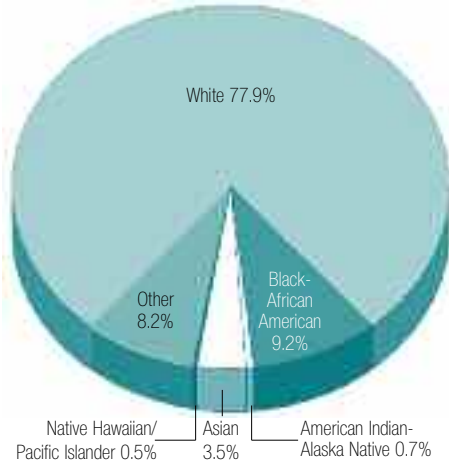
Note: The U.S. Census Bureau considers Hispanic an ethnicity, not a race; thus, there is no separate racial classification for Hispanic. According to the Census Bureau, people identifying themselves as Hispanic may be of any race. Source: U.S. Census Bureau, 2005-2007 American Community Survey 3-Year Estimates; and Cochise College Center for Economic Research.

ARIZONA'S 20 LARGEST INCORPORATED PLACES BY POPULATION SIZE, 2008

RANKING	PLACE	POPULATION
1	Phoenix	1,561,485
2	Tucson	543,959
3	Mesa	459,682
4	Glendale	248,435
5	Chandler	244,376
6	Scottsdale	242,337
7	Gilbert	214,820
8	Tempe	172,641
9	Peoria	155,560
10	Surprise	108,761
11	Yuma	93,719
12	Avondale	76,648
13	Flagstaff	64,693
14	Goodyear	59,436
15	Lake Havasu City	55,429
16	Buckeye	50,143
17	Sierra Vista	45,908
18	Casa Grande	45,116
19	Prescott	43,280
20	Oro Valley	43,223

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

SIERRA VISTA RACIAL COMPOSITION, 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: U.S. Census Bureau, 2005-2007 American Community Survey 3-Year Estimates; and Cochise College Center for Economic Research.

not necessarily represent changing demographics alone, but may include differences in how residents choose to classify themselves.

Age Groups

According to data from the U.S. Census Bureau, the median age of the city's population in 2007 was 33.9 years, considerably below the median age of 39.8 years for all of Cochise County and slightly below the statewide median age of 34.8 years. This is likely attributable to the large number of predominantly younger military personnel who are stationed at Fort Huachuca. The city's median age of 33.9 years in 2007 was up slightly from 32 years in 2000.

In 2007, 76.0 percent of Sierra Vista's population was aged 18 years and older (up from 74.2 percent in 2000); 18.9 percent was aged 62 years or older (up from 14.6 percent in 2000); and 15.5 percent was aged 65 years or older (up from 12.1 percent in 2000). The fastest-growing age groups in Sierra Vista between 2000 and 2007 were all in the 55 years or older category. The fastest-growing age group was those 75 to 84, which grew from 4.1 to 6.0

...the median age of the city's population in 2007 was 33.9 years, considerably below the median age of 39.8 years for all of Cochise County and slightly below the statewide median age of 34.8 years.

percent of the population. Second was the 85 years and older group, which grew from 0.9 to 1.3 percent, followed by the 60 to 64 years group, which grew from 4.2 to 5.6 percent, and the 55 to 59 years group, which increased from 4.7 to 5.9 percent. The 65 to 74 years group also grew considerably, from 7.1 to 8.2 percent of the population. The 20 to 24 years age group increased slightly from 9.0 to 9.7 percent of the population. The 5 to 9 years age group remained unchanged at 7.1 percent of the population, and the under-5 years group grew modestly from 7.7 to 7.8 percent. Age groups that declined as a share of the total population from 2000 to 2007 were 10 to 14 years (from 6.9 to 5.2 percent), 15 to 19 years (from 8.2 to 6.7 percent), 35 to 44 years (from 13.8 to 11.3 percent), 45 to 54 years (from 11.0 to 10.4 percent), and 25 to 34 years (from 15.4 to 14.7 percent).

Household Characteristics

According to the Census Bureau, the average household size in Sierra Vista in 2007

One of many specialized health care facilities in Sierra Vista





A view of Sierra Vista
Photo: Herald/Review

was 2.35 persons, down from 2.48 in 2000. The declining household size in Sierra Vista is due in large part to the growing population of those aged 65 and older, who tend to have smaller household sizes.

Of total Sierra Vista households, 69.2 percent were classified as family households in 2007, down from 70.4 percent in 2000. A total of 34.4 percent of households had individuals under the age of 18 (down from 37.3 percent in 2000) and 27.1 percent had individuals aged 65 years and older (up from 22.1 percent in 2000). Seven percent of Sierra Vista households were headed by single mothers of children under the age of 18 in 2007, compared to 6.6 percent countywide and 7.2 percent statewide.

Of Sierra Vista's population aged 15 years and older, 58.3 percent were married (excluding those who were currently separated), 1.7 percent were separated, 11.3 percent were divorced, 4.9 percent were widowed, and 23.8 percent had never been married as of 2007.

As of 2007, approximately 67.6 percent of Sierra Vista's population aged 1 year and older had resided in the same house for at least 1 year. Approximately 17.7 percent of Sierra Vista's population aged 1 year and older had relocated to the city within the previous year from outside Cochise County. The high relocation rate is attributable to military personnel transferring to and from Fort Huachuca.

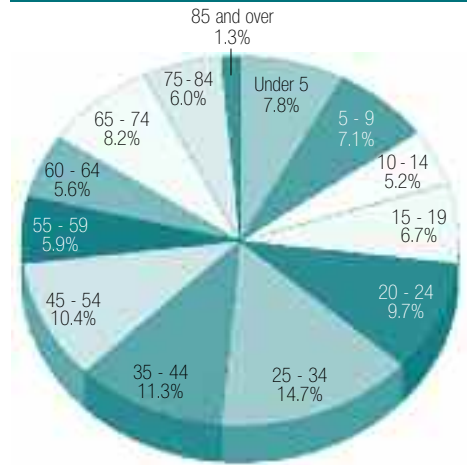
Income

The median household income in Sierra Vista in 2007 was \$48,576, considerably higher than the countywide median of \$40,656, and on par with the Arizona statewide level of \$48,609. Nationwide, the median household income was higher than the city, county, and state levels at \$50,007. The median family income for Sierra Vista in 2007 was \$55,952, compared to \$48,870 for the county, \$57,004 statewide, and \$60,374 nationally. The Sierra Vista per capita income in 2007 was \$25,021, compared to \$21,112 for the county, \$24,587 at the state level, and \$26,178 nationally.

Military Veterans

In 2007, a full one-third of Sierra Vista's population aged 18 years and older were civilian veterans of the military. This was up from 31.5 percent in 2000 and only 24.7 percent in 1990. Much of the increase in the number of veterans has resulted from the expansion of the number of Department of the Army civilian positions at Fort Huachuca over the years, as well as the demand for defense contracting personnel, many of whom are former members of the military. Also, the increasing number of retirees to the area has expanded the number of civilian veterans, since many of these retirees once served in the armed forces, though perhaps not in connection with Fort Huachuca.

SIERRA VISTA AGE GROUPS ESTIMATES, 2007



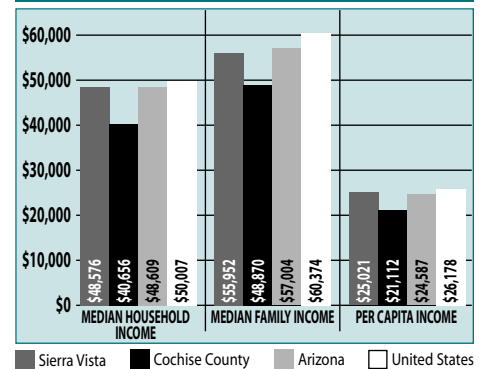
Note: Discrepancies are due to rounding. Source: U.S. Census Bureau, 2005-2007 American Community Survey 3-Year Estimates; and Cochise College Center for Economic Research.

SIERRA VISTA CHANGES IN AGE GROUP DISTRIBUTION

	2000	2007
Under 5	7.7%	7.8%
5 to 9	7.1%	7.1%
10 to 14	6.9%	5.2%
15 to 19	8.2%	6.7%
20 to 24	9.0%	9.7%
25 to 34	15.4%	14.7%
35 to 44	13.8%	11.3%
45 to 54	11.0%	10.4%
55 to 59	4.7%	5.9%
60 to 64	4.2%	5.6%
65 to 74	7.1%	8.2%
75 to 84	4.1%	6.0%
85 and over	0.9%	1.3%

Source: U.S. Census Bureau, 2005-2007 American Community Survey 3-Year Estimates; and Cochise College Center for Economic Research.

INCOME COMPARISONS, 2007



Source: U.S. Census Bureau, 2005-2007 American Community Survey 3-Year Estimates; and Cochise College Center for Economic Research.

Employment

According to the Census Bureau, construction employed 6.5 percent of Sierra Vista workers in 2007



UNEMPLOYMENT RATE

	SIERRA VISTA	COCHISE COUNTY	ARIZONA	UNITED STATES
2004	2.9%	4.9%	4.9%	5.5%
2005	2.8%	4.8%	4.7%	5.1%
2006	2.6%	4.4%	4.1%	4.6%
2007	2.4%	4.1%	3.8%	4.6%
2008	3.1%	5.1%	5.1%	5.8%

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

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

	CIVILIAN LABOR FORCE	EMPLOYMENT	JOB GAINS	JOB GROWTH RATE
2004	17,204	16,702	317	1.9%
2005	17,511	17,013	311	1.9%
2006	17,967	17,500	487	2.9%
2007	18,123	17,682	182	1.0%
2008	18,408	17,844	162	0.9%

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

Employment, Unemployment, Labor Force, and Job Growth

According to estimates by the Arizona Department of Commerce (ADOC), Sierra Vista's unemployment rate in 2008 was 3.1 percent. This was considerably below the countywide and the statewide rate of 5.1 percent. Nationally, the unemployment rate in 2008 was 5.8 percent. Sierra Vista's unemployment rate in 2008 was up seven-tenths of a percentage point from 2.4 percent in 2007.

As the national economy slipped into recession in December 2007, job losses became prevalent at the county, state, and national levels. Job losses and rising unemployment worsened in the second half of 2008, creating an employment situation that is considerably worse than the annual figures for the year suggest. Although Sierra Vista's annual unemployment rate for 2008 was 3.1 percent, the monthly rate rose to 3.8 percent in December. At the county level, the monthly unemployment rate rose to 6.4 percent in December—much higher than the annual rate of 5.1 percent. At the state

level, the monthly unemployment rate rose to 6.9 percent, and nationally the unemployment rate hit 7.2 percent in December 2008.

ADOC estimates of unemployment rates for cities in Cochise County are based on 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 from county-level trends. CER focus group discussions throughout the county indicate a likely overestimation of unemployment in Benson and Douglas, which have seen job creation that considerably outpaced the county-level trend. As a result, the unemployment rate in Sierra Vista is likely higher than estimated by ADOC and is probably closer to a full-employment unemployment rate between 4 and 5 percent. Decreased unemployment in the smaller cities, such as Benson and Douglas, is likely attributed to Sierra Vista in the ADOC estimates due to modeling errors.

Sierra Vista's month-to-month unemployment rate reflects seasonal patterns evident in employment data for most localities. The trend in Sierra Vista has been for

higher-than-average unemployment rates to prevail in January, February, March, and July, while lower-than-average rates prevail in April, May, August, September, October, and November.

According to ADOC estimates, Sierra Vista’s civilian labor force in 2008 consisted of 18,408 potential workers, of whom 17,844 were actually employed. The civilian labor force consists of those persons aged 16 years and older residing in the city who either are employed or are actively seeking work, and excludes active duty military personnel. Although Sierra Vista’s labor force was just over 18,400 in 2008, the city draws heavily from the labor forces of surrounding communities, including Bisbee, Huachuca City, Tombstone, Whetstone, Hereford, and Palominas. Combined, these areas add approximately 15,000 potential workers from which Sierra Vista can draw. Countywide, the 2007 civilian labor force, according to the ADOC estimates, included 58,425 actual or potential workers, of whom 55,450 were employed.

Occupations and Classes of Workers

In 2007, according to the U.S. Census Bureau, 38.0 percent of workers in Sierra Vista were employed in management, professional, and related occupations; 28.3 percent were employed in sales and office occupations; and 18.8 percent were employed in service occupations. Construction, extraction, and maintenance operations employed approximately 8.6 percent of the city’s workers, while production, transportation, and material moving occupations employed 6.3 percent.

Approximately 59 percent of Sierra Vista workers were private wage and salary workers in 2007, while 35.2 percent were government workers. Self-employed workers in unincorporated businesses accounted for 5.7 percent, while unpaid family workers accounted for 0.1 percent of Sierra Vista workers in 2007, according to the Census Bureau.

Industries

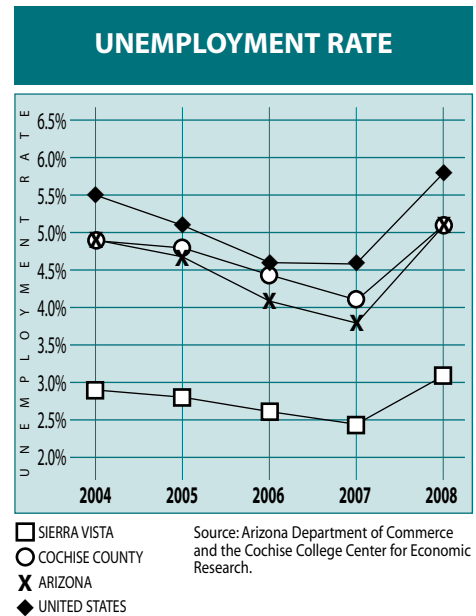
As of 2007, the industry grouping employing the largest number of Sierra Vista

workers was public administration, which employed 23.2 percent of workers. This was followed by educational, health and social services (17.1 percent); professional, scientific, management, administrative, and waste management services (15.8 percent); retail trade (12.7 percent); arts, entertainment, recreation, accommodation, and food services (7.3 percent); construction (6.5 percent); and finance, insurance, real estate, and rental and leasing (5.5 percent). The industry groupings of agriculture, forestry, fishing and hunting, and mining; manufacturing; wholesale trade; transportation and warehousing, and utilities; and information each employed fewer than 5 percent of Sierra Vista workers as of 2007, according to the Census Bureau.

Major Employers

In 2008, Fort Huachuca remained Sierra Vista and Cochise County’s top employer, according to the Cochise College Center for Economic Research’s (CER) 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 Southern Arizona’s seventh largest employer in 2008. Fort Huachuca employed 8,985 fulltime equivalent (FTE) employees in 2008, which includes active duty military personnel and Department of the Army civilian employees. An FTE employee is equal to one full-time or two part-time employees. The fort also has a large indirect employment impact on Cochise County. According to a 2008 study, Fort Huachuca generates and supports 26,921 FTE jobs in Cochise County, 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 occurs in the county’s retail trade and services industries, according to the study. For more on this, see the Fort Huachuca section of this publication.

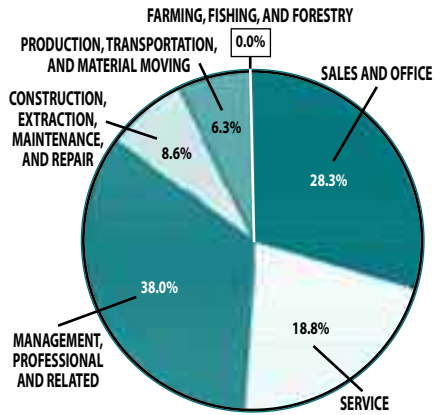
The second largest employer in Sierra Vista in 2008 was the Sierra Vista School



		UNADJUSTED RATE	SEASONALLY ADJUSTED RATE
2007	January	2.7%	2.4%
	February	2.5%	2.3%
	March	2.4%	2.3%
	April	2.2%	2.3%
	May	2.0%	2.2%
	June	2.3%	2.3%
	July	2.5%	2.4%
	August	2.3%	2.4%
	September	2.3%	2.4%
	October	2.5%	2.6%
	November	2.6%	2.7%
	December	2.9%	2.9%
2008	January	3.0%	2.6%
	February	2.7%	2.5%
	March	2.6%	2.5%
	April	2.3%	2.4%
	May	2.4%	2.6%
	June	3.0%	3.0%
	July	3.2%	3.1%
	August	3.3%	3.4%
	September	3.4%	3.6%
	October	3.5%	3.6%
	November	3.5%	3.7%
	December	3.8%	3.8%

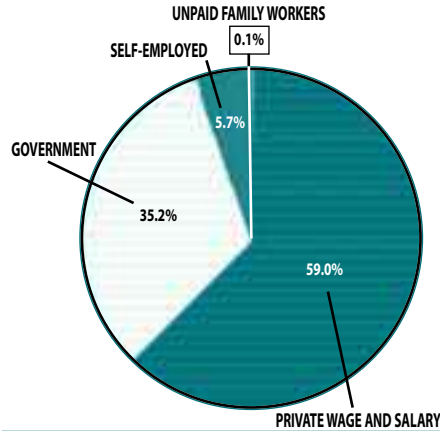
Source: Arizona Department of Commerce and Cochise College Center for Economic Research.

SIERRA VISTA OCCUPATIONS, 2007



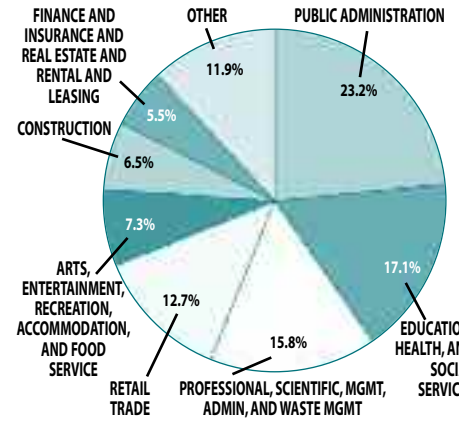
Note: Includes only the civilian employed population 16 years and over. Source: U.S. Census Bureau, 2005-2007 American Community Survey 3-Year Estimates; and Cochise College Center for Economic Research.

SIERRA VISTA CLASSES OF WORKERS, 2007



Note: Includes only the civilian employed population 16 years and over. Source: U.S. Census Bureau, 2005-2007 American Community Survey 3-Year Estimates; and Cochise College Center for Economic Research.

INDUSTRIES IN SIERRA VISTA BY SHARE OF WORKFORCE, 2007



Note: Includes only those industries comprising at least 5 percent of the workforce; industries accounting for less than 5 percent of the workforce are grouped together in the category "other." Includes only the civilian employed population 16 years and over. Source: U.S. Census Bureau, 2005-2007 American Community Survey 3-Year Estimates; and Cochise College Center for Economic Research.

District, which employed 947 FTE employees. Northrop Grumman held the third-ranked position with 776 FTE employees. The Sierra Vista Regional Health Center, which employed 680 FTE employees, was ranked fourth. The City of Sierra Vista was ranked fifth, with 428 FTE employees. The list of top employers includes only those

businesses and organizations that responded to the survey. In some cases, corporate policies prohibit certain businesses from releasing information regarding the number of workers they employ.

Most private-sector employers in Sierra Vista are small businesses. According to the U.S. Census Bureau, more than two-

thirds of business establishments in Sierra Vista employed fewer than 10 workers each in 2006 (the most recent data available). Nearly half of all businesses employed fewer than 5 workers each.

Between 2002 and 2006, the number of business establishments in Sierra Vista increased from 980 to 1,095, according to the U.S. Census Bureau (note: This includes private sector firms only). The number of private sector employees grew from 13,349 to 15,562, a 16.6 percent increase. From 2002 through 2006, the total annual payroll of businesses located in Sierra Vista increased from \$331.2 to \$441.2 million. On a per-employee basis, private-sector payrolls in Sierra Vista grew by 14.3 percent between 2002 and 2006, from \$24,808 to \$28,350. Most of that increase occurred in 2006, which saw annual payroll per employee increase 9.0 percent.

Wages

In 2007, the average wage per hour in Sierra Vista was approximately \$18.62, considerably higher than the countywide average of \$17.43 and the statewide average of \$18.06. The national average hourly wage in 2007 was \$19.56. The average annual wage in Sierra Vista in 2007 was \$38,741, compared to \$36,263 for the county, \$37,560 for the state, and \$40,690 nation-

SIERRA VISTA BUSINESS ESTABLISHMENTS BY EMPLOYMENT-SIZE CLASS, 2006

NUMBER OF ESTABLISHMENTS BY EMPLOYMENT-SIZE CLASS

INDUSTRY	1-4	5-9	10-19	20-49	50-99	100-249	250-499	500-999
Accommodation & Food Services	25	11	22	25	10	3	0	0
Admin, Support, Waste Mgt, & Remediation Services	39	14	13	1	3	0	0	1
Arts, Entertainment, & Recreation	3	3	3	2	0	0	0	0
Construction	44	22	20	11	9	1	0	0
Educational Services	7	3	2	3	1	0	0	0
Finance & Insurance	40	11	9	3	0	0	0	0
Health Care and Social Assistance	54	54	25	15	4	3	0	1
Information	9	2	4	4	1	0	0	0
Management of Companies & Enterprises	0	0	0	2	0	0	0	0
Manufacturing	10	6	3	2	1	0	0	0
Mining	0	0	1	0	0	0	0	0
Other Services (Except Public Administration)	65	24	13	5	0	0	0	0
Professional, Scientific, and Technical Services	64	20	12	9	3	4	1	0
Real Estate & Rental & Leasing	43	13	7	4	0	0	0	0
Retail Trade	67	62	31	13	9	5	1	0
Transportation & Warehousing	9	2	3	3	1	0	0	0
Unclassified Establishments	4	0	0	0	0	0	0	0
Utilities	6	0	0	3	0	0	0	0
Wholesale Trade	15	3	5	1	0	0	0	0
TOTAL	504	250	173	106	42	16	2	2

Note: Includes ZIP codes 85635, 85636, and 85650. Source: U.S. Census Bureau and the Cochise College Center for Economic Research.

wide. National wages are estimated by the U.S. Department of Labor; state and county figures are estimated by ADOC and city figures are estimated by the CER.

The average hourly wage in Cochise County in 2007 was the fourth highest of Arizona’s 15 counties, behind Greenlee, Maricopa, and Pima counties. Wages in Cochise County increased 5.3 percent in 2007, nearly twice the rate of inflation, which was 2.8 percent. In 2007, Cochise County wages grew faster than the statewide average of 3.7 percent. Wage growth in Cochise County was the fourth highest of Arizona’s 15 counties. Wages grew at faster rates only in Apache, Greenlee, and Mohave counties.

In 2007, the gap narrowed considerably between wages in Cochise County and the statewide average. In 2006, Cochise County wages were 4.9 percent below the state average. This gap narrowed to 3.5 percent in 2007. Three years prior, in 2004, Cochise County wages were 8.9 percent below the statewide average

Since 2000, Cochise County wages have increased by 28.4 percent, compared to 20.4 percent inflation during the same period. This reflects real wage growth (an increase in the purchasing power of wages) of 8 percent. Statewide, real wages grew by only 1.4 percent between 2000 and 2007, barely ahead of inflation.

Cochise County Employment

In 2008, Cochise County lost 675 nonfarm jobs for job growth of -1.8 percent. The only industries to see positive job growth in 2008 were in the government sector. Federal government gained 150 jobs, for job growth of 3.2 percent, and state and local government gained 75 jobs, for job

growth of 1.0 percent. Within the private sector, construction lost 300 jobs (-12.6 percent); trade, transportation, and utilities lost 275 jobs (-4.0 percent); other services lost 125 jobs (-13.9 percent); financial activities lost 100 jobs (-10.0 percent); professional and business services lost 100 jobs (-2.1 percent); and manufacturing lost 25 jobs (-2.9 percent). The industries of information, educational and health services, and leisure and hospitality each stabilized at 2007 employment levels in 2008.

As with the unemployment figures discussed earlier, the monthly employment data toward the end of 2008 show a much worse picture than the annual data suggest. From December 2007 to December 2008, the number of nonfarm jobs in Cochise County was down by 1,275, for a 12-month job growth rate of -3.4 percent. During that period, the county lost 1,600 private sector jobs, for job growth of -6.3 percent. Within the private sector, the county’s goods-producing subsector saw a net loss of 675 jobs for a 12-month job growth rate of -21.3 percent. Within the goods-producing subsector, the construction industry lost 525 jobs for job growth of -23.1 percent, while manufacturing lost 150 jobs for job growth of -16.7 percent.

In the 12 months ending December 31, 2008, the county’s private service-providing subsector lost 925 jobs, for 12-month

Federal government gained 150 jobs, for job growth of 3.2 percent, and state and local government gained 75 jobs, for job growth of 1.0 percent. Within the private sector, construction lost 300 jobs...

COCHISE COUNTY NON-FARM PAYROLL EMPLOYMENT

	2008	2007	CHANGE	% CHANGE
Total Non-farm	37,125	37,800	-675	-1.8%
Total Private	24,750	25,675	-925	-3.6%
Goods Producing	2,925	3,225	-300	-9.3%
Construction*	2,075	2,375	-300	-12.6%
Manufacturing	850	875	-25	-2.9%
Service-Providing	34,200	34,575	-375	-1.1%
Private Service-Providing	21,825	22,450	-625	-2.8%
Trade, Transportation, and Utilities	6,650	6,925	-275	-4.0%
Information	525	525	0	0.0%
Financial Activities	900	1,000	-100	-10.0%
Professional and Business Services	4,775	4,875	-100	-2.1%
Educational and Health Services	4,150	4,150	0	0.0%
Leisure and Hospitality	4,050	4,050	0	0.0%
Other Services	775	900	-125	-13.9%
Government	12,375	12,150	225	1.9%
Federal Government	4,900	4,750	150	3.2%
State and Local Government	7,475	7,400	75	1.0%

SIERRA VISTA BUSINESS ESTABLISHMENTS, EMPLOYEES, AND PAYROLL

	2002	2003	2004	2005	2006
No. of Business Establishments	980	987	995	1,042	1,095
Number of Employees	13,349	13,401	14,136	14,823	15,562
Annual Payroll	\$331,162,000	\$347,567,000	\$370,249,000	\$385,681,000	\$441,190,000
Annual Payroll Per Employee	\$24,808	\$25,936	\$26,192	\$26,019	\$28,350
Annual Payroll Per Employee Growth	9.7%	4.5%	1.0%	-0.7%	9.0%

Note: Includes ZIP codes 85635, 85636, and 85650. Does not include government sector. Source: U.S. Census Bureau and the Cochise College Center for Economic Research.

*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.

SIERRA VISTA'S TOP 25 EMPLOYERS, 2008

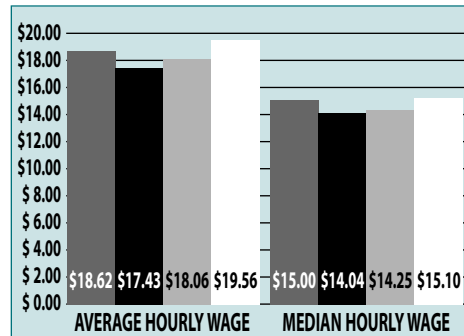
RANK	EMPLOYER	NUMBER OF FULLTIME EQUIVALENT (FTE) EMPLOYEES*
1	Fort Huachuca	8,985
2	Sierra Vista Unified School District #68	947
3	Northrop Grumman Corporation	776
4	Sierra Vista Regional Health Center	680
5	City of Sierra Vista	428
6	Aegis Communications Group, Inc.	410
7	Newtec	311
8	Wal-Mart	296
9	Science Applications International Corp. (SAIC)	253
10	Cochise College	241
11	Lawley Automotive Group	195
12	Command & Control Systems and Software (C2S2)	184
13	All Star Services	163
13	Arizona Family Care Associates, Inc.	163
15	Life Care Center of Sierra Vista	157
16	ISIS	155
17	Cochise County	151
18	KE&G Construction, Inc.	145
19	ManTech Telecommunications & Information Systems Corp.	143
20	Fort Huachuca Accommodation Schools	136
21	McDonald's	108
22	Safeway	105
23	Lowe's	99
24	Target	98
25	Hacienda Rehab and Care Center	90

*A fulltime equivalent (FTE) employee equals one fulltime employee or two part-time employees. For employers with multiple site locations, the number of FTE employees reflects only those employees reporting to work in Sierra Vista. Source: Cochise College Center for Economic Research.



The new Sierra Vista Diner owner Nick Zervas
Photo: Mark Levy (Herald/Review)

HOURLY WAGE COMPARISONS, 2007



Legend: Sierra Vista (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.

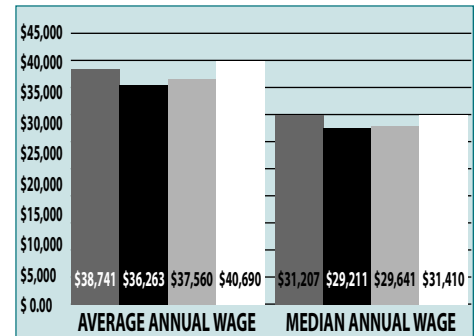
job growth of -4.1 percent. Trade, transportation, and utilities lost 500 jobs for job growth of -7.1 percent. Other services lost 175 jobs for job growth of -20.0 percent. Leisure and hospitality also lost 175 jobs for job growth of -4.3 percent. Educational and health services lost 100 jobs for job growth of -2.4 percent. The information industry lost 50 jobs for 12-month job growth of -9.1 percent. Financial activities also lost 50 jobs for job growth of -5.4 percent. Professional and business services was the only private sector industry in Cochise County to see positive job growth in the 12 months ending in December, gaining 125 jobs for job growth of 2.6 percent.

Partially offsetting job losses in the private sector were gains in the government sector. Government gained 325 jobs from December 2007 to December 2008, for job growth of 2.6 percent. This includes a gain of 200 federal government jobs for a job growth rate of 4.2 percent, and 125 state and local government jobs for job growth of 1.7 percent.

Outlook

As of early 2009, there was little sign of improvement in the employment situation. At the county level, job losses accelerated in the second half of 2008 with no end in sight. County level job losses are likely to continue through most of 2009. Sierra Vista, because it is home to Fort Huachuca, will likely not be hit as hard as some other

ANNUAL WAGE COMPARISONS, 2007



Legend: Sierra Vista (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.

areas. Although the city has seen recessionary conditions since November 2007, the declines in economic activity have not been as bad as in other areas of the state. New residential construction in the city rebounded in 2008 and is likely now on a path of normal growth after weeding out the excesses of speculative building and investment and subprime mortgages. This should help curtail job losses in construction and related industries. Existing home sales have continued to decline, however, which continue to threaten jobs in real estate and financial activities. The construction of the new Wal-Mart Supercenter and Sam's Club will help the construction industry overall, and their opening scheduled for early 2010 will help the city reduce business leakage to other areas and should provide a boon to retail sales. While job gains in the government sector have helped cushion the county against the considerable losses in the private sector, the worsening budget situation at the state level, combined with declining tax revenues locally, threaten state and local government jobs, and job losses are likely in 2009.

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.

Retail trade *and* commerce



In 2007 and 2008, several new hotels opened in Sierra Vista

Population Served by Sierra Vista's Retail Market

Although the population of the incorporated limits of Sierra Vista was just under 46,000 in 2008, the city's retail market serves a population more than twice that size. Sierra Vista accounts for just under one-third of the population of Cochise County, yet it accounts for nearly two-thirds of its retail sales, making it the economic hub of the county. According to the Arizona Department of Transportation, in 2007 an average of 28,800 vehicles per day traveled along State Route 90 between Fry Boulevard and East Foothills Drive, through the heart of Sierra Vista's commercial district.

The Cochise College Center for Economic Research (CER) has developed a model to estimate the population served by Sierra Vista's retail market. The model considers Sierra Vista's share of total retail sales in Cochise County, and applies that proportion to the estimated total population served by the Cochise County retail market. While Cochise County experiences some in-shopping from residents of neighboring Arizona counties and from New Mexico on its eastern border, it also sees out-shopping by some of its residents to nearby markets, most predominantly Tucson. The CER's model assumes in- and out-shopping involving other Arizona counties and New Mexico will offset each other.

Cochise County experiences a high rate of in-shopping from Mexico. This population is included in the CER's retail customer base population model. To estimate the size of the Mexican population that is served by the Cochise County retail market, the CER applied border crossing data from 2006 to data from a 2001 University of Arizona study that showed 70.6 percent of visitors at the Douglas port and 85 percent at the Naco port crossed the border for the primary purpose of shopping (for more on this study, see the Mexico section of this publication). To control for multiple visits, the CER model assumes that residents of Mexico who cross for the primary purpose of shopping make three shopping visits per week to Cochise County.

Based on border crossing data from 2006, the CER estimates that, on average, 38,561

AVERAGE ANNUAL DAILY TRAFFIC COUNT, SIERRA VISTA AREA

LOCATION	2003	2004	2005	2006	2007
Fort Huachuca (North Gate) to Fort Huachuca (East Gate)	14,700	17,100	17,000	17,400	18,300
Fort Huachuca (East Gate) to 7th St	14,800	17,600	17,200	15,000	16,200
7th Street to Coronado Dr / San Xavier Rd	15,200	16,500	15,800	17,200	16,200
Coronado Dr / San Xavier Rd to Charleston Rd	15,800	15,300	14,200	17,700	17,700
Charleston Rd to SR 92 / Fry Blvd	16,900	17,000	21,900	15,200	14,600
SR 92 / Fry Blvd - Sierra Vista to Giulio Cesare Ave	16,600	16,800	18,600	17,000	17,600
Giulio Cesare Ave to Moson Rd	9,000	8,200	8,800	8,400	8,600
Moson Rd to SR 80	7,400	4,300	3,600	3,500	4,000
SR 90 / Fry Blvd - Sierra Vista to East Foothills Dr	25,000	30,500	31,700	27,800	28,800
East Foothills Dr to Snyder Rd	25,400	34,300	28,100	26,600	25,100
Snyder Blvd to Avenida Cochise	24,000	30,400	27,200	24,700	26,200
Avenida Cochise to Buffalo Soldier Trail	25,200	26,300	23,200	20,700	21,400
Buffalo Soldier Trail to Glenn Rd	19,700	22,000	23,900	22,500	25,700
Glenn Rd to Ramsey Canyon / Ramsey Rd	14,300	16,000	20,500	19,900	20,600
Ramsey Canyon / Ramsey Rd to Hereford Rd - Nicksville	10,300	12,900	12,000	11,800	11,300

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

SIERRA VISTA SALES TAX REVENUE COLLECTIONS, ANNUAL COMPARISON

INDUSTRY GROUP	2008	2007	GROWTH (\$)	GROWTH (%)
Accommodation	\$1,163,837	\$1,023,107	\$140,730	13.8%
Communications & Utilities	\$1,649,900	\$1,526,093	\$123,807	8.1%
Real Estate, Rental & Leasing	\$1,393,669	\$1,327,369	\$66,300	5.0%
Restaurant & Bar	\$1,710,170	\$1,688,690	\$21,480	1.3%
Services	\$426,486	\$415,025	\$11,461	2.8%
Other	\$182,404	\$172,848	\$9,556	5.5%
Finance & Insurance	\$12,901	\$9,612	\$3,289	34.2%
Transporting & Warehousing	\$10,769	\$9,160	\$1,609	17.6%
Arts & Entertainment	\$10,284	\$17,648	-\$7,364	-41.7%
Manufacturing	\$377,072	\$389,969	-\$12,897	-3.3%
Wholesale Trade	\$258,620	\$358,068	-\$99,448	-27.8%
Retail Trade	\$8,986,596	\$9,233,894	-\$247,298	-2.7%
Construction	\$1,433,868	\$1,775,254	-\$341,386	-19.2%
TOTAL	\$17,616,576	\$17,946,737	-\$330,161	-1.8%

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

unduplicated residents of Mexico entered Cochise County three times each week for the primary purpose of shopping. This is roughly one-third of the population of the Sonoran cities of Agua Prieta and Naco, which lie just south of the ports of entry in Douglas and Naco, respectively. It is assumed that all family members represented by a shopper accompanied the shopper on the trip; thus, no additions are made for family members who consume retail products purchased in Cochise County, but who are not part of the shopping party. Also, no additions are made for residents of Mexico who visit for primary reasons other than shopping, but who nonetheless engage in shopping incidental to the visit.

The estimate of 38,561 unduplicated Mexican shoppers was added to Cochise County's 2006 population of 135,150 for a total countywide market of 173,711. In 2006, retail sales in Sierra Vista accounted for 63.9 percent of total retail sales in Cochise County. Applying this figure to the estimated total population served by the Cochise County retail market, the CER estimates that, in 2006, Sierra Vista's retail market served a population of approximately 111,000.

Research conducted by ESI Corporation in 2003, using a geographic model based on commuting times, estimated the population of the Sierra Vista trade area at 86,876 for the year 2000. Adjusting for population growth estimates for Cochise County, as published by the Arizona Department of Commerce, this number would be 99,709 for 2006. The ESI figures, however, did not include shoppers from Mexico, which the CER model includes. Also, while the ESI model made additions for in-shopping from Santa Cruz and Pima counties, it did not make subtractions for out-shopping by Cochise County residents. The CER model assumes a countywide net effect of zero for the combined effects of in-shopping and out-shopping from other Arizona counties, as well as New Mexico.

Taxable Sales

In 2008, the City of Sierra Vista collected \$17.6 million in sales tax revenue. This was down 1.8 percent from 2007. Considerable declines in construction, retail, and wholesale trade related to recessionary conditions nationwide were partially offset by increases in accommodations (hotel, motel, and other temporary lodging stays), communications and utilities, and real estate, rental and leasing. The net effect was a decline of \$330,000 in sales tax revenue in 2008.

The largest sales tax revenue generator for the city in 2008 was retail trade, which accounted for 51 percent of the total. This was followed by restaurant and bar at a distant 9.7 percent, which overtook construction in 2008 to become the second largest sales tax revenue generator for the city. Third in 2008 was communications and utilities at 9.4 percent as expanded service and higher rates increased annual sales tax revenue by nearly \$124,000. Construction, which was the second largest sales tax revenue generator in 2007 at 9.9 percent, fell to fourth in 2008 at 8.1 percent. This was caused primarily by a decline in commercial construction, which was partially offset by an increase in new residential construction (for more on this see the Housing, Real Estate, and



SIERRA VISTA SALES TAX REVENUE BY INDUSTRY GROUP, 2008

INDUSTRY GROUP	SALES TAX REVENUE	SHARE OF TOTAL SALES TAX REVENUE
Retail Trade	\$8,986,596	51.0%
Restaurant & Bar	\$1,710,170	9.7%
Communications & Utilities	\$1,649,900	9.4%
Construction	\$1,433,868	8.1%
Real Estate, Rental & Leasing	\$1,393,669	7.9%
Accommodation	\$1,163,837	6.6%
Services	\$426,486	2.4%
Manufacturing	\$377,072	2.1%
Wholesale Trade	\$258,620	1.5%
Other	\$182,404	1.0%
Finance & Insurance	\$12,901	0.1%
Transporting & Warehousing	\$10,769	0.1%
Arts & Entertainment	\$10,284	0.1%
TOTAL	\$17,616,576	

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

In the first 11 months of 2008, restaurant and bar receipts totaled \$60.3 million

Photo: Mark Levy (Herald/Review)Review

Commercial Construction section of this publication).

Retail Sales

In the first 11 months of 2008, retail sales in Sierra Vista were down by 7.3 percent in real (inflation-adjusted) terms, compared to the same period of 2007. Sierra Vista's retail sales in 2008 accounted for 65.6 percent of the countywide total, down slightly from 66.3 percent in 2007.

Retail sales per capita in Sierra Vista in 2007 totaled \$11,803, up 5.7 percent from the year prior, for inflation-adjusted growth of 2.9 percent. Retail sales per capita is a useful measurement because it controls for the effects of population growth on sales and gives an indication of changes in individual spending, as well as the impact of spending by visitors to the city. Contributors to growth in retail sales per capita may include an increase in the population outside the city limits, an increase in shoppers from other areas (including Mexico), an increase in market share (i.e., consumers choosing to shop in Sierra Vista rather than in other cities), an increase in tourism, or higher levels of spending by families, households, and individuals. At the time of this publication, complete sales data for 2008 were not yet available; however, indications are that real retail sales per capita declined in 2008 by nearly 10 percent.

According to the U.S. Census Bureau, in

2006 there were 188 establishments in Sierra Vista whose primary business was retail trade. This was up from 183 the year prior.

Restaurant and Bar Sales

In the first 11 months of 2008, restaurant and bar receipts in Sierra Vista totaled \$60.3 million, down 2.6 percent from the same period of 2007 after adjusting for inflation. Higher gas prices and recessionary conditions and fears likely led to the decline. In early 2009, Scottsdale-based El Paso Bar-B-Que closed its Sierra Vista location following the chain's filing of Chapter 11 bankruptcy. In addition to its Sierra Vista location, El Paso closed three other locations in Ahwatukee, Goodyear, and Surprise. The chain has 7 locations remaining after the closures. From January through November 2008, Sierra Vista's restaurant and bar sales accounted for 51.2 percent of the countywide total, down from 52.5 percent in 2007.

Accommodation Sales

From January through November 2008, accommodation receipts in Sierra Vista totaled \$19.9 million, up 9.9 percent from the same period of 2007, after adjusting for inflation. The strong performance of this industry has been driven by a variety of factors, including a stronger tourism industry as evidenced by a 19.5 percent increase in

SIERRA VISTA RETAIL SALES

YEAR	SALES	% CHANGE	INFLATION-ADJUSTED GROWTH
2003	\$406,888,567	5.7%	3.4%
2004	\$443,083,563	8.9%	6.2%
2005	\$476,285,441	7.5%	4.1%
2006	\$501,049,475	5.2%	2.0%
2007	\$528,011,943	5.4%	2.6%
2008*	\$456,355,257	-3.1%	-7.3%

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

SIERRA VISTA RETAIL SALES PER CAPITA

YEAR	RETAIL SALES PER CAPITA	% CHANGE	INFLATION-ADJUSTED GROWTH
2003	\$10,069	5.8%	3.5%
2004	\$10,371	3.0%	0.3%
2005	\$10,901	5.1%	1.7%
2006	\$11,167	2.4%	-0.8%
2007	\$11,803	5.7%	2.9%

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

SIERRA VISTA SHARE OF TOTAL COUNTY SALES

CATEGORY	2006	2007	2008*
Retail	63.9%	66.3%	65.6%
Restaurant & Bar	51.1%	52.5%	51.2%
Accommodation	42.6%	43.1%	49.0%

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

SIERRA VISTA RESTAURANT & BAR SALES

YEAR	SALES	% CHANGE	INFLATION-ADJUSTED GROWTH
2003	\$49,436,483	6.2%	3.9%
2004	\$50,190,962	1.5%	-1.2%
2005	\$54,652,268	8.9%	5.5%
2006	\$61,359,154	12.3%	9.1%
2007	\$64,832,192	5.7%	2.9%
2008*	\$60,291,231	1.6%	-2.6%

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

SIERRA VISTA ACCOMMODATION SALES

YEAR	TOTAL REVENUE	% CHANGE	INFLATION-ADJUSTED GROWTH
2003	\$10,496,545	-1.0%	-3.3%
2004	\$12,665,528	20.7%	18.0%
2005	\$15,026,091	18.6%	15.2%
2006	\$15,090,018	0.4%	-2.8%
2007	\$18,699,564	23.9%	21.1%
2008*	\$19,928,291	14.1%	9.9%

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

visits to the city's visitor center over the year. Another factor was the recent opening of several new hotels in the city, which reduces business leakage to surrounding communities. According to the Arizona Office of Tourism, lodging room supply in Cochise County was up 10.1 percent in 2008, due primarily to the opening of the new hotels in Sierra Vista. The increase in room supply in Cochise County in 2008 was the second highest in the state, behind Yuma County which saw a 16.6 percent increase. For more on the accommodation industry in Sierra Vista and Cochise County, see the Tourism section of this publication.

Business Establishments and Licenses

According to the U.S. Census Bureau, as of 2006 there were 1,095 business estab-

lishments located in the Sierra Vista area (zip codes 85635, 85636, and 85650). The industries with the largest number of businesses were retail trade (188); health care and social assistance (156); professional, scientific, and technical services (113); other services (107); construction (107); and accommodation and food services (96).

From 2005 to 2006, the number of business establishments in the Sierra Vista area grew by 53, or 5.1 percent. Industries that grew the most in terms of the number of new establishments were professional, scientific, and technical services, which grew by 17 firms, and administrative, support, waste management, and remediation services, which grew by 16 firms. Combined, these two industry groupings, which contain many of the defense contracting firms that pro-



The Food Court in the Mall at Sierra Vista

vide services to Fort Huachuca, accounted for more than 60 percent of the growth in the number of firms in Sierra Vista in 2006.

Between 2002 and 2006, the industry grouping to see the largest number of new firms in Sierra Vista was health care and social assistance, which added 27 new firms. This was followed by administrative, support, waste management, and remediation services, which added 23 new firms, and construction, which added 19.

According to the City of Sierra Vista, the year-end total number of active business licenses in the city increased by 12.3 percent between 2007 and 2008, from 2,604 to 2,925. From 2002 to 2008, the number of active licenses increased by more than 75 percent, from 1,664 to 2,925. These figures are not directly comparable to Census Bureau business establishment figures since some establishments hold multiple business licenses and some are home-based businesses without employees.

Sierra Vista Retail Out-Shopping Survey

In 2006, the CER conducted a survey of Sierra Vista residents to determine their level of retail out-shopping. Out-shopping refers to shopping done by Sierra Vista residents at businesses located outside the city. The survey included 400 Sierra Vista residents. See the table in this section listing out-shopping by category of sales.

The category of computer hardware and software saw the greatest percentage of out-shopping in 2006. Residents reported conducting 49.6 percent of their shopping for computer hardware and software outside Sierra Vista. It is important to note that the survey was conducted prior to the opening of Best Buy. The next largest category of out-shopping was furniture, with reported out-shopping of 45.1 percent; hobby supplies, with 44.2 percent out-shopping; and jewelry, with 40.8 percent out-shopping. Out-shopping for all other categories of merchandise was reported at less than 40 percent.

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

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

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

Outlook

Retail sales will continue to decline in early 2009, but should pick up toward the second half of the year. Part of the reason is that sales in late 2009 will be compared to a lower base established in late 2007 and 2008. There are, however, a host of factors that could affect sales performance, including the effects of an economic stimulus plan at the national level; the availability of credit, which will be influenced by the Wall Street bailout package implemented in late 2008; and the willingness of consumers to borrow and spend, which is inexorably tied to consumer confidence.

Despite these uncertainties, it is likely that Sierra Vista will fare better than many other areas of the state and nation, due primarily to the presence of Fort Huachuca. Broader economic conditions pose little threat to jobs at the fort since fiscal policymaking at the national level is influenced more by political priorities than budget constraints. Policies of the Obama administration regarding the wars in Iraq and Afghanistan, and the training of military intelligence personnel, however, may impact the economic vitality of the

SIERRA VISTA BUSINESS ESTABLISHMENTS

INDUSTRY	2002	2003	2004	2005	2006
Accommodation & Food Services	89	84	84	96	96
Admin, Support, Waste Mgmt, & Remediation Services	48	53	53	55	71
Arts, Entertainment, & Recreation	9	10	10	13	11
Construction	88	90	92	104	107
Educational Services	13	11	12	16	16
Finance & Insurance	62	59	61	64	63
Health Care and Social Assistance	129	134	145	155	156
Information	19	21	19	20	20
Management of Companies & Enterprises	2	3	3	2	2
Manufacturing	9	14	16	18	22
Mining	0	0	0	1	1
Other Services (Except Public Administration)	102	106	105	106	107
Professional, Scientific, and Technical Services	104	96	96	96	113
Real Estate & Rental & Leasing	67	63	63	63	67
Retail Trade	181	189	185	183	188
Transportation & Warehousing	19	18	17	17	18
Unclassified Establishments	6	6	7	3	4
Utilities	10	9	8	8	9
Wholesale Trade	21	21	19	22	24
TOTAL	977	987	995	1,042	1,095

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

SIERRA VISTA BUSINESS LICENSES

	2004	2005	2006	2007	2008
New Licenses	257	437	524	509	437
Cancelled/Non-renewed Licenses	207	257	134	139	116
Year-end Total Licenses	1,664	1,844	2,234	2,604	2,925

Source: City of Sierra Vista.

OUT-SHOPPING BY SIERRA VISTA RESIDENTS, 2006

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

Source: Cochise College Center for Economic Research.

fort in the longer term.

Indications in early 2009 are that there may be a shift of military focus from Iraq to Afghanistan, but that this would not necessarily result in a net decrease of U.S. military activity around the globe. If broader economic conditions impose tighter budget constraints, which is possible due to the size of the combined Wall Street bailout and economic stimulus packages in 2008 and 2009, and if financing of these packages is unattainable through increased domestic savings and foreign investment, the new administration may opt to reduce military commitments both in Iraq and Afghanistan. Given the economic implications of releasing large numbers of military personnel into a recessionary economy, the administration would be more likely to simply redeploy troops to their home stations to save on other costs of war. If this was to occur, it could have an impact on the many defense contracting firms that have proliferated in the area in recent years due in large part to a shortage of military personnel to perform necessary tasks such as training. This could have a damaging effect on the local economy by reducing a considerable buffer against broader recessionary conditions. If political decision making and national budget constraints forced such a

reevaluation of U.S. military commitments, the result would be more long-term than short-term, so this shouldn't exacerbate the current economic downturn unless the recession ends up being of much longer duration than commonly anticipated.

Restaurant and bar sales are likely to continue to fall in 2008. The city's restaurant and bar sales declined each month from June through October 2008, and were up only 0.4 percent in November. Recessionary conditions and concerns cause households to cut spending, and one of the easiest adjustments to household budgets is to curtail dining out in favor of meals at home.

The year 2009 will likely see a continued increase in accommodation receipts, especially in the first half of the year. This is a result of the new hotels that opened in 2008, reducing business leakage to surrounding communities. But growth should slow in the second half of the year as comparisons are made to the higher base established in late 2008. As noted earlier, Obama administration policy decisions regarding military commitments and the training of intelligence personnel may impact activity at the fort, including the number of visitors on temporary duty status, which would impact accommodation sales.



Hibbett Sports and Sears in the Mall at Sierra Vista

Housing, real estate, *and* commercial construction



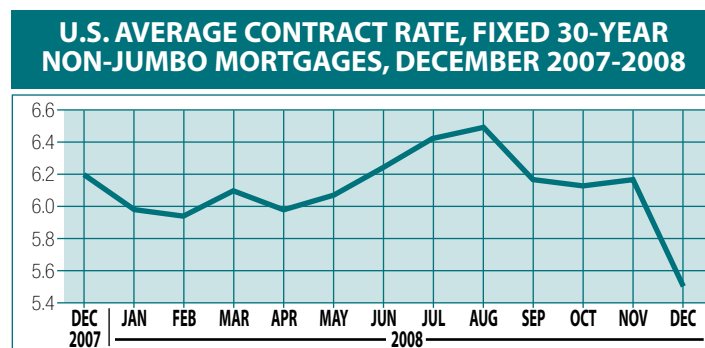
Sierra Vista saw a rebound in new residential construction in 2008

New Residential Construction

Bucking the trends at the county, state, and national levels, Sierra Vista saw a rebound in new residential construction in 2008 with single family residential home permits up by nearly 12 percent. The rebound followed three consecutive years of steep declines. New home permits fell by 16.3, 26.0, and 58.3 percent, respectively, in 2005, 2006, and 2007. The number of permits issued in 2007 was at its lowest level since 1995, and represented a decline of 74.2 percent from the peak in 2004. Indications are that the new residential construction market in Sierra Vista bottomed out in 2007 and has returned to a path of normal growth.

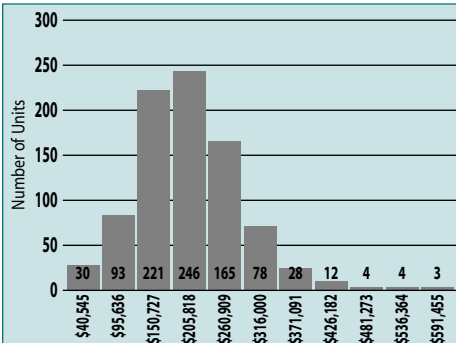
Cochise College Center for Economic Research (CER) focus group discussions in Sierra Vista indicate the market is doing well in large part due to the steady influx of military, civilian, and contractor personnel associated with Fort Huachuca, which is located in the city. This is an especially vital portion of the market because active duty military personnel and many of the fort's civilian and contractor personnel who are

veterans, tend to purchase their homes using Veteran Administration (VA) guaranteed loans, which have not suffered as badly from the frozen credit markets in 2008 and early 2009. In the short term, Fort Huachuca should provide a steady inflow of personnel helping to keep the new residential construction market on a path of normal growth, albeit at much lower levels than in the housing boom years. Another significant portion of the market, according to CER focus group discussions, has been U.S. Border Patrol agents assigned to



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

SIERRA VISTA AREA EXISTING HOME SALES, 2008



Note: Includes only those homes listed on Southeast Arizona Multiple Listing Service. Includes site-built homes, townhouses, condominiums, and manufactured and mobile homes. The Sierra Vista Area includes Sierra Vista, Hereford, Huachuca City, Tombstone, and surrounding unincorporated areas. Prices shown are midpoint prices; each bin represents a price range of \$55,091 (+/- \$27,545.50 from midpoint price shown). Source: Southeast Arizona Multiple Listing Service and Cochise College Center for Economic Research.

SIERRA VISTA AREA, DISTRIBUTION OF EXISTING HOME PRICES, 2008

MINIMUM PRICE	MAXIMUM PRICE	MIDPOINT PRICE	NUMBER OF HOMES	PERCENT OF TOTAL HOMES
\$13,000	\$68,091	\$40,545	30	3.4%
\$68,091	\$123,182	\$95,636	93	10.5%
\$123,182	\$178,273	\$150,727	221	25.0%
\$178,273	\$233,364	\$205,818	246	27.8%
\$233,364	\$288,455	\$260,909	165	18.7%
\$288,455	\$343,545	\$316,000	78	8.8%
\$343,545	\$398,636	\$371,091	28	3.2%
\$398,636	\$453,727	\$426,182	12	1.4%
\$453,727	\$508,818	\$481,273	4	0.5%
\$508,818	\$563,909	\$536,364	4	0.5%
\$563,909	\$619,000	\$591,455	3	0.3%

Note: Includes only those homes listed on Southeast Arizona Multiple Listing Service. Includes site-built homes, townhouses, condominiums, and manufactured/mobile homes. The Sierra Vista Area includes Sierra Vista, Hereford, Huachuca City, Tombstone, and surrounding unincorporated areas. Source: Southeast Arizona Multiple Listing Service and Cochise College Center for Economic Research.

NEW HOME PERMITS, SINGLE FAMILY RESIDENTIAL

	COCHISE COUNTY		SIERRA VISTA	
	PERMITS	CHANGE	PERMITS	CHANGE
2002	653	—	376	—
2003	926	41.8%	595	58.2%
2004	1,046	13.0%	689	15.8%
2005	1,108	5.9%	577	-16.3%
2006	900	-18.8%	427	-26.0%
2007	472	-47.6%	178	-58.3%
2008	*327	-16.6%	199	11.8%

*January-September only; comparison to same period the year prior. Source: Bright Future Business Consultants of Tucson; City of Sierra Vista; and Cochise College Center for Economic Research.

stations in Naco, Douglas, and neighboring Santa Cruz County.

Retirees have also comprised a significant portion of the new home market over the past several years and this seems likely to continue. U.S. Census Bureau data for 2007 indicate the city continues to draw retirees, evidenced by the strong growth in the city's upper age groups. The fastest-growing age groups in Sierra Vista between 2000 and 2007 were all in the 55 years or older category, and the two fastest growing groups were the 75 to 84 and the 85 years and older group.

While new construction was on the rise in Sierra Vista, as well as in Benson about 30 miles to the north, countywide new residential home construction was down in 2008. There were 327 new home permits issued throughout Cochise

County in the first 9 months of 2008, down 16.6 percent from the same period of 2007. This followed annual declines of 18.8 and 47.6 percent in 2006 and 2007, respectively. The new home market decline in the Sierra Vista area began a year earlier than the countywide decline, which might help explain why Sierra Vista began to recover sooner. Moreover, the declines in 2006 and 2007 were much steeper in the Sierra Vista area than countywide, shortening the time duration to the bottom of the cycle.

Despite the declines in Cochise County in 2008, the county new home market seemed to outperform that of Tucson, the closest major metropolitan area. According to Bright Future Business Consultants of Tucson, the Tucson area market saw new home permits decline 40.8

EXISTING HOME SALES, COCHISE COUNTY (SITE-BUILT HOMES)

YEAR	VOLUME	CHANGE IN VOLUME	MEDIAN PRICE	MEDIAN PRICE CHANGE	AVERAGE SALE/ASKING PRICE	AVERAGE PRICE PER SQ FT (HEATED/COOLED)	AVERAGE PRICE PER SQ FT CHANGE (HEATED/COOLED)	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	987	-18.3%	\$195,000	-5.6%	95.7%	\$115.42	-5.7%	150

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

EXISTING HOME SALES, SIERRA VISTA AREA (SITE-BUILT HOMES)

YEAR	VOLUME	CHANGE IN VOLUME	MEDIAN PRICE	MEDIAN PRICE CHANGE	AVERAGE SALE/ASKING PRICE	AVERAGE PRICE PER SQ FT (HEATED/COOLED)	AVERAGE PRICE PER SQ FT CHANGE (HEATED/COOLED)	AVERAGE DAYS ON MARKET
2004	1,241	—	\$162,500	—	98.4%	\$97.25	—	103
2005	1,469	18.4%	\$199,900	23.0%	99.1%	\$118.67	22.0%	101
2006	1,100	-25.1%	\$216,713	8.4%	98.1%	\$132.77	11.9%	110
2007	961	-12.6%	\$217,479	0.4%	96.9%	\$128.48	-3.2%	135
2008	782	-18.6%	\$209,500	-3.7%	96.1%	\$122.31	-4.8%	146

Note: Includes only those homes listed on Southeast Arizona Multiple Listing Service. Includes townhouses and condominiums. The Sierra Vista Area includes Sierra Vista, Hereford, Huachuca City, Tombstone, and surrounding unincorporated areas. Source: Southeast Arizona Multiple Listing Service and Cochise College Center for Economic Research.

EXISTING HOME SALES, SITE-BUILT HOMES, 2008

AREA	VOLUME	CHANGE IN VOLUME	MEDIAN PRICE	MEDIAN PRICE CHANGE	AVERAGE SALE/ASKING PRICE	AVERAGE PRICE PER SQ FT (HEATED/COOLED)	AVERAGE PRICE PER SQ FT CHANGE (HEATED/COOLED)	AVERAGE DAYS ON MARKET
Cochise County	987	-18.3%	\$195,000	-5.6%	95.7%	\$115.42	-5.7%	150
Sierra Vista Area	782	-18.6%	\$209,500	-3.7%	96.1%	\$122.31	-4.8%	146

Note: Includes only those homes listed on Southeast Arizona Multiple Listing Service. Includes townhouses and condominiums. The Sierra Vista Area includes Sierra Vista, Hereford, Huachuca City, Tombstone, and surrounding unincorporated areas. Source: Southeast Arizona Multiple Listing Service and Cochise College Center for Economic Research.

Sierra Vista has seen extraordinary growth in commercial construction in recent years



percent in 2008. Bright Future noted that the Town of Marana saw permits fall 58 percent, while the City of Tucson saw a 52 percent decline in 2008.

Existing Home Sales

Despite the increase in new construction, existing home sales in the Sierra Vista area were down 18.6 percent in 2008, following declines of 25.1 and 12.6 percent in 2006 and 2007, respectively. The decline in Sierra Vista in 2008 matched that at the county level, which saw existing home sales fall 18.3 percent. In 2008, Sierra Vista accounted for 79.2 percent of the countywide existing site-built home market, down from 84.3 percent 4 years earlier. As of mid-February 2009, there was a 12-month supply of homes for sale listed on the Southeastern Arizona Multiple Listing Service both for the Sierra area and countywide, based on sales volume for the period of October through December 2008.

Despite the declines in existing home sales volume, home prices have seen only modest declines. In 2008, the countywide median home price fell by 5.6 percent, and in the Sierra Vista area the decline was even milder at 3.7 percent. *BusinessWeek*, in its “Best and Worst Housing Markets of 2008” named Sierra Vista the best housing market in Arizona based on how well homes have held their value. As the survey results noted, “Plenty of other states also saw

pockets of positive growth, but the overall trend was negative—although in some places, such as Arizona’s healthiest market, Sierra Vista, the declines were only in the single digits.”

According to Bright Future Business Consultants of Tucson, the Tucson area home market saw existing home prices fall 11.8 percent in 2008, more than twice the level of decline seen in Cochise County and three times the level of decline in the Sierra Vista area. According to the ACCRA Cost of living index, housing costs in Cochise County, which include both home prices and rental rates, were 5.4 percent below the national average in 2007 and 3.1 percent above the national average in 2008. Since home prices locally have declined modestly, the change relative to other communities nationwide seems to be caused by steeper price declines in other areas. The relative strength of home prices in Cochise County, especially in the Sierra Vista area, is consistent with the notion that, despite the current downturn, Sierra Vista is likely to remain, in the long term, a place people move to—particularly retirees. Steeper price declines remain a possibility for 2009, though this seems unlikely, especially for the Sierra Vista area.

In 2008, the largest share of homes sold in the Sierra Vista area were priced about \$178,000 and \$233,000, which accounted for 27.8 percent of total sales (note: This includes site-built homes,



BusinessWeek named
Sierra Vista the best
housing market in
Arizona in 2008

townhouses, condominiums, and manufactured and mobile homes). The next highest sales volume was in the price range of about \$123,000 to \$178,000, which accounted for 25 percent of all sales. More than 70 percent of the homes sold in the Sierra Vista area in 2008 were priced between \$123,000 and \$288,000.

In 2008, existing homes in the Sierra Vista area sold for an average of 96.1 percent of the asking price, down from 96.9 percent the year prior. Countywide, the average home sold for 95.7 percent of the asking price, down from 96.4 percent. Homes that sold in the Sierra Vista area in 2008 were on the market for an average of 146 days, up from 135 in 2007. Countywide, homes that sold were on the market for an average of 150 days, up from 134 in 2007.

EXISTING HOME SALES, COCHISE COUNTY (MANUFACTURED HOMES)

YEAR	VOLUME	CHANGE IN VOLUME	MEDIAN PRICE	MEDIAN PRICE CHANGE	AVERAGE SALE/ASKING PRICE	AVERAGE PRICE PER SQ FT (HEATED/COOLED)	AVERAGE PRICE PER SQ FT CHANGE (HEATED/COOLED)	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	132	-33.3%	\$105,850	-3.8%	93.5%	\$68.79	-6.4%	158

Note: Includes only those homes listed on Southeast Arizona Multiple Listing Service. Includes mobile homes.
Source: Southeast Arizona Multiple Listing Service and Cochise College Center for Economic Research.

Manufactured Home Sales

Existing manufactured home sales in 2008, both in the Sierra Vista area and countywide, fell for the third consecutive year and were down by about one-third. The manufactured home market in the Sierra Vista area accounted for 78.0 percent of the countywide market in 2008, down from 82.4 percent in 2005. As with existing site built homes, manufactured homes both in Sierra Vista and countywide have held their value relatively well. Median prices dropped only 0.4 percent in the Sierra Vista area, and 3.8 percent countywide in 2008. The average manufactured home in the Sierra Vista area sold for 94.3 percent of the asking price, down only slightly from 94.5 percent in 2007. At the county level, the average manufactured home sold for 93.5 percent of the asking price in 2008, down from 94.1 percent the year prior. In the Sierra Vista area, the average manufactured home that sold in 2008 was on the market for 156 days, up from 140 in 2007. Countywide, the average manufactured home that sold was on the market for 158 days, up from 147.

EXISTING HOME SALES, SIERRA VISTA (MANUFACTURED HOMES)

YEAR	VOLUME	CHANGE IN VOLUME	MEDIAN PRICE	MEDIAN PRICE CHANGE	AVERAGE SALE/ASKING PRICE	AVERAGE PRICE PER SQ FT (HEATED/COOLED)	AVERAGE PRICE PER SQ FT CHANGE (HEATED/COOLED)	AVERAGE DAYS ON MARKET
2004	174	—	\$80,360	—	94.9%	\$56.30	—	123
2005	225	29.3%	\$97,000	20.7%	96.8%	\$66.86	18.8%	120
2006	172	-23.6%	\$110,000	13.4%	95.5%	\$75.36	12.7%	117
2007	154	-10.5%	\$115,500	5.0%	94.5%	\$75.19	-0.2%	140
2008	103	-33.1%	\$115,000	-0.4%	94.3%	\$69.56	-7.5%	156

Note: Includes only those homes listed on Southeast Arizona Multiple Listing Service. Includes mobile homes.
Source: Southeast Arizona Multiple Listing Service and Cochise College Center for Economic Research.

EXISTING HOME SALES, MANUFACTURED HOMES, 2008

AREA	VOLUME	CHANGE IN VOLUME	MEDIAN PRICE	MEDIAN PRICE CHANGE	AVERAGE SALE/ASKING PRICE	AVERAGE PRICE PER SQ FT (HEATED/COOLED)	AVERAGE PRICE PER SQ FT CHANGE (HEATED/COOLED)	AVERAGE DAYS ON MARKET
Cochise County	132	-33.3%	\$105,850	-3.8%	93.5%	\$68.79	-6.4%	158
Sierra Vista Area	103	-33.1%	\$115,000	-0.4%	94.3%	\$69.56	-7.5%	156

Note: Includes only those homes listed on Southeast Arizona Multiple Listing Service. Includes mobile homes. The Sierra Vista Area includes Sierra Vista, Hereford, Huachuca City, Tombstone, and surrounding unincorporated areas. Source: Southeast Arizona Multiple Listing Service and Cochise College Center for Economic Research.

Housing Affordability

The CER's 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 2008, the estimated median family income for Sierra Vista was \$57,436 and the median home price was \$206,500 (includes site-built homes, manufactured and mobile homes, townhouses, and condominiums). In calculating the HAI, the CER considers the average effective interest rate (contract rate plus fees) on a fixed, 30-year conventional mortgage over the 12 month period as reported by the Federal Housing Finance Board. In 2008, this rate was 6.18 percent.

The HAI for Sierra Vista in 2008 was 118.5. 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, Sierra Vista’s HAI of 118.5 indicates that a family with the median income had 118.5 percent of the income necessary to qualify for a conventional loan covering 80 percent of a median-priced, single-family home.

From 2006 to 2008, homes became more affordable in Sierra Vista, with the HAI increasing from 104.3 to 118.5. This was the result of declining home prices, lower interest rates, and rising family incomes.

In considering affordable housing in Sierra Vista, it is important to take into

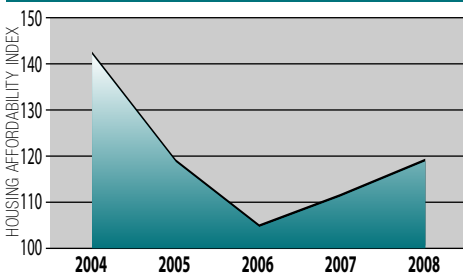
account the large number of military veterans residing in the area. In 2007, a full one-third of Sierra Vista’s population aged 18 years and older were civilian veterans of the military. This was up from 31.5 percent in 2000 and only 24.7 percent in 1990.

The number of veterans in the area, in addition to the large number of active duty military personnel stationed at Fort Huachuca, is important to housing market analysis since most active duty military personnel and veterans finance their homes using Veterans

Administration (VA) guaranteed loans. This leads to higher rates of home ownership among military personnel and veterans, but also decreases the level of affordability of homes as determined by qualifying income ratios since VA loans are guaranteed without the traditional 20 percent down payment. This means affordability is often based on 100 percent of the home price rather than 80 percent, meaning affordable housing for this segment of the population is generally lower than for the non-veteran population, other things being equal. In 2008, VA Loans were part of a very small segment of the home mortgage market that would still provide financing at a loan-to-value ratio of 100 percent.

This leads to higher rates of home ownership among military personnel and veterans, but also decreases the level of affordability of homes as determined by qualifying income ratios since VA loans are guaranteed without the traditional 20 percent down payment.

SIERRA VISTA HOUSING AFFORDABILITY INDEX



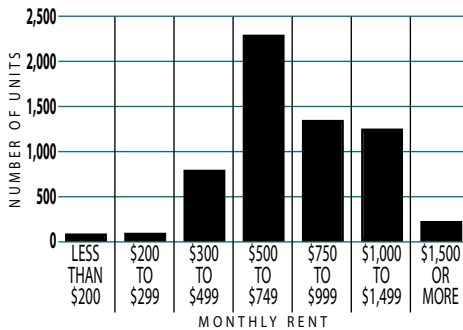
Note: Based on the median homes price for residential homes (site built, manufactured homes, mobile homes, townhouses, and condominiums) sold on MLS. Presumes a 30-year conventional fixed-rate mortgage, a 20 percent down payment, and a 25 percent qualifying income ratio (principal and interest only).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

SIERRA VISTA HOUSING AFFORDABILITY INDEX (HAI)

YEAR	MEDIAN FAMILY INCOME	MEDIAN HOME PRICE	AMOUNT FINANCED	EFFECTIVE INTEREST RATE	MONTHLY PRINCIPAL AND INTEREST PAYMENT	HAI
2004	\$51,499	\$157,750	\$126,200	6.02%	\$758	141.5
2005	\$52,983	\$191,385	\$153,108	6.08%	\$926	119.2
2006	\$54,468	\$212,000	\$169,600	6.64%	\$1,088	104.3
2007	\$55,952	\$213,000	\$170,400	6.24%	\$1,048	111.2
2008p	\$57,436	\$206,500	\$165,200	6.18%	\$1,010	118.5

p = preliminary. Note: Based on the median home price for residential homes (site built, manufactured homes, mobile homes, townhouses, and condominiums) in Sierra Vista 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.

SIERRA VISTA RENTAL UNITS, 2007



Note: Includes occupied rental units only. Source: U.S. Census Bureau and Cochise College Center for Economic Research.

COMMERCIAL BUILDING PERMITS (NEW CONSTRUCTION), CITY OF SIERRA VISTA

YEAR	PERMITS	VALUATION	VALUATION CHANGE
2003	7	\$2,832,673	-86.0%
2004	13	\$7,305,606	157.9%
2005	14	\$18,468,233	152.8%
2006	40	\$61,258,338	231.7%
2007	24	\$43,160,924	-29.5%
2008	12	\$21,424,347	-50.4%

Note: Valuation does not include value of land. Source: City of Sierra Vista and Cochise College Center for Economic Research.

Rental Market

According to the U.S. Census Bureau, the largest number of occupied rental units in Sierra Vista in 2007 rented between \$500 and \$749 per month, accounting for 38.1 percent of all rentals. Units renting for \$750 to \$999 accounted for 22.2 percent, while those renting for \$1,000 to \$1,499 accounted for 20.7 percent of the total. According to the Census Bureau, the rental vacancy rate in Sierra Vista in 2007 was 9.7 percent. In 2007, 56.5 percent of occupied housing units in Sierra Vista were occupied by homeowners, while 43.7 percent were renter-occupied. More than 40 percent of renters in Sierra Vista in 2007 paid 30 percent of their income or more for rental expenses (rent plus utilities). Thirty percent is a common threshold above which housing costs are considered to be not affordable.

Commercial Construction

Sierra Vista has seen extraordinary growth in commercial construction in recent years. From 2005 through 2008, 90 permits were issued for new construction projects totaling nearly \$145 million. Although new commercial construction in Sierra Vista was down by nearly 30 percent in 2007 and was down by more than half in 2008, both years were well above historic trend levels. The boom in com-

mercial construction in Sierra Vista over the past few years, beginning immediately following the survival of Fort Huachuca through the Department of Defense's Base Realignment and Closure (BRAC) process, is evident in new hotels, restaurants, large retailers, office complexes, and other businesses throughout the city.

Outlook

The new residential home market in the Sierra Vista area likely hit bottom in 2007 and is now on track to resume a pattern of normal growth. After weeding out the excesses of speculative building and sub-prime mortgages, growth rates over the next few years are likely to match population growth rates. Countywide, the new residential home market likely hit bottom in 2008 and will resume a normal pattern of growth in 2009, although an additional year of decline cannot be ruled out. The existing home market in the Sierra Vista area and countywide likely bottomed out in 2008 and will begin to recover modestly in 2009. Home prices both in the Sierra Vista area and countywide should continue to hold relatively well, although another modest decline in the 3 to 5 percent range in 2009 is possible, if not likely. On the commercial construction side, Sierra Vista will see one of its largest projects in recent years in 2009—the development of a new Wal-Mart Supercenter and Sam's Club.

Shiloh Christian Ministries is one of many commercial construction projects in 2008



Bank deposits *and* bankruptcy filings



JP Morgan Chase Bank

Bank Deposits

Sierra Vista is served by five banks: Bank of America, Wells Fargo Bank, J.P. Morgan Chase Bank, National Bank of Arizona, and Compass Bank. In previous years, the city was also served by Stockmen’s Bank, which merged with National Bank of Arizona in 2007. The merger more than doubled National Bank of Arizona’s share of the

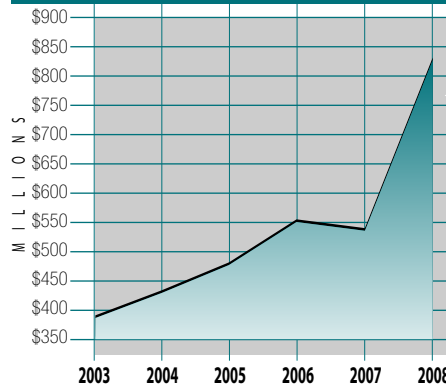
Sierra Vista market, from 8.5 percent in 2006 to 18.4 percent in 2007. In 2008, Bank of America became the largest bank in Sierra Vista measured by deposits. Deposits to Bank of America in 2008 accounted for half of all bank deposits in the city, up from just over 18 percent in 2007. In 2008, deposits to Bank of America more than

BANK DEPOSITS

YEAR	SIERRA VISTA		COCHISE COUNTY	
	AMOUNT	CHANGE	AMOUNT	CHANGE
2003	\$382,077,000	6.7%	\$769,197,000	5.5%
2004	\$424,684,000	11.2%	\$824,453,000	7.2%
2005	\$474,321,000	11.7%	\$904,994,000	9.8%
2006	\$548,599,000	15.7%	\$1,025,652,000	13.3%
2007	\$534,076,000	-2.6%	\$1,033,740,000	0.8%
2008	\$825,180,000	54.5%	\$1,295,970,000	25.4%

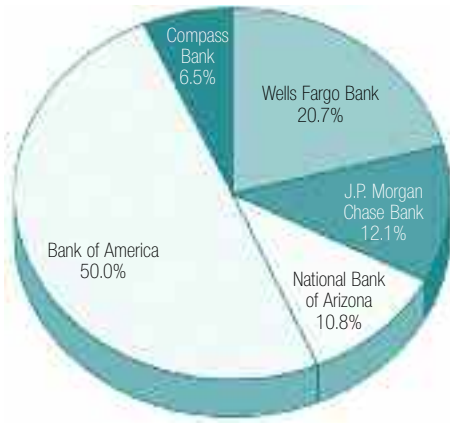
Note: Data reflect total deposits as of June 30 each year. Source: Federal Deposit Insurance Company and Cochise College Center for Economic Research.

SIERRA VISTA BANK DEPOSITS



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

SIERRA VISTA BANK DEPOSITS, MARKET SHARE (CITY), 2008



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

quadrupled from \$97.1 million to \$412.6 million. The surge was due to Bank of America's acquisitions in 2008, including Countrywide Financial, LaSalle Bank, and Merrill Lynch.

Bank deposits in Sierra Vista in 2008 totaled \$825.2 million, an increase of 54.5 percent from 2007. Most of this was attributable to the surge in deposits to Bank of America as a result of its acquisitions. Bank deposits in Sierra Vista accounted for 63.7 percent of deposits countywide in 2008, up from 51.7 percent the year prior. Deposits at the county level surged to \$1.3 billion in 2008, led by the increase of deposits in

SIERRA VISTA BANK DEPOSITS, SHARE OF COCHISE COUNTY MARKET

YEAR	SHARE OF COCHISE COUNTY MARKET
2004	.51.5%
2005	.52.4%
2006	.53.5%
2007	.51.7%
2008	.63.7%

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

Sierra Vista. (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 2008, there were 234 bankruptcies filed from within Cochise County, up 30 percent from 2007. This was on the heels of a 42.9 percent increase in 2007. Adjusting for population size, Cochise County's bankruptcy rate in 2008 increased to 1.68 bankruptcies per 1,000 residents, up from 1.31 in 2007. The sharp increases in 2007 and 2008 followed a decline of 79.7 percent in 2006.

COCHISE COUNTY BANKRUPTCY FILINGS

YEAR	POPULATION	TOTAL FILINGS	FILINGS PER 1,000 POP.
2004	129,600	504	3.89
2005	131,790	620	4.70
2006	135,150	126	0.93
2007	137,200	180	1.31
2008	139,434	234	1.68

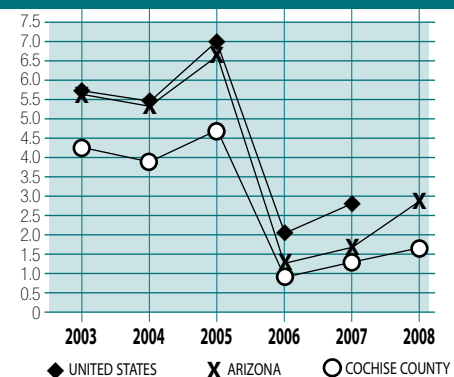
Source: U.S. Bankruptcy Court, Tucson Division; U.S. Census Bureau; Arizona Department of Economic Security; and Cochise College Center for Economic Research.

BANKRUPTCY FILINGS PER 1,000 RESIDENTS

YEAR	COCHISE COUNTY	ARIZONA	UNITED STATES
2004	3.89	5.37	5.44
2005	4.70	6.62	7.01
2006	0.93	1.24	2.07
2007	1.31	1.68	2.66
2008	1.68	2.89	*

*Data not available. Source: U.S. Bankruptcy Court; U.S. Census Bureau; Arizona Department of Commerce; and Cochise College Center for Economic Research.

BANKRUPTCY FILINGS (PER 1,000 RESIDENTS)



Note: U.S. data for 2008 not available. Source: U.S. Bankruptcy Court; U.S. Census Bureau; Arizona Department of Commerce; and Cochise College Center for Economic Research.

Despite the increases in 2006 and 2007, bankruptcy filings per 1,000 residents remained well below historic levels. The decline in 2006, which pushed bankruptcies to an historic low, 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 increases in 2007 and 2008 likely reflect 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 and 2008, filings at the county level remained considerably below filings at the state and national levels, and filings at the county, state, and national levels remained considerably below the pre-legislation figures.

In 2008, Cochise County's bankruptcy rate was 41.9 percent below the state level. National data for 2008 were not available at the time of this publication; however, filings per 1,000 residents at the county level in 2007 were less than half those at the national level, reflecting a relatively healthy environment for lending and borrowing.

Mexico



The U.S. Customs and Immigration building in Naco

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 located approximately 35 miles southeast, and the Douglas port is approximately 50 miles southeast, of Sierra Vista. Cochise College Center for Economic Research (CER) focus group discussions in Sierra Vista indicate the city hosts a considerable number of Mexican shoppers, indicated by the 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 more than 2 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 from the western United States to Mexico City and Guadalajara.

In early 2008, a provision of the Western Hemisphere Travel Initiative (WHTI) 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. In 2008, shortly after the provisions of the WHTI took effect, U.S. Customs and Border Protection discontinued reporting the numbers of U.S. visitors to Mexico crossing back into the United States, thus data on those crossings are no longer available.

Another factor potentially contributing to a decline in border crossings of U.S. residents into Mexico is concern over violence resulting from clashes between drug cartels and Mexican government officials

in some Mexican border towns. U.S. media outlets have reported various statistics on the number of drug and gang-related killings throughout Mexico, and most note that such killings more than doubled from 2007 to 2008. The violence has been much more prevalent in Mexican cities sharing borders with Texas and California, particularly Ciudad Juarez and Tijuana, respectively. In October 2008, the U.S. State Department updated its travel alert for Mexico adding Nogales, Sonora to its list of Mexican cities in which U.S. travelers should exercise caution, citing a recent spate of violence including shootouts during daylight hours in public venues. The State Department noted that criminals have followed and harassed U.S. citizens traveling in their vehicles in border areas, including Route 15 between Nogales and Hermosillo. The State Department issues travel alerts to disseminate information about terrorist threats and other relatively short-term and/or transnational conditions posing significant risks to the security of American travelers. Alerts are made when there is a specific threat that cannot be countered. Alerts differ from travel warnings, which are issued when the State Department decides, based on all relevant information, to recommend that Americans avoid travel to a certain country. Nogales is the only Mexican city along the Arizona border that has been

included in the State Department's travel alert. Agua Prieta and Naco were not listed. Nogales is approximately 50 miles southwest of Sierra Vista.

Naco, Sonora

The town of Naco, Sonora, Mexico shares a border with Naco, Arizona, an unincorporated area of Cochise County approximately 35 miles from Sierra Vista. 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. Census Bureau.

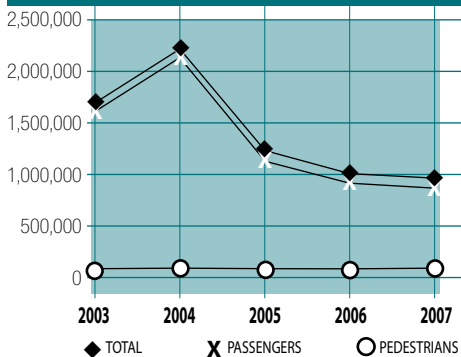
With thousands of border crossings into the United States each day at the Naco Port of Entry, the area serves as a gateway to Cochise County's retail shopping outlets. A 2002 study conducted by the University of Arizona indicated that 85 percent of Mexican residents entering the United States through 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 1.4 million people each year (more than 3,900 per day) passed through the Naco Port of Entry from Mexico into the United States. About 75 percent of these were non-U.S. citizens, while 25 percent were U.S. citizens returning from Mexico. In 2008, U.S. Customs and Border Protection discontinued reporting the numbers of U.S. visitors to Mexico crossing back into the United States, thus data on those crossings are no longer available.

In the first 9 months of 2008, vehicle crossings through the Naco port from Naco, Sonora into Naco, Arizona were down 14.7 percent and the number of

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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, NACO PORT

	VEHICLES		PASSENGERS		PEDESTRIANS		(PASSENGERS & PEDESTRIANS) TOTAL	
	CROSSINGS	% CHANGE	CROSSINGS	% CHANGE	CROSSINGS	% CHANGE	CROSSINGS	% CHANGE
2003	343,411	0.5%	1,635,922	75.5%	77,518	6.7%	1,713,440	70.5%
2004	345,959	0.7%	2,140,185	30.8%	91,694	18.3%	2,231,879	30.3%
2005	320,432	-7.4%	1,133,186	-47.1%	99,879	8.9%	1,233,065	-44.8%
2006	321,357	0.3%	915,501	-19.2%	90,020	-9.9%	1,005,521	-18.5%
2007	323,422	0.6%	866,682	-5.3%	97,729	8.6%	964,411	-4.1%
2008*	202,968	-14.7%	537,076	-15.7%	67,404	0.5%	604,480	-13.8%

*January through September 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.

vehicle passengers was down by 15.7 percent, compared to the same period a year prior. Total pedestrian traffic into the United States from Naco was up by 0.5 percent.

Agua Prieta, Sonora

The City of Douglas shares a border with Agua Prieta, Sonora, Mexico, approximately 50 miles from Sierra Vista. With thousands of border crossings into the United States each day at the Douglas Port of Entry, the cities 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.

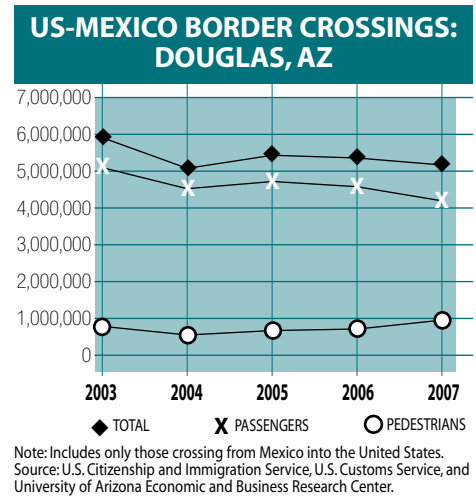
Agua Prieta’s general infrastructure, according to the municipal government, includes 50 hotels and motels, 30 restaurants, a museum, two theaters, two bookstores, five private clubs, a bowling club, two gymnasiums, two shopping centers, seven gas stations, six local radio stations (AM/FM), three supermarkets/food 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 5.4 million people each year (more than 14,700 per day) passed through 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 2008, U.S. Customs and Border Protection discontinued reporting the numbers of U.S. visitors to Mexico crossing back into the United States, thus data on those crossings are no longer available.

In the first 9 months of 2008, vehicle crossings through the Douglas port from Agua Prieta into Douglas were down by 2 percent and the number of vehicle passengers was down by 2.6 percent. Total pedestrian traffic into Douglas from Agua Prieta was up by 36.5 percent.



Douglas Border Station



US-MEXICO BORDER CROSSINGS, DOUGLAS PORT

	VEHICLES		PASSENGERS		PEDESTRIANS		(PASSENGERS & PEDESTRIANS) TOTAL	
	CROSSINGS	% CHANGE	CROSSINGS	% CHANGE	CROSSINGS	% CHANGE	CROSSINGS	% CHANGE
2003	2,123,801	-9.7%	5,078,753	-35.4%	776,258	19.6%	5,885,011	-30.8%
2004	2,120,724	-0.1%	4,490,950	-11.6%	540,623	-30.4%	5,031,573	-14.5%
2005	2,137,150	0.8%	4,727,538	5.3%	712,435	31.8%	5,439,973	8.1%
2006	1,983,618	-7.2%	4,557,279	-3.6%	760,211	6.7%	5,317,490	-2.3%
2007	1,776,456	-10.4%	4,155,386	-8.8%	1,014,174	33.4%	5,169,560	2.8%
2008*	1,313,354	-2.0%	3,003,458	-2.6%	931,117	36.5%	3,943,575	4.7%

*January through September 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.

Fort Huachuca

The AAI "Shadow" UAV is tested at Fort Huachuca before deployment around the world



Fort Huachuca is an active U.S. Army installation located in Sierra Vista. Approximately 2,800 active duty military personnel, along with their family members, are assigned to the fort. There are also approximately 3,300 students temporarily assigned to the fort at any given time for training.

In 2009, the resident population of Fort Huachuca was approximately 6,822, which included 1,045 military personnel and 2,836 military family members residing in on-post housing, along with 2,941 unmarried or unaccompanied military personnel residing in troop billets, including students assigned temporarily to the fort for training. Many military personnel and their families also reside in Sierra Vista and surrounding communities. Students assigned temporarily to the fort for training typically are not accompanied by family members. In such cases, service members' family members remain at their permanent duty stations or they relocate to follow-on duty stations for those service members who attend training at Fort Huachuca between assignments. For sol-

diers attending initial entry training, the military does not authorize travel of their family members to Fort Huachuca except in rare cases.

The number of housing units on post is projected to decline from approximately 1,275 in 2009 to approximately 1,075 in 2014. The net decline will result from the demolition of older housing units and the construction of fewer units to replace them. At current troop levels this will result in an increased demand for off-post housing in Sierra Vista and surrounding communities. Housing communities on post will be developed and homes will be constructed by private-sector firms as part of the Army's wider housing privatization efforts under its Residential Communities Initiative.

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 8,985 fulltime equivalent (FTE) employees, which included 2,823 active duty military personnel permanently assigned to the fort, 2,693 Department of the Army civilian employees (many of whom are also family members of active duty service members assigned to the fort), 258 part-time civilian employees directly employed by the fort, and about 3,340 military students present at the fort for training. Although the fort trains approximately 15,000 students each year, these students arrive and depart at various times throughout the year, with approximately 3,340 present on any given day.

An FTE employee is equal to one full-time or two part-time employees. The fort's number of FTE employees includes only those workers employed directly by the fort. Not included in the fort's number of FTE employees are workers who report to work on Fort Huachuca but are not employed directly by the fort. These include employees of defense contracting firms in Sierra Vista, who are reported by the contracting firms that directly employ them. These include Northrop Grumman Corporation, which is the county's fifth largest employer; and NewTec, LLC, which is the county's 14th largest employer. In 2008, eight of Cochise County's top 75 employers were professional and business service firms whose customer base, in whole or 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 eight firms employed 2,019 FTE employees in 2008, or 9.1 percent of the total workers employed by the

county's 75 largest employers. Not all of these employees work in direct support of the fort as several of the firms have customer bases well beyond Fort Huachuca. For example, SAIC serves customers across the United States and internationally from its site in Sierra Vista, but also does a small portion of its business in support of the fort.

Also not included in the fort's number of FTE employees are 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. The FTE numbers also do not include employees of the AAFES Post Exchange (PX), U.S. Post Office, colleges and universities, and concessionaires located on post.

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 county's 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.

Nearly 83 percent of the indirect and induced employment generated by Fort Huachuca occurred in the county's retail trade and services industries.

U.S. Fish and Wildlife Biological Opinion

In recent years, water use by the fort, as well as water use that results from Fort Huachuca's indirect and induced employ-



Humvee ground control station for the Shadow UAV

ment and any resultant population increases have been an environmental issue. A June 2007 biological opinion issued by U.S. Fish and Wildlife Service (FWS) examined the environmental impact and concluded that the proposed ongoing and future military operations and activities at Fort Huachuca were not likely to adversely affect endangered species. The biological opinion noted that Fort Huachuca has 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.

In 1954, control passed to the Chief Signal Officer, who found the area and climate ideal for testing electronic and communications equipment.

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

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

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; U.S. Army Network Enterprise Technology Command; and the newly established Department of Defense Joint Center of Excellence for Human Intelligence Training.

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>.

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

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.-Mexico border.



Air Vehicle Operator and Payload Operator inside the ground control station

Cochise County agriculture



Agriculture remains an important component 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.

The U.S. Department of Agriculture (USDA) conducts the Census of Agriculture every five years, in years ending in a 2 or 7. The 2007 forms were mailed 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 2009.

Between 1997 and 2002 (the most current data available pending release of the 2007 figures), the number of farms in

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

Although the size of farms decreased between 1997 and 2002, the value of land and buildings on farms increased. Countywide, the 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 away 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 farm work less labor intensive, as well as the more efficient use of land resources to increase output per acre.

COCHISE COUNTY AGRICULTURE

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

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

Tourism



Frontier Days Fair is held annually the first weekend in April

Photo: Bruce Wertz

General Overview

Tourism is an important component of the economy of both Sierra Vista and Cochise County. As an export-oriented industry, tourism brings dollars to the local area from other regions. This generates local sales, jobs, and tax revenue in addition to that generated by the spending of local residents. According to a study by Dean Runyon & Associates, the travel industry has been one of the top two export-oriented industries in Arizona as measured by its contribution to the state's Gross Domestic Product.

Tourism is often defined broadly to encompass all travel-related activity, including both business and leisure travel. This broader industry is sometimes referred to as tourism and travel. In Sierra Vista and Cochise County, this includes military and Department of Defense civilian and contractor personnel on temporary duty to Fort Huachuca for training, attendance at conferences, or other military or defense-related activities. It also includes other government travel unrelated to the fort.

Despite the inclusion of both business

and leisure travelers in the broadly defined tourism and travel industry, the distinction between business and leisure travel is useful for several reasons. One reason is that leisure travelers are likely to be more responsive to marketing efforts since they tend to have greater flexibility regarding such decisions as modes of travel, the amount of money to spend on lodging, and the duration of their stay.

Although spending patterns of business and leisure travelers are similar in many ways, there are some important differences. For example, leisure travelers are likely to have more free time, so they may spend more money on recreational activities. They also may have budgeted for larger sums of money to spend during their stay in order to maximize their vacationing experience. Business travelers may be more apt to spend at levels closer to their normal spending habits with the exception of the added expenses directly related to the travel.

Cochise County communities, including Sierra Vista, have joined together to form the Cochise County Tourism Council. The marketing efforts of the council, which

are funded by the individual communities, Cochise County, and grant dollars from the Arizona Office of Tourism (AOT), market Cochise County as a single entity. For more information visit www.ExploreCochise.com and www.VisitSierraVista.com.

Attractions and Activities

Sierra Vista and surrounding areas have attractions and activities that lure hundreds of thousands of visitors annually. The City of Sierra Vista's Communication & Marketing Division classifies this as geotourism, which it defines as tourism that sustains or enhances the geographical character of a place, including its environment, culture, aesthetics, heritage, and well-being of residents. According to the city's Communication & Marketing Division, geotourism builds on what it refers to as Sierra Vista's "sense of place" to emphasize the distinctiveness of its locale to the benefit of both visitors and residents.

According to recent Communication & Marketing Division data, bird watching continues to increase in popularity and has become a multimillion dollar activity in the Sierra Vista area. The division notes that Sierra Vista and surrounding areas are considered to be one of the top birding destinations in the nation, and a large proportion of the city's visitor base has consisted of birders and other geotourists. Affluent birding enthusiasts contribute a

substantial portion of tourism dollars to Sierra Vista businesses and attractions, according to the city's Communication & Marketing Division.

A popular destination of geotourists is the Nature Conservancy's Ramsey Canyon Preserve, located just outside Sierra Vista. The preserve is known worldwide for the number of species of hummingbirds attracted to and sighted within the canyon, which has led to Sierra Vista being known as the "Hummingbird Capital of the United States." With 20,000 visitors annually, the preserve caters to bird and wildlife enthusiasts from across the United States, as well as international visitors.

Another popular birding area is the San Pedro Riparian National Conservation Area (SPRNCA). The SPRNCA, which is managed by the U.S. Bureau of Land Management, is home to 350 species of migrating and breeding birds—nearly one-half the number of known breeding species in North America. Thousands of bird and wildlife watchers and other geotourists visit the 40 miles of riverbank along the San Pedro River each year.

Other popular geotourism attractions include the Environmental Operations Park, the Coronado National Memorial, and Garden Canyon on Fort Huachuca. The Environmental Operations Park is a water recharge and municipal native grass restoration project. It is common to see wildlife and water birds at this wetland. The Coronado National Memorial—the largest memorial in the National Park Service—was established in 1952 and has 4,750 acres of natural habitat for hikers and bicyclists. Garden Canyon has marked trails, bird and wildlife, and ancient pictographs.

The Sierra Vista area is home to numerous other attractions and destinations, including the Amerind Foundation and Museum; Arizona Folklore Preserve; the city of Bisbee; Chiricahua National Monument; Sierra Vista's aquatic center "The Cove"; Henry Hauser Museum; Kartchner Caverns State Park; Lehner Mammoth Kill Site; Murray Springs Clovis Site; the city of Tombstone; 16 public and private observatories; and several Arizona wineries. For more information on tourism in the Sierra Vista area, visit www.VisitSierraVista.com.



Kartchner Caverns State Park

National Geographic MapGuide Project

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

Cochise Origins Project

In 2008, the Cochise County Tourism Council was awarded a grant from the Arizona Office of Tourism to continue its “Cochise Origins” project, which promotes geotourism. The project highlights five geotourism themes found throughout the county: indigenous peoples, Mexico and Hispanic influences including Spanish expeditions, the region’s old west and

ranching history, the evolution of military forts in the region, and the role of geology and mining. According to the council, all five themes share the transitions that will help to weave these individual historic times into a cohesive story, and the natural landscapes of the region are the thread that weaves the stories together.

Tourism Marketing and Visitor Services

Tourism marketing and visitor services are functions of Sierra Vista’s Communication & Marketing Division and include operation of the city’s visitor center and participation in the cooperative efforts of the Cochise County Tourism Council. According to the Communication & Marketing Division, staff and volunteers at the Sierra Vista Visitor Center share their tourism expertise with visitors and residents daily by providing information about activities, attractions, places to stay, and places to eat. The city’s Communication & Marketing Division also promotes Sierra Vista as a central location from which to explore Southeastern Arizona.

Capitalizing on Sierra Vista’s status as the economic hub of Cochise County, the city has developed marketing strategies that include efforts targeted toward what the Communication & Marketing Division considers high-value visitors, such as geotourists. According to the division, geotourists stay longer and spend more money on travel related expenditures.

Another strategy of the Communication & Marketing Division is to change people’s perceptions of Sierra Vista as being located in the hottest, driest, most desolate area of the state to it being located in one of



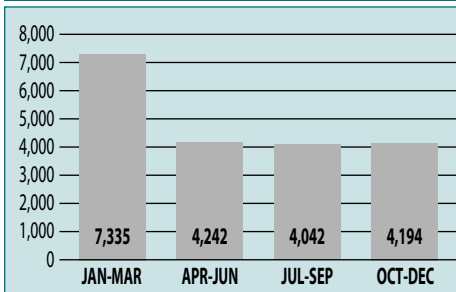
Source: Sierra Vista Visitor Center and Cochise College Center for Economic Research.

SIERRA VISTA VISITOR CENTER, VISITOR COUNTS

	1ST QTR	CHANGE	2ND QTR	CHANGE	3RD QTR	CHANGE	4TH QTR	CHANGE	ANNUAL	CHANGE
2004	6,283	6.8%	3,632	8.2%	3,448	15.0%	3,725	1.2%	17,088	7.4%
2005	6,174	-1.7%	3,636	0.1%	2,793	-19.0%	3,438	-7.7%	16,041	-6.1%
2006	6,972	12.9%	3,914	7.6%	2,613	-6.4%	3,521	2.4%	17,020	6.1%
2007	6,280	-9.9%	3,998	2.1%	6,121	134.0%	5,889	67.2%	22,288	31.0%
2008	10,966	74.6%	6,031	50.9%	5,233	-14.5%	4,399	25.3%	26,629	19.5%

Source: Sierra Vista Visitor Center and Cochise College Center for Economic Research.

SIERRA VISTA VISITOR CENTER, VISITOR COUNTS, AVERAGE BY QUARTER



Based on data from 2004-2008. Source: Sierra Vista Visitor Center and Cochise College Center for Economic Research.

the most eco-friendly and beautiful areas of the state. Toward this effort, the city created the slogan “Sierra Vista – It’s Cooler than You Think.” According to the Communication & Marketing Division, the slogan pertains not only to the weather, but to the community, lifestyle, and environment.

According to the Communication & Marketing Division, the city focuses not only on the broader target market of geo-tourism, but also on the two specific niche markets for birding and history. To support this strategy, the city has published two niche brochures: the new “Cool History” brochure and the “Cool Birding and Wildlife” brochure. The city’s promotional materials, which also include an official visitor’s guide, driving tour CDs, the www.VisitSierraVista.com website, press releases to encourage travel writers to write about Sierra Vista, and promotional videos are intended to market Sierra Vista as a destination and encourage more people to visit, thereby maximizing the economic benefits of tourism.

Marketing Results

According to the Communication & Marketing Division, its marketing strategies have been successful. As evidence of success, the division cites an increase in visitors to the visitor center, more inquiries from advertising placement, and a higher number of unique visitors to the www.VisitSierraVista.com website. The higher number of inquires has resulted in increased costs to the city. As a result, the Communication & Marketing Division has focused its efforts toward lowering costs without reducing benefits. With

more people making their travel-related decisions based on information they received online, one solution was to add more information to the website and provide downloadable versions of promotional materials. Additionally, the city optimized its search engines and did more internet advertising, which, according to the Communication & Marketing Division, resulted in more time spent on the website, a greater number of unique visitors to the website, and reduced requirements to mail promotional materials.

Tourism Trends in Sierra Vista

Tourism in Sierra Vista, as measured by visits to the Sierra Vista Visitor Center, has increased substantially in recent years. Between 2005 and 2008, the annual number of visitors increased by nearly two-thirds. Most of this growth occurred in 2007 and 2008, which saw visits increase by 31.0 and 19.5 percent, respectively. Cochise College Center for Economic Research focus group discussions in Sierra Vista indicate the increase may be due in part to recent efforts by the City of Sierra Vista and the Cochise County Tourism Council to market Sierra Vista and all of Cochise County as a year-round tourist destination. This is supported by Sierra Vista Visitor Center visitor counts, which show nearly a 135 percent increase in visitors from July through August 2007 – typically the slowest quarter of the year for tourism to the city. Although visits in the third quarter declined by 14.5 percent in 2008, the number of visits that quarter was still more than double the same period of 2006.

Traditionally, January through March

COCHISE COUNTY STATE PARK VISITATIONS

YEAR	KARTCHNER CAVERNS STATE PARK		TOMBSTONE COURTHOUSE STATE HISTORIC PARK	
	VISITORS	CHANGE	VISITORS	CHANGE
2004	241,293	28.2%	58,971	20.2%
2005	179,129	-25.8%	59,330	0.6%
2006	157,417	-12.1%	50,936	-14.1%
2007	159,892	1.6%	51,866	1.8%
2008	153,224	-4.2%	51,932	0.1%

Source: Arizona Office of Tourism, 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
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**	53,467	-2.1%	81,186	20.1%	9,390	-0.6%

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

is the busiest season for the Sierra Vista Visitor Center. Between 2004 and 2008, the visitor center received an average of 7,335 visitors in the first quarter of each year. The slowest quarter of the year for visitors has been July through September, which has seen an average visitor count of 4,042. Visits in each quarter of 2008 were considerably above the most recent 5-year averages.

Cochise County State and National Park Visitations

The Coronado National Memorial, the closest national park to Sierra Vista, saw visits increase by 20.1 percent from January through November 2008, following much slower growth of 0.8 percent in 2007. Visits to the Chiricahua National Monument, in the eastern portion of Cochise County, were down 2.1 percent from January through November 2008, compared to the same period of 2007. This was the second consecutive year of decline, following a 5.1 percent drop in 2007. Visits to the Fort Bowie National Historic Site, also in the eastern portion of the county, increased by 0.6 percent in 2008 following a 6.1 percent decline the year prior.

In 2008, visits to Kartchner Caverns State Park, located approximately 20 miles north of Sierra Vista, declined by 4.2 percent, following a modest increase of 1.6 percent in 2007 and double-digit declines in 2005 and 2006. The Tombstone Courthouse State Historic Park, approximately 20 miles from Sierra Vista, saw visits increase by 0.1 percent in 2008, following a 1.8 percent increase the year prior.

Lodging in Sierra Vista

The opening of five new hotels in 2007 and 2008 brought the number of hotel and motel rooms in Sierra Vista to more than 1,500. The increase in available rooms has increased the lodging sales tax revenue collected by the city. Despite the 3.8 percent real decline in accommodation sales countywide in 2008, Sierra Vista's accommodation sales and associated tax revenue increased by 9.2 percent in real terms (for more on Sierra Vista's accommodation sales, see the Retail Trade and Commerce section of this publication).

The annual Festival of Color-Hot Air Balloon Rally is held in November

Photo: City of Sierra Vista



The Sierra Vista Visitor Center tracks occupancy rates and average daily room rates of nine participating hotels/motels in the city and compares those findings to lodging tax revenue collected by the city. The visitor center's research shows that, in 2006, the average occupancy rate in the city was 78.8 percent, the average daily room rate was \$65.93, and lodging sales tax collected totaled \$817,209. The Sierra Vista Visitor Center also queries local hoteliers to determine the distribution of leisure and business travelers in Sierra Vista. For 2007, the visitor center estimated that approximately 70 percent of those staying at Sierra Vista hotels were business travelers, primarily active duty military and Department of Defense civilian and contractor personnel on temporary duty to Fort Huachuca. An estimated 30 percent were leisure travelers.

Cochise County Lodging Indicators

Despite the strong performance of the accommodation industry in Sierra Vista, Cochise County's lodging industry struggled in 2008, according to AOT lodging indicator data. Cochise County's lodging occupancy rate decreased by 11.4 percent, falling from 72.4 to 64.2 percent for the year. Cochise County's lodging occupancy rate of 64.2 percent was slightly above the nationwide rate of 63.1 percent, but was below the statewide rate of 66.2 percent.

The average daily room rate in Cochise County increased by 7.2 percent from

\$63.60 to \$68.16 in 2008. Notwithstanding this increase, Cochise County's average daily room rate was about 35 percent below both the state and national rates.

Despite the increase in the average daily room rate in Cochise County in 2008, revenue generated per available room was down by 5.0 percent from \$46.05 to \$43.75. In Cochise County, revenue generated per available room in 2008 was 37.4 percent below the state level and 31.3 percent below the national level.

Lodging room demand in Cochise County was down by 2.4 percent in 2008. Although demand was down, the decline was not as steep as that seen at the state level. Statewide, room demand was down 5.2 percent in 2008, more than double the level of decline in Cochise County. Nationwide, room demand was down 1.6 percent for the year. Lodging room supply in Cochise County was up 10.1 percent in 2008, due largely to the opening of several new hotels in Sierra Vista. The increase in room supply in Cochise County was the second highest in the state, behind Yuma County which saw a 16.6 percent increase.

Economic Impact of Tourism in Cochise County

According to research commissioned by 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 lodg-



Birdwatching
in the Sierra Vista area
Photo: Mark Levy (Herald/Review)

ing establishments (including campgrounds) in Cochise County accounted for 44.9 percent of all spending by visitors. 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.

Approximately 4,460 jobs were generated in Cochise County in 2007 by travel-related spending. According to the Dean Runyon & Associates study, more than 80 percent of those jobs were in leisure and hospitality. 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.

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. 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 Arizona Motion Picture Production Tax Incentives Program

Throughout the years, Sierra Vista has been involved with feature films and television segments and episodes. The city works closely with the Arizona Department of Commerce's Arizona Film Office and the Cochise County Tourism Council's Film Committee to assist film professionals with location images, lodging requests, and logistical and property support.

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

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

To be eligible for the Motion Picture Production Tax Incentives Program, the applicant must be a motion picture production company that is primarily (more than 50 percent) engaged in the business of producing motion pictures; have a physical office and bank account in Arizona; incur Arizona production costs of at least \$250,000 in a 12-month period; and 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 Sierra Vista or Cochise County call (520) 417-6960, or toll free at (800) 288-3861, or visit www.VisitSierraVista.com.

Sierra Vista 2009 Calendar of Events

JANUARY

Jan 31 & Feb 1 **Arizona Folklore Preserve - My Arizona Heroes**
Dolan Ellis, Arizona's Official State Balladeer, performs at the Folklore Preserve in Ramsey Canyon. Reservations required. 2 p.m., Saturdays & Sundays. 44 E. Ramsey Canyon Road, Hereford. \$15 for adults; \$6 for students (17 and under). (520) 378-6165, www.arizonafolklore.com

FEBRUARY

Feb 6 **Arizona Folklore Preserve in celebration of the Cochise Cowboy Poetry & Music Gathering**
44 E. Ramsey Canyon Road, 10 a.m., "The Little Girl with the Big Voice" Peggy Malone; 11:15 a.m., Cowgirl Poet Doris Daley; 12:45 p.m., Joyce Woodson, presenting Western and Folk Music; 2 p.m., The "Cutting Edge" Western Music of Prickly Pair. Reservations required. Contact Information: (520) 378-6165, www.arizonafolklore.com

Feb 6-8 **17th Annual Cochise Cowboy Music & Poetry Gathering**
Buena Performing Arts Center, "Territorial Ranches," - history of the Arizona Territory, 50-plus poets and musicians from US and Canada. General Admission: \$18; Seniors (55+) retired/active military \$16; students (through high school) \$6. Information: (520) 249-2511, www.cowboypoets.com

Feb 6-8 **Sierra Vista Municipal Fly-In**
Come to Sierra Vista for the Cochise Cowboy Poetry and Music Gathering and Municipal Airport Fly-In. Hotels, restaurants, and rental car companies are offering deals. City of Sierra Vista provides tie-down services at no charge for the weekend. (520) 452-7091 or (520) 458-5775

Feb 12-13 **16th Annual Cochise County Master Gardener Association's "High On the Desert" Gardening & Landscaping Conference**
Windemere Hotel, 2047 S. Hwy 92, Sierra Vista. Registration \$100 for both days; \$65 for one day. The two-day conference focusing on food production, landscaping with native plants, water conservation, and environmental stewardship. All gardeners, novice and seasoned welcome. Scholarships available. Information: (520) 458-8278 ext. 2141, www.ag.arizona.edu/cochise/mg

Feb 12-13 **Arizona Folklore Preserve - Arizona The Valentine State**
Dolan Ellis performs. Reservations required. 2 p.m., Saturdays & Sundays. 44 E. Ramsey Canyon Road, Hereford. \$15 for adults; \$6 for students (17 and under). (520) 378-6165, www.arizonafolklore.com

Feb 21 **Guided Tour of Buffalo Soldier Historic Sites, Fort Huachuca**
History of Fort Huachuca's Buffalo Soldiers. Tour at 11:15 a.m. Call for details. (Note: Fort Huachuca is an active military installation. Visitor passes available to US citizens at the post's main gate with a valid driver's license, vehicle registration, and proof of insurance (or rental car agreement). (All passengers over 13 must have photo ID). (520) 417-6960 or (800) 288-3861

Feb 21-22 **"Quilts Galore!"**
View finely handcrafted quilts of all sizes and patterns created by Sierra Vista's Hummingbird Stitches. 9 a.m. - 5 p.m. Sat.; 10 a.m. - 3 p.m. Sun. Buena High School. \$5; children younger than

12, free. (520) 417-6960 or (520) 803-1420, www.geocities.com/hsgg2002/HSQG

Feb 26 **Sierra Vista's Art Discovery Series - "Craicmore"**
Buena Performing Arts Center, 7 p.m. Contemporary traditional Celtic music with deep roots in the music of Scotland and Ireland. \$22. (520) 417-6980

Feb 28 & Mar 1 **Arizona Folklore Preserve - Bordergrass**
Dolan Ellis performs. 2 p.m., Saturdays & Sundays. Where: 44 E. Ramsey Canyon Road, Hereford. \$15 for adults; \$6 for students (17 and (520) 378-6165, www.arizonafolklore.com

MARCH

Mar 7-9 **Singer/songwriter Sid Hausman**
Arizona Folklore Preserve, Matinees at 2 p.m. each day. \$15 for adults; \$6 students (17 and under). Reservations required. (520) 378-6165, www.arizonafolklore.com

Mar 14-15 **Dolan Ellis, Arizona's Official State Balladeer**
Arizona Folklore Preserve, 44 E. Ramsey Canyon Road. "A Song of Arizona Spring." Matinees 2 p.m. each day: \$15 for adults; \$6 students (17 and under). Reservations required. (520) 378-6165, www.arizonafolklore.com

Mar 21-22 **Keeter Stuart, Arizona Folklore Preserve**
56 Folklore Trail. "A Song of Arizona Spring." Matinees at 2 p.m. each day. \$15 for adults; \$6 (520) 378-6165, www.arizonafolklore.com

Mar 28 **10th Annual High Desert Crafters Spring Show**
Windemere Hotel & Conference Center, 2047 S. Hwy 92, Sierra Vista. Fine art, crafts, jewelry, photography, quilting, cards, crocheting, specialty items. 8:30 a.m. - 2 p.m. (520) 803-7267

Mar 28-29 **Call of the West - Arizona Folklore Preserve**
44 E. Ramsey Canyon Road. Instrumentalists, song writers, and vocalists. Matinees 2 p.m. each day. \$15 for adults; \$6 students (17 and under). Reservations required. (520) 378-6165, www.arizonafolklore.com

Mar 30 **Sierra Vista's Art Discovery Series Presents: The Glenn Miller Orchestra**
Buena Performing Arts Center. 7 p.m. Swing music. With its unique jazz sound, the Glenn Miller Orchestra is considered to be one of the greatest bands of all time. \$22. (520) 417-6980

APRIL

Apr 3 **Sierra Vista Symphony "Pops" Concert**
Buena Performing Arts Center. Enjoy the sounds of Gilbert & Sullivan! Then, choose your favorite pieces and "make your own" concert! 7:30 p.m. \$25 for regular seating; \$35 for premiere seating. (520) 458-5189

Apr 3-5 **Cochise County Frontier Days - Fair, Carnival, Rodeo**
All-Women's Professional Rodeo, Men's Pro-Bull Riding, Canine Events, Live Entertainment, Beer Garden, Vendors, and more. Carnival admission free (tickets required for rides), Fair \$5.00, Rodeo \$10.00 (includes fair). Fundraiser benefits Cochise County Workforce Development. 520-458-2800 or 520-236-6144, www.frontierdaysfair.com, frontierdays@hotmail.com

MAY

May 9 **International Migratory Bird Day/Spring Festival**
San Pedro House, 9800 Hwy 90. Walks, talks, exhibitions, children's events and more! Free. 8 a.m. to 6 p.m. (520) 459-2555, www.sanpedroriver.org

JULY

Jul 3-4 **42nd Annual Fourth of July Festivities**
Events kick off July 3 at 5 p.m. in Veteran's Memorial Park with food booths, Kiwanis Street Talent Show and Dance at 6 p.m. July 4th events start with the Pets & People Parade at 7:30 a.m. Food booths and other activities mid-morning in Veteran's Memorial Park, official ceremony starts at 11:30 a.m. Big name band starting early in the evening. At the Stone Field Complex, another big name band will kick things off, followed by the 36th Army Band. Fireworks display at 8:10 p.m. Contact: Mike Strange (520) 266-2304

AUGUST

Aug 5-9 **18th Annual Southwest Wings Birding & Nature Festival**
Windemere Hotel, 2047 S. Hwy 92, Sierra Vista. Field trips, seminars, vendors, silent auction. Thursday night welcome reception and Saturday night keynote dinner. \$15 for adults, free for children w/parents or grandparents. (520) 678-8237, www.swwings.org, info@swwings.org

OCTOBER

Oct 3-4 **38th Annual Art in the Park**
Veterans Memorial Park. Fine arts and crafts festival with on-site food/beverage booths benefiting local non-profit groups. Sat. 9 a.m. - 6 p.m. and Sun. 9 a.m. - 4 p.m. Free. (520) 378-1763, www.huachuca-art.com

Oct 10 **22nd Annual Cars in the Park**
Veterans Memorial Park. 350 vintage and custom cars and trucks. 8a.m. to 3p.m. Free. (520) 803-9457, www.sierravistacarclub.org

Oct 10-11 **35th Annual Huachuca Gem, Mineral & Jewelry Show**
Elks Lodge, Elks Lane, Sierra Vista. Beautiful and unique gems and minerals. Demonstrations, vendors, and more! Saturday, 9a.m. - 6p.m.; Sunday, 9a.m. - 4p.m. Free. (520) 803-6590

Oct 17 **10th Annual High Desert Crafters Fall Fair**
Sierra Vista United Methodist Church, 3225 St. Andrews Dr., Sierra Vista. Browse and buy gifts for the holiday season. 8a.m. - 2p.m. Free. (520) 803-7267

DECEMBER

Dec 5 **51st Annual Holiday Parade**
A family-oriented event that will set the mood for the incoming holidays. Parade route is from Buffalo Soldier Trail along Fry Boulevard to Coronado Drive. 5:30 p.m. Free. (520) 458-6940

Dec 6 **Holiday Tour of Historic Officers' Homes - Fort Huachuca**
Uniformed soldier greets you at the door of each turn-of-the-century officer's home decorated for the holiday season. 1p.m. - 5p.m. \$8 advance; \$10 at door. Fort Huachuca Museum. (Note: Fort Huachuca is an active military installation and entrance requirements are enforced. U.S. citizens may enter the post with a visitor pass, received from the guardhouse at the Main Gate. Required documentation includes: vehicle registration and insurance, current and valid photo ID for driver and all passengers over 13). (520) 417-6960

About the Center *for* Economic Research

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



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 committees 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, Ph.D. has served as director of the CER since 2005. He holds a doctor of philosophy degree in public policy and administration, and master's degrees in public administration, education, and international relations.

CONTACT THE CENTER

CENTER FOR ECONOMIC RESEARCH

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

CENTER STAFF

Robert Carreira, Ph.D. – Director
Iris Routhieaux – Information Specialist
Roy Bever – Administrative Assistant, Sr.
Debra Soto – Data Analyst/Sponsor Coordinator
Daniel Chung – Office Assistant

SIERRA VISTA ECONOMIC ADVISORY COMMITTEE

Rick Coffman – Castle & Cooke
Kay Daggett – City of Sierra Vista
V. Tina Gilbertson – City of Sierra Vista
Frank Gonzalez – Lawley Automotive
Marie Hansen – City of Sierra Vista
Mignonne Hollis – Cochise College Small Business Development Center
Angela Moncur – Fort Huachuca Public Affairs
Frank Moro – First West Properties Corporation
Ted Morris – Sierra Vista Herald
Tom Reardon – Sierra Vista City Council
Vicente Santana – Arizona Department of Economic Security
Robert Shepard – Sierra Vista Economic Development Foundation
Susan Tegmeyer – Greater Sierra Vista Area Chamber of Commerce
Robert Zazueta – Southeast Arizona Association of Realtors

Cochise College resources

Cochise College Sierra Vista Campus



Cochise College

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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 Cochise College campuses and centers across the county. The mission of the foundation is to promote student success through scholarships, facilities development, and program support. By supporting Cochise College, the foundation endeavors to increase the college's accessibility to its 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 employees. 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 procurement, recordkeeping, and more. The SBDC sponsors workshops and seminars on a variety of topics designed specifically for small business owners. The SBDC also makes available a library of business resources, which includes many of the latest small business books, videotapes, audiotapes, newsletters, and magazines. For more information call (520) 515-5478, or email sbdc@cochise.edu.

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 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.

The Andrea Cracchiolo Library on the Cochise College Sierra Vista Campus



Community resources

The Sierra Vista Library



City of Sierra Vista

1011 N. Coronado Drive, Sierra Vista, AZ 85635
 Telephone(520) 458-3315
 Fax(520) 417-6932
 Websitewww.ci.sierra-vista.az.us

Accountant(520) 458-3315
 Airport(520) 452-7091
 Airport Operations(520) 458-5775
 Ambulance Billing(520) 378-3276
 (Fry Fire Station – SV)
 Animal Shelter(520) 458-4151
 Aquatic Center(520) 417-4800
 Budget & Finance(520) 458-3315
 Building & Planning(520) 458-3315
 City Attorney(520) 458-3315
 City Clerk(520) 458-3315
 City Engineer(520) 458-3315
 City Manager(520) 458-3315
 Communications & Marketing(520) 458-3315
 Community Development(520) 458-3315
 Convention & Visitors Bureau(520) 417-6960
 Ethel H. Berger Center(520) 417-6980
 Fire Administration(520) 458-3319
 Fire Chief(520) 417-4400
 Fire Marshal(520) 452-7075
 Henry F. Hauser Museum(520) 417-6980
 Human Resources(520) 458-3315

Mayor(520) 458-3315
 Oscar Yrun Community Center(520) 458-7922
 Parks & Leisure(520) 458-7922
 Parks Maintenance(520) 452-7922
 Police Chief(520) 452-7500
 Public Information Office(520) 458-3315
 Public Works(520) 458-5775
 Public Works Director(520) 458-5775
 Public Works Engineering Division ..(520) 458-5775
 Public Works Facilities & Fleet(520) 458-5775
 Public Works Operations Division ..(520) 458-5775
 Public Works Recycling(520) 458-5775
 Public Works Refuse/Trash(520) 458-5775
 Public Works Street Maint.(520) 458-5775
 Public Works Streetlights(520) 458-5775
 Public Works Transfer Station(520) 452-9805
 Public Works Transportation Services(520) 458-5775
 Public Works Wastewater/Sewer ... (520) 452-7045
 Public Works Water
 Conservation(520) 452-9805 Ext. 2139
 Refuse Special Pickup(520) 458-7530
 Sewer Emergencies (After Hours) ..(520) 458-7530
 Vista Transit(520) 417-4888
 Vista Transit (Additional Number) ..(520) 417-4889
 Webmaster(520) 458-3315
 Youth Center(520) 417-4803

SIERRA VISTA FIRE DEPARTMENT

Emergency911
 Fire Station #1 (1295 E. Fry Blvd.) ... (520) 458-3319
 Fire Station #2 (4127 Avenida Cochise) .(520) 452-7075
 Fire Station #3 (675 Giulio Cesare) ... (520) 417-4400

SIERRA VISTA POLICE DEPARTMENT

911 N. Coronado Drive, Sierra Vista, AZ 85635
 Emergency911
 Non-Emergency(520) 458-3311
 Fax(520) 458-3563
 Emailsvpd@ci.sierra-vista.az.us
 Administration(520) 452-7500
 Animal Control(520) 458-4151
 Chief of Police(520) 452-7500
 GiTEM Gang Task Force(520) 458-3691
 Investigations(520) 452-7500
 Narcotics(520) 452-7500
 Non-Injury Traffic Accidents(520) 458-3311
 Patrol Division(520) 452-7500
 Personnel(520) 458-3315
 Public Information Officer(520) 452-7500
 Records and Reports(520) 452-7500
 Recruiter(520) 452-7500
 TDD(520) 452-7066
 88-Crime(520) 882-7463

SIERRA VISTA PUBLIC LIBRARY

3020 Tacoma Ave., Sierra Vista, AZ 85635
 Telephone(520) 458-4225
 Fax(520) 458-5377
 Emaildgunckel@ci.sierra-vista.az.us
 Websitewww.cochise.lib.az.us

SIERRA VISTA VISITORS CENTER

3020 Tacoma Ave., Sierra Vista, AZ 85635
 Telephone(520) 417-6960 or (800) 288-3861
 Emailinfo@visitsierravista.com
 Websitewww.visitsierravista.com

Greater Sierra Vista Area Chamber of Commerce

21 E. Wilcox Drive, Sierra Vista, AZ 85635
 Telephone(520) 458-6940
 Fax(520) 452-0878
 Emailinfo@sierravistachamber.org
 Websitewww.sierravistachamber.org

Sierra Vista Economic Development Foundation

333 W. Wilcox Dr., Ste. 202, Sierra Vista, AZ 85635
 Telephone(520) 458-6948
 Fax(520) 458-7453
 Emailadmin@svedf.org
 Websitewww.svedf.org

Sierra Vista Unified School District # 68

3555 E. Fry Blvd., Sierra Vista, AZ 85635
 Telephone(520) 515-2701
 Fax(520) 515-2744
 EmailSuperintendent@svps.k12.az.us
 Webwww.sierravistapublicschools.com

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/

Fry Fire District

Station # 1 (206 North 2nd Street)(520) 458-5523
 Station # 2 (4817 S. Apache Ave.)(520) 378-2222
 Station # 3 (5019 Thuma Road)(520) 378-2361
 Ambulance Billing(520) 378-3276

Arizona Department of Economic Security**2981 E. TACOMA, SIERRA VISTA, AZ 85635**

Department/Staff Directory(520) 459-3206
 Child Protective Services(520) 458-4003
 Adult Protective Services(520) 459-1859
 Developmental Disabilities(520) 458-7166
 Vocational Rehabilitation(520) 459-7063
 Employment Service(520) 459-3206

Unemployment Tax

Employer Accounts(520) 459-2491

820 E. FRY BLVD., SIERRA VISTA, AZ 85635

Family Assistance(520) 459-6901
 Child Care(520) 459-7128
 Child Protective Services(520) 459-2965
 Vocational Rehabilitation(520) 459-7196

77 CALLE PORTAL, STE. C220,

Sierra Vista, AZ 85635
 Child Protective Services(520) 459-0728

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

3867 S. Towner Avenue, Naco, AZ 85620
 Telephone(520) 432-5349
 Telephone # 2(520) 432-3111
 Fax(520) 432-7798
 Canine Enforcement Program(520) 432-5349
 CBP Agriculture(520) 432-5349
 Entry Control(520) 397-2050
 Export Control(520) 397-2113
 Import Specialist(520) 397-2113
 Report Drug Smuggling(800) 232-5378
 Seizure and Penalties(520) 397-2113
 SENTRI/FAST Enrollment Center(520) 397-2113

U.S. Post Office

2300 E. Fry Blvd., Sierra Vista, AZ 85635
 Telephone(520) 458-2540
 Websitewww.usps.com

Financial Institutions**AMERICAN SOUTHWEST CREDIT UNION**

3090 E. Fry Blvd., Sierra Vista, AZ 85635
 Telephone(520) 459-1860
 Websitewww.americansouthwestcu.org

ARMED FORCES BANK (FT. HUACHUCA)

Building 52035, Arizona St., Fort Huachuca, AZ 85670
 Telephone(520) 452-8630
 Websitehttp://afbanc.com/

BANK OF AMERICA

3148 E. Fry Blvd., Sierra Vista, AZ 85635
 Telephone(520) 458-1441
 Websitewww.bankofamerica.com

COMPASS BANK

211 S. Carmichael Ave., Sierra Vista, AZ 85635
 Telephone(520) 458-1088
 Websitewww.compassbank.com

J.P. MORGAN CHASE BANK

3932 E. Fry Blvd., Sierra Vista, AZ 85635
 Telephone(520) 459-1235
 Websitewww.chase.com

NATIONAL BANK OF ARIZONA

1160 E. Fry Blvd., Sierra Vista, AZ 85635
 Telephone(520) 439-5469
 Websitewww.nbarizona.com

SOUTHEASTERN ARIZONA FEDERAL CREDIT UNION

65 S. Highway 92, Sierra Vista, AZ 85635
 Telephone(520) 459-1333
 Websitewww.seafcu.com

WELLS FARGO BANK NA

50 E. Fry Blvd., Sierra Vista, AZ 85635
 Telephone(520) 459-8489
 Websitewww.wellsfargo.com

Utilities**ARIZONA WATER COMPANY**

77 Calle Portal, Ste. B-120, Sierra Vista, AZ 85635
 Telephone(520) 458-5660
 Fax(520) 459-2533
 EmailSierraVista@AZwater.com
 Websitehttp://azwater.com/

BELLA VISTA WATER COMPANY

4055 E. Campus Dr., Sierra Vista, AZ 85635
 Telephone(520) 458-5470
 Fax(520) 459-6680
 Emailcarol.allen@algonquinwater.com
 Websitewww.bellavistawater.com

COX COMMUNICATIONS

150 E. Wilcox Dr., Sierra Vista, AZ 85635
 Telephone(520) 458-4705
 Websitewww.cox.com/arizona

QWEST

Telephone(800) 244-1111
 Websitewww.qwest.com/

SOUTHWEST GAS

202 E. Wilcox Dr., Sierra Vista, AZ 85635
 Telephone(800) 428-7324
 Websitewww.swgas.com

SULPHUR SPRINGS VALLEY ELECTRIC COOPERATIVE

311 E. Wilcox Dr., Sierra Vista, AZ 85635
 Telephone(520) 458-4691
 After Hours & Emergencies(800) 422-3275
 Websitewww.ssvvec.org



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

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