

# Benson

ECONOMIC OUTLOOK 2008



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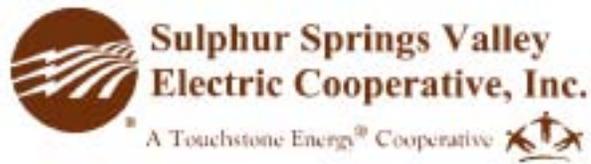
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# Table of contents

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

by Robert Carreira

## 4 Benson actively moving forward to accommodate growth

by Martin Roush

## 6 The City of Benson

Benson Municipal Airport  
Economic Development  
Quality of Life  
Water Conservation  
Capital Improvements  
Cost of Living  
Climate  
Seasonal Visitors  
Arizona Enterprise Zone Program  
Rural Economic Development Initiatives  
Tax Rates  
Crime Rate  
Healthcare

## 14 Education

Primary and Secondary Education  
Post-secondary Educational Opportunities  
Educational Attainment



## 18 Demographics

Population Estimates and Projections  
Race and Ethnicity  
Age Groups  
Household Characteristics  
Income  
Military Veterans

## 22 Employment

Employment, Unemployment, Labor Force, and Job Growth  
Occupations and Classes of Workers  
Industries  
Major Employers  
Wages  
Cochise County Employment  
Outlook  
A Note on Employment Data

## 28 Retail trade and commerce

Taxable Sales  
Retail Sales  
Restaurant and Bar Sales  
Accommodation Receipts  
Business Establishments  
Outlook

## 32 Housing and real estate

Overview  
Development in the Benson Area  
Cochise County Existing Home Sales  
Benson Existing Home Sales  
Housing Affordability  
Commercial Construction  
Outlook

## 38 Bank deposits and bankruptcy filings

## 40 Mexico

Aqua Prieta, Sonora  
Naco, Sonora  
Economic Impact  
Mexico's Economy Today

## 44 Fort Huachuca

Cochise County's Top Employer  
U.S. Fish and Wildlife Biological Opinion  
History

## 47 Cochise County agriculture

## 49 Tourism

General Overview  
Benson's Railroad Heritage  
Attractions and Activities  
National Geographic MapGuide Project  
Economic Impact of Tourism in County  
Tourism Trends in Benson  
County State and National Park Visitations  
Cochise County Lodging Indicators  
The Film Industry in the Benson Area  
The Arizona Motion Picture Production Tax Incentives Program  
Park Visitations (charts)  
Calendar of Events

## 56 About the Center

Contact Information  
CER Staff  
Benson Economic Advisory Committee

## 58 Cochise College resources

## 60 Community resources



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



Exit 302 is located just off I-10 and is a popular stop for travelers.



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

At the national level in 2007, real Gross Domestic Product (GDP) – the inflation-adjusted value of all final goods and services produced in the economy – increased by 2.2 percent. This was down from 2.9 percent in 2006. In the first quarter of 2007, GDP grew at a seasonally adjusted annual rate of 0.6 percent, followed by much stronger growth of 3.8 percent in the second quarter and 4.9 percent in the third quarter. This was followed by a return to slower growth of 0.6 percent in the fourth quarter.

Many economists are reading the fourth quarter GDP figures as confirmation of fears of an impending economic slowdown. The concerns stem from the subprime mortgage meltdown in mid-2007 and a slowdown of the housing market in general, which many economists fear will spill over into the general economy,

leading it into recession. Another concern is the general credit crunch that has resulted from rising defaults on subprime mortgages, which has caused lenders to proceed more cautiously in lending practices. Concerns over a general economic slowdown are supported by slowed job growth and rising unemployment in late 2007 and early 2008, along with the slowed fourth quarter GDP growth.

Most of the slowdown in the fourth quarter was related to the continued decline in residential construction, which had been slow all year, and declines in business inventories. The slowdown in the latter category is the natural upshot of the uncertainty in the general economy. When faced with economic uncertainty, businesses refrain from expanding their current inventories for sales in the future, which may sell off slowly should personal consumption expenditures decline. Thus, the majority of slowed growth in the fourth quarter of 2007, outside of the declining housing market, was the result of business leaders proceeding cautiously to avoid overinvestment.

In response to concerns over an impending economic slowdown, the Federal Reserve's Federal Open Market Committee (FOMC) lowered its target for the federal funds rate at a series of meetings in late 2007 and early 2008. This included a cut of 75 basis points at an emergency meeting on January 21 – the largest single cut in a quarter of a century. The most recent cut, as of the date this publication went to print, was 75 basis points in March, bringing the FOMC's target for the federal funds rate to 2.25 percent. The rate cuts are designed to give a boost to consumer spending, home purchases, and business investment.

On the fiscal policy side, in February 2008 Congress passed, and President Bush signed, a \$168 billion economic stimulus plan. The crux of the plan is a tax rebate program that will send rebate checks of \$600 to \$1,200 to U.S.

households in an effort to spur household spending in order to raise aggregate demand and thus increase production and create jobs.

The national unemployment rate in 2007 came in at a healthy 4.6 percent, the same level as 2006. The 2006 and 2007 national unemployment rates were at their lowest level since 2000. Despite the low annual level of unemployment in 2007, seasonally adjusted figures toward the end of the year and in early 2008 gave cause for concern. In the second half of 2007, the unemployment rate averaged 4.8 percent, and in December the monthly rate hit 5 percent. Although the national unemployment rate declined slightly in January and February 2008, this was largely the result of a declining labor force. In March, the national unemployment rate rose to 5.1 percent. The national economy created only 1.1 million jobs in 2007, down from 2.1 million in 2006 and 2.5 million in 2005. In the first quarter of 2008, the national economy saw job losses in each month, for a net loss of 232,000 jobs for the quarter, according to preliminary estimates.

The Consumer Price Index (CPI), our best measure of inflation, rose 2.8 percent in 2007, down from 3.2 percent in 2006. As with the unemployment numbers, however, inflation figures toward the end of the year and in early 2008 give reason for concern. In the second half of 2007, consumer prices were up 3.2 percent, and in the final quarter of the year they were up 4 percent (compared to the same period a year prior). In the first quarter of 2008, consumer prices were up an average of 4.1 percent compared to the first quarter of 2007.

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

to deal with inflation, a side effect is typically slower economic growth along with rising unemployment.

At the state level in 2006, Arizona's GDP by state rose 6.8 percent making Arizona's economy the third fastest-growing in the nation, behind Idaho and Utah. The largest contributors were real estate, rental and leasing; durable goods manufacturing; retail; and construction. GDP by state is the most comprehensive measure of the overall economic activity of each state and is the primary tool for measuring economic growth among states; however, there is a significant lag between the period reflected and the release of data by the Bureau of Economic Analysis.

The unemployment rate in Arizona dropped to 3.8 percent in 2007, down from 4.1 percent in 2006. Despite the low unemployment rate, the number of nonfarm jobs at the state level in 2007 was up by only 1.2 percent, reflecting the creation of 31,500 jobs. This was down considerably from 125,700 new jobs created in 2006, for job growth of 5 percent.

Currently, one of the biggest challenges facing the state economy is the state

government's budget deficit. The state is facing a \$1.2 billion shortfall for fiscal year 2007-2008 (more than 10 percent of the total budget), with a projected shortfall of \$1.9 billion for the 2008-2009 budget year. In April 2008, the state legislature approved (and the Governor is expected to sign) a plan to eliminate the 2007-2008 shortfall by withdrawing more than half of the state's \$700 million rainy day fund, cutting spending by state agencies, and delaying more than \$270 million in school funding until the beginning of the 2008-2009 fiscal year. The latter measure risks exacerbating the 2008-2009 projected shortfall, which has not yet been addressed with policy decisions.

The state's constitutional requirement to balance the annual budget has broad economic consequences since, during times of economic slowdown, the government is often forced to make fiscal policy decisions such as cutting spending, which tends to make recessionary conditions worse. In times of economic prosperity, the balanced budget requirement often leads policymakers to increase spending in light of increased 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.

In Cochise County, the unemployment rate for 2007 was 4.1 percent, down from 4.4 percent in 2006. The 2007 rate was the county's lowest on record, with records going back to 1994. The low unemployment rate in 2007 was primarily the result of sluggish growth in the labor force. In 2007, the countywide labor force grew by only 0.7 percent and the county lost 175 nonfarm jobs. The employment situation worsened in the last quarter of 2007, with the unemployment rate reaching 4.3 percent in October, 4.5 percent in November, and 4.9 percent in December. The first quarter of 2008 showed signs of improvement with unemployment falling to 4.4 percent in January, 4.3 percent in February, and 4.2 percent in March. Although the unemployment rate fell, nonfarm job growth remained in negative territory with the number of jobs falling by 125 in the

first quarter, for job growth of -0.3 percent.

Retail sales in Cochise County were down 1.3 percent in 2007, after adjusting for inflation. In January 2008, retail sales were down 6.5 percent compared to January 2007. Cochise County's restaurant and bar sales were up only 0.1 percent in 2007. The county's accommodation receipts (hotel, motel, and other temporary lodging stays) were up 19.7 percent in 2007. Much of this was due to an increase in room rates, which were up more than 10 percent for the year, spurred by a sharp increase in demand. Trends across the major sectors of the countywide economy were worrisome in the last quarter of the year, which showed a significant slowdown from the first three quarters. Retail sales declined by 7.4 percent in November and 15.5 percent in December. In January 2008, retail sales were down by 6.5 percent compared to January 2007. Restaurant and bar sales were down in the fourth quarter, which also saw accommodation sales grow at their slowest rate of the year.

In 2007, the number of new home permits issued countywide was down 47.6 percent, following an 18.8 percent decline in 2006. Existing home sales were down more than 10 percent, following a decline of more than 20 percent the year prior. The median price of a new home in Cochise County was up 0.6 percent in 2007, but the price per square foot was down 3.7 percent. In 2007, the median home price in Cochise County was \$206,579.

In the first quarter of 2008, the existing home market took a further dive, with sales volume countywide down 31.7 percent compared to the first quarter of 2007. The

median home price was down 3.8 percent in the first quarter, falling to \$201,323.

At the city level, the unemployment rate in Benson for 2007 was 7.3 percent. This was down from 7.8 percent the year prior, and represents the city's lowest unemployment rate on record, with records going back to 2000. In the first two months of 2008, Benson's unemployment rate increased to a seasonally adjusted 7.8 percent, following the upward trend at the county, state, and national levels. It is important to note that Benson's unemployment rate is estimated by the Arizona Department of Commerce (ADOC) using a model that pegs the city rate to the county rate based on data from Census 2000. The model does not pick up changes at the city level since 2000 that differ substantially from the countywide trend. Focus group discussions in Benson indicate the unemployment rate is considerably lower than estimated by ADOC, and is perhaps more in line with a full employment rate of unemployment (4 to 5 percent).

The opening of the Wal-Mart Supercenter in Benson in November 2006 has lured shoppers to the city from across northern Cochise County and neighboring Pima and Graham counties. In 2007, Benson collected \$1.8 million in retail sales tax revenue, up 45.6 percent from the previous year. The increase was due primarily to the opening of Wal-Mart.

Benson's restaurant and bar sales performed poorly in 2006 and 2007, declining in both nominal and real (inflation-adjusted) terms in both years. In 2007, sales were down 3.1 percent, following a 1.1 percent decline in 2006, after adjusting for infla-

tion. In real terms, Benson's restaurant and bar sales in 2007 were at their lowest level since 2004. In 2007, accommodation receipts in Benson totaled \$4.5 million, up 17.6 percent from the year prior, after adjusting for inflation. The strong growth in this industry has been driven by a variety of factors, including a stronger tourism industry and an increase in room rates.

There are 17 residential developments currently underway or planned for the Benson area. Combined, these will add more than 6,500 homes to the area based on current plans. In early 2007, Pulte Homes pulled out of its planned 13,750-unit Anthem development in Benson due to nationwide housing market conditions. The land for the Anthem project remains entitled and several builders have expressed interest in it. The year 2006 saw the first major step toward build-out on the many planned developments, with the issuance of 104 new home permits. The number of permits dropped significantly in 2007, with only 25 permits issued. Despite the decline, this figure remains high from an historical perspective. In the 5 years from 2001 to 2005, the city issued a combined total of only 12 new home permits.

Sample data indicate Benson has seen a surge in existing home sales in recent years, despite slowdowns at the county, state, and national levels. Data indicate double digit sales growth in 2005, 2006, and 2007. In the first quarter of 2008, sales growth was slower, but still remained in positive territory. With the strong growth in sales has come a significant increase in home prices. From 2004 to 2006, the median home price in Benson more than doubled. From 2004 to 2007, the median price increased by more than 170 percent, from \$80,250 to \$218,035. Much of the price change, however, was the result of larger homes being sold. Although the median price increased by more than 170 percent between 2004 and 2007, the average price per square foot increased only 37.7 percent from \$91.57 to \$126.02. In the first quarter of 2008, the median home price in Benson dropped 33.2 percent to \$153,000 and the average price per square foot dropped by 18.6 percent to \$100.70 (compared to first quarter prices in 2007).



There are 17 residential developments currently underway or planned for the Benson area.

## Benson actively moving forward to accommodate growth

The city has completed major upgrades to the city's skate park.



**Martin Roush**  
City Manager  
City of Benson

Benson is a very active city. Over the past year, all the traditional activity occurred and many new things happened. The mayor and council's commitment to professional staff demonstrates that the city is positioned for the future. The city now has an established development review team, a city engineer, and a finance director.

In January 2008, the new Development Review Team produced the *Developers Guide Book*, which outlines the development process and provides required forms, a checklist, and the city's internal standard operating procedures.

The city's financial performance in fiscal year 2007-08 has been robust, continuing the strong performance seen in fiscal year 2006-07. In fiscal year 2006-07, general fund revenues increased by more than 40 percent, compared to fiscal year 2005-06.

This is attributable to a stronger year-round economy, the opening of the new Wal-Mart Supercenter in November 2006, and the city's large population of winter visitors.

The financial management of the city has vastly improved. The mayor and council have adopted a budget that meets government accounting standards. To assist in delivering major improvement projects, the budget establishes the Capital Project Fund through the 4 percent construction sales tax. As a policy statement in the budget, the city has committed to building a special contingency reserve fund over the next 5 years in an amount equal to 20 percent of the city's annual operating costs. Also, the vastly improved Capital Improvement Program was approved, which will help the city to deliver much-needed projects to the community.

The success of the Wal-Mart Supercenter demonstrates that Benson can accommodate major commercial development. Since the opening of Wal-Mart in November 2006, the city has seen strong commercial growth; for example, three new

commercial sites are near completion and more are on the way. It's clear to see commercial growth is coming to Benson. The question is not "if" but "when."

In 2007, while many cities across the nation saw new home permits decline, permits in Benson increased dramatically, especially when compared to the baseline of 5 permits for new site built homes issued in 2005. In 2007, the city issued 220 building permits (valuation \$12.1 million), compared to 370 permits (valuation \$38.7 million) issued in 2006, and 192 permits (valuation \$9.2 million) issued in 2004. Of the residential permits issued in 2007, 25 were for new site built homes, compared to the peak we saw in 2006. The good news is that, between January 1 and April 14, 2008, the city issued 26 permits for new site built homes; this was more than the total number of permits issued over the entire year in 2007.

The city provides a variety of utility services: wastewater, potable water, natural gas, and solid waste. The existing infrastructure is in place to support growth. For example, the city's main treatment plant has a permitted capacity of 1.2 million gallons per day. Although the city has substantial excess capacity at the plant, the Public Works Department is planning the design of the next expansion. The city has received a designation of adequacy of water supply

from the Arizona Department of Water Resources for the existing city boundaries. When it comes to water resources, the city takes a proactive approach; this is demonstrated by the adoption of the *City of Benson Water Conservation Plan* in July 2007. The city is committed to using a long-term perspective to manage its water resources. The adoption of impact fees for water and wastewater ensures the long-term financial health of the City of Benson's utilities.

The city is working on revitalizing the existing community through a variety of projects, several of which were recently completed. The city recently completed the repaving of many streets through Community Development Block Grant funding. The city also completed the new Union Street pool, as well as major upgrades to the city's skate park. A number of infrastructure enhancements are planned for the future; these are detailed in the city's Capital Improvement Program. Examples of projects that are underway include the pavement management program and the Lions Park Improvements, Phase I.

...between January 1 and April 14, 2008, the city issued 26 permits for new site built homes; this was more than the total number of permits issued over the entire year in 2007.



In 2007, the city issued 220 building permits valued at \$12.1 million.

# The City of Benson

The City of Benson is known as the Home of Kartchner Caverns State Park.



The City of Benson, Arizona – Home of Kartchner Caverns State Park – is the fourth largest of seven incorporated areas in Cochise County. With a population of 4,992 as of mid-2007, Benson accounts for 3.6 percent of the county’s population. The Benson Census County Division (CCD), which includes the City of Benson, the unincorporated area of St. David, and surrounding unincorporated areas, had a combined population of 12,132 in 2007, according to estimates by the Arizona Department of Commerce (ADOC).

Benson is located 45 miles southeast of Tucson and 156 miles southeast of Phoenix. In recent years Benson, along with the unincorporated areas of Cochise County just outside the city limits, has been eyed by developers for large-scale, master planned communities. Developers see Benson as a vital link between Tucson to the west and Sierra Vista/Fort Huachuca to the south. Entitlements currently exist for the construction of more than 20,000 homes in the area. At full build-out this would make Benson the largest city in Cochise County. The first major step

toward build-out began in 2006 when the city issued 104 new home permits, compared to only 12 permits issued over the entire preceding 5-year period. In anticipation of growth in the area, Wal-Mart opened a 99,000 square-foot Supercenter in Benson in late 2006.

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

The City of Benson is known as the Home of Kartchner Caverns State Park. Located on 550 acres at the foothills of the Whetstone Mountains just south of Benson on State Highway 90, Kartchner Caverns State Park offers picnicking, camping, hiking, walking, and the magnificent “still-living” caverns. Since its opening in late 1999,

Kartchner Caverns has hosted more than a million visitors, with an average annual visitation of more than 180,000 between 2003 and 2007.

The economy of Benson is dependent on tourism, as well as accommodation and restaurant and bar patronage from traffic along Interstate 10 and state routes 80 and 90. The city also supports a large retired population and is a winter refuge for people from colder climates. With the 2006 opening of the Wal-Mart Supercenter, Benson is positioned to become the major retail center of northern Cochise County, serving residents of the county as well as those residing in eastern Pima County and southern Graham County. With the anticipated construction of more than 20,000 homes in the Benson area over the next few decades, construction will also be a major contributor to Benson's economy. This has already begun, with Benson's construction industry overtaking restaurant and bar in 2006 and 2007 to become the second-largest contributor to taxable sales in the city, following retail sales.

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

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

### **Benson Municipal Airport**

The Benson Municipal Airport (FAA Airport Identifier E95) is a full-service, general aviation airport located on 140 acres approximately three miles north of the city's center. The airport is at an elevation of 3,829 feet. Benson Municipal Airport opened in December 1999 and serves helicopters, single-engine aircraft, and small multi-engine general aviation aircraft. The airport is owned and operated by the City of Benson and provides service to residents of Cochise County and eastern Pima County. The city has expressed a commitment to maximize the utility of the airport, and applied for and received more than \$7.1 million in grants from the Federal Aviation Administration and Arizona Department of Transportation between 1995 and 2008.

Southwestern Aviation is the airport's fixed-base operator, providing AVGAS and Jet A fuel, car rental, flight training, and aircraft rental and sales. The airport has a single runway: Runway 10/28 is 4,000 x 75 feet, asphalt, with a single-wheel weight limitation of 12,500 lbs. There are 32 aircraft based at the airport: 28 single engine

and 4 multi-engine airplanes. For the 12-month period ending March 31, 2006, there was an average of 103 aircraft operations per week: 75 percent were transient general aviation and 25 percent were local general aviation.

The airport is located 120 nautical miles from Phoenix's Sky Harbor International Airport, and 30.5 nautical miles from Tucson International Airport. For more information, call John or Nancy Martin at (520) 586-3262 or visit [www.cityofbenson.com](http://www.cityofbenson.com).

### **Economic Development**

In December 2007, Benson's mayor and city council formed the Economic Development Subcommittee (EDS) to provide direction for the city's economic development future. The EDS is charged with creating a policy statement in the form of a strategic plan, which will define the city's economic development goals and provide a plan of action for implementing those goals with specific outcomes. The mayor and city council's goal for the strategic plan is to encourage a healthy business climate by providing incentives to new and existing businesses.

In support of the EDS, the city created a web-based information system that serves as one-stop shopping for economic development needs. Economic development tools at the website include an asset inventory and links to other sources of relevant information about the community. Additional direct support for economic development includes the city's commit-



The Benson Municipal Airport is a full-service, general aviation airport located on 140 acres approximately three miles north of the city's center.

Photo: Benson Visitor Center

## COST OF LIVING COMPARISONS

	SIERRA VISTA- DOUGLAS MICRO AREA*	TUCSON	PHOENIX	FLAGSTAFF	YUMA	LAKE HAVASU
<b>2004</b>						
1st Quarter	98.0	96.1	98.7	109.5	**	103.1
2nd Quarter	104.0	98.1	99.0	106.9	99.3	107.0
3rd Quarter	100.7	95.0	99.2	111.5	98.4	106.7
4th Quarter	100.4	94.4	98.7	109.7	94.7	109.6
<b>2005</b>						
1st Quarter	98.7	96.2	96.8	107.3	94.1	106.2
2nd Quarter	100.5	96.6	96.9	109.3	98.7	107.1
3rd Quarter	98.0	97.4	99.0	*	98.0	106.6
4th Quarter	94.0	97.3	100.4	112.4	99.4	109.4
<b>2006</b>						
1st Quarter	98.0	100.3	103.8	116.1	106.3	114.1
2nd Quarter	94.5	98.6	100.4	115.5	101.7	113.3
3rd Quarter	96.9	98.8	101.8	115.9	102.4	115.0
4th Quarter	98.8	99.8	102.5	113.1	103.1	111.0
<b>2007</b>						
1st Quarter	96.3	100.4	101.7	113.7	102.3	113.5
2nd Quarter	**	100.8	100.3	116.1	101.6	112.7
3rd Quarter	99.3	100.5	100.9	119.1	105.1	108.8
4th Quarter	98.0	100.3	100.6	115.9	102.7	111.2

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

## SIERRA VISTA-DOUGLAS MICROPOLITAN AREA COST OF LIVING

	COMPOSITE INDEX	GROCERY ITEMS	HOUSING	UTILITIES	TRANS- PORTATION	HEALTH CARE	MISC. GOODS & SERVICES
4th Quarter, 2006	98.8	104.3	91.2	101.2	101.5	96.9	101.6
1st Quarter, 2007	96.3	108.4	93.7	100.6	99.9	92.1	92.0
2nd Quarter, 2007	*	*	*	*	*	*	*
3rd Quarter, 2007	99.3	104.3	96.1	100.9	107.0	100.4	97.4
4th Quarter, 2007	98.0	105.5	94.6	100.7	104.3	97.6	95.5

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

ment to development services, providing special events, and marketing Benson. The city also seeks to support economic development indirectly by providing services that promote a high quality of life. For more information on the city's economic development efforts, visit [www.cityofbenson.com](http://www.cityofbenson.com).

## Quality of Life

As part of its economic development efforts, the City of Benson has focused on enhancing services that contribute to the quality of life of local residents, seasonal visitors, and others who travel to or through the area. The city's quality of life infrastructure includes the Benson Library, whose mission is to meet the information, knowledge, and reading needs of the people. The library fulfills this mission by providing services, materials, and internet access to meet the needs of the adults and youth in the community. The Benson Library service area extends beyond the city limits, including surrounding communities and rural residents of Cochise County. There are currently 7,000 registered cardholders.

The city's Parks Division provides municipal parks services to the residents of the city and surrounding areas. The city is home to Lion's Park, Apache Park, and Union Street Park, which provide residents with a variety of leisure opportunities. Park amenities include a swimming pool, sports fields with lights, a basketball court, horseshoe pits, a volleyball court, a skate park, walking trails, several ramadas, barbeque grills, a playground, and restrooms.

The city's Recreation Division works closely with local and surrounding public schools and sports leagues. The division provides a pool program including lap swimming, open swim, and swimming lessons for adults and youth. In partnership with the Benson Unified School District to share resources, the city's summer recreation programs provide camps, activities, and trips. In 2007, the city approved the first fulltime recreation employee, tasked with providing senior-citizen, adult-fitness, and after-school programs.

The City of Benson has also expressed a commitment to hosting and sponsoring special events. In partnership with the Chamber of Commerce and with the support of special committees, the city supports a variety of annual special events, including the 4th of July Celebration, Butterfield Overland Stage Days, Christmas on Main Street, Bluegrass in the Park, and the Biker Rodeo. The city's view is that investing in these special events not only pays dividends to its local merchants, but also contributes to the image of Benson, helping home sales and supporting the city's workforce development efforts.

## Water Conservation

A primary function of the city's Water Utility Division is the production and delivery of water that meets or exceeds water quality standards and in sufficient quantity to meet customer demands. The city has adopted an approach to water resource management that includes water conservation and the use of reclaimed water. In July 2007, the mayor and city council approved the city's Water

Conservation Plan. In October 2005, the Arizona Department of Water Resources issued the city the Decision and Order Number 21-401803 on the Designation of an Adequate Water Supply. As a result, the city was granted 12,784 acre feet of ground-water use per year. The city has a current water capacity of 5.3 million gallons per day, with peak demand at 1.5 million gallons per day. As of early 2008, the average daily demand was 0.7 million gallons per day with required storage at 1.0 million gallons per day. The city's Capital Improvements Program has six water supply construction projects and the city is currently in the process of developing one additional well with 1.5 million gallons of reservoir capacity and 1.0 million gallons per day of delivery capacity to meet future demands.

### Capital Improvements

The City of Benson's 2007-2011 Capital Improvements Program includes maintenance and new construction projects to support a wide range of services, from a new police station to major park expansions. The most recent delivered project is the new Union Street Park's Pool at \$550,000. On the maintenance side, the plan includes more than \$200,000 a year in pavement preservation. Other notable projects are the reconstruction of Ocotillo Street Phase I (from 4th Street to Union Street), a \$3 million road reconstruction project; the design of the wastewater treatment plant expansion; and several water projects.

### Cost of Living

The Sierra Vista-Douglas Micropolitan Area is a participant in the ACCRA Cost of Living Index program. The Sierra Vista-Douglas Micropolitan Area is a statistical designation for all of Cochise County, including Benson. Sierra Vista and Douglas are included in the title since they are the principal cities that meet the criteria for establishing Cochise County as a micropolitan statistical area.

The ACCRA Cost of Living Index measures relative price levels for consumer goods and services in participating areas. The average for all participating places nationwide equals 100; and each participant's index is read as a percentage of the average for all places. The ACCRA index comprises separate weighted sub-indices for grocery items, housing, utilities, transportation, healthcare, and miscellaneous goods and services.

From 2004 through the first half of 2005, the cost of living in the Sierra Vista-Douglas Micropolitan Area ranged from slightly below to slightly above the national average. Beginning in the second half of 2005 and continuing through 2007, the area's cost of living remained below the national average.

From 2004 through 2007, the Sierra Vista-Douglas Micropolitan Area's cost of living ranged from a low of 94.0 (interpreted as 94 percent of the average cost of living of all places nationwide participating in ACCRA), to a high of 104.0 (interpreted as

### BENSON PRIVILEGE (SALES) TAX RATES

CATEGORY	COUNTY AND STATE	CITY OF BENSON	TOTAL
Privilege Tax	6.10%	2.5%	8.6%
Retail Tax (single item over \$5,000)	6.10%	1.0%	7.1%
Hotel/Motel	6.05%	4.5%	10.55%
Construction Contracting	6.10%	4.0%	10.1%

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

### BENSON PROPERTY TAX RATES 2007 (PER \$100 ASSESSED VALUE)

DISTRICT	PRIMARY	SECONDARY	TOTAL
City of Benson	0.5498		0.5498
Benson Unified School District	4.4978	1.9729	6.4707
Cochise Joint Technical District		0.0500	0.0500
San Pedro Valley Hospital		0.9000	0.9000
Cochise County General Government*	2.8653		2.8653
Library*		0.1451	0.1451
Flood Control*		0.2597	0.2597
Cochise College*	1.7430		1.7430
Arizona Fire District Assistance Tax*		0.0867	0.0867
TOTAL	9.6559	3.4144	13.0703

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

### BENSON WEATHER

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

Source: The Weather Channel ©

San Pedro Golf Course is an 18-hole course located on Madison Avenue.



104 percent of the nationwide average). From 2004 through the first half of 2005, the area's cost of living was above that of Tucson and Phoenix; however, this trend reversed beginning in the third quarter of 2005. Since the fourth quarter of 2005, the cost of living in the area has remained below that of Tucson and Phoenix.

In 2007, housing costs in the Sierra Vista-Douglas Micropolitan Area remained consistently below the national average. Healthcare costs were below the national average, with the exception of the third quarter of 2007, when costs locally were slightly higher. Miscellaneous goods and services have remained mostly below the national average, while groceries, utilities, and transportation costs predominantly have been higher than nationwide.

### Climate

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

### Seasonal Visitors

The City of Benson is a winter refuge for people from colder climates, commonly referred to as "snowbirds." Many of these winter visitors reside in RV/travel trailer parks. As of Census 2000, 11.2 percent, or

309 of the housing units in Benson were classified under the category of "Boat, RV, van, etc." This compares to only 2.4 percent countywide. Of the 738 vacant housing units in Benson as of Census 2000, 433 were identified as "For seasonal, recreational, or occasional use," compared to only 3.8 percent countywide. The presence of seasonal visitors residing in RV parks between October and March of each year is a unique characteristic of Benson that contributes to the city's culture, as well as its economy.

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

### Arizona Enterprise Zone Program

Benson is located in the Cochise County Enterprise Zone, currently in effect through 2011. This zone also includes the

communities of Bisbee, Douglas, Huachuca City, Tombstone, Willcox, and portions of Sierra Vista. Companies that locate to enterprise zones may be eligible to benefit from two tax incentive programs.

The Arizona Enterprise Zone program was enacted in 1989 and revised by subsequent legislation. The goal of the 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 1998, the program was extended for three years. In 1999, legislation was passed to allow insurers to use credits to offset premium taxes. In 2001, the program was again extended, the investment threshold for small manufacturers in rural Arizona was lowered, and qualified companies were allowed to conduct up to 10 percent retail activity at the zone location. In 2002, the program was revised to strengthen administrative procedures and help target the program more closely toward its purpose as an economic development tax incentive. In 2006, the program was extended for 5 years and revised to allow certain family-owned manufacturers to qualify under the EZ property tax reduction. Additionally, qualified commercial printers using lithography or flexography printing processes are now able to participate in the program.

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

hourly wage above the “Wage Offer by County” (\$8.38 in 2008 for the Cochise County Enterprise Zone), and provides health insurance to employees for which the employer pays at least 50 percent.

The program also provides for property tax benefits in conjunction with property reclassification for qualified manufacturing businesses locating or expanding facilities in the enterprise zone. A manufacturer in an enterprise zone is eligible for an assessment ratio of 5 percent on all personal and real property (for primary tax purposes only) in the zone for five years if it is: (1) either minority-owned, woman-owned, or small (as defined by enterprise zone rules); and (2) makes an investment in fixed assets in the zone of \$500,000 (for cities with a population of less than 15,000) or \$1 million (for cities with a population between 15,000 and 80,000; in Cochise County, this includes only Sierra Vista and Douglas as of 2007). For more information on the Enterprise Zone program, contact the Cochise County Grants Administrator at (520) 432-9742, or the Arizona Enterprise Zone Administrator at (602) 771-1213.

### Rural Economic Development Initiatives

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

rural communities in organizing an economic development program or effort, and evaluating community resources. The REDI program provides both technical and matching fund assistance.

As an Arizona REDI community, Benson receives on-site technical assistance from REDI staff. Assistance includes board and staff consultation on community and economic development topics; intensive, day-to-day consultation when necessary; consultation during special projects; on-site consultant services for specific local economic development issues; strategic planning assistance; special strategy sessions; assistance in identifying education and training opportunities to reach economic development goals and objectives; workshops on timely economic development topics; evaluation of goals and activities to improve economic development effectiveness; community survey implementation and analysis assistance; reduced fees for various regional and statewide training workshops on current economic development practices and techniques; assistance in generating community interest and support for local community program goals; media releases on community programs and progress; and research provided through the Statewide Economic Study.

### Tax Rates

**PRIVILEGE TAX.** Sales (or privilege) tax rates in Benson vary based on the category of sale and amount of purchase. City sales



In 2007, Benson Hospital opened its newly expanded 3,000-square-foot emergency room.

tax is added to a base of 6.1 percent, which includes county and state taxes, for most categories of sales. The general sales tax rate in Benson is 2.5 percent, for a total (city, county, and state) tax of 8.6 percent. For retail sales on single items costing more than \$5,000, the city sales tax is reduced to 1 percent, for a total tax rate of 7.1 percent. An additional tax of 2 percent is added to hotel/motel stays, for a total tax of 10.55 percent (Note: The state and county combined tax for hotel/motel stays is 6.05 percent). Construction contracting in the city is taxed at 4 percent, for a total rate of 10.1 percent.

### BENSON CRIME RATE (PER 1,000 RESIDENTS)

2002	38.8
2003	44.1
2004	45.8
2005	52.1
2006	53.5

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

### CRIME RATE, 2006 (PER 1,000 RESIDENTS)

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

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

**PROPERTY TAX.** The combined total of all primary and secondary city, school district, county, state, and special district property taxes for property located in Benson was \$13.07 per \$100 assessed value as of August 2007 (rates are established the third Monday in August each year). This was down from \$13.32 the year prior. All taxing districts with jurisdiction over property located in Benson reduced their rates in 2007, with the exception of the San Pedro Valley Hospital; the Cochise Joint Technical District, which has taxing jurisdiction over property located in the Benson, Bowie, Douglas, San Simon, St. David, Tombstone, Willcox, and Valley Union school districts; and Cochise County Flood Control, which has taxing jurisdiction over all property countywide. Many taxing jurisdictions lowered their rates in response to a substantial increase in property valuations, which brought in more revenue at lower rates. The property tax levied by the City of Benson was \$0.5498 per \$100 of assessed value, the second lowest rate of the seven incorporated areas of Cochise County (behind only Sierra Vista).

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

- **23 percent:** Mines and mining claim property, and standing timber; local telecommunications service, gas, water, and electric utility company property; pipeline company property producing oil; gas property; and commercial and industrial real property not included in other classes. The assessment ratio for property in this class will decline incrementally, reaching 20 percent in 2011 as follows: 23 percent in 2008; 22 percent in 2009; 21 percent in 2010; and 20 percent in 2011.
- **21 percent:** Railroad operating property, private car company property, and airline flight property.
- **16 percent:** Agricultural real property, golf courses, and vacant land.
- **10 percent:** Owner-occupied residential property; and leased or rented residential property.
- **5 percent:** Noncommercial historic property, foreign trade zone property, qualifying military reuse zone property, qualifying enterprise zone property, qualifying environmental technology property, and qualifying environmental remediation property.
- **1 percent:** Possessor interests; improvements to commercial historic or historic residential rental property (for up to 10 years).

## Crime Rate

The crime rate in Benson in 2006 was 53.5 crimes per 1,000 residents, up from 52.1 in 2005. Since 2002, the city's crime rate has increased steadily each year. The crime rate reflects data reported in the Federal Bureau of Investigation's (FBI) *Uniform Crime Report* and includes violent crimes (murder and non-negligent manslaughter, forcible rape, robbery, and aggravated assault), property crimes (burglary, larceny-theft, and motor vehicle theft), and arson, which is reported separately. The crime index measures only crimes that are reported to local law enforcement agencies, thus crime rates may be impacted by changes in reporting patterns, as well as changes in the actual rates of occurrence of crime.

## Healthcare

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

radiology, and rehabilitation has increased dramatically in recent years.

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

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

In 2007, the hospital opened its newly expanded, 3,000-square-foot emergency room. The emergency room was expanded to accommodate 8 beds, secured admitting, CT scans, an isolation room with separate entrance, and urgent care unit. The emergency room is staffed with a 24 hour on duty physician, staff, and ancillary services.

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

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

Comprehensive, on-site laboratory and radiology services provide test results for emergencies, outpatients, and inpatients. Comprehensive services provide test results to physicians so that treatment can be initiated without delay. Reports can be faxed to healthcare providers in other communities within or outside the state.

The hospital offers physical, occupational, and speech therapy to restore normal function, improve mobility, and help patients achieve a greater degree of inde-

pendence. This care is provided in a variety of settings, including at the hospital, nursing homes, patient homes, and work sites in Benson and surrounding areas.

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

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

The Benson Hospital Laboratory is staffed and equipped to offer state-of-the-art laboratory technology to residents of the San Pedro Valley District and beyond. This includes testing in the areas of chemistry, blood banking, and transfusion services, hematology, urinalysis, coagulation, toxicology, therapeutic drug monitoring, and limited microbiology. Testing that is not done at the hospital is collected and forwarded to an appropriate reference laboratory facility. The laboratory is certified and licensed by the State of Arizona as a full service laboratory, and is inspected for compliance by the Division of Laboratory Licensure. Laboratory licensure is monitored by the Clinical Laboratory Improvement Act department of the federal government. Physicians are notified of laboratory results by phone or by fax, making it possible to serve the needs of patients who come from other areas, including sea-

sonal visitors. Most laboratory tests are done within 1 to 2 hours of specimen collection. The hospital strives to have emergency lab results available within one hour.

The Benson Hospital also provides a wide variety of outpatient services including chemotherapy, IV antibiotics, injections, and EKGs. Outpatient programs include cardiology, podiatry, women's health, and hearing tests.

The Benson Hospital Nutritional Services Department assists patients in meeting nutritional needs and goals. Each patient admitted to the hospital is assessed by the department and an individual diet plan is developed. Patients are reassessed throughout their hospital stay, and the diet plan is updated as needed. Outpatients who would like help in developing a healthy diet plan can ask for a referral from their primary care physician. The department provides nutritional assessment, assessment of food/drug interactions, lab value monitors to provide screening information to assess the nutritional status of patients, special needs, and patient education by a registered dietitian on a wide range of nutritional topics to promote healthy lifestyle changes.

Benson Hospital is one of the rural Arizona hospitals participating in Teletrauma with the University Medical Center in Tucson. The program puts a highly trained trauma surgeon in rural emergency rooms through technology that allows local physicians to communicate directly with trauma physicians in Tucson. To learn more about the Benson Hospital, visit the hospital's website at [www.bensonhospital.org](http://www.bensonhospital.org).



In 2007, Benson's accommodation receipts grew by 17.6 percent after inflation.

# Education

The Benson Unified School District serves a geographic area that encompasses over 200 square miles.



## Primary and Secondary Education

**BENSON UNIFIED SCHOOL DISTRICT.** The Benson Unified School District serves a geographic area that encompasses over 200 square miles. The district has four schools: Benson Primary School, serving grades K-4; Benson Middle School, serving grades 5-8; Benson High School, serving grades 9-12; and San Pedro Valley High School, which also serves grades 9-12 using an alternative web-based instructional model.

The school district's Average Daily Membership (ADM) declined from 1,224 students in 2001-2002 to 947 students in 2004-2005. The school district experienced modest growth from 2004-2005 to 2007-2008. As of the 2007-2008 school year, the district served 1,052 students. A recent demographic study commissioned by the district projected the district's population would double over the next 9 years, which would require the construction of new schools with the first new school anticipated in 2012.

Arizona Learns, a program within the Arizona Department of Education, evaluates and labels schools. The labels include excelling (the highest rating a school can receive), highly performing, performing plus, performing, and underperforming. For the 2006-2007 school year, Benson High School received the excelling label – the only high school in Cochise County to receive this label. Benson Primary School was labeled highly performing, and Benson Middle School was labeled performing plus. San Pedro Valley High School, a charter alternative high school sponsored by the district, received a performing label; performing is the highest label an alternative high school can receive.

Benson High School has an intergovernmental agreement with Cochise College that allows Benson schools to offer many classes for college credit. The high school was also designated as Rural School of the Month by the Arizona Department of Education and was one of three Arizona 2A High Schools designated as a finalist by the Arizona Interscholastic Association for the Overall Excellence in Athletics Award.

In November 2007, Benson Unified School District received voter approval to renew two budget overrides. Voters also approved a \$9.3 million bond project. All three of these issues were strongly supported by the community and their passage will allow Benson to begin a series of improvements and maintain current programs and student/teacher ratios. For more information on the Benson Unified School District, visit [www.bensonsd.k12.az.us](http://www.bensonsd.k12.az.us).

**ST. DAVID UNIFIED SCHOOL DISTRICT.** St. David Unified School District consists of St. David Elementary School (grades pre-K-8) and St. David High School (grades 9-12). Under Arizona Learns, St. David High School was rated highly performing and St. David Elementary School was rated performing plus for the 2006-2007 school year. The high school received the Arizona Department of Education's Rural School of the Month designation in spring 2007.

Programs within the district include Career and Technical Education (CTE) classes in the following areas of study: agriculture, business, computer maintenance, childcare, culinary arts, life skills, and welding/small engines. Dual credit courses, offered through a partnership with Cochise College, include nursing, history, advanced chemistry, advanced computer maintenance, culinary arts, and Spanish. The Culinary Arts students received a gold and bronze medal in summer 2007 at the national competition. The district also offers an after-school literacy program, in addition to the traditional middle/high school athletic program and extracurricular activities. There are two pre-school classes on campus for children ages 3 and 4; and the weight room is open to the community during the week from 5:30 – 7:30 pm.

District-wide average daily membership (ADM) increased from 431 students in 2003-2004 to 495 students in the 2005-2006 school year. In the 2006-2007 school year, ADM fell to 461.

The St. David Unified School District will be impacted by the population growth projected for the Benson area. Most of the new construction projected for the Highway 90 corridor will occur within the

boundaries of the St. David District. Similar to the Benson School District, plans for a new high school and a K-8 elementary school are scheduled for 2012. The close proximity of St. David to Benson may lead some families residing within the boundaries of the Benson district to opt to send their children to St. David schools, and vice versa. For more information on the St. David Unified School District, visit [www.stdavidschool.net](http://www.stdavidschool.net).

**CHARTER SCHOOLS.** In addition to the Benson and St. David district schools, the Benson area also has three charter schools with a total enrollment of 180 students as of October 2005. (Note: This does not include San Pedro Valley High School, which is a charter alternative high school sponsored by the Benson Unified School District). The New West School, serving students in grades 5-12, was rated performing plus under Arizona Learns for the 2006-2007 school year. The New West Schools, serving students in grades K-4, was also rated Performing Plus. Visions Unlimited Academy, which serves students in grades K-8, was rated performing for the 2006-2007 school year.

### 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



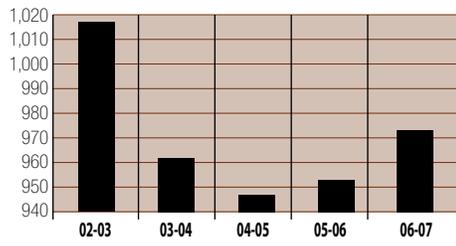
The St. David Unified School District will be impacted by the population growth projected for the Benson area.

### BENSON UNIFIED SCHOOL DISTRICT, ARIZONA LEARNS RATINGS

SCHOOL	2006/2007	2005/2006
Benson High School (9-12)	Excelling	Highly Performing
Benson Middle School (5-8)	Performing Plus	Performing Plus
Benson Primary School (pre-K-4)	Highly Performing	Performing Plus
San Pedro Valley High School (9-12)*	Performing	Performing

\*San Pedro Valley High School is a charter school sponsored by the Benson Unified School District. Source: Arizona Department of Education.

### BENSON UNIFIED SCHOOL DISTRICT AVERAGE DAILY MEMBERSHIP



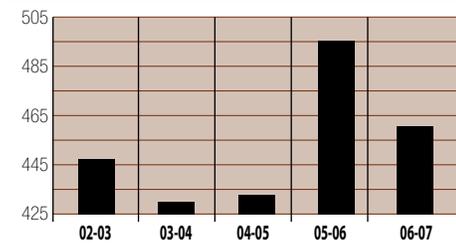
Source: Arizona Department of Education.

### ST. DAVID UNIFIED SCHOOL DISTRICT, ARIZONA LEARNS RATINGS

SCHOOL	2006/2007	2005/2006
St. David High School (9-12)	Highly Performing	Highly Performing
St. David Elementary School (pre-K-8)	Performing Plus	Highly Performing

Source: Arizona Department of Education.

### ST. DAVID UNIFIED SCHOOL DISTRICT AVERAGE DAILY MEMBERSHIP



Source: Arizona Department of Education.

### BENSON AREA CHARTER SCHOOLS, ARIZONA LEARNS RATINGS

SCHOOL	2006/2007	2005/2006
New West School (5-12)	Performing Plus	Performing
New West Schools (K-4)	Performing Plus	Performing
Visions Unlimited Academy (K-8)	Performing	Performing

Source: Arizona Department of Education.

academic programs include aviation, nursing, welding, computers, English, and Spanish. Its athletic programs draw students from the entire southwest United States and beyond. Students can earn an associate degree and gain experience that will prepare them to complete a bachelor's degree at a four-year institution.

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

The Benson Center has designated space to provide computer training to area businesses and has partnered with Southeast Arizona Behavioral Health Services to provide work-related coursework for employees. Cochise College has offered CISCO certification training for the high school technology district and adult learners. The Benson Center hosts numerous community events, including several

arts and cultural events which have included an exhibit of lithographs and serigraphs by Ted DeGrazia. In addition to its Benson Center, the college offers classes in Bisbee, Douglas, Fort Huachuca, Sierra Vista, Willcox, and in outlying areas. Classes are also offered online and in neighboring Santa Cruz County.

In December 2007, the Cochise College Governing Board approved a number of capital improvement projects, which the college will initiate in 2008. 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 has modified it to address inadequate and substandard facilities that have the greatest impact on student learning and life, and infrastructure systems that are inefficient or ineffective. The revised plan does not address significant growth and calls on funding sources without imposing a secondary property tax levy.

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

Benson High School received an Arizona Learns rating of excellent for the 2006-2007 school year-the only high school in Cochise County to receive this label.



### GREATER BENSON AREA PRIMARY AND SECONDARY SCHOOL ENROLLMENT

SCHOOL	2006/2007	2005/2006	2004/2005
<b>Benson Unified School District</b>	<b>1,045</b>	<b>1,018</b>	<b>992</b>
Benson High School (9-12)	364	369	331
Benson Middle School (5-8)	278	272	302
Benson Primary School (pre-K-4)	365	333	320
San Pedro Valley High School (9-12)*	38	44	39
<b>St. David Unified School District</b>	<b>502</b>	<b>485</b>	<b>527</b>
St. David High School (9-12)	139	144	175
St. David Elementary School (pre-K-8)	363	341	352
<b>Charter Schools</b>	<b>**</b>	<b>180</b>	<b>173</b>
New West School (5-12)	30	35	34
New West Schools (K-4)	70	68	70
Visions Unlimited Academy (K-8)	**	77	69

\*San Pedro Valley High School is a charter school sponsored by the Benson Unified School District. \*\*Data not available. Note: Figures reflect enrollment as of October 1 of each school year. Source: Arizona Department of Education.

### Educational Attainment

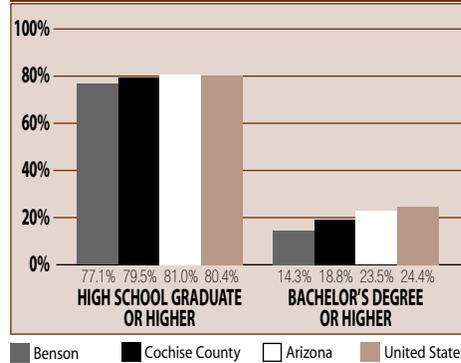
Of Benson’s population aged 25 years and older, 77.1 percent had at least a high school diploma or equivalent as of Census 2000, compared to 79.5 percent countywide and 81 percent statewide. Approximately 14.3 percent of Benson residents held a bachelor's degree or higher in 2000, compared to 18.8 percent at the county level and 23.5 percent statewide.

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

Based on trends between 1990 and 2000, the CER estimates that, in 2007, approximately 82.4 percent of Benson’s population aged 25 years and older had attained a high school diploma or higher and 16.1 percent had attained a bachelor’s degree or higher. If this trend continues, in 2012 the proportion of residents with a high school diploma or higher will reach 86.2 percent, and those with a bachelor’s degree or higher will reach 17.3 percent.

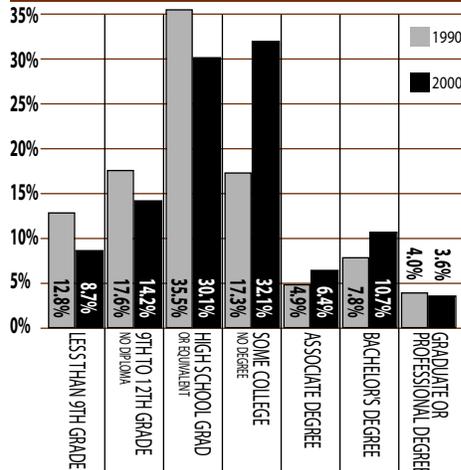
The overall trend in the educational attainment of Benson’s residents has been toward higher levels of education, with most of the increase occurring in the number of residents having earned some college credit, but no degree.

### EDUCATIONAL ATTAINMENT COMPARISONS, 2000\*



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

### BENSON EDUCATIONAL ATTAINMENT\*, 1990-2000



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

### BENSON EDUCATIONAL ATTAINMENT, ESTIMATES AND PROJECTIONS

YEAR	PERCENT HIGH SCHOOL GRADUATE OR HIGHER	PERCENT BACHELOR'S DEGREE OR HIGHER
2007	82.4%	16.1%
2008	83.2%	16.3%
2009	83.9%	16.6%
2010	84.7%	16.8%
2011	85.5%	17.1%
2012	86.2%	17.3%

Note: Population 25 years and over. Estimates and projections by the Cochise College Center for Economic Research using U.S. Census data for 1990 and 2000.

# Demographics

The Butterfield Rodeo's grand entry.

Photo: Benson Visitor Center



## Population Estimates and Projections

The population of Benson as of July 2007 was 4,992, according to estimates by the Arizona Department of Commerce's (ADOC) Research Administration, formerly part of the Arizona Department of Economic Security. This was up 3.6 percent from 2006 – the fastest rate of growth in the county. From 2000 to 2007, Benson's population grew by 6 percent, with average annual growth of 0.8 percent. This was considerably below the statewide average growth rate of 3.4 percent and the countywide rate of 2.2 percent.

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

Although the population of Benson is just under 5,000, the Benson area includes nearby populated areas that create a community of more than 12,000, according to the Arizona Department of Commerce. This community includes the City of Benson, the unincorporated area of St. David, and surrounding unincorporated areas.

With the recent surge in construction and many planned developments in the city, Benson is poised to remain the fastest-growing city in the county over the next few years. Developers have looked to Tucson and Sierra Vista/Fort Huachuca to provide a market for new homes built in the Benson area. The current vision presents Benson as a vital geographical link between Sierra

### POPULATION ESTIMATES

	BENSON		COCHISE COUNTY		ARIZONA	
	POPULATION	GROWTH	POPULATION	GROWTH	POPULATION	GROWTH
1990	3,824	—	97,624	—	3,665,228	—
2000	4,711	*23.2%	117,755	*20.6%	5,130,632	*40.0%
2001	4,735	0.5%	120,845	2.6%	5,319,785	3.7%
2002	4,745	0.2%	123,945	2.6%	5,470,720	2.8%
2003	4,775	0.6%	125,430	1.2%	5,642,725	3.1%
2004	4,775	0.0%	129,600	3.3%	5,845,250	3.6%
2005	4,740	-0.7%	131,790	1.7%	6,044,985	3.4%
2006	4,820	1.7%	135,150	2.5%	6,305,210	4.3%
2007	4,992	3.6%	137,200	1.5%	6,500,194	3.1%

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

Vista/Fort Huachuca to the south and Tucson to the west. The Cochise College Center for Economic Research projects Benson's population will grow at an average rate of 3.2 percent per year over the next few years, reaching 5,852 in 2012. According to ADOC projections, Cochise County's population will grow by an average annual rate of 2.0 percent over the next few years, reaching 151,258 in 2012. Benson's growth in 2007 outpaced ADOC population projections, surpassing the ADOC projection of the city's population for the year 2055.

## Race and Ethnicity

In 2000, according to the U.S. Census Bureau, 19.8 percent of Benson's population was Hispanic/Latino (of any race), compared to a 30.7 percent Hispanic/Latino population for all of Cochise County, and a 25.3 percent Hispanic/Latino population statewide. The CER estimates that, in 2007, Hispanics/Latinos comprised 18.5 percent of Benson's population. If recent trends continue, the Hispanic/Latino population in Benson is projected to decline to 17.5 percent in 2012. Although the proportion of Hispanic/Latino residents is projected to drop, the number of Hispanic/Latino residents is projected to increase from 924 in 2007 to 1,024 in 2012. (Note: The U.S. Census Bureau classifies Hispanic/Latino as an ethnicity, not a race; thus, there is no separate racial classification for Hispanics/Latinos. According to the Census Bureau, people identifying themselves as Hispanic/Latino may be of any race.)

Benson's population in 2000 was 89.3 percent White; 0.7 percent Black/African American; 1.3 percent American Indian/Alaska Native; 0.6 percent Asian/Pacific Islander; and 8.1 percent other (including two or more races combined). Based on trends between 1990 and 2000, the CER estimates that, in 2007, the racial composition of Benson was 84.1 percent White; 1 percent Black/African American; 1.6 percent American Indian/Alaska Native; 0.7 percent Asian/Pacific Islander; and 12.7 percent other (including two or more races combined).

The largest changes in Benson's racial

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

The CER projects that, in 2012, Benson's racial composition will be 80.1 percent White; 1.2 percent Black/African American; 1.8 percent American Indian/Alaska Native; 0.8 percent Asian/Pacific Islander; and 16 percent other (including two or more races combined). This, however, will depend largely on the extent to which new residents to the city, as the upshot of the recent surge in residential construction, have a racial and ethnic distribution similar to those who have relocated to the city in previous years.

## Age Groups

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

According to CER estimates, in 2007 the largest age group in Benson was the 65 to 74 years group, comprising 17 percent of the city's population. The next largest age group was 25 to 44 years, comprising 16 percent, followed by 45 to 54 years, at 14 percent. If recent trends continue, these will remain the three largest age groups into 2012.

## Household Characteristics

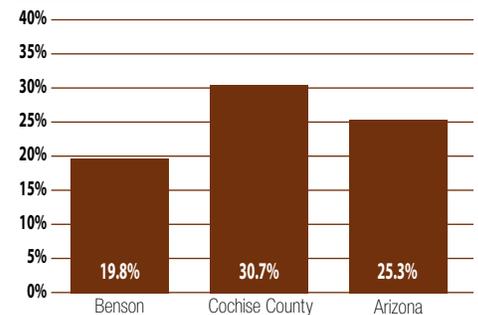
According to Census 2000 data, the average Benson household size that year was 2.22 persons, down from 2.37 in 1990. Based on a continuation of this trend, the CER estimates the average household size in 2007 was 2.12. The declining household size in Benson is attributable to the growing pop-

## POPULATION PROJECTIONS

YEAR	BENSON	PERCENT GROWTH	COCHISE COUNTY	PERCENT GROWTH
2008	5,164	3.4%	140,560	2.4%
2009	5,336	3.3%	143,346	2.0%
2010	5,508	3.2%	146,037	1.9%
2011	5,680	3.1%	148,672	1.8%
2012	5,852	3.0%	151,258	1.7%

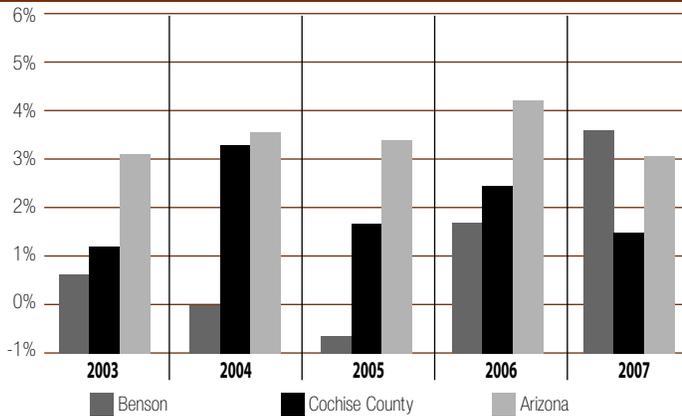
Source: City projections prepared by the Cochise College Center for Economic Research; county projections prepared by the Arizona Department of Commerce.

## HISPANIC/LATINO POPULATION, 2000



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

### POPULATION GROWTH COMPARISONS



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

### BENSON POPULATION BY RACE, ESTIMATES AND PROJECTIONS

	WHITE	BLACK OR AFRICAN AMERICAN	AMERICAN INDIAN OR ALASKA NATIVE	ASIAN OR PACIFIC ISLANDER	OTHER	TOTAL
2007	4,198 84.1%	48 1.0%	78 1.6%	37 0.7%	632 12.7%	4,992
2008	4,302 83.2%	52 1.0%	83 1.6%	39 0.8%	685 13.4%	5,164
2009	4,399 82.5%	56 1.1%	88 1.7%	41 0.8%	751 14.0%	5,336
2010	4,504 81.7%	60 1.1%	93 1.7%	44 0.8%	808 14.7%	5,508
2011	4,597 80.9%	65 1.1%	99 1.7%	46 0.8%	873 15.4%	5,680
2012	4,688 80.1%	69 1.2%	105 1.8%	49 0.8%	939 16.0%	5,852

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

### BENSON POPULATION BY AGE GROUP, ESTIMATES AND PROJECTIONS

	UNDER 5	5 - 17	18 - 24	25 - 44	45 - 54	55 - 59	60 - 64	65 - 74	75 - 84	85 +	TOTAL
2007	244 4.9%	562 11.3%	340 6.8%	797 16.0%	699 14.0%	324 6.5%	420 8.4%	850 17.0%	580 11.6%	176 3.5%	4,992
2008	249 4.8%	560 10.8%	353 6.8%	810 15.7%	735 14.2%	339 6.6%	436 8.4%	884 17.1%	611 11.8%	187 3.6%	5,164
2009	254 4.8%	566 10.4%	367 6.9%	821 15.4%	772 14.5%	354 6.6%	452 8.5%	918 17.2%	644 12.1%	198 3.7%	5,336
2010	259 4.7%	551 10.0%	380 6.9%	832 15.1%	810 14.7%	369 6.7%	468 8.5%	953 17.3%	677 12.3%	209 3.8%	5,508
2011	264 4.6%	544 9.6%	394 6.9%	841 14.8%	848 14.9%	385 6.8%	485 8.5%	988 17.4%	712 12.5%	221 3.9%	5,680
2012	268 4.6%	536 9.2%	407 7.0%	850 14.5%	887 15.2%	400 6.8%	501 8.6%	1,023 17.5%	747 12.8%	233 4.0%	5,852

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

ulation of those aged 55 or older, who tend to have smaller household sizes.

Of total Benson households, 64.6 percent were classified as family households as of Census 2000; 22.9 percent of households had individuals under the age of 18; and 45.3 percent had individuals aged 65 years or older. A total of 4.5 percent of Benson households were headed by single mothers of children under the age of 18, compared to 7.1 percent countywide and 6.8 percent statewide.

Of Benson's population aged 15 years or older, 58.6 percent were married (excluding those who were separated), 1.4 percent were separated, 13.6 percent were divorced, 11.7 percent were widowed, and 14.7 percent had never been married as of Census 2000.

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

### Income

The median household income in Benson for 2006 was \$33,860, compared to \$38,427 for Cochise County, \$47,265 for Arizona, and \$48,451 nationwide. The median family income was \$44,131, compared to \$46,097 for the county, \$55,709 statewide, and \$58,526 nationally. The Benson per capita income in 2006 was approximately \$21,425, compared to \$19,783 for the county, \$24,110 at the state level, and \$25,267 nationally. Although Benson's median household and family incomes were below the county level, its per capita income was higher. This is due to smaller household and family sizes in Benson. By all three measures, income levels in Benson were below state and national levels.

### Military Veterans

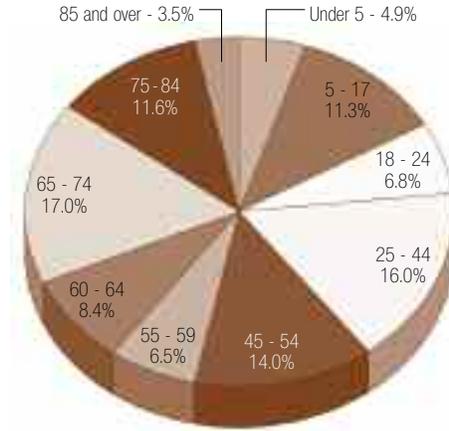
Between Censuses 1990 and 2000, the number of Benson residents who were civilian veterans of the military increased from 774 to 905. However, as a proportion of the city's population aged 18 years or older, civilian veterans of the military

### BENSON HISPANIC/LATINO POPULATION, ESTIMATES AND PROJECTIONS

YEAR	HISPANIC OR LATINO (OF ANY RACE) % OF TOTAL POPULATION	HISPANIC OR LATINO NUMBER
2007	18.5%	924
2008	18.3%	945
2009	18.1%	966
2010	17.9%	986
2011	17.7%	1,005
2012	17.5%	1,024

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: Estimates and projections by the Cochise College Center for Economic Research.

### BENSON AGE GROUP ESTIMATES, 2007



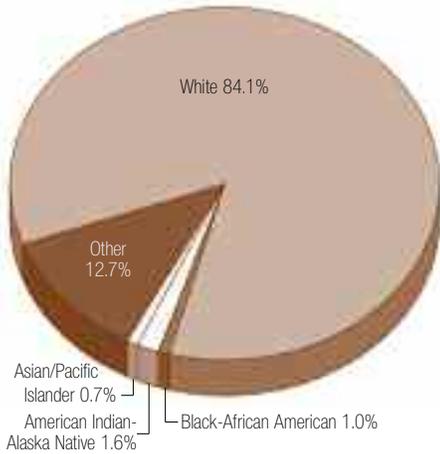
Note: Discrepancies are due to rounding. Source: Cochise College Center for Economic Research.

### BENSON CIVILIAN VETERANS OF THE MILITARY, ESTIMATES AND PROJECTIONS

YEAR	NUMBER OF CIVILIAN VETERANS OF THE MILITARY	CIVILIAN VETERANS OF THE MILITARY AS A % OF THE POPULATION 18 YEARS AND OLDER
2007	871	20.8%
2008	888	20.4%
2009	910	20.1%
2010	926	19.7%
2011	945	19.4%
2012	959	19.0%

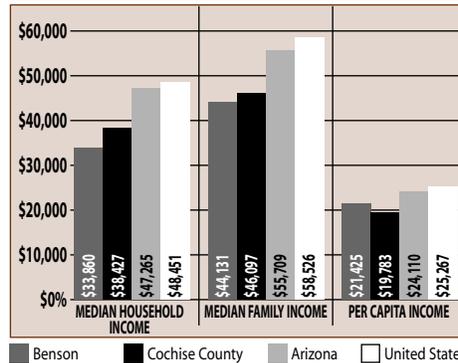
Source: Cochise College Center for Economic Research.

### BENSON RACIAL GROUPS ESTIMATES, 2007



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

### INCOME COMPARISON, 2006



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

declined from 26.7 to 23.2 percent. Based on recent trends, the CER estimates that, in 2007, there were 871 civilian veterans of the military residing in Benson, or 20.8 percent of the city's population aged 18 years or older. If the trend continues, this number will reach 959 in the year 2012, while decreasing to 19 percent of the civilian population aged 18 years or older.

The number of civilian veterans in the area is important to housing market analysis, since many veterans finance their homes using Veterans Administration (VA) guaranteed loans. This leads to higher rates

of home ownership among veterans, but also decreases the level of affordability of homes as determined by qualifying income ratios. This is because VA loans are guaranteed without the traditional 20 percent down payment, which means affordability is based on 100 percent of the home price rather than 80 percent. Thus, affordable housing for this segment of the population is generally lower than for the non-veteran population, other things being equal. For more on this topic, see the Housing, Real Estate, and Commercial Construction section of this publication.

# Employment

The opening of the new Wal-Mart Supercenter in late 2006 added 250 jobs to the city.



## Employment, Unemployment, Labor Force, and Job Growth

In 2007, Benson's unemployment rate was 7.3 percent, according to estimates by the Arizona Department of Commerce (ADOC). This was considerably above the countywide rate of 4.1 percent and the statewide rate of 3.8 percent. Nationwide, the unemployment rate in 2007 was 4.6 percent. Benson's unemployment rate in 2007, as estimated by ADOC, was down one-half of a percentage point from 7.8 percent the year prior, and represents the city's lowest unemployment rate on record, with records going back to 2000. In the first two months of 2008, Benson's unemployment rate increased to a seasonally adjusted 7.8 percent, following the upward trend in unemployment at the county, state, and national levels.

It is important to note that the ADOC estimates of unemployment rates for cities in Cochise County are derived from a model that pegs city rates to the county rate based on data from Census 2000. The model does not pick up changes at the city level since 2000 that differ substantially from county-level trends. CER focus group discussions in Benson indicate recent labor shortages and, as a result, rising wages. Factors that have increased employment in Benson in recent years include a surge of new residential and commercial construction and the opening of the new Wal-Mart Supercenter in late 2006, which added 250 jobs to the city.

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

According to ADOC estimates, Benson's civilian labor force in 2007 consisted of 2,359 potential workers, of whom 2,186 were actually employed. The civilian labor force consists of those persons aged 16 years and older who either are employed or are actively seek-

ing work, and excludes active duty military personnel. Countywide, the 2007 civilian labor force, according to the ADOC estimates, included 57,275 actual or potential workers, of whom 54,025 were employed. Cochise County's labor force grew by only 0.7 percent in 2007. The slow growth in the labor force was a primary contributor to the county's low unemployment rate. As fewer jobs were created in the local economy, there were fewer potential workers competing for those jobs. Sluggish growth in the labor force is likely the result of a slowdown in population growth, as well as a larger share of retired persons moving to the area.

According to ADOC estimates, job growth in Benson in 2007 was 1 percent, reflecting a net gain of 22 jobs over the year. ADOC figures likely underestimate both

the number of jobs and job growth in the city. The opening of the new 99,800 square-foot Wal-Mart Supercenter in November 2006 created approximately 250 new jobs in Benson. While there may have been some job losses experienced by Wal-Mart competitors, it is unlikely to have been of sufficient degree to result in a net gain of only 61 jobs in Benson in 2006, as suggested by ADOC estimates. The level of retail sales in Benson in 2006 and 2007 supports the conclusion that Wal-Mart lured significant new business to the city, rather than a mere reshuffling of existing business, and workers, among competitors. Anecdotally, accounts from business owners in the City of Benson indicate a tight labor market, making jobs difficult to fill and placing upward pressure on wages.

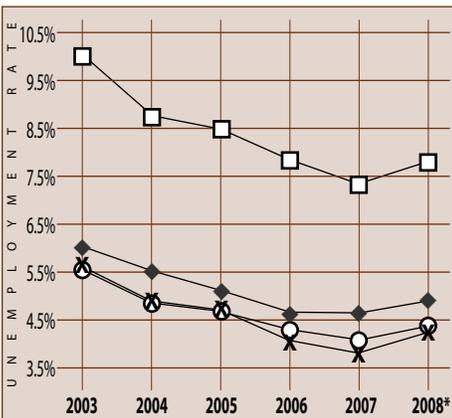
Countywide, most of the job growth in

**UNEMPLOYMENT RATE**

	BENSON	COCHISE COUNTY	ARIZONA	UNITED STATES
2003	10.0%	5.6%	5.7%	6.0%
2004	8.7%	4.9%	4.9%	5.5%
2005	8.5%	4.8%	4.7%	5.1%
2006	7.8%	4.4%	4.1%	4.6%
2007	7.3%	4.1%	3.8%	4.6%
2008*	7.8%	4.4%	4.2%	4.9%

\*January-February only; seasonally adjusted. Source: Arizona Department of Commerce and the Cochise College Center for Economic Research.

**UNEMPLOYMENT RATE**



- BENSON
- COCHISE COUNTY
- × ARIZONA
- ◆ UNITED STATES

\*January-February only; seasonally adjusted. Source: Arizona Department of Commerce and the Cochise College Center for Economic Research.

**BENSON MONTHLY UNADJUSTED AND SEASONALLY ADJUSTED UNEMPLOYMENT RATES**

		UNADJUSTED RATE	SEASONALLY ADJUSTED RATE
<b>2006</b>	January	8.6%	7.7%
	February	8.3%	8.1%
	March	8.0%	7.8%
	April	7.9%	8.1%
	May	7.5%	8.0%
	June	8.4%	8.2%
	July	8.6%	8.1%
	August	7.6%	7.8%
	September	7.6%	8.0%
	October	7.3%	7.5%
	November	7.1%	7.5%
	December	7.1%	7.3%
<b>2007</b>	January	8.1%	7.2%
	February	7.5%	7.0%
	March	7.1%	6.9%
	April	6.7%	6.9%
	May	6.2%	6.7%
	June	7.0%	7.0%
	July	7.5%	7.1%
	August	7.1%	7.3%
	September	7.1%	7.5%
	October	7.4%	7.8%
	November	7.7%	8.1%
	December	8.7%	8.7%
<b>2008</b>	January	9.0%	7.9%
	February	8.2%	7.7%

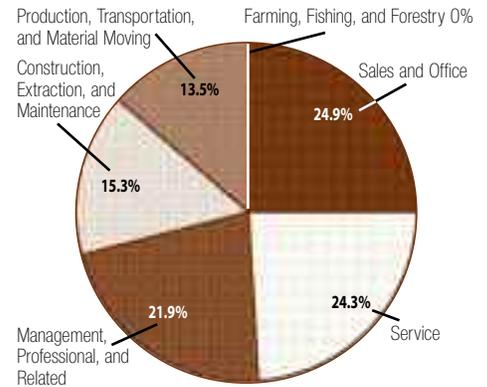
Source: Unadjusted rate is provided by the Arizona Department of Commerce; seasonally adjusted rate is estimated by the Cochise College Center for Economic Research.

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

	CIVILIAN LABOR FORCE	EMPLOYMENT	JOB GAINS	JOB GROWTH RATE
2003	2,251	2,026	60	3.1%
2004	2,262	2,065	39	1.9%
2005	2,299	2,103	38	1.8%
2006	2,348	2,164	61	2.9%
2007	2,359	2,186	22	1.0%

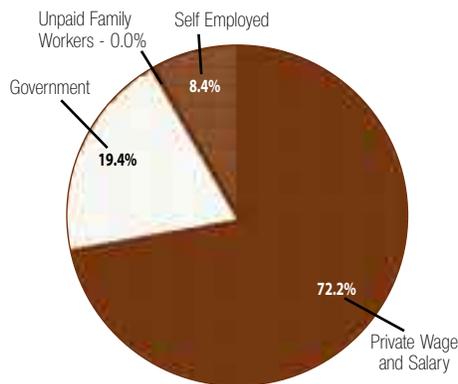
Source: Arizona Department of Economic Security and the Cochise College Center for Economic Research.

### BENSON OCCUPATIONS, 2000



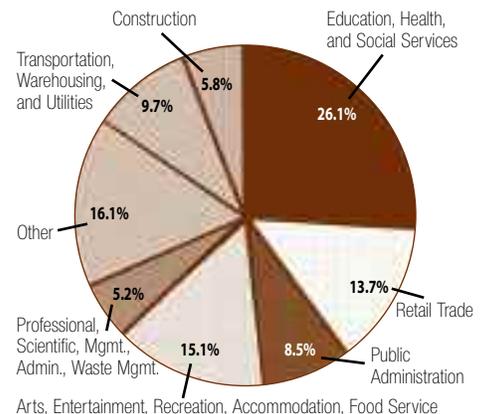
Source: U.S. Census Bureau and Cochise College Center for Economic Research.

### BENSON CLASSES OF WORKERS, 2000



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

### INDUSTRIES IN BENSON (BY SHARE OF WORKFORCE), 2000



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

2007 occurred in the trade, transportation, and utilities industry and state and local government. Construction; professional and business services; and the federal government saw the most job losses. Overall, Cochise County lost 175 non-farm jobs in 2007, for job growth of -0.5 percent.

### Occupations and Classes of Workers

According to data collected during Census 2000, of those workers in Benson aged 16 years or older, 24.9 percent were employed in sales and office occupations; 24.3 percent were employed in service occupations; and 21.9 percent were employed in man-

agement, professional, and related occupations. Construction, extraction, and maintenance operations employed approximately 15.3 percent of Benson's workers, while production, transportation, and material moving occupations employed approximately 13.5 percent.

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

### Industries

The industry grouping employing the

## BENSON BUSINESS ESTABLISHMENTS BY EMPLOYMENT-SIZE CLASS, 2005

NUMBER OF ESTABLISHMENTS BY EMPLOYMENT-SIZE CLASS

INDUSTRY	1-4	5-9	10-19	20-49	50-99	100-249	250-499	TOTAL
Accommodation and Food Services	9	4	10	9	1	0	0	33
Admin, Support, Waste Mgt, Remediation Services	4	1	0	0	1	0	0	6
Arts, Entertainment and Recreation	2	2	0	2	0	0	0	6
Construction	18	6	0	1	0	0	0	25
Educational Services	1	0	1	0	0	0	0	2
Finance and Insurance	2	3	0	0	0	0	0	5
Health Care and Social Assistance	13	4	3	2	2	1	0	25
Information	2	0	0	0	0	0	0	2
Management of Companies and Enterprises	1	0	0	1	0	0	0	2
Manufacturing	4	0	0	1	0	0	0	5
Other Services (Except Public Administration)	15	8	0	0	0	0	0	23
Professional, Scientific and Technical Services	3	3	0	0	0	0	0	6
Real Estate, Rental and Leasing	15	0	1	0	1	0	0	17
Retail Trade	14	9	6	2	1	0	0	32
Transportation and Warehousing	5	3	1	1	0	0	0	10
Utilities	0	0	2	1	0	0	1	4
Wholesale Trade	4	0	0	0	0	0	0	4
<b>TOTAL</b>	<b>112</b>	<b>43</b>	<b>24</b>	<b>20</b>	<b>6</b>	<b>1</b>	<b>1</b>	<b>207</b>

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

largest number of Benson workers, as of Census 2000, was educational, health and social services, which employed approximately 26.1 percent; followed by the arts, entertainment, recreation, accommodation, and food services industry grouping, which employed 15.1 percent; retail trade, which employed 13.7 percent; transportation and warehousing, and utilities, which employed 9.7 percent; public administration, which employed 8.5 percent; con-

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



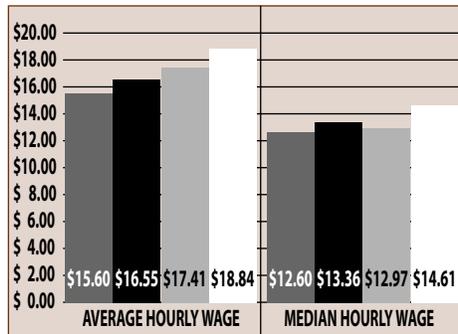
According to the U.S. Census Bureau, more than 85 percent of business establishments in Benson employed fewer than 20 workers each in 2005.

### BENSON'S TOP 10 EMPLOYERS, 2007

EMPLOYER	NUMBER OF FULLTIME EQUIVALENT (FTE) EMPLOYEES
Wal-Mart Supercenter of Benson	250
Sierra Southwest Cooperative Services, Inc.	247
Benson Unified School District	155
Southeastern Arizona Behavioral Health Services, Inc.	140
Benson Hospital Corporation	135
Gas City/Holiday Inn Express	96
City of Benson	82
Apache Nitrogen Products, Inc.	79
Quiburi Mission Samaritan Center	72
Cochise County	60

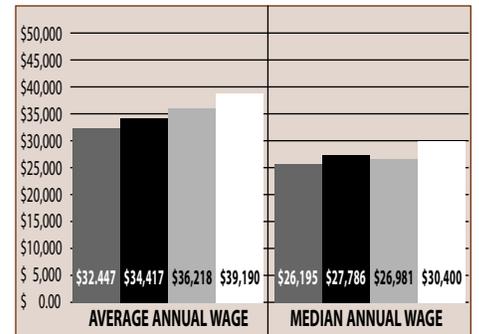
Note: A fulltime equivalent employee equals one fulltime employee or two part-time employees. For employers with multiple site locations, the number of fulltime equivalent employees reflects only those employees reporting to work in Benson. This list includes only those employers who responded to the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

### HOURLY WAGE COMPARISONS, 2006



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.

### ANNUAL WAGE COMPARISONS, 2006



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.

### Major Employers

In 2007, Wal-Mart was the top employer in Benson, based on the number of fulltime equivalent (FTE) employees. An FTE employee equals one fulltime or two part-time employees. Wal-Mart employed 250 FTE employees in 2007. The second largest employer in Benson in 2007 was Sierra Southwest Cooperative Services, Inc., which employed 247 FTE employees. The Benson Unified School District held the third-ranked position with 155 FTE employees. Southeastern Arizona Behavioral Health Services was the fourth-largest employer, with 140 FTE employees. Benson Hospital Corporation was fifth with 135 FTE employees. The Cochise College Center for Economic Research conducts an annual major employer survey countywide, with results reported in October of each year. Businesses included in this section and listed on the accompanying table reflect only those that responded to the survey.

According to the U.S. Census Bureau, more than 85 percent of business establishments in Benson employed fewer than 20 workers each in 2005 (the most recent data available). Of the 207 business establishments in Benson as of 2005, a total of 112, or 54.1 percent, employed fewer than 5 workers each.

Between 2001 and 2005, the number of business establishments in Benson grew from 182 to 207, according to the U.S. Census Bureau. With this came a rise in the number of employees from 1,747 to 2,244, an increase of 28.4 percent. During this time, the total annual payroll of businesses located in Benson grew from \$41.0 to \$59.8 million, an increase of 45.7 percent.

On a per employee basis, this represented an increase in annual payroll from \$23,496 to \$26,660, an increase of 13.5 percent. Inflation during this period was 10.3 percent, resulting in a 3.2 percent gain in real wages.

### Wages

The average wage per job in Benson in 2006 was \$15.60 per hour, compared to \$16.55 countywide, \$17.41 statewide, and \$18.84 nationally. The average annual wage in Benson in 2006 was \$32,447, compared to \$34,417 for the county, \$36,218 for the state, and \$39,190 nationally. National wages are estimated by the U.S. Department of Labor; state and county figures are estimated by the Arizona Department of Commerce, and city figures are estimated by the CER.

## Cochise County Employment

In 2007, Cochise County lost 175 non-farm jobs for job growth of -0.5 percent. The fastest growing industry grouping in 2007, as measured by its job growth rate, was information, which added 75 jobs for annual job growth of 16.7 percent. This was followed by manufacturing, which added 50 jobs for job growth of 6.1 percent. Other industry groupings that experienced job growth were trade, transportation, and utilities, which added 225 jobs (3.4 percent); state and local government, which added 175 jobs (2.4 percent); leisure and hospitality, which added 75 jobs (1.9 percent); and educational and health services, which also added 75 jobs (1.8 percent). Industry groupings that lost jobs in 2007 were construction, which lost 350 jobs (-12.8 percent); other services, which lost 100 jobs (-10.0 percent); financial activities, which declined by 50 jobs (-4.8 per-

cent); federal government, which declined by 150 jobs (-3.1 percent); and professional and business services, which declined by 150 jobs (-3.0 percent).

## Outlook

Countywide, we should expect a continued slowing of job growth and rising unemployment through the remainder of 2008 and perhaps into early 2009. The hardest hit industries will continue to be construction, financial activities, and other services. Much of this is tied to the decline in the county's housing and real estate market. Due to the limited availability of data at the sub-county level, it is difficult to predict how this will impact Benson specifically. Focus group meetings in Benson in late 2007 and early 2008 indicate the employment situation has continued to be characterized by a shortage of labor, and that many employers in the city were continu-

ing to hire workers. Other economic indicators, such as Benson's housing market, retail sales tax collections, and sales in such industries as accommodation and restaurant and bar, suggest the city's economy continued to perform well in 2007 while most of the rest of Cochise County saw declining economic activity. Based on the sentiments expressed by community leaders at focus group meetings, it is likely that Benson's economy may continue to perform well in 2008 and 2009, relative to other areas of the county.

## 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](http://www.cochise.edu/cer).

### BENSON BUSINESS ESTABLISHMENTS, EMPLOYEES, AND PAYROLL

	2001	2002	2003	2004	2005
No. of Business Establishments	182	188	187	203	207
Number of Employees	1,747	2,178	2,004	2,388	2,244
Annual Payroll (Thousands)	\$41,047	\$51,492	\$52,139	\$56,543	\$59,826
Annual Payroll Per Employee	\$23,496	\$23,642	\$26,017	\$23,678	\$26,660
Annual Payroll Per Employee Growth	18.5%	0.6%	10.0%	-9.0%	12.6%

Note: Includes businesses located in zip code 85602. Does not include government sector. Source: U.S. Census Bureau and the Cochise College Center for Economic Research

### COCHISE COUNTY NON-FARM PAYROLL EMPLOYMENT

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

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

## Retail trade *and* commerce

In the 12 months following the opening of the Wal-Mart Supercenter, the city's retail sales tax revenue increased by 45.6 percent.



The City of Benson's location along the junction of Interstate 10 and state routes 80 and 90 makes it easily accessible to tens of thousands of travelers each day. The stretch of Interstate 10 that runs through Benson from Skyline Rd (Exit 299) to State Route 90 (Exit 302) is the busiest stretch of highway in Cochise County, with an average annual daily traffic count of 30,700 in 2006. In fact, more vehicles pass through Benson along Interstate 10 each day than pass through the heart of Sierra Vista's commercial district, which serves an estimated retail market of more than 110,000 people. While Benson's retail market is much smaller, this is due primarily to untapped potential. Between 2003 and 2006, about 10 percent more vehicles passed through Benson than through Sierra Vista's commercial district each day.

The opening of the Wal-Mart Supercenter in Benson in November 2006 has lured shoppers to the city from across northern Cochise County and neighboring Pima and Graham counties. This benefits not only the Benson economy, but the Cochise County economy as a whole by

bringing in outside dollars that generate jobs, income, and tax revenue. The increased traffic also brings increased costs, such as higher public safety expenditures and infrastructure improvement costs. However, the expansion of commercial markets in small communities such as Benson, especially when in close proximity to other external, populated local jurisdictions lacking such commercial facilities, tends to bring a decisively positive net economic benefit.

### Taxable Sales

In 2007, the City of Benson collected \$3.8 million in sales tax revenue. This was up 31.2 percent, or \$896,000 from the previous year. Retail trade generated the most new sales tax dollars for the city, increasing by 45.6 percent and bringing in an additional \$569,000 in tax revenue. This accounted for 63.5 percent of all new sales tax dollars collected by the city in 2007. The increase in the city's retail sales tax revenue was more than double the amount of combined losses due to declines in the city's construction, wholesale, and manufactur-

ing industries, which brought in \$246,000 less in 2007 than the year prior. The largest sales tax revenue generator for the city in 2007 was retail trade, which accounted for 48.3 percent of the total. This was followed by construction at a distant 14.9 percent.

### Retail Sales

While the Cochise College Center for Economic Research (CER) reports retail sales for Cochise County and several of the incorporated areas, sales are not reported for Benson. This is due to the city's two-tiered retail sales tax structure, along with Arizona Department of Revenue confidentiality rules, which precludes accurately estimating sales levels based on tax collections. The CER does, however, track the city's total retail sales tax collections. In the 12 months following the opening of the Wal-Mart Supercenter, the city's retail sales tax revenue increased by 45.6 percent, or an additional \$569,000 in tax revenue. This suggests an increase in retail sales of about \$22.5 million, accounted for by Wal-Mart and other businesses that relocated to, or expanded in Benson in 2007. The increase in retail sales alone had a total economic impact of nearly \$34 million on the Cochise County economy, generating more than \$10.6 million in local earnings and creating more than 415 jobs.

Countywide, retail sales were down 1.3 percent in 2007, after adjusting for inflation. The countywide real decline in retail sales in 2007 would no doubt have been worse if not for the ability of Benson to draw shoppers from neighboring counties

and reduce leakage to other counties.

### Restaurant and Bar Sales

Benson's restaurant and bar sales performed poorly in 2006 and 2007, declining in both nominal and real (inflation-adjusted) terms in both years. In 2007, sales were down 3.1 percent, following a 1.1 percent decline in 2006, after adjusting for inflation. In real terms, Benson's restaurant and bar sales in 2007 were at their lowest level since 2004.

The decline in restaurant and bar sales in 2007 may be a reflection of weak consumer confidence, recessionary concerns, and higher inflation, especially toward the end of the year. Restaurant and bar sales countywide also performed poorly in 2007, growing only 0.1 percent after inflation. Worries over a pending recession lead households to reevaluate spending and eliminate nonessential spending such as dining out. Moreover, higher prices force families to cut unnecessary spending. While the overall inflation rate in 2007 was only 2.8 percent, toward the end of the year prices hovered at about 4 percent higher than the same months the year prior.

### Accommodation Receipts

In 2007, accommodation (hotel, motel, and other temporary lodging) receipts in Benson totaled \$4.5 million, up 17.6 percent from the year prior, after adjusting for inflation. This mirrored strong growth countywide. In Cochise County, accommodation sales saw real growth of 19.7 percent in 2007.

The strong growth in this industry has

### AVERAGE ANNUAL DAILY TRAFFIC COUNT, BENSON AREA

LOCATION	2002	2003	2004	2005	2006
I-10, Exit 297 to Exit 299	27,100	28,500	27,300	29,100	29,400
I-10, Exit 299 to Exit 302	33,000	33,900	31,500	30,000	30,700
I-10, Exit 302 to Exit 303	20,000	26,100	24,400	25,400	26,100
I-10, Exit 303 to Exit 304	13,700	21,300	15,900	16,800	17,400
I-10, Exit 304 to Exit 307	12,700	22,100	15,400	14,900	17,000
SR 80, SB-10(3) to Country Club Dr	8,700	9,800	6,900	9,100	10,100
SR 80, Country Club Dr to Apache Powder Rd (South)	3,500	6,500	7,000	6,400	7,400
SR 80, Apache Powder Rd (South) to ADOT Maintenance Yard Entrance	5,800	5,900	6,200	6,100	6,600
SR 80, ADOT Maintenance Yard Entrance to Judd St	4,800	4,900	6,400	4,300	4,600
SR 90, I-10 Exit 302 to Kartchner Caverns Main Entrance	8,300	8,500	8,800	9,400	9,700

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

### BENSON SALES TAX REVENUE BY INDUSTRY GROUP, 2007

INDUSTRY GROUP	SALES TAX REVENUE	SHARE OF TOTAL SALES TAX REVENUE
Retail Trade	\$1,817,323	48.3%
Construction	\$561,658	14.9%
Real Estate, Rental & Leasing	\$557,574	14.8%
Restaurant & Bar	\$276,786	7.4%
Accommodation	\$202,387	5.4%
Communications & Utilities	\$151,407	4.0%
Manufacturing	\$78,536	2.1%
Services	\$76,028	2.0%
Other	\$26,719	0.7%
Wholesale Trade	\$16,491	0.4%
Finance & Insurance	\$432	0.0%
TOTAL	\$3,765,341	

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

### BENSON RETAIL SALES TAX REVENUE

YEAR	SALES	% CHANGE	INFLATION-ADJUSTED GROWTH
2004	\$1,017,856	—	—
2005	\$1,109,813	9.0%	5.6%
2006	\$1,248,189	12.5%	9.3%
2007	\$1,817,323	45.6%	42.8%

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

### BENSON SALES TAX REVENUE COLLECTIONS, ANNUAL COMPARISON

INDUSTRY GROUP	2007	2006	GROWTH (\$)	GROWTH (%)
Retail Trade	\$1,817,323	\$1,248,189	\$569,134	45.6%
Real Estate, Rental & Leasing	\$557,574	\$113,524	\$444,050	391.2%
Communications & Utilities	\$151,407	\$76,884	\$74,523	96.9%
Accommodation	\$202,387	\$167,231	\$35,156	21.0%
Services	\$76,028	\$62,713	\$13,315	21.2%
Restaurant & Bar	\$276,786	\$272,177	\$4,609	1.7%
Other	\$26,719	\$24,654	\$2,065	8.4%
Finance & Insurance	\$432	\$640	-\$208	-32.5%
Manufacturing	\$78,536	\$87,042	-\$8,506	-9.8%
Wholesale Trade	\$16,491	\$27,608	-\$11,117	-40.3%
Construction	\$561,658	\$788,463	-\$226,805	-28.8%
<b>TOTAL</b>	<b>\$3,765,341</b>	<b>\$2,869,125</b>	<b>\$896,216</b>	<b>31.2%</b>

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

### BENSON BUSINESS ESTABLISHMENTS

INDUSTRY	2002	2003	2004	2005
Accommodation & food services	36	31	34	33
Admin, support, waste mgt, remediation services	8	5	5	6
Arts, entertainment & recreation	5	5	6	6
Auxiliaries	1	0	0	0
Construction	19	18	19	25
Educational services	2	1	2	2
Finance & insurance	5	5	5	5
Health care and social assistance	18	20	23	25
Information	4	3	3	2
Management of companies & enterprises	1	1	1	2
Manufacturing	3	3	4	5
Other services (except public administration)	25	24	23	23
Professional, scientific & technical services	8	9	10	6
Real estate & rental & leasing	13	14	16	17
Retail trade	27	30	33	32
Transportation & warehousing	6	9	11	10
Unclassified establishments	0	2	1	0
Utilities	3	4	4	4
Wholesale trade	4	3	3	4
<b>TOTAL</b>	<b>188</b>	<b>187</b>	<b>203</b>	<b>207</b>

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

been driven by a variety of factors, including a stronger tourism industry, as evidenced by a 14.6 percent increase in visits to the Benson Visitors Center in 2007. Another factor was an increase in room rates. According to data from the Arizona Office of Tourism, the average daily room rate in Cochise County in 2007 increased by 10.1 percent compared to 2006. The increase was spurred by strong demand for rooms, which was up 12.9 percent according to AOT. The supply of rooms in Cochise County in 2007 was up 6.2 percent, mostly as a result of several new hotels that opened in Sierra Vista, 30 miles south of Benson. Focus group meetings in Benson and Sierra Vista indicate that Benson's accommodation industry benefits from military and civilian business travelers on temporary duty to Fort Huachuca. Discussions in Sierra Vista suggest this is largely the result of higher room rates in Sierra Vista, which often exceed the military's per diem rate of \$71 for lodging.

Benson's accommodation receipts in 2007 accounted for 10.5 percent of the countywide total, down slightly from 10.7 percent in 2006. Benson continues to capture a relatively large share of the county's accommodation market, due primarily to the city's location along Interstate 10, making it a convenient overnight stop; as well as the city's proximity to Kartchner Caverns.

### Business Establishments

According to the U.S. Census Bureau, as of 2005 there were 207 business establishments located in the Benson area (zip code 85602). The industry with the largest number of businesses was accommodation and food services, with 33 establishments, followed closely by retail trade, with 32; health care and social assistance, with 25; construction, also with 25; and other services (except public administration), with 23. Between 2004 and 2005, the number of business establishments in the Benson area grew from 203 to 207. The fastest-growing industry in terms of the number of new establishments was construction, which added 6 businesses.

Another measure of the level of commerce in Benson is the number of active

business licenses issued by the city. These data are not directly comparable to the Census business establishment data discussed above, since a business may have multiple business licenses depending on the range of business activities in which it engages. But the business license data provide a more recent picture of changes in business activity, and provide a good indication of the direction and magnitude of change. The number of active business licenses in the City of Benson increased by more than 20 percent each year from 2005 to 2008. In April 2008, active business licenses in the city were up 20.2 percent compared to the same month a year prior.

## Outlook

Although retail sales grew in the neighborhood of 40 percent in 2007, this was due primarily to the opening of the new Wal-Mart. Now that Wal-Mart has been open more than a year, a higher sales base has been established, meaning growth rates will be slower. In November and December, the city's retail sales tax revenue grew by only 1.6 and 3.6 percent, respectively. In January 2008, revenue was up 4.3 percent. With prices up by about 4 percent in late 2007 and early 2008, sales in November and December likely reflected negative real growth, failing to keep pace with inflation. January sales likely just kept pace with inflation.

Countywide, retail sales declined both nominally and in real (inflation-adjusted) terms in November and December 2007, and January 2008. This slowdown matches predictions of a recession nationwide and is likely to continue through most of 2008. Most national predictions suggest a recession will be short lived, and the economy will begin a recovery in early 2009. However, this may be slowed by inflationary problems that have worsened in late 2007 and early 2008.

Both a contributor to, and result of the projected slowdown is slowed job growth countywide, which can be expected to lead to higher unemployment rates in 2008 (for more on this, see the Employment section of this publication). Higher unemployment means a decline in the overall income level of the city's retail market area, mean-

ing less money is available for retail purchases. Recessionary concerns also are likely to cause households to reevaluate spending and delay major purchases. Higher inflation will likely force households to make cuts in their budgets. When households pay more for things like gasoline and food, they are forced to cut spending on other goods and services.

Restaurant and bar sales have shown little sign of improving, with sales down in 3 of the last 4 months of 2007. January 2008 saw sales tax revenue on restaurant and bar sales in Benson jump by more than 40 percent compared to January 2007, but it is too early to tell if this was an anomalous month, an accounting irregularity, or a signal of the recovery of this industry. Broader economic conditions suggest a recovery is not likely in 2008.

There are several reasons to expect a slowdown in Benson's accommodation industry in 2008. One reason is the high base level sales established in 2007, which saw double digit growth approaching 20 percent in 2007. Another reason is the sharp increase in the number of available rooms in nearby Sierra Vista, resulting from the opening of five new hotels in 2007 and 2008. This increase in the supply of rooms should place downward pressure on room rates, which increased about 10 percent in 2007. Greater competition in Sierra Vista's accommodation industry may jeopardize the spillover benefits that have been received by Benson over the past couple of years. If competition drives prices below the military's per diem lodging rate, visitors will no longer have an economic incentive to stay in Benson rather than Sierra Vista.

Signs of a slowdown in Benson's accommodation industry began to surface in late 2007. Sales fell in October – the first and only decline of the year. Then, in January 2008, sales were down by 11.6 percent after adjusting for inflation. Countywide, sales were down in October and December 2007, but increased by 4.1 percent, after inflation, in January. The trends toward the end of the year were troubling. This market bears close watching since the effects of a downturn could spill over into other industries in the city, including retail trade and restaurant and bar.

## BENSON RESTAURANT & BAR SALES

YEAR	SALES	% CHANGE	INFLATION-ADJUSTED GROWTH
2003	\$10,018,160	-1.3%	-3.4%
2004	\$9,691,840	-3.3%	-6.0%
2005	\$10,746,000	10.9%	7.5%
2006	\$10,974,200	2.1%	-1.1%
2007	\$10,943,520	-0.3%	-3.1%

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 the Cochise College Center for Economic Research.

## BENSON ACCOMMODATION SALES

YEAR	TOTAL REVENUE	% CHANGE	INFLATION-ADJUSTED GROWTH
2003	\$2,910,822	-1.9%	-4.0%
2004	\$3,078,290	5.8%	3.1%
2005	\$3,465,444	12.6%	9.2%
2006	\$3,775,756	9.0%	5.8%
2007	\$4,546,022	20.4%	17.6%

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 the Cochise College Center for Economic Research.

## BENSON SHARE OF TOTAL COUNTYWIDE SALES

CATEGORY	2007	2006
Restaurant & Bar	8.9%	9.1%
Accommodation	10.5%	10.7%

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

## BENSON BUSINESS LICENSES (ACTIVE)

YEAR	ACTIVE BUSINESS LICENSES	% CHANGE
2005	450	—
2006	541	22.9%
2007	665	25.0%
2008	831	20.2%

Note: As of April each year. Source: City of Benson.

# Housing, real estate, *and* commercial construction

The Canyons at Whetstone Ranch.



## DEVELOPMENTS IN THE BENSON AREA

DIVISION	PLANNED UNITS
Sage	3,500
San Pedro Partners	850
The Canyons at Whetstone I, II, & III	660
Granite Heights	273
San Pedro Golf Estates	224
Kartchner Vistas	201
Cottonwood Highlands	170
Country Club Estates	137
San Pedro Vista	121
Cottonwood Bluffs	100
White Rock Canyon	83
Water Crest	53
La Cholla Heights	45
House Ridge Estates	33
Turquoise Hills	31
Old Homestead	26
La Mesa San Pedro	13
<b>TOTAL</b>	<b>6,520</b>

Note: As of May 2007. Developments are in various stages of planning and/or construction. Source: City of Benson.

## Overview

In Cochise County, new home construction peaked in 2005, when 1,108 permits were issued for new single family residential (SFR) homes. Existing home sales also peaked in 2005, with 1,976 homes sold countywide on the Southeast Arizona Multiple Listing Service. In Benson, the peak in new construction came a year later in 2006, with 104 SFR permits issued. Existing home sales in Benson, based on a sample that includes approximately 25 percent of the market, seemed to still be growing through 2007 and in early 2008, despite the housing market slump seen at the county, state, and national levels. Interest rate cuts beginning in mid-2007 amidst the subprime mortgage meltdown and continuing through early 2008 likely helped sales along in Benson. The average effective rate on a fixed, 30 year, non-jumbo mortgage declined steadily from 6.77 percent in July 2007 to 5.93 percent in February 2008.

## Development in the Benson Area

There are 17 residential developments currently underway or planned for the Benson area. The largest of these is the Sage development, where construction of 3,500 units is planned. Other large scale developments include San Pedro Partners, with 850 units, and The Canyons at Whetstone, I, II, and III, with 660 units. Combined, the 17 developments will add more than 6,500 homes to the area based on current plans. Developers have looked to Tucson and Sierra Vista/Fort Huachuca to provide a market for new homes built in the Benson area. The current vision presents Benson as a vital link between Sierra Vista/Fort Huachuca to the south and Tucson to the west.

In early 2007, Pulte Homes pulled out of its planned 13,750-unit Anthem development in Benson due to nationwide housing market conditions. The land for the Anthem project remains entitled and several builders have expressed interest in it.

A large-scale development that was previously planned for the unincorporated area just west of Benson along I-10 was Smith Ranch, planned by Diamond Ventures, Inc. of Tucson. In early 2005, the Cochise County Board of Supervisors approved rezoning of the land to allow for a maximum of 4,900 homes on 2,000 acres. A local citizens group opposing the rezoning moved forward a referendum to overturn the board's decision. The referendum was successful in November 2006. Diamond Ventures, Inc. still owns the land, so it is likely a revised master development plan for the area will be forthcoming sometime in the next few years.

The year 2006 saw the first major step toward build-out of the many planned developments, when the City of Benson issued 104 new home permits. The number of permits dropped significantly in 2007, with only 25 permits issued. Although the number of permits fell dramatically, it remains high from an historical perspective. In the 5 years from 2001 to 2005, the city issued a combined total of only 12 new home permits.

At the county level, new home permits were down by nearly half in 2007. This followed a decline of nearly 20 percent the year prior. New home permits countywide fell from a housing boom peak of 1,108 in 2005 to 900 in 2006 and 472 in 2007. There were signs of a turnaround in early 2008. In Sierra Vista, approximately 30 miles south of Benson, the number of permits issued for new home construction more than doubled in the opening months of 2008 (compared to the same period a year prior). Sierra Vista accounts for about two-thirds of total permits countywide. This is a promising sign for the countywide housing market and construction industry.

### Cochise County Existing Home Sales

In 2007, the number of existing site-built homes (including townhouses and condominiums) sold in Cochise County fell 10.7 percent from the year prior. This followed a 20.6 percent decline in 2006. The decline continued into the first quarter of 2008, with first quarter sales down 31.7 percent

from the same period a year prior.

The median price of a home sold in Cochise County was up 0.6 percent in 2007, from \$205,250 to \$206,579. This, however, was the result of a greater number of larger homes included in the mix of homes sold. The average price per square foot was actually down 3.7 percent from \$127.11 to \$122.44. In the first quarter of 2008, the median price of a home sold in Cochise County was down 3.8 percent to \$201,323 and the average price per square foot was down 3.7 percent to \$119.69 (comparisons are to the same period a year prior).

In 2007, the average home in Cochise County sold for 96.4 percent of the asking price. This was down from 97.6 percent in 2006 and 98.4 percent in 2005. In the first quarter of 2008, the selling/asking price ratio dropped further to 95.5 percent. In 2007, the average home sold countywide was on the market for 134 days, up from 114 days the year prior. In the first quarter of 2008, this further increased to 160 days.

Cochise County's manufactured home sales have also seen a decline in sales volume. In 2007, manufactured home sales were down 7.5 percent countywide. This followed a 21.6 percent drop in 2006. In the first quarter of 2008, sales were down more than 50 percent from the first quarter of 2007.

Although the median price of a manufactured home in Cochise County was up 8.9 percent in 2007, from \$101,050 to \$110,000, the average price per square foot was up only 0.4 percent from \$73.25 to \$73.52. In the first quarter of 2008, the median price was up 27.7 percent; however, the price per square foot was up only 4.4 percent compared to the first quarter of 2007. This reflects a greater number of larger manufactured homes in the mix of those that were sold.

In 2007, the average manufactured home in Cochise County sold for 94.1 percent of the asking price, indicating greater downward price flexibility for manufactured homes than for site-built homes. The 2007 figure was down from 95.1 percent in 2006 and 96.5 percent in 2005. In the first quarter of 2008, the selling/asking price ratio fell to 93.3 percent. In 2007, the aver-

### NEW HOME PERMITS – CITY OF BENSON

YEAR	NO. OF PERMITS	AVERAGE VALUE	AVERAGE VALUE CHANGE
2003	0	—	—
2004	2	\$153,000	*37.2%
2005	5	\$181,544	18.7%
2006	104	\$192,535	6.1%
2007	25	\$205,569	6.8%

\*2-year change. Note: Includes site-built, single family residential homes only. Values do not include land. Source: City of Benson and Cochise College Center for Economic Research.

### MANUFACTURED HOME PERMITS – CITY OF BENSON

YEAR	NO. OF PERMITS	AVERAGE VALUE	AVERAGE VALUE CHANGE
2003	14	\$40,714	12.0%
2004	19	\$48,179	18.3%
2005	45	\$35,056	-27.2%
2006	43	\$41,321	17.9%
2007	37	\$40,598	-1.7%

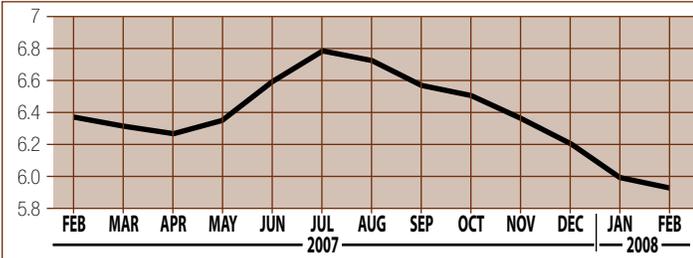
Note: Values do not include land. Source: City of Benson and Cochise College Center for Economic Research.

### NEW HOME PERMITS, COCHISE COUNTY

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

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

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



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

### BENSON HOUSING AFFORDABILITY INDEX (HAI)

YEAR	MEDIAN FAMILY INCOME	MEDIAN HOME PRICE	AMOUNT FINANCED	EFFECTIVE INTEREST RATE	MONTHLY PRINCIPAL AND INTEREST PAYMENT	HAI
2004	\$41,549	\$80,250	\$64,200	6.02%	\$386	224.2
2005	\$42,840	\$105,750	\$84,600	6.08%	\$512	174.3
2006	\$44,131	\$165,000	\$132,000	6.63%	\$846	108.7
2007p	\$45,422	\$218,035	\$174,428	6.53%	\$1,106	85.6

p = preliminary. 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.

age manufactured home that was sold was on the market for 147 days, up from 129 the year prior. In 2008, this inched downward to 146 days.

### Benson Existing Home Sales

Existing home sales data for Benson are obtained from listings on the Southeast Arizona Multiple Listing Service (SAMLS). Several realtors in Benson do not list properties on SAMLS, but rather on the Tucson MLS. A review of active listings on both the Tucson MLS and SAMLS in April 2008 indicated that SAMLS listings represent about 25 percent of the total Benson market. More than 70 percent of the homes listed on SAMLS were also listed on the Tucson MLS. A comparison of the median asking prices of active listings on SAMLS and Tucson MLS revealed median prices of \$186,850 and \$189,00, respectively; a difference of only 1.1 percent. Thus, data from SAMLS can provide an indication of the performance of the Benson market overall. Some data such as price levels and changes are more accurately estimated; while other data such as the average days on market may be less representative due to the different target markets of SAMLS and Tucson MLS.

Since 2005, Benson has seen a surge in existing home sales. Sales of homes listed on SAMLS increased 37.5 percent in 2005, 59.1 percent in 2006, and 22.9 percent in 2007. In the first quarter of 2008, sales were up 8.3 percent. Thus, while sales at the county level declined from 2006 onward, it appears sales in Benson remained strong. With this came a significant increase in home prices. From 2004 to 2006, the median home price more than doubled; and from 2004 to 2007, the median price increased by more than 170 percent. Much of the price change, however, was the result of larger homes being sold. Although the median price increased by more than 170 percent between 2004 and 2007, the average price per square foot increased only 37.7 percent.

In the first quarter of 2008, the median home price in Benson dropped 33.2 percent to \$153,000. This downward trend in prices is supported by data from active listings in the Benson area on both the Tucson MLS and SAMLS. The median price of listings in Benson in April 2008 on both services was in the high \$180s, considerably below the average sold price of nearly \$220,000 on SAMLS in 2007. A large part of the price decline in 2008 is the result of smaller homes being sold. Although the median price was down 33.2 percent in the first quarter of 2008, the average price per square foot was down only 18.6 percent. This is the result of buyers opting for smaller homes in the wake of steep price increases in recent years.

### Housing Affordability

The Cochise College Center for Economic Research's (CER) *Housing Affordability Index* (HAI) gauges whether a family with the area's median income would qualify for a mortgage on a median-priced home. In 2007, the estimated median family income for Benson was \$45,422 and the median home price was \$218,035. In calculating the HAI, the CER considers the average effective inter-

est rate (contract rate plus fees) on a fixed, 30-year conventional mortgage as reported by the Federal Housing Finance Board. In 2007, this rate was 6.53 percent.

The HAI for Benson in 2007 was 85.6. 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, Benson's HAI of 85.6 indicates that a family with the median income had only 85.6 percent of the income necessary to qualify for a conventional loan covering 80 percent of a median-priced, single-family home in 2007.

From 2004 to 2007, homes became decisively less affordable in Benson, with the HAI falling from 224.2 to 85.6. While declining housing affordability is a concern, its effect is not always negative. An excessively high HAI would indicate a lack of housing suitable for working professionals. Such a situation makes it difficult for

### 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*	222	-31.7%	\$201,323	-3.8%	95.5%	\$119.69	-3.7%	160

\*Jan-Mar only; comparisons to same period 1 year prior. 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, 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*	29	-50.8%	\$117,500	27.7%	93.3%	\$72.99	4.4%	146

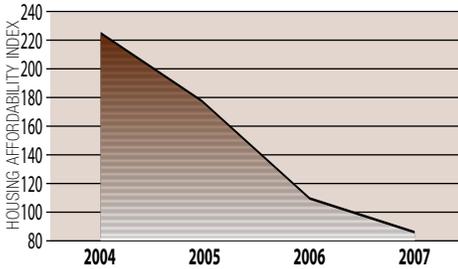
\*Jan-Mar only; comparisons to same period 1 year prior. Note: Includes only those homes listed on Southeast Arizona Multiple Listing Service. Source: Southeast Arizona Multiple Listing Service and Cochise College Center for Economic Research.

### BENSON AREA HOME SALES

YEAR	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	--	\$80,250	--	95.4%	\$91.57	--	156
2005	37.5%	\$105,750	31.8%	94.6%	\$73.36	-19.9%	94
2006	59.1%	\$165,000	56.0%	95.3%	\$100.89	37.5%	135
2007	22.9%	\$218,035	32.1%	97.0%	\$126.02	24.9%	182
2008*	8.3%	\$153,000	-33.2%	93.9%	\$100.70	-18.6%	140

\*Jan-Mar only; comparisons to same period 1 year prior. Note: Includes site-built, manufactured, and mobile homes, as well as townhouses and condominiums. Includes only those homes listed on the Southeast Arizona Multiple Listing Service, which accounts for approximately 25 percent of the Benson market. Source: Southeast Arizona Multiple Listing Service and Cochise College Center for Economic Research.

### BENSON 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.

### COMMERCIAL BUILDING PERMITS (NEW CONSTRUCTION), CITY OF BENSON

YEAR	NUMBER OF PERMITS	TOTAL VALUATION
2003	6	\$4,552,953
2004	6	\$1,204,000
2005	4	\$646,374
2006	8	\$12,810,643
2007	6	\$3,432,642

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

local businesses to attract highly qualified workers. In previous years, many professional employees who worked in Benson were forced to reside outside the area due to a shortage of suitable housing. This shortage is easily identifiable by Benson's HAI of 224.2 in 2004.

It is important to note that declining affordability does not reflect rising prices due to inflation alone, but also reflects improvements in quality. As new, larger, and higher quality homes are built and sold, these tend to pull prices upward. Nonetheless, the 2007 HAI is worrisome because it is the first year the index has dipped below 100. This means 2007 was the first year a family earning the median income in Benson could not afford a median priced home. Sales data from the first quarter of 2008 indicate a downward trend in home prices, which will likely push the HAI closer to 100 for the year.

### Commercial Construction

As with new residential construction, 2006 also saw a boom in commercial construction with nearly \$13 million in new commercial investment in the city. This was led by the construction of the Wal-Mart Supercenter, which opened in November 2006. Although commercial construction slowed in 2007, it was high from an historical perspective, with six new buildings and nearly \$3.5 million in new construction.

### Outlook

Although home sales and new residential and commercial construction in Benson slowed in 2007, they remained above historical levels. The Benson area is poised for growth, and continues to move in that direction. The nationwide housing market resulted in a less mobile population and this slowed growth in the area. But the slowdown in Benson will likely be shorter-lived than in other areas of the county, state, and nation. Part of the reason for this is that the boom in Benson lagged behind that in other areas, and the Benson market peaked a year later than the countywide market.

There have been indications in early 2008 that new residential construction in Cochise County is picking up; this includes a doubling of permits in Sierra Vista, 30 miles south of Benson, in the opening months of 2008 (compared to the same period a year prior). Because construction had accelerated in Benson toward the end of the countywide boom, the Benson area has not lost much momentum, and people still view Benson as the high growth area of Cochise County. This was buttressed in 2007, when Benson saw the highest rate of population growth in the county at 3.6 percent. Sierra Vista – the population center of the county, saw its population decline by 0.3 percent in 2007, and the countywide population grew by only 1.5 percent, less than



Kartchner Vista has 201 units underway/planned for the Benson area.

In 2007, the City of Benson issued 25 permits for new single family homes.



half the rate of growth of Benson. In 2007, Benson also saw a higher rate of growth than the statewide rate of 3.1 percent.

Cochise County and the Benson area in particular will likely recover from the housing market slowdown earlier than the state and nation. Most analysts predict the national slowdown will continue through 2008 and into 2009, and perhaps even 2010. Countywide we should expect the new home market to begin to improve in 2008, and Benson will likely be at the forefront of this recovery. The market for existing homes, however, in both Benson and the county will likely continue to slow, without showing significant improvement until 2009.

A potential threat to Benson's speedy recovery is the danger of the area losing its status as a lower-priced alternative to Tucson and Sierra Vista. Much of Benson's allure is that it is about a 30 minute drive to both Sierra Vista/Fort Huachuca and Tucson. By offering lower-priced homes, the area can attract families who might find Tucson's home market out of their financial reach. With regard to Sierra Vista/Fort Huachuca, the Benson area is attractive as a lower-priced alternative to Sierra Vista, and offers quicker access to Tucson for amenities not available in Sierra Vista.

Benson's status as a lower-priced alternative to these areas has been jeopardized by the steep price increases in recent years. In March 2008, the median home price in the Tucson area was \$200,000, which was lower than the median price of \$218,035 in Benson in 2007. In Sierra Vista in 2007, the median price was also lower at \$213,000. But the downward trend in Benson home prices in the first quarter of 2008 indicates the area is becoming more price competitive, and the median price may fall back below Tucson and Sierra Vista. In April, the median asking price on active listings for homes in Benson was in the high \$180s, below the median sold price of \$200,000 in Tucson a month prior, and Sierra Vista's median sold price of \$213,000 in 2007. The lower prices are not necessarily lower prices for comparable homes; but also reflect the construction of smaller, more cost-efficient homes in recent years in response to shrinking demand nationwide. In the Benson area, to capture the target markets of those working in Sierra Vista/Fort Huachuca and Tucson, price competition will be key. This is especially so in light of sustained increases in oil prices in recent years, which makes longer commute times less economically appealing.

# Bank deposits *and* bankruptcy filings

Bank deposits in Benson totaled \$85.6 million in 2007.



## Bank Deposits

Benson is served by two banks: National Bank of Arizona and Bank of America. Bank deposits in Benson in 2007 totaled \$85.6 million, up 1.7 percent from 2006. This was the slowest rate of growth in the city's bank deposits since 1999, when deposits fell by 0.8 percent. The slow growth in 2007 was on the heels of a 15.2

percent increase in 2006 and a 17.3 percent increase in 2005. The increase in 2005 was the largest rate of growth in the city's bank deposits on record, and the 2006 increase was the second largest, with records going back to 1994.

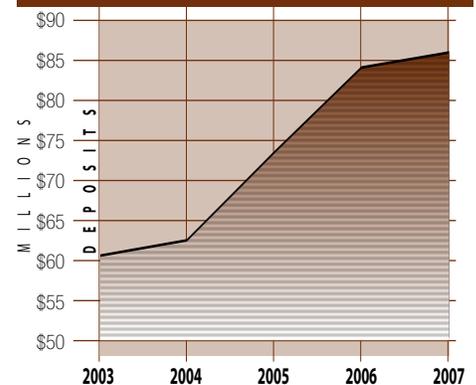
At the county level, bank deposits inched upward by 0.8 percent in 2007. Deposits at the county level remained above the \$1 billion mark, which was first

### BANK DEPOSITS

YEAR	BENSON		COCHISE COUNTY	
	AMOUNT	CHANGE	AMOUNT	CHANGE
2003	\$60,314,000	4.9%	\$769,197,000	5.5%
2004	\$62,286,000	3.3%	\$824,453,000	7.2%
2005	\$73,061,000	17.3%	\$904,994,000	9.8%
2006	\$84,190,000	15.2%	\$1,025,652,000	13.3%
2007	\$85,589,000	1.7%	\$1,033,740,000	0.8%

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

### BENSON BANK DEPOSITS



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

achieved in 2006.

In 2007, bank deposits in Benson accounted for 8.3 percent of total deposits in the Cochise County market, up from 8.2 percent the year prior. Benson's share of the Cochise County market increased each year from 2004 through 2007, climbing by seven-tenths of a percentage point during that period.

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

### Bankruptcy Filings

In 2007, there were 180 bankruptcies filed from within Cochise County, up 49.9 percent from the year prior. This followed a 79.7 percent drop in filings in 2006. Adjusting for population size, Cochise County's bankruptcy rate in 2007 increased to 1.31 bankruptcies per 1,000 residents, up from 0.93 in 2006.

The remarkable decrease of bankruptcies in Cochise County in 2006 followed the trend at the state and national levels. At the national level, bankruptcy filings dropped 70.3 percent, while Arizona saw an 80.6 percent drop. This decline was due primarily to the implementation of the

### BENSON BANK DEPOSITS, SHARE OF COCHISE COUNTY MARKET

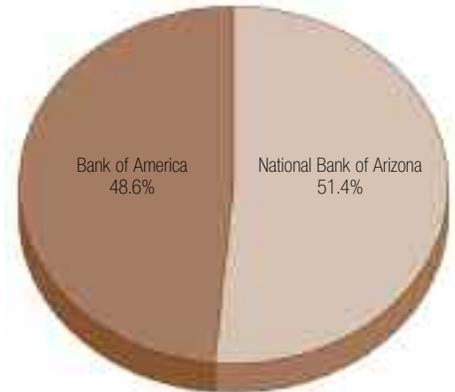
YEAR	SHARE OF COCHISE COUNTY MARKET
2003	7.8%
2004	7.6%
2005	8.1%
2006	8.2%
2007	8.3%

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

Bankruptcy Abuse Prevention and Consumer Protection Act, which took effect in October 2005. The act requires that most individual debtors complete a special briefing from an approved credit counseling agency before filing for bankruptcy.

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

### BENSON BANK DEPOSITS, MARKET SHARE (CITY), 2007



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

2007, filings at the county, state, and national levels remained considerably below the pre-legislation figures.

Cochise County's bankruptcy rate has remained considerably below state and national levels since the beginning of the new millennium. In 2007, Cochise County experienced 1.31 bankruptcies per 1,000 residents, compared to 1.5 at the state level and 2.66 nationally. In 2007, Cochise County's bankruptcy rate was 12.7 percent below the state level and 50.8 percent below the national level, reflecting a relatively healthy environment for lending and borrowing.

### COCHISE COUNTY BANKRUPTCY FILINGS

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

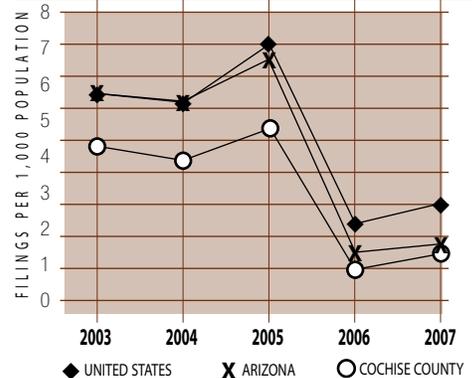
Source: U.S. Bankruptcy Court, Tucson Division; U.S. Census Bureau; Arizona Department of Economic Security; and Cochise College Center for Economic Research.

### BANKRUPTCY FILINGS (PER 1,000 RESIDENTS)

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

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

### BANKRUPTCY FILINGS (PER 1,000 RESIDENTS)



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

# Mexico

The U.S. Customs and Immigration building is located 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 who cross legally through the designated ports of entry at Douglas and Naco, to drug and illegal alien smugglers who cross illegally through the Sonoran desert. The Naco port of entry is located approximately 55 miles southeast of Benson, and the Douglas port is approximately 68 miles southeast of Benson. Each year, about 4 million legal visitors to Cochise County from Mexico contribute considerably to retail and other categories of sales throughout the county.

In addition to visitors from Mexico, the ports also serve as crossover points for about 2.5 million U.S. visitors traveling to Mexico each year. The Janos Highway, which begins in Douglas, is the shortest paved route to Mexico City and Guadalajara in the western United States. In early 2008, a provision of the Western Hemisphere Travel Initiative took effect,

which requires U.S. citizens returning from Mexico to show a government issued identification card (e.g., a driver's license) and proof of citizenship (e.g., a birth certificate). This is likely to lead to a decline in the number of U.S. citizens crossing the border, which may impact the various sectors of the Cochise County economy that cater to that group of travelers.

## Agua Prieta, Sonora

The City of Douglas, Arizona shares a border with Agua Prieta, Sonora, Mexico. With thousands of border crossings into the United States each day at the Douglas Port of Entry, the city hosts 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 2002 and 2007, an average of more than 5.3 million people each year (nearly 14,600 per day) passed through the pedestrian walkway at the Douglas Port of Entry from Agua Prieta

into Douglas. About 60 percent of these were non-U.S. citizens, while 40 percent were U.S. citizens returning from visits to Mexico. In addition, about 1.9 million vehicles each year (more than 5,300 per day) enter Douglas from Agua Prieta through the port of entry.

In 2007, the number of non-U.S. citizens entering into Douglas from Agua Prieta through the pedestrian crossing was down 2.6 percent. Vehicle crossings through the Douglas Port of Entry into the United States were down 32.4 percent in 2007.

### Naco, Sonora

The town of Naco, Sonora, Mexico shares a border with Naco, Arizona, an unincorporated area of Cochise County approximately 6 miles from Bisbee and 55 miles from Benson. 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 Mexico residents entering the United States through the Naco port did so for the purpose of shopping – the highest proportion of all ports of entry in the State of Arizona.

The Naco Port of Entry for vehicle and pedestrian traffic is open 24 hours a day, 7 days a week. Between 2002 and 2007, an average of more than 1 million people each

### US-MEXICO BORDER CROSSINGS IN COCHISE COUNTY, ANNUAL

	DOUGLAS			NACO		
	U.S. CITIZENS	NON-U.S. CITIZENS	VEHICLES	U.S. CITIZENS	NON-U.S. CITIZENS	VEHICLES
2003	2,310,310	3,447,921	2,123,801	214,949	756,782	343,411
2004	2,010,095	3,003,384	2,120,724	262,684	870,187	345,959
2005	2,174,486	3,151,861	2,137,150	405,921	957,048	320,432
2006	2,154,087	3,244,392	1,983,618	395,447	846,705	321,357
2007	1,983,482	3,160,256	1,340,783	167,954	540,893	237,837

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.

Between 2000 and 2006, an average of more than 1.1 million people each year passed through the pedestrian walkway at the Naco Port of Entry from Mexico into the United States.



year (nearly 3,000 per day) passed through the pedestrian walkway at the Naco Port of Entry from Mexico into the United States. About 73 percent of these were non-U.S. citizens, while 27 percent were U.S. citizens returning from Mexico. In addition, about 314,000 vehicles (860 per day) enter into the United States from Mexico through the Naco port each year.

In 2007, the number of non-U.S. citizens entering from Mexico into Naco, Arizona through the pedestrian crossing was down 36.1 percent, following an 11.5 percent decline the year prior. Vehicle crossings through the Naco Port of Entry were down 26 percent in 2007.

### Economic Impact

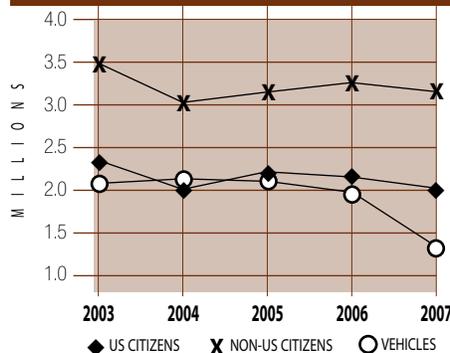
In 2002, the University of Arizona published a study that measured the economic impact of Mexican visitors' spending statewide. The results were based on a year-long survey of Mexican visitors returning

from Arizona at the Phoenix and Tucson airports, as well as six border ports of entry, including the Naco and Douglas ports in Cochise County. The study is scheduled to be updated in 2008.

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

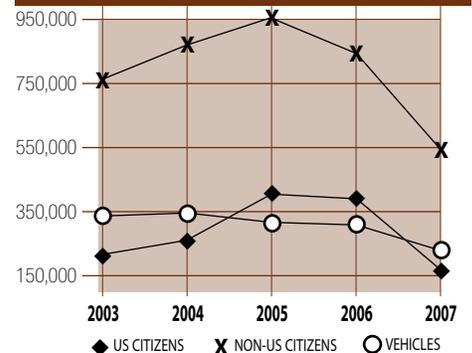
The study showed that, in 2001, Mexican visitors to Cochise County spent an estimated \$96.8 million (\$113.3 million in 2007 dollars) in the county. Of this amount (note: Figures in parenthesis reflect 2007 dollars): \$49.4 million (\$57.8

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



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

**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.

million) was spent in grocery stores; \$17 million (\$19.9 million) was spent in department stores; \$16.3 million (\$19.1 million) was spent at restaurants; and \$12.8 million (\$15 million) was spent on gasoline and other automotive expenses.

The study estimated that spending from Mexican visitors to Cochise County generated approximately 3,551 jobs countywide, accounting for \$57.5 million (\$67.3 million in 2006 dollars) in local wages. This includes direct jobs and associated wages in retail establishments, restaurants and bars, and other sectors that directly serve Mexican visitors. It also includes indirect and induced jobs and wages. The study indicated that, in 2001, 5.9 percent of all taxable sales in the county were attributable to Mexican visitors.

### Mexico's Economy Today

Mexico's economy has continued to recover from the slow growth in real Gross Domestic Product (GDP) in the opening years of the new millennium. In 2004, Mexico's economy grew by 4.2 percent, according to data from the International Monetary Fund (IMF). This followed slow growth of 1.4 percent in 2003 and slower growth in the 2 years prior to that. Real GDP growth slowed to 2.8 percent in 2005, but then rebounded strongly to 4.8 percent in 2006 – its highest level since 2000. In 2007, growth slowed to 2.9 percent, following international trends.

Mexico's inflation rate in 2007 was 3.9 percent, according to the IMF. This was up from 3.6 percent in 2006, but is a significant improvement over the 1980s and 1990s, which were characterized by consistent, double-digit, and occasional triple-digit levels of inflation. Mexico's Ministry of Finance attributes recent containment of inflation to improved fiscal discipline. The 2006 inflation rate was the lowest level on record, with records going back to 1980.

According to the United Nations International Labour Organization, Bureau of Statistics, the unemployment rate in Mexico dropped to 3.2 percent in 2006, down from 3.5 percent the year prior. While Mexico's unemployment rate is at or below what most economists consider the natural rate of unemployment, the nation's employment situation has been characterized by high levels of underemployment. According to the CIA's World Factbook, Mexico's underemployment rate may be as high as 25 percent, as of 2006.

### US-MEXICO BORDER CROSSINGS IN COCHISE COUNTY, MONTHLY

	DOUGLAS			NACO		
	U.S. CITIZENS	NON-U.S. CITIZENS	VEHICLES	U.S. CITIZENS	NON-U.S. CITIZENS	VEHICLES
January 2006	189,356	283,468	149,218	37,110	77,850	26,517
February	154,355	231,072	150,697	37,002	74,341	24,235
March	171,667	256,986	156,030	38,012	75,125	26,653
April	171,187	251,671	170,656	37,016	75,803	24,188
May	191,180	286,200	184,552	35,121	74,141	27,383
June	178,718	267,546	173,302	34,612	71,930	26,382
July	179,655	268,945	170,586	33,820	70,022	27,389
August	188,343	281,955	168,690	33,712	67,685	27,530
September	178,934	287,824	166,612	31,916	65,852	25,714
October	183,727	277,432	163,409	28,515	57,944	27,354
November	176,212	265,881	160,417	32,222	61,344	26,403
December	190,753	285,412	169,449	16,389	74,668	31,609
January 2007	162,581	244,559	151,394	13,929	62,775	26,556
February	154,105	234,320	140,997	16,377	56,112	24,637
March	170,502	259,701	153,690	19,609	67,590	28,404
April	172,851	250,185	158,978	18,039	60,948	27,040
May	193,073	290,798	166,194	30,151	56,810	26,773
June	171,554	258,387	138,900	17,015	57,341	25,994
July	173,402	261,170	139,258	17,481	59,107	26,471
August	168,275	242,952	148,110	18,354	62,336	27,271
September	176,712	266,157	143,262	16,999	57,874	24,691
October	*183,183	*275,026	148,837	17,572	60,033	25,262
November	125,794	278,722	142,632	18,244	62,182	26,655
December	131,450	298,279	144,204	22,521	76,546	33,668

\*Estimated by the Cochise College Center for Economic Research based on incomplete data. 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.

### ECONOMIC INDICATORS – MEXICO

	2003	2004	2005	2006	2007
Unemployment Rate*	3.0%	3.1%	3.5%	3.2%	**
Real GDP Growth	1.4%	4.2%	2.8%	4.8%	2.9%
Consumer Price Inflation	4.5%	4.7%	4.0%	3.6%	3.9%

\*Source: United Nations International Labour Organization, Bureau of Statistics. \*\*Data not available. Source: International Monetary Fund.



Mayor José Lorenzo Villegas Vasquez of Naco, Sonora

# Fort Huachuca

Fort Huachuca is situated next to the Huachuca Mountains.



Fort Huachuca, an active U.S. Army installation, is located approximately 30 miles south of Benson. The fort is home to nearly 6,000 active duty military personnel, about 40 percent of whom are students temporarily assigned to the fort for training. Approximately 3,000 military family members also reside on Fort Huachuca and in surrounding communities. Developers who have expressed an interest in the Benson area for large-scale residential developments have identified Fort Huachuca as a significant part of their target market.

## Cochise County's Top Employer

In 2007, Fort Huachuca remained 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 fourth

largest employer in 2007, behind Raytheon Missile Systems in Tucson, University of Arizona in Tucson, and the State of Arizona in Phoenix.

In 2007, Fort Huachuca employed 8,456 fulltime equivalent (FTE) employees, which includes active duty military personnel and Department of the Army civilian employees. An FTE employee is equal to one fulltime or two part-time employees. This is a sharp decline from numbers reported by the fort in previous years. In 2006, for example, the fort reported 13,098 FTE employees. The decline is the result of how the fort counts its employees. In past years, Fort Huachuca included all personnel working on the fort, including those not directly employed by the fort. This included, for example, employees of the Fort Huachuca Accommodation Schools (FHAS), which reports its employees separately and was the county's 27th largest employer in 2007. Although located on Fort Huachuca, FHAS schools are Arizona public schools that fall under the Arizona Department of Education; they are not Department of Defense Dependent Schools (DoDDS). The

school district is under the direction and authority of the Cochise County School Superintendent, who serves as the district's one-person governing board. Financial support for FHAS is derived from state aid and federal impact aid.

Also included in the fort's numbers in previous years were defense contractors, but these were also reported by the contracting firms that directly employ them, such as Northrop Grumman Corporation and General Dynamics, which are the county's 7th and 8th largest employers, respectively. Reporting only those workers directly employed by the fort reduces significant double-counting that occurred in the survey in previous years.

Despite the elimination of indirect employees from Fort Huachuca's employment figures, the fort continues to have a large impact on the local economy through indirect employment. In 2007, eight of Cochise County's top 75 employers were professional and business services firms whose customer base, in whole or large part, was Fort Huachuca. This included Northrop Grumman, General Dynamics, Science Applications International Corporation (SAIC), Newtech, L-3 Communications/ILEX, Integrated Systems Improvement Services (ISIS), All Star Services, and ManTech Telecommunications and Information Systems Corporation. Combined, these firms employed 2,174 FTE employees, or 9.2 percent of the total workers employed by the county's 75 largest employers. It is important to note that not all of

these employees work in direct support of the fort, and several of the firms have customer bases beyond Fort Huachuca. SAIC for example serves customers across the United States and internationally from its site in Sierra Vista.

### U.S. Fish and Wildlife Biological Opinion

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

In late 2006, the CBD, MAS, and the fort reached a settlement in which the fort agreed to submit to a revised biological opinion by the U.S. Fish and Wildlife Service (FWS). The previous FWS biological opinion was issued in 2002. The revised biological opinion, which was released in June 2007, reexamined the environmental impact of Fort Huachuca. The biological opinion concluded that the proposed ongoing and future military operations and activities at Fort Huachuca are not

likely to adversely affect the endangered species in question; these are: Canelo Hills ladies' tresses (*Spiranthes delitescens*), the threatened bald eagle (*Haliaeetus leucocephalus*), the endangered jaguar (*Panthera onca*), the threatened spikedace (*Meda fulgida*) with critical habitat, the endangered Gila topminnow (*Poeciliopsis occidentalis occidentalis*), and the endangered desert pupfish (*Cyprinodon macularius*).

The biological opinion noted that Fort Huachuca has been a recognized leader in energy and water reduction initiatives over the past dozen years; water use has

been reduced by over 50 percent, or over half a billion gallons per year; the fort has been below the federal energy conservation goals for the past thirteen years; and the fort has 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 its water conservation measures.

### History

Fort Huachuca, a National Historic Landmark, was established during the Indian Wars of the 1870s and 1880s. In 1877, Camp Huachuca was established to protect settlers and travel routes in southeastern Arizona and block Apache escape routes through the San Pedro and Santa Cruz valleys into Mexico. Camp Huachuca was designated a fort in 1882.

Following Geronimo's surrender in 1886, the Army closed more than 50 camps and forts in the territory. Fort Huachuca was retained due to continuing border troubles. In 1913, the 10th Cavalry "Buffalo Soldiers" arrived and remained almost 20 years. The 10th Cavalry joined General John J. Pershing in the 1916 expedition into Mexico. During World War I, the fort was



Raymond W. Bliss  
Army Community  
Health Center

assigned the mission of guarding the U.S.-Mexican border.

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

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

The Strategic Communications Command became the U.S. Army Communications Command in 1973. Eleven years later it became the U.S. Army Information Systems Command. In October 1990, the U.S. Army Training and Doctrine Command became the new host

command. The U.S. Army Intelligence Center and Fort Huachuca currently operates the post.

Today, Fort Huachuca is a major military installation in Arizona, and one of prominence throughout the Southwest. Units on the fort include the Joint Interoperability Test Command; Raymond W. Bliss Army Community Health Center; the U.S. Army Communications-Electronics Command; U.S. Army Electronic Proving Ground; U.S. Army Information Systems Engineering Command; U.S. Army Intelligence Center; and U.S. Army Network Enterprise Technology Command.

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

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

Today,  
Fort Huachuca  
is a major  
military  
installation in  
Arizona,  
and one of  
prominence  
throughout  
the Southwest.



# Cochise County agriculture



Livestock inventory in Cochise County includes cattle and calves (primarily beef cows).

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

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

Although the size of farms decreased be-

tween 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 has been characterized by an increase in the number of small farms, and a simultaneous decrease in the number of larger farms. The number of farms that were less than 10 acres each nearly doubled between 1997 and 2002, growing from 60 to 110. At the same time, the number of farms that were 500 acres or larger dropped from 316 to 255. In terms of the market value of agricultural products sold, the number of farms with annual sales valuing less than \$2,500 grew by 72.9 percent from 210 to 363. At the

same time, the number of farms with sales of \$100,000 or more declined by 7 percent from 129 to 120.

Although the area of farmland in Cochise County has been on the decline, the market value of agricultural products sold grew by 30.2 percent from \$60.2 to \$78.3 million, for an inflation-adjusted increase of 18.1 percent over the five-year period. The majority of these products were crops, which comprised 71.2 percent of total agricultural products countywide in 2002, up from 68.2 percent in 1997. The market value of crops in 2002 was \$55.7 million, up 35.8 percent from \$41.1 million in 1997, for an inflation-adjusted increase of 23.7 percent. This was the result of a shifting of land resources from livestock, poultry, and their products to crops, as evidenced by a 13.2 percent increase in acres of cropland while the overall acreage of farms in the county dropped by 23.1 percent.

In looking at Cochise County's agricul-

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

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

## COCHISE COUNTY AGRICULTURE

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

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

# Tourism



In 2007, visits to the Benson Visitor Center were up nearly 15 percent.

Photo: Benson Visitor Center

## General Overview

Tourism is an important component of the economy of Benson and Cochise County. As an export-oriented industry, tourism brings dollars to the local area from other regions. This generates local sales, jobs, income, 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 Benson 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; as well as other government-related travel.

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 when it comes to decisions such as modes of travel, the amount of money to spend on lodging, and the duration of their stay.

Although the spending patterns of business and leisure travelers are similar in many regards, there are some important differences. For example, leisure travelers are likely to have more free time, so they may spend more on recreational activities. They also may have budgeted for a larger sum 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 Benson, have joined together, forming the Cochise County Tourism Council

## COCHISE COUNTY TRAVEL IMPACTS

	2002	2003	2004	2005	2006
<b>TOTAL DIRECT TRAVEL SPENDING (\$MILLION)</b>					
Visitor Spending at Destination	269.3	277.9	301.0	318.8	326.6
Other Travel*	0.8	0.8	0.8	0.8	0.8
Total Direct Spending	270.1	278.7	301.8	319.6	327.4
<b>VISITOR SPENDING BY TYPE OF TRAVELER ACCOMMODATION (\$MILLION)</b>					
Hotel, Motel	54.1	57.3	69.4	78.9	86.2
Campground	41.6	44.8	47.5	50.2	52.2
Private Home	45.5	56.6	60.3	63.3	66.4
Vacation Home	5.8	6.0	6.3	6.5	6.8
Day Travel	122.3	113.1	117.6	119.8	115.0
Spending at Destination	269.3	277.9	301.0	318.8	326.6
<b>VISITOR SPENDING BY COMMODITY PURCHASED (\$MILLION)</b>					
Lodging	27.8	28.8	33.6	37.6	40.4
Food & Beverage Services	58.3	61.8	67.4	71.7	74.0
Food Stores	69.4	62.1	63.3	62.2	57.8
Ground Tran. & Motor Fuel	23.6	30.3	36.1	44.4	50.4
Arts, Entertainment & Recreation	31.1	35.0	38.5	39.9	41.3
Retail Sales	59.1	59.8	61.9	62.9	62.7
Spending at Destination	269.3	277.9	301.0	318.8	326.6
<b>INDUSTRY EARNINGS GENERATED BY TRAVEL SPENDING (\$MILLION)</b>					
Accommodation & Food Services	26.8	28.3	31.6	33.5	35.8
Arts, Entertainment & Recreation	13.7	15.4	17.0	17.6	19.1
Retail**	18.6	17.8	18.3	18.3	18.2
Auto Rental & other ground tran.	0.2	0.2	0.2	0.3	0.3
Total Direct Earnings	59.9	62.3	67.7	70.3	73.9
<b>INDUSTRY EMPLOYMENT GENERATED BY TRAVEL SPENDING (JOBS)</b>					
Accommodation & Food Services	1,900	1,940	2,040	2,110	2,160
Arts, Entertainment & Recreation	1,100	1,170	1,190	1,210	1,250
Retail**	860	800	810	800	790
Auto Rental & other ground tran.	10	10	10	10	10
Other Travel*	20	20	20	20	20
Total Direct Employment	3,880	3,940	4,060	4,150	4,230
<b>GOVERNMENT REVENUE GENERATED BY TRAVEL SPENDING (\$MILLION)***</b>					
Local	8.9	9.2	9.9	10.5	10.7
State	9.9	10.4	11.1	11.7	12.0
Total Direct Government Revenue	18.8	19.5	21.1	22.2	22.7

Note: 2006 data are preliminary. Details may not add to totals due to rounding. \*Other Travel includes resident air travel and travel arrangement. \*\*Retail includes gasoline. \*\*\*Property taxes and sales tax payment of travel industry employees not included. Source: Dean Runyon Associates and Arizona Office of Tourism.

## BENSON VISITOR CENTER, VISITOR COUNTS

	1ST QTR	CHANGE	2ND QTR	CHANGE	3RD QTR	CHANGE	4TH QTR	CHANGE	ANNUAL	CHANGE
2003	5,804	2.8%	2,772	-8.8%	1,149	-47.5%	1,962	-35.1%	11,687	-15.9%
2004	5,287	-8.9%	2,868	3.5%	1,579	37.4%	2,449	24.8%	12,183	4.2%
2005	5,719	8.2%	2,397	-16.4%	1,384	-12.3%	2,336	-4.6%	11,836	-2.8%
2006	6,193	8.3%	2,623	9.4%	2,029	46.6%	3,250	39.1%	14,095	19.1%
2007	6,235	0.7%	3,515	34.0%	2,487	22.6%	3,914	20.4%	16,151	14.6%

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

(CCTC). The marketing efforts of the CCTC, which are funded by the individual communities, Cochise County, and grant dollars from Arizona Office of Tourism (AOT), market Cochise County as a single entity to leisure travelers nationally and internationally. For examples of these marketing efforts or more information, visit [www.explorecochise.com](http://www.explorecochise.com) and [www.bensonvisitorcenter.com](http://www.bensonvisitorcenter.com).

## Benson's Railroad Heritage

Benson was founded in 1880 prior to Arizona's mining boom and developed as a stopping point for the Butterfield Overland Stage mail delivery route. Soon thereafter, the Southern Pacific Railroad, coming overland from California, chose the Benson site to cross the San Pedro River. A junction point was established to obtain ore from, and ship freight to, the mines at Tombstone, Fairbank, Contention, and Bisbee. Copper and silver ore was brought in covered wagons to Benson and then shipped out on the railroad. The Southern Pacific continued to serve the area until 1997, when Union Pacific purchased the line.

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

## Attractions and Activities

**KARTCHNER CAVERNS.** The City of Benson is known as the Home of Kartchner Caverns. Kartchner Caverns State Park is located on 550 acres at the foothills of the Whetstone Mountains, 12 miles south of Benson along State Route 90. The caverns were discovered in 1974 and their existence was made public in 1988 when their purchase was approved as an Arizona State Park. Kartchner Caverns is home to one of the world's longest soda straw stalactites; the tallest and most massive column in Arizona; the world's most extensive formation of brushite moonmilk; the first reported occurrence of "turnip" shields; the first cave occurrence of "birdsnest" needle quartz formations; and many other unusual formations such as shields, totems, helictites, and rimstone dams. Between 2003 and 2007, an average of over 180,000 visitors each year visited the park. Kartchner Caverns State Park offers picnicking, camping, hiking, walking and the magnificent "still-living" caverns. For more information, visit [www.pr.state.az.us/Parks/parkhtml/kartchner.html](http://www.pr.state.az.us/Parks/parkhtml/kartchner.html).

**THE AMERIND FOUNDATION.** The Amerind Foundation is located 12 miles east of Benson in Texas Canyon. The foundation is an anthropological and archaeological



San Pedro Valley Arts and Historical Society

museum and research center dedicated to the preservation and interpretation of Native American cultures and their histories. Amerind Museum exhibitions tell the story of America's first peoples from Alaska to South America and from the last Ice Age to the present. Amerind's Fulton-Hayden Memorial Art Gallery features works on western themes by such artists as Harrison Begay, Carl Oscar Borg, William Leigh, Frederic Remington, and Andy Tsihnahjinnie. The museum store offers southwestern arts and crafts, and books on prehistory, history, and Native American cultures. The museum and art gallery are housed in Spanish Colonial Revival-style buildings designed by noted Tucson architect Merritt Starkweather. On Native Arts weekends, visitors to the Amerind Foundation will find Native American artists demonstrating their skills in the museum's main gallery. The Amerind also has a comprehensive hands-on education program for children of all ages. Special events and openings are a periodic feature of the Amerind calendar. Many people go to Amerind to experience the native plants, birds, and solitude of the high desert. A secluded picnic area offers a quiet retreat amidst the massive granite boulders of Texas Canyon. In addition to its museum and public programs, the Amerind Foundation's archaeological and ethnographic collections, research library, and archives are important resources for scholars conducting research on southwestern anthropology, archaeology, history, and Native American studies. Amerind's resident scholar and advanced seminar pro-

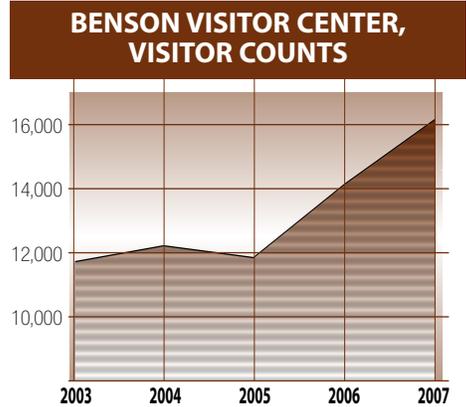
grams address important research issues in anthropology, archaeology, and related disciplines. Seminar proceedings are regularly published in Amerind's New World Studies Series through the University of Arizona Press. For more information, visit [www.amerind.org](http://www.amerind.org).

**COCHISE STRONGHOLD.** Cochise Stronghold, a historic site located within the Coronado National Forest, is the rocky fortress where famed Chiricahua Apache Chief Cochise and about 1,000 of his followers held out against the U.S. Cavalry in the 1860s. The site is managed by the Douglas Ranger District and is a popular day trip from Benson. Within the Stronghold is a hiking/equestrian trail that goes from the East Cochise Stronghold Campground, over the "Stronghold Divide," and down into the West Stronghold Canyon. This was originally an Indian trail and is approximately 4.75 miles one way. The Interpretive Trail consists of a short loop among the oaks and junipers approximately 0.12 miles, with information along the way about the Stronghold, Cochise, and his descendants. The self-guided Nature Trail is approximately 0.4 miles long. It forms a rough horseshoe shape and involves some up and downhill climbing. For more information, visit [www.cochisestronghold.com](http://www.cochisestronghold.com).

**GAMMONS GULCH GHOST TOWN MOVIE SET.** Gammons Gulch Ghost Town Movie Set is located north of Benson in the High Desert of Cochise County. Gammons Gulch has a collection of antiques, old cars,



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



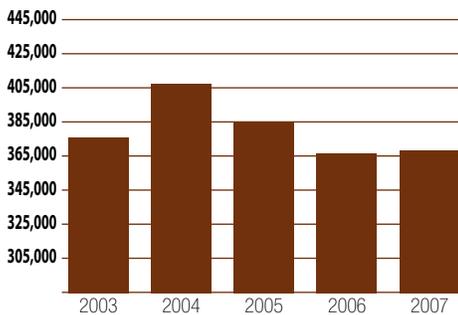
Source: Benson Visitor Center and Cochise College Center for Economic Research.

### COCHISE COUNTY STATE AND NATIONAL PARKS, TOTAL VISITATIONS

	STATE AND NATIONAL PARK VISITATIONS	CHANGE
2003	375,228	-10.3%
2004	406,817	8.4%
2005	385,859	-5.2%
2006*	366,676	-5.0%
2007	368,641	0.5%

\*Areas of the Coronado National Memorial were closed to the public in August and September 2006 due to damage from flash flooding. Note: Includes all state and national parks in Cochise County. Source: Arizona Office of Tourism and Cochise College Center for Economic Research.

### COCHISE COUNTY STATE AND NATIONAL PARKS, TOTAL VISITATIONS



\*Areas of the Coronado National Memorial were closed to the public in August and September 2006 due to damage from flash flooding. Note: Includes all state and national parks in Cochise County. National park data include only recreational visitations. Source: Arizona Office of Tourism and Cochise College Center for Economic Research.

and movie memorabilia. The movie set location offers self-guided tours or personalized tours of the set's Old West Town. The high desert film location has been a destination point for RV clubs who stay in RV resorts in Benson. For more information, visit [www.gammonsgulch.com](http://www.gammonsgulch.com).

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

**SAN PEDRO RIPARIAN NATIONAL CONSERVATION AREA.** The San Pedro Riparian National Conservation Area, managed by the Bureau of Land Management, extends from St. David (just south of Benson along State Route 80) to Naco, Mexico. The San Pedro House is located just off State Route 90 between Sierra Vista and Bisbee. The conservation area has nearly 57,000 acres with quantities of wildlife and vegetation, including over 350 species of migrating and breeding birds – nearly one-half the number of known breeding species in North America. Bird and wildlife watchers, as well as nature lovers, visit the 40 miles of riverbank along the San Pedro River. With over 250 recorded prehistoric and historic sites, the area offers bird watching, wildlife viewing, photography, hiking, camping, seasonal hunting, horseback riding, nature studies, and environmental education. For more information, call BLM Gila District Office at (520) 439-6400.

### 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 Ari-

zona Office of Tourism, the Sonora Office of Tourism, the Bureau of Land Management, the Sonoran Institute, and the Arizona-Mexico Commission, solicited nominations of places and events from residents of the region for inclusion in the guide. Geotourism locations in Cochise County identified in the guide include: Amerind Museum; Arizona Folklore Preserve; Chiricahua National Monument; Cochise Stronghold Bed & Breakfast; Copper Queen Mine Tour and 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; Skywatcher's Inn; and Tombstone. A copy of the guide can be accessed at [www.sonorandesertgeotourism.org](http://www.sonorandesertgeotourism.org).

### Economic Impact of Tourism in Cochise County

According to research commissioned by the Arizona Office of Tourism (AOT) and conducted by Dean Runyon & Associates, total travel-related spending in Cochise County was \$327.4 million in 2006, up 2.4 percent from the year prior. Adjusting for inflation, this represents a 0.8 percent decline. Between 2002 and 2006, however, travel-related spending in the county increased at an average annual rate of 5 percent, well ahead of the rate of inflation.

Overnight visitors who stayed in lodging establishments in Cochise County accounted for 42.4 percent of all spending by visitors to the county in 2006. Those who stayed in private homes, including vacation homes, accounted for 22.4 percent of total visitor spending, while day travelers accounted for 35.2 percent.

In 2006, 47.7 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 36.9 percent and transportation accounted for 15.4 percent of total visitor spending.

Approximately 4,230 jobs were gener-



Kartchner Caverns State Park is located on 550 acres at the foothills of the Whetstone Mountains.

**COCHISE COUNTY NATIONAL PARK VISITATIONS**

YEAR	CHIRICAHUA NATIONAL MONUMENT		CORONADO NATIONAL MEMORIAL		FORT BOWIE NATIONAL HISTORIC SITE	
	VISITATIONS	CHANGE	VISITATIONS	CHANGE	VISITATIONS	CHANGE
2003	44,976	-32.9%	89,309	2.3%	8,445	1.9%
2004	54,155	20.4%	89,591	0.3%	9,483	12.3%
2005	60,224	11.2%	86,618	-3.3%	9,656	1.8%
2006*	61,579	2.2%	71,111	-17.9%	10,679	10.6%
2007	58,434	-5.1%	71,702	0.8%	10,027	-6.1%

\*Areas of the Coronado National Memorial were closed to the public in August and September 2006 due to damage from flash flooding. Source: Arizona Office of Tourism and Cochise College Center for Economic Research.

ated in Cochise County in 2006 by travel-related spending; this accounted for 7 percent of all jobs countywide. More than 80 percent of these jobs were in leisure and hospitality services, according to the Dean Runyon & Associates study. Travel-related spending accounted for approximately \$73.9 million in direct earnings in the county in 2006. Between 2002 and 2006, travel-generated direct earnings in Cochise County increased at an average annual rate of 5.4 percent, nearly twice the rate of inflation during that time.

According to the study, travel-related spending in Cochise County generated approximately \$10.7 million in direct, local government tax revenue in 2006. This is equivalent to \$220 per Cochise County household. 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. The AOT has dedicated funding and resources specifically designed to assist rural communities in marketing their tourism-related products and services. AOT has also developed a series of cus-

tommer 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](http://www.azot.gov).

**Tourism Trends in Benson**

Tourism in Benson, as measured by visits to the Benson Visitor Center, increased dramatically in 2006 and 2007. In 2007, visits were up 14.6 percent, following a 19.1 percent increase the year prior. Cochise College Center for Economic Research focus group discussions indicate the increase may be due in part to recent efforts by the Benson Visitor Center and the Cochise County Tourism Council to market Benson and all of Cochise County as a year-round tourist destination. This is supported by Benson Visitor Center visitor counts, which show a substantial increase in visitors for the third quarter of both 2006 and 2007 – typically the slowest quarter of the year for tourism to the city.

Traditionally, January through March is the busiest season for the Benson Visitor Center. Between 2003 and 2007, the visitor center received an average of 5,848 visitors in the first quarter of the year. The slowest quarter of the year for visitors has been July through September, which has seen an average visitor count of 1,726. The third quarter figures for 2007 show a visitor count of 2,487, significantly higher than

the 5-year running average.

**Cochise County State and National Park Visitations**

Overall, visits to state and national parks in Cochise County increased by 0.5 percent in 2007. This followed a 5 percent decline in 2006. Part of this decline was due to the closing of areas of the Coronado National Memorial in August and September due to damage caused by flash flooding.

Visits to the Chiricahua National Monument were down 5.1 percent in 2007. The Coronado National Memorial saw visits increase by 0.8 percent in 2007, while visits to the Fort Bowie National Historic Site declined by 6.1 percent. In 2007, visits to Kartchner Caverns State Park were up 2.3 percent. The Tombstone Courthouse State Historic Park saw visits increase by 2.4 percent in 2007.

**Cochise County Lodging Indicators**

In 2007, Cochise County's lodging industry performed well, according to AOT lodging indicator data. Cochise County's lodging occupancy rate increased by 6.4 percent, climbing to 72 percent for the year – the second highest in the State of Arizona, following Graham County. This increase was reflected in accommodation sales in Cochise County, which were up 22.5 per-

cent in 2007, according to tax collection data provided by the Arizona Department of Revenue (ADOR). (For more on Cochise County accommodation sales, see the Retail Trade and Commerce section of this publication.)

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

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

Lodging room demand in Cochise County was up 12.9 percent in 2007, the fastest rate of growth in the state. Lodging room supply was up 6.2 percent in 2007, also the fastest rate of growth in the state. The increase in supply was due primarily to the opening of several new hotels in Sierra Vista, approximately 30 miles south of Benson.

## The Film Industry in the Benson Area

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

- **Trigon: The Legend of Pelgidium**, starring Denise Crosby, Robert McRay, Zen Gesner, Angus Scrimm, and Stefan Gierasch.
- **South of Heaven, West of Hell**, starring Dwight Yoakam, Peter Fonda, Bridget Fonda, Vince Vaughn, Joe Ely, Billy Bob Thornton, and Paul Reubens.
- **Buffalo Soldiers**, starring Danny Glover and Mykelti Williamson.
- **The Magnificent Seven**, starring Michael Biehn, Ron Perlman, Eric Close, Andrew Kavovit, Dale Midkiff, Rick Worthy, and Anthony Starke.
- **Los Locos**, starring Mario Van Peebles.
- **Ruby, Jean and Joe**, starring Tom Selleck.
- **Legend**, starring Richard Dean Anderson, John de Lancie, and Mark Adair Rios.
- **Pontiac Moon**, starring Ted Danson, Mary Steenburgen, Ryan Todd, Cathy Moriarty, Eric Schweig, Frank Carl Fisher Jr., Max Gail, and Lisa Jane Persky.
- **Terminal Velocity**, starring Charlie Sheen and Natassja Kinski.
- **Timemaster**, starring Pat Morita, Joanna Pacula, and Jesse Cameron Glickenhau.
- **The Quick and the Dead**, starring Sharon Stone, Gene Hackman, and Leonardo DiCaprio.
- **Tombstone**, starring Kurt Russell, Val Kilmer, Jason Priestley, Sam Elliott, Dana Delany, Billy Zane, Powers Boothe, and Michael Biehn.
- **Gunsmoke V**, starring James Arness, Bruce Boxlightner, and Kelly Morgan.
- **Posse**, starring Mario Van Peebles, Melvin Van Peebles, Stephen Baldwin, and Woody Strode.
- **Stay Tuned**, starring John Ritter and Pam Dawber.
- **Horse Opera**, starring Rik Mayall and Gina Bellman.
- **The Young Riders**, starring Josh Brolin, Greg Rainwater, Stephen Baldwin, Ty Miller, Yvonne Suhor, Travis Fine, Anthony Zerbe, Don Franklin, and Clare Wren.
- **Jesse**, starring Lee Remick and Scott Wilson.
- **Ghost Town**, starring Catherine Hickland and Franc Luz.
- **Buckeye and Blue**, starring Corbin Benson and Nick Cassavetes.
- **Stagecoach**, starring Waylon Jennings and Johnny Cash.
- **September Gun**, starring Robert Preston and Patty Duke.

## COCHISE COUNTY STATE PARK VISITATIONS

YEAR	KARTCHNER CAVERNS STATE PARK		TOMBSTONE COURTHOUSE STATE HISTORIC PARK	
	VISITORS	CHANGE	VISITORS	CHANGE
2003	183,437	-4.3%	49,061	-23.3%
2004	203,464	10.9%	50,124	2.2%
2005	179,129	-12.0%	50,232	0.2%
2006	168,501	-5.9%	54,806	9.1%
2007	172,372	2.3%	56,106	2.4%

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

The Holy Trinity Monastery in St. David.



- **I Married Wyatt Earp**, starring Marie Osmond and Bruce Boxleitner.
- **The Frisco Kid**, starring Gene Wilder and Harrison Ford.
- **Tom Horn**, starring Steve McQueen.
- **The Sacketts**, starring Glenn Ford and Ben Johnson.
- **The Outlaw Josey Wales**, starring Clint Eastwood and Chief Dan George.
- **Monte Walsh**, starring Lee Marvin and Jeanne Moreau.
- **Cimarron**, starring Glenn Ford, Maria Schell, Anne Baxter, Vic Morrow, and Henry (Harry) Morgan.
- **Dirty Dingus Magee**, starring Frank Sinatra, George Kennedy, Anne Jackson, Lois Nettleton, Jack Elam, and Harry Carey, Jr.
- **The Life and Times of Judge Roy Bean**, starring Paul Newman, Ava Gardner, Jacqueline Bissett, Anthony Perkins, Stacy Keach, and Tab Hunter.
- **The Hanged Man**, starring Steve Forrest, Cameron Mitchell, and Dean Jagger

### The Arizona Motion Picture Production Tax Incentives Program

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

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

To be eligible for the Motion Picture Production Tax Incentives Program, the applicant must be a motion picture production company that is primarily (more

than 50 percent) engaged in the business of producing motion pictures; have a physical office and bank account in Arizona; incur Arizona production costs of at least \$250,000 in a 12-month period; and at least 50 percent of the full-time employees working in Arizona must be Arizona resi-

dents. For more information on the Motion Picture Production Tax Incentives Program, visit the Arizona Department of Commerce's website at [www.azcommerce.com/Film](http://www.azcommerce.com/Film). For information on filming in Benson, contact the Benson Visitor Center at (520) 586-4293.

## Benson Events

### Amerind Foundation

ONGOING

Check [www.amerind.org](http://www.amerind.org) for special events.

### Kartchner Caverns State Park

"ABOVE GROUND" ACTIVITIES & PROGRAMS

ONGOING

For more information call (520) 586-4121.

### Bird Watching & Hiking

ONGOING

For more information call the Benson Visitor Center at (520) 586-4293 and ask for your free Benson Bird Trail Map, or visit [www.bensonvisitorcenter.com](http://www.bensonvisitorcenter.com).

### July 4th Celebration

THURSDAY, JULY 04, 2008 at 9 AM

Benson will celebrate 4th of July starting with a parade at 9 a.m. The festivities will move to Lions Park at 10:30 for the yearly "Water Fight." After the Water Fight, there will be entertainment all day long. The fireworks show will start at about 8:30 p.m. For more information, call the Benson Visitor Center at (520) 586-4293 or visit [www.bensonvisitorcenter.com](http://www.bensonvisitorcenter.com).

### Butterfield Overland Stage Days

OCTOBER 11, 2008

Butterfield Stage Days will run all weekend and features a 10 a.m. parade down Benson's 5th Street. Post Office will offer a special postmark on Saturday, Oct. 11, to commemorate the 23rd Annual Benson-to-Dragoon Pony Express Ride during Butterfield Stage Days. The special postmark, which features the Butterfield Overland Stagecoach design will be available from 9 a.m. to noon at a temporary postal station at Lion's Park in Benson. At noon, Pony Express riders will be sworn in by Postmaster Lesley Tower to transport the mail 20 miles to Dragoon, slated to arrive at the Dragoon Post Office at 3:30 p.m. The evening will conclude with The Benson Butterfield Rodeo (Grand Canyon Pro Rodeo Circuit) at the Arena and fireworks show at about 8:30 p.m. Sunday will be a golf tournament. For more information call the Chamber of Commerce at (520) 586-2842 or visit [www.bensonchamberaz.com](http://www.bensonchamberaz.com).

### Butterfield Rodeo & Dance

OCTOBER 11, 2008 at 5 P.M.

Rodeo will start at 5 p.m. with a dance following at 8:30 p.m. For more information, call the Benson Visitor Center at (520) 586-4293 or visit [www.bensonvisitorcenter.com](http://www.bensonvisitorcenter.com).

### 9th Annual Chamber Golf Tournament

OCTOBER 12, 2008

Turquoise Hills Family Golf Center. For more information call the Chamber of Commerce at 520-586-2842 or visit [www.bensonchamberaz.com](http://www.bensonchamberaz.com).

### Biker Rodeo

OCTOBER 17-18, 2008

The Southern Arizona Harley Riders will have games for Harley riders, as well as vendors, food, and music. For more information, visit [www.sahr.org](http://www.sahr.org).

### Singing Wind Bookshop's

### Thanksgiving Fiesta of Books

NOVEMBER 17, 2008

Singing Wind Bookshop. Music by the Santa Cruz River Band. Authors and books include: Michael Blake (Indian Yell, Dances with Wolves, The Holey Road); Stephen Hirst (I am the Grand Canyon: The story of the Havasupai People); Richard Shelton (Crossing the Yard, Going Back to Bisbee, The Last Person to Hear Your Voice); Ken Lamberton (Time of Grace: Thoughts on Nature, Family, and the Politics of Crime and Punishment); Dennis Beach (Don't Throw Away Your Stick Till You Cross the River); Christine Maxa (Arizona: An Explorer's Guide, Wickenburg Adventures: The Official Backcountry Guide); Martha Egan (Coyota, Clearing Customs, Milagros); Roger Carpenter (Letters from Tucson, 1925-1927 [Ethel G. Stiffler]); Betty Barr & William J. Kelley (Arizona in the 50's [revised edition of the 1850's Memoir by Cpt. James Tevis]); Susan Clardy (Sometimes the Blues: The Letters & Diaries of Frank Hammon, a Lonely Frontiersman in Globe & Phoenix, 1882-1889); Gloria Giffords (Sanctuaries of Earth, Stone and Light: The Churches of Northern New Spain, 1530-1821). Refreshments and Valet Service. For more information call (520) 586-2425.

### Christmas on Main Street

SATURDAY, DECEMBER 13, 2008, 9 A.M. to 4 P.M.

Christmas on Main Street will be held in the downtown area of 4th Street between San Pedro and Gila. There will be sidewalk craft and food vendors, entertainment by the area school choirs, and a visit by Santa Claus. For more information call the Chamber of Commerce at 520-586-2842 or visit [www.bensonchamberaz.com](http://www.bensonchamberaz.com).

### Bluegrass in the Park

APRIL 24, 25 & 26, 2009

Hosted by the Benson Chamber of Commerce & City of Benson. A three day festival of some of the top bluegrass bands in America. There will be food and craft vendors and music workshops. For more information call the Benson Chamber of Commerce at (520) 586-2842 or visit [www.bensonchamberaz.com](http://www.bensonchamberaz.com).

# 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, and Sierra Vista, and provides an economic outlook presentation at a breakfast event hosted by the City of Douglas. 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 with the unanimous consent of the CER's economic advisory committees 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](http://www.cochise.edu/cer)) provides updated economic news, information, analyses, forecasts, and studies.

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

The CER is a member of the Association for University Business and Economic Research (AUBER), one of only two community college organizations in

the nation holding membership. In addition, the CER is a state data center affiliate, receiving and disseminating U.S. Census Bureau data to local governments and non-governmental data users at no charge or on a cost-recovery or reimbursable basis.

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

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

## 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](mailto:cer@cochise.edu)

### CENTER STAFF

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

### BENSON ECONOMIC ADVISORY COMMITTEE

Martha Bersano – Holiday Inn Express/Gas City Ltd.  
 Jim Cox – City of Benson  
 Mahlon MacKenzie – Long Realty Benson Affiliate  
 Ron McKinnon – Benson Hospital  
 Kate Mueller – St. David Unified School District  
 Bob Nilson – Benson Visitor Center  
 Martin Roush – City of Benson  
 Lisa Tompkins – Cochise College Benson Center  
 George Scott – Southeast Arizona Economic Development Group  
 Telly Stanger – Sulphur Springs Valley Electric Cooperative, Inc.  
 Debbie Thompson – Benson Chamber of Commerce  
 Dr. David Woodall – Benson Unified School District

# Cochise College resources

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



## Cochise College

### GOVERNING BOARD

Mrs. Jan Guy, Chair

Mrs. Jane C. Strain, Secretary

Dr. Michael J. Carter, Member

Dr. John M. Eaton, Member

Mr. David DiPeso, Member

### ADMINISTRATION

Dr. Karen A. Nicodemus, President

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

Mr. Kevin Butler, Vice President for Administration

Mr. Carlos Cartagena, Vice President for Information Technology

Mr. Robert Howell, Vice President for Human Resources

## Career Services Center (CSC)

The CSC provides job search skills and placement assistance to students and alumni of the college. Cooperative Education internship programs are available for students 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.

## 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](mailto: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.

Our region offers a unique combination of historical and natural attractions. Our 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](mailto:douglasr@cochise.edu); or visit the Tech Prep website at [www.cochise.edu/information/students/techprep](http://www.cochise.edu/information/students/techprep).

# Community resources

Benson Fire Department



## City of Benson

120 W. 6th Street, Benson, AZ 85602  
 PO Box 2223  
 Telephone .....(520) 586-2245  
 Fax .....(520) 586-3375  
 Website .....www.cityofbenson.com

Building Department .....(520) 586-2003 ext. 2020  
 City Clerk .....(520) 586-2245 ext. 2011  
 Finance Department .....(520) 586-2245  
 Maintenance Yard (898 N. Madison Ave.) .(520) 586-3111  
 Parks (435 N. Adams St.) .....(520) 586-9654  
 Planning & Zoning .....(520) 586-2245 ext. 2018  
 Public Works .....(520) 586-2245 ext. 2017  
 Utilities .....(520) 586-2245 ext. 2010  
 Utilities (Gas Emergency – 24 Hour) .....(520) 586-9454

## BENSON COMMUNITY/SENIOR CENTER

705 West Union Street, Benson, AZ 85602  
 Telephone .....(520) 586-2824  
 Fax .....(520) 720-6126

## BENSON FIRE DEPARTMENT

375 E. 7th Street, Benson, AZ 85602  
 Emergency .....911  
 FIRE ONLY .....(520) 586-3333  
 All other business .....(520) 586-9832

## BENSON MUNICIPAL AIRPORT

2200 W. Aviation Drive, Benson, AZ 85602  
 PO Box 1057  
 Telephone .....(520) 586-3262  
 Fax .....(520) 586-4409  
 Email .....swernaviation@ssvec.net  
 Website .....www.swernaviation.com

## BENSON POLICE DEPARTMENT

360 S. Gila Street, Benson, AZ 85602  
 PO Box 2287  
 Emergency .....911  
 Crime Check .....(520) 586-3011  
 Non-Emergency .....(520) 586-2211  
 Fax .....(520) 586-2520  
 Animal Control .....(520) 586-3600

## BENSON PUBLIC LIBRARY

300 S. Huachuca Street, Benson, AZ 85602  
 Telephone .....(520) 586-9535  
 Telephone (Meeting Room) .....(520) 586-3252  
 Fax .....(520) 586-3224  
 Website .....www.cochise.lib.az.us

## BENSON VISITOR CENTER

249 E. 4th Street, Benson, AZ 85602  
 Telephone .....(520) 586-4293  
 Fax .....(520) 586-4295

Email .....info@bensonvisitorcenter.com  
 Website .....www.bensonvisitorcenter.com

### **Benson Arts and History Museum**

180 South San Pedro Street, Benson, AZ 85602  
 Telephone .....(520) 586-3070

### **Benson Hospital**

450 S. Ocotillo Avenue, Benson, AZ 85602  
 PO Box 2290  
 Telephone .....(520) 586-2261  
 Fax .....(520) 586-2265  
 Website .....www.bensonhospital.org

### **Benson/San Pedro Valley Chamber of Commerce**

234 E. 4th Street, Benson, AZ 85602  
 PO Box 2255  
 Telephone .....(520) 586-2842  
 Fax .....(520) 586-1972  
 Email .....info@bensonchamberaz.com  
 Website .....www.bensonchamberaz.com

### **Benson Unified School District**

360 S. Patagonia Street, Benson, AZ 85602  
 Telephone .....(520) 586-2213  
 Fax .....(520) 586-2506  
 Email .....twright@bensonsd.k12.az.us  
 Website .....www.bensonsd.k12.az.us

### **Industrial Development Authority of Benson**

c/o Martin Ryan, 6262 N. Swan Rd. Suite 290, Tucson, AZ 85718  
 Telephone .....(520) 299-8117

### **Southeastern Arizona Behavioral Health Services, Inc.**

590 S. Ocotillo Avenue, Benson, AZ 85602  
 PO Box 2161  
 Telephone .....(520) 586-7080  
 Fax .....(520) 586-3163  
 Website .....www.seabhs.org

### **Cochise County Board of Supervisors**

1415 Melody Lane, Bldg. G, Bisbee, AZ 85603  
 Telephone .....(520) 432-9200  
 Fax .....(520) 432-5016  
 Website .....www.co.cochise.az.us

### **U. S. Customs and Border Protection Agency (U.S. DEPARTMENT OF HOMELAND SECURITY)**

2136 S. Naco Highway, Bisbee, AZ 85603  
 Telephone .....(520) 432-5121  
 Fax .....(520) 432-5219

### **U.S. Post Office**

250 S. Ocotillo Avenue, Benson, AZ 85602  
 Telephone .....(520) 586-9365  
 Website .....www.usps.com

### **Financial Institutions**

#### **AMERICAN SOUTHWEST CREDIT UNION**

654 E. 7th Street, Benson, AZ 85602  
 Telephone .....(520) 586-8821  
 Website .....www.americansouthwestcu.org

#### **BANK OF AMERICA**

149 W. 4th Street, Benson, AZ 85602  
 Telephone .....(520) 586-2279  
 Website .....www.bankofamerica.com

#### **NATIONAL BANK OF ARIZONA**

555 W. 4th Street, Benson, AZ 85602  
 Telephone .....(520) 586-2228  
 Website .....www.nbarizona.com

#### **SOUTHEASTERN ARIZONA FEDERAL CREDIT UNION**

182 E. 4th Street, Benson, AZ 85602  
 Telephone .....(520) 586-7095

### **Utilities**

#### **ARIZONA ELECTRIC POWER CO-OPERATIVE, INC.**

PO Box 670, Benson, AZ 85602  
 Telephone .....(520) 586-3631  
 Website .....www.aepco.coop

#### **BENSON CITY GOVERNMENT UTILITIES**

120 W. 6th Street, PO Box 2223, Benson, AZ 85602  
 Telephone .....(520) 586-2245 X2010  
 Fax .....(520) 586-9454

#### **COX COMMUNICATIONS**

150 E Wilcox Dr., Sierra Vista, AZ 85635  
 Telephone .....(520) 515-4700  
 Fax .....(520) 452-4423  
 Website .....www.cox.com

#### **SOUTHWEST GAS**

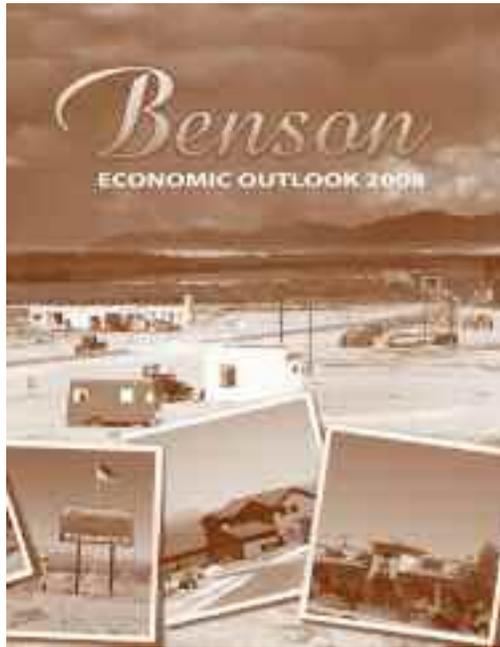
202 East Wilcox Drive, Sierra Vista, AZ 85635  
 Telephone .....(800) 428-7324  
 Telephone .....(520) 889-1888  
 Website .....www.swgas.com

#### **SULPHUR SPRINGS VALLEY ELECTRIC COOPERATIVE**

285 West 5th Street, Benson, AZ 85602  
 Telephone .....(800) 879-4327  
 Telephone .....(520) 586-2238  
 Website .....www.ssvvec.org

#### **QWEST**

134 West 4th Street, Benson, AZ 85602  
 Telephone .....(888) 508-8511  
 Website .....www.qwest.com



### **Contact the Center for Economic Research**

#### **CENTER FOR ECONOMIC RESEARCH**

**Cochise College**

**901 North Colombo Avenue**

**Sierra Vista, AZ 85635-2317**

**Phone: (520) 515-5486**

**Fax: (520) 515-5343**

**Email: [cer@cochise.edu](mailto:cer@cochise.edu)**

**Website: [www.cochise.edu/cer](http://www.cochise.edu/cer)**

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

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

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

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